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Direct dial 0115 914 8481
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Our reference:
Your reference:
Date: 3 February 2014

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 11 February 2014 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely

Executive Manager Operations and Corporate Governance

AGENDA

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 14 January 2014 (previously circulated).

Key Decisions

None

Non Key Decisions

4. Community Governance Review Edwalton – Final Recommendation

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 1 - 14).
5. Community Governance Review Shelford and Newton – Draft Proposals for Further Consultation

The report of the Executive Manager - Operations and Corporate Governance is attached (pages 15 - 30).

Budget and Policy Framework Items

6. 2014/15 Budget and Financial Strategy

The report of the Executive Manager – Finance and Commercial is attached (pages 31 - 92).

Matters referred from Scrutiny

None

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor J A Cranswick

Councillors D G Bell, J E Fearon, N C Lawrence, D J Mason

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble in the Nottingham Forest car park adjacent to the main gates.

Toilets are located opposite Committee Room 2.

Mobile Phones: For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

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**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY 14 JANUARY 2014**

Held at 7.00pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

PRESENT:

Councillors J N Clarke (Chairman), J A Cranswick, J E Fearon, N C Lawrence and D J Mason

ALSO IN ATTENDANCE:

Councillors D M Boote, S J Boote, H A Chewings, A MacInnes and G R Mallender

12 members of the public

OFFICERS PRESENT:

D Banks	Executive Manager - Neighbourhoods
A Graham	Chief Executive
V Nightingale	Senior Member Support Officer
P Steed	Executive Manager – Finance and Commercial
D Swaine	Executive Manager - Operations and Corporate Governance

APOLOGY FOR ABSENCE:

Councillor Bell

38. Declarations of Interest

There were none declared.

39. Minutes

The minutes of the meeting held on Tuesday 3 December 2013 were approved as a correct record and signed by the Chairman.

40. Update on Leisure Strategy

Councillor Fearon presented a report which detailed the work undertaken following Cabinet's decision on 15 October 2013 regarding the implementation of the Council's Leisure Strategy for West Bridgford. He stated that elements of the project had been considered by the Corporate Governance Group on 7 November and the newly formed Leisure Facilities Strategy Member Group on 18 November and 18 December 2013. By referring to the report he stated Members had been supportive of the proposals but had raised queries on the specification, consultation, resourcing and capital expenditure and the timeframe. He added that the recommendation of the Corporate Governance Group in relation to the project was set out at paragraph 3 of the report.

Commenting further he stated that the Leisure Facilities Strategy Member Group had fully considered the original proposals and were recommending a

number of variations. With regard to swimming the Group had felt that the pool should retain a family friendly aspect, with some spectator seating, which could be included within a café area. The Group did not support the inclusion of a moveable floor in the pool. With regards to the sports hall it was recognised that this area needed to be flexible to accommodate various activities; it was also noted that the design might have to change following any decisions by Rushcliffe School on the retention of any community use of their facilities.

Councillor Fearon indicated that the Member Group had considered squash provision and it was anticipated that this would remain as part of the school site, however, if not the Group recommended that this too should be included and that additional funding should be explored. In relation to gym and fitness it was considered that three studios and an 800m² gym should be provided. The Group had been tasked to consider other provision including a climbing wall, an all weather pitch, and outdoor gym space. Councillor Fearon stated that the Group believed that these were not required as there was other provision in, or close to, the Borough.

Councillor Fearon informed Members that the Working Group had carefully considered the consultation responses with regard to indoor bowling and that they were proposing a six lane solution rather than the four lanes originally proposed. He said that this was to assist in making the Club viable, although it was recognised that there would need to be a flooring solution found in order for the space to be flexible and able to be used for events, weddings etc. The Group had also considered the need for catering and had decided that a café would be necessary but there was no requirement for a permanent licensed bar, as any events could be accommodated on a temporary basis.

With regard to soft play Councillor Fearon said that the Group had not wished to retain the current Run Riot facility although it was felt that it would be beneficial to have some provision, preferably near the café if this could be accommodated within the design. Also it was put forward that snooker should be retained but only if it could be easily accommodated.

As Chairman of the Working Group, Councillor Fearon, thanked the Executive Manager – Finance and Commercial and his staff for their hard work in obtaining and collating the facts. He also wished to thank the public for engaging with the Council through the consultation exercise. In conclusion, he said that the Council was at an early stage of the project and that the next step would be to appoint architects in order that thorough costings could be considered.

Councillor Cranswick agreed that the work that had been undertaken gave the Council an outline specification for the project. It was important that the costs were evaluated to realise what activities could be accommodate.

Councillor Mason welcomed the fact that flexibility was being built into the specification. She supported the comments made that there was still a lot of work to be undertaken before a final decision was made. She was also pleased to see that the Working Group and officers had taken note of the consultation responses and that the public could be assured that their views had been taken into account.

In support of the proposals Councillor Lawrence raised the issue of further investigation of the type of pool that could be provided. He stated that the leisure pool at Rushcliffe Leisure Centre did not lend itself easily to traditional lane swimming. However it was important that any new facility was developed in such a way as to be family friendly. He proposed that the architects should consider the pool at Cotgrave Leisure Centre which encompassed both aspects.

Concluding the debate Councillor Clarke stated that this was the first stage for taking the project further and it was important to determine a specification. He agreed that the pool should have a family friendly element. With regard to squash it was important to consider the school's intention in the development of proposals. With regard to Indoor Bowling he stressed that it was important to insure the level of provision provided sufficient flexibility so that it could be used for alternative purposes should there be a fall in demand. He believed that it was vitally important that the Council achieved value for money. He said that further work would be needed to provide Members with a detailed analysis of the costs and benefits so that an informed decision could be taken to progress this project. On this basis he suggested that Cabinet should amend recommendation a) of the report in order that further be undertaken to develop the design and cost options to accommodate the Bowls and Squash components of the scheme.

RESOLVED that Cabinet

- a) Agrees the outline specification proposed by the Leisure Facilities Strategy Member Group, as detailed in Appendix 1, and requests further work be undertaken, particularly to develop the design and cost options to accommodate the Bowls and Squash components of the scheme;
- b) Notes that any expansion to the specification may result in increased capital requirements for the scheme; and
- c) Notes the results of the public, user and stakeholder consultation exercise set out in Appendix 2 of the report.

41. Development of a Co-operation Agreement for Fleet Maintenance and Garage Service Provision

Councillor Lawrence presented a report which outlined the work undertaken to explore the development of a shared service approach for fleet maintenance and garage services with Nottingham City Council. He stated that this would facilitate the planned future disposal of the Abbey Road Depot site. He reminded Members that in early 2013 Cabinet had agreed to a formal procurement process for this service. However, following a detailed analysis of the life costs of the preferred bid it was assessed that the impact to the Council would be an additional £300,000 over ten years.

Cabinet were informed that during the procurement exercise it had become apparent that an alternative shared services opportunity was possible and that this would offer significant savings over the medium to long term. Councillor

Lawrence stated that this would be achieved through greater utilisation of vehicles and the possibility of an integrated fleet management approach. This arrangement would also include the maintenance of vehicles and equipment covered by the separate StreetWise Social Enterprise project.

Councillor Lawrence explained that this arrangement would be beneficial to both councils. It was anticipated that Rushcliffe Borough Council would reduce its costs by £78,000 per annum over a ten year period and the City Council would gain an income of £40,000 per annum.

Councillor Mason supported the recommendations as this project would be very beneficial to the Council both financially and environmentally. She commended officers on the outcome of the negotiations undertaken.

Following confirmation that the agreement had been considered by the Council's legal team Councillor Cranswick supported the proposal.

RESOLVED that Cabinet

- a. Support the implementation of the proposed Co-operation Agreement with Nottingham City Council as set out in the report;
- b. Agree that it will discharge the fleet and maintenance functions for Rushcliffe Borough Council;
- c. Authorise the Executive Manager – Neighbourhoods to enter into a Co-operation Agreement with Nottingham City Council for the joint service delivery of fleet maintenance functions in accordance with the terms of the draft agreement; and
- d. Request the Executive Manager – Neighbourhoods in consultation with the Executive Manager Operations and Corporate Governance make any necessary drafting or other amendments to the terms of the agreement which are necessary to reflect the agreed arrangements but which do not materially affect the proposals outlined in this report.

42. **Support for Parishes**

Councillor Cranswick explained that Members needed to agree the level of grant support that would be provided for the parish council and special expense areas of the Borough. He reminded Members that due to the reduction to the local government taxbase, following the introduction of the Council Tax Support Scheme in 2013, many parish councils had been unable to raise the same level of funding through the Council Tax as had previously been the case. To mitigate this the Department for Communities and Local Government had allocated funding to billing authorities to establish a support scheme for the parishes. He stated that the money had not been ringfenced and therefore a local decision had to be made. For 2013/14 the Council had agreed to support 45 parishes and the three special expense areas which had been negatively affected for that year. It had allocated all of the central funding plus an additional £3,400.

Councillor Cranswick informed Cabinet that the draft local government finance settlement for 2014/15 and 2015/16 did not provide any explicit funding for parish support and therefore any allocation would be via the Revenue Settlement Grant and the assumed levels of Retained Business Rates. He stated that these amounts would be reduced from the award received in 2013/14 by 13% for 2014/15 and by a further 15% in 2015/16. It was therefore proposed that the Council would support the parishes at the original amount less the reduction of 13% and 15% over the next two years. He stated that it was necessary for Members to consider any allocation at this meeting to allow parishes sufficient time to set their budgets in line with the council tax setting cycle.

Councillor Fearon supported the proposals stating that the parishes would welcome this approach. Councillor Clarke agreed with the previous statement, however, he warned that after the two years the funding would more than likely cease and that the parishes should make their calculations on this basis. He added that they would need to start considering how they would manage the situation in the future.

RESOLVED that Cabinet adopt the 2014/15 and 2015/16 funding allocations in relation to support arrangements for Parish Councils and Special Expense Areas as outlined at Appendix1 of the report.

43. **Establishment of the City of Nottingham and Nottinghamshire Economic Prosperity Committee**

Councillor Clarke informed Members that there was a proposal to establish a joint Economic Prosperity Committee (EPC) of local authorities in the City of Nottingham and Nottinghamshire to drive future investment to assist growth and jobs in their local areas. This committee would improve joint working and decision making whilst also providing better links between the local authorities and the D2N2 Local Enterprise Partnership. It was anticipated that this would maximise access to European and Government funding for growth, which would benefit businesses and residents. Similar arrangements were being established between Derby and Derbyshire local authorities. He stated that this was a prelude to better representation on the Local Enterprise Partnership.

It was proposed that the Leader of the Council would be appointed as its representative, with the Deputy Leader as a named substitute.

RESOLVED that Cabinet:

- a) Agree to the establishment of the Economic Prosperity Committee (EPC) as a joint committee of the following local authorities: Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council, Nottingham City Council, Nottinghamshire County Council and Rushcliffe Borough Council (“constituent authorities”);

- b) Agree to the Constitution (Terms of Reference, Membership and procedures) of the Economic Prosperity Committee as set out at **Appendix A** of the report
- c) Note that any relevant powers previously delegated by the Leader/Executive to individuals or bodies are not expressly withdrawn and will be held concurrently;
- d) Appoint the Leader of the Council as the Council's representative on the EPC with the Cabinet Portfolio Holder for Resources to act as substitute;
- e) Agree to Nottingham City Council hosting the Committee and providing all necessary secretarial, legal and financial support services, (including S151 and Monitoring Officer roles) and the annual costs involved (estimated to be around £30,000), to be met in equal share by the constituent authorities, until such time as that this can be recovered in part or in whole from external funding streams;
- f) Agree that this Council's annual contribution to the cost of servicing the Committee is estimated to be around £3,300 with any expenses for subsistence or travel in relation to the attendance of councillors at meetings on EPC business being met from the existing budget provision for Members' allowances;
- g) Note that, in accordance with Section 9F of the Local Government Act 2000, constituent authorities who operate executive governance will need to make formal scrutiny arrangements to review or scrutinise decisions made in connection with the exercise of functions of the EPC and that the Council's existing scrutiny arrangements will apply; and
- h) Note that, for the reasons set out in the report, the Committee will have no powers to co-opt.

44. **Green Waste Club Scheme – Renewal Process for 2014/15**

Councillor Lawrence presented a report which outlined the renewal process for the Council's garden waste collection service for 2014/15. By referring to the report he reminded Members that the scheme had been successfully operating since the Council had introduced the charges in 2011. Even though there were 28,000 people using the service the present charges did not cover the total costs for running the service, especially as consumables had increased. It was therefore proposed to increase the fee to £30 for the first and £15 for each additional wheeled bin. This would bring the fee in line with charges made by other local authorities and would bring the service back towards a cost recovery basis.

Councillor Mason stated that this was an opportune time to consider the fee as it had remained static since the scheme's introduction. She believed that it still represented very good value for money for residents, especially as other authorities charged between £30 and £69. This was evidenced by the large number of people who had joined the scheme.

Councillor Clarke stated that this was a valuable service that represented good value for money. He highlighted the Council's recent decision to deliver this service to part of the Newark and Sherwood area at a fee of £30. He believed that, in the future, the Council could offer the same arrangement to other areas.

RESOLVED that Cabinet endorse the renewal process for the Green Waste Club Scheme 2014/15.

The meeting closed at 7.35 pm.

CHAIRMAN

Report of the Executive Manager - Operations and Corporate Governance

Cabinet Portfolio Holder – Councillor J A Cranswick

Summary

This report sets out the recommendation of the Community Governance Review Member Group, which met on 23 January 2014 to consider responses to the second stage of consultation undertaken as part of the Community Governance Review of Edwalton.

Recommendation

Cabinet is asked to consider:

- a) the results of Stage 2 of the consultation, which, following Stage 1 of the consultation, asked residents of Edwalton Village Ward to vote on the recommendation of the Member Group **not** to establish a parish council in Edwalton,
- b) the recommendation of the Community Governance Review Member Group **not** to establish a parish council in Edwalton.

Background

1. Following submission to Council of a valid petition in September 2012, a Community Governance Review, as set out in the Local Government and Public Involvement in Health Act 2007, has been carried out. It called for the formation of a parish council in the currently un-parished ward of Edwalton Village. As part of the first stage of the review the Council was required to consult local people and this was undertaken from 24 June to 16 August 2013 following reports to Cabinet (11 June 2013) and Council (20 June 2013) outlining the process.
2. The initial consultation period received a total of 397 responses giving a response rate of 12.6%. The 397 responses represented 320 of the 1,800 households who received a leaflet. Of the 397 individual responses; 265 respondents answered YES to the question 'would you like to see a parish council created for Edwalton' and 125 respondents answered NO to the question (7 did not answer YES or NO, but provided comments). Taking into account relevant factors, especially the low response rate to the consultation (87.4% did not respond to the consultation), the Member Group recommended that a Parish Council for Edwalton should not be created.

3. There then followed a second period of consultation, where the electorate were asked to express their opinion and submit comments on the Member Group's recommendation that no parish council should be set up. The second stage of consultation ran from 25 October to 13 December 2013.

Stage Two Consultation

4. Stage two consultation leaflets were sent to all 1,800 households in the area. A copy of the consultation leaflet and questionnaire has been included for information at **Appendix 1**.
5. The consultation period ran from 25 October until 13 December 2013 and a total of 399 responses were received. This gives a response rate of 13% of the electorate in the Edwalton Village Ward (399 of the 3,145 electors). In some instances the response sheet was returned as 'Mr and Mrs' and these have been recorded as two responses.
6. The 399 responses represented 322 of the 1,800 households who received a leaflet. These were spread across the whole of the Edwalton Village Ward.
7. Of the 399 individual responses:
 - 297 respondents **agreed** with the Council's draft recommendation not to establish a parish council in Edwalton.
 - 102 respondents **disagreed** with the Council's draft recommendation not to establish a parish council in Edwalton.

Breakdown of responses as a percentage of all responses:

Opinion	Number of responses	As a % of responses
Agree with Council's recommendation	297	74.4%
Disagree with Council's recommendation	102	26.6%

8. There were potentially 3,145 residents of Edwalton Village Ward who could have responded to the leaflet delivered to each household. The response rate equates to the following:

Breakdown of responses as a percentage of electorate:

Opinion	Number of responses	As a % of electorate
Agree with Council's recommendation	297	9.4%
Disagree with Council's recommendation	102	3.2%
No response	2746	87.3%

Consultation Comments

9. Of the 399 responses a total of 119 respondents made written comments, some of whom gave more than one comment. A full list of comments provided by the respondents is set out in **Appendix 2**. The comments clearly fall into

two groups – those who agree with the recommendation and those who disagree. The majority of comments from those who disagree are connected to the low response rate not being a sufficient basis on which to make a decision.

Next Steps

10. Recommendations made by Cabinet will be referred to Council for approval in March 2014.

Financial Comments

As previously reported to Cabinet, the costs associated with a new parish council can only be established when the nature of its activities and the level of support required to deliver these e.g. associated salaries, premises, and any assets that might be transferred to its possession are determined.

Currently West Bridgford residents (including Edwalton) pay a special expense element in their Council Tax which is similar to a parish precept.

As a result it is difficult to estimate the potential impact of a parish council on the West Bridgford special expense or any parish precept without clarity on the services and facilities assigned to, and adopted by, the new parish council. Therefore the potential value of a precept and the wider impact with regards to the West Bridgford special expense area is not clear at this time.

Section 17 Crime and Disorder Act

None

Diversity

None

Background Papers Available for Inspection:

Cabinet Report 11 June 2013
Council Report 20 June 2013
Cabinet Report 15 October 2013



What is a parish council?

Parish councils are the most local level of elected local government which represent the interests of their community and are funded through an additional charge added to council tax bills, which is called a 'precept'.

Many town and parish councils are involved in local matters such as planning, licensing, managing town and village centres and providing community halls.

Will it cost me anymore than I pay now?

The amount of charge is something that each parish council has to decide for itself and it depends on what services and facilities it provides. Parish councils can also apply for grants and loans.

The following table provides examples of parish precepts within the Rushcliffe Borough Council area and also gives the size of the electorate. The charge shown is for the annual charge for Band D properties and is in addition to the Council Tax.

Edwalton Village Ward residents are currently charged the West Bridgford special expenses precept. There are 3,145 electors in Edwalton Village Ward.

Parish	Parish size (electorate)	Annual precept	Weekly precept
Bingham	7,343	£72.23	£1.39
East Leake	5,154	£64.35	£1.23
Radcliffe on Trent	6,628	£84.62	£1.62
Sutton Bonington	1,731	£36.24	£0.70
Tollerton	1,533	£33.82	£0.65
West Bridgford special expenses	29,438	£54.68	£1.05

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19 October 2013

To all households in Edwalton Village Ward

Dear Resident

How Edwalton will be governed in the future...

In June 2013 we wrote to tell you that Rushcliffe Borough Council had received a petition from residents asking for a parish council to be established in Edwalton. By law the Council had to carry out a review of how decisions are made in the area by doing what is called a 'Community Governance Review'.

Part of this process was to ask local people whether they would like to see a parish council set up in Edwalton. The consultation closed on 16 August 2013.

I am now writing to let you know:

- What you told us
- What the Borough Council is doing with the results
- How you can have your say on the next stage in the process.

More details about the review and the consultation are available on the Council's website: www.rushcliffe.gov/edwalton |

Yours sincerely

Daniel Swaine
Executive Manager - Operations and Corporate Governance
(Monitoring Officer)

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Did you want a parish council for Edwalton?

What you told us

Residents in Edwalton were asked if they would like to see a parish council created for Edwalton. Over 1,800 leaflets were delivered to households, businesses and community groups in the area. Information was also on the Council's website and in Rushcliffe Reports and the Evening Post.

- 12.6% of residents responded to the consultation
- 8.4% of residents said 'yes' they would like to see a parish council in Edwalton
- 4% of residents said 'no' they would not like to see a parish council
- 0.2% did not have a view
- 87.4% residents did not respond to the consultation.

What is the Council doing with the results?

The Council has considered all of the responses and comments. The Council's view is that the low response rate to the consultation shows that there is not enough support for a parish council.

Therefore it is recommending that no parish council should be set up.

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What happens now ...

The next part of the review is to ask if you agree with the Borough Council's recommendation not to set up a parish council in Edwalton.

How do I have my say?

By completing the attached form and returning it in the prepaid envelope. Every person over 18 can have a view. Please use additional sheets if you need to.

Alternatively you can

- Use our online response form at:
www.rushcliffe.gov.uk/edwalton
- Send an email response to:
consultation@rushcliffe.gov.uk
- Submit written comments to the Democratic Services Manager, Rushcliffe Borough Council, Civic Centre, Pavilion Road, West Bridgford, www.rushcliffe.gov.uk, Nottingham, NG2 5FE.

Even if you signed the petition and/or replied to the first round of consultation it is important that you tell us what you think now.

Please note that the CLOSING DATE for comments is 13 December 2013. Any comments received after that date may not be considered. The responses to the consultation will be considered by the Council and a final decision will be made in March 2014.

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Have Your Say on the Borough Council's recommendation

As we can only consider the views of people who are affected by this proposal, please include your name, address and postcode in any response.

Name.....
Address.....
Postcode

The Borough Council has considered all of the responses to the consultation on whether to set up a parish council in Edwalton.

The Council recommends that **no parish council should be set up.**

Please tick one of the boxes below

Do you agree with the Council's recommendation?

Do you disagree with the Council's recommendation?

Please enclose additional responses from other members of your household on a separate sheet of paper and return in the same envelope, so that all views can be listened to.

Even if you signed the petition and/or responded to the first consultation you can submit your view again.

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Please provide any comments on this proposal, or any alternative suggestions you would like to be considered by Rushcliffe Borough Council about setting up a new parish council for Edwalton.

Please note all responses will be available for public inspection.

All responses must be received by the Council no later than 13 December 2013.

Any comments received after that date may not be considered.

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Open Comments from Stage Two Consultation

Number	Response Text
1	<p>Disappointed that precept is based on non replies, this assumes that they are all resistant to change rather than being apathetic.</p> <p>More credibility should be given to those who do have a view and of these 2/3rds wished for a change!</p> <p>Why is this not taken in to account? It seems that people who are concerned and take an interest are ignored in the process which seems to be a ridiculous situation.</p> <p>What will happen now? This will also be ignored I assume! So much for democracy</p>
2	<p>I thought we lived in a democracy. 8.4% want a Parish Council, 4% do not want a Parish Council therefore 50% more of those who voted want a parish Council.</p> <p>So our democratically voted Rushcliffe Council decide to go with the apathetic council majority who did not vote - how convenient.</p> <p>When we vote for Rushcliffe Councillors no consideration is taken for the apathetic non-voters. The winning candidate is the one who receives the most votes.</p> <p>Please explain why a democratically elected council want to make a decision based on a dictatorship, not a democracy.</p> <p>If the vote had been the other way around guess your response would have been the same but with entirely different reasons. Can that be legal? Reminds me of a Council with the attitude "heads I win, tails you lose"</p>
3	<p>I thought we lived in a democracy. 8.4% want a Parish Council, 4% do not want a Parish Council therefore 50% more of those who voted want a parish Council.</p> <p>So our democratically voted Rushcliffe Council decide to go with the apathetic council majority who did not vote - how convenient.</p> <p>When we vote for Rushcliffe Councillors no consideration is taken for the apathetic non-voters. The winning candidate is the one who receives the most votes.</p> <p>Please explain why a democratically elected council want to make a decision based on a dictatorship, not a democracy.</p> <p>If the vote had been the other way around guess your response would have been the same but with entirely different reasons. Can that be legal? Reminds me of a Council with the attitude "heads I win, tails you lose"</p>
4	<p>A common sense decision, we do not need an extra layer of bureaucracy</p>
5	<p>I consider that the level of response you received to be very disappointing.</p> <p>In the circumstances there is no alternative but to agree with your recommendation</p>
6	<p>I believe a Parish Council will bring together the many people who believe in working together for the common good, as I do</p>
7	<p>Please note that the tick in the disagree with the Councils recommendation represents THREE residents in the household</p>
8	<p>Please note that the tick in the disagree with the Councils recommendation represents THREE residents in the household</p>

9	Please note that the tick in the disagree with the Councils recommendation represents THREE residents in the household
10	An extra level of government is not required
11	<p>The needs of the residents in Edwalton are diverse.</p> <p>Needs in Edwalton are different from them of West Bridgford, as a village on the edge of the green belt land, not a town.</p> <p>I would like to make a parish council included in planning, social attitudes for young and old, footpath maintenance etc.</p>
12	<p>I agree that the Councils recommendation was correct solely on the best of the poor response by the residents</p> <p>The Parish Council is the most democratic form of local government and the opportunity to create this institution in Edwalton should not be lost.</p> <p>The poor response by the residents to the initial enquiry is most disappointing. We would welcome a re-run of the enquiry</p>
13	<p>I agree that the Councils recommendation was correct solely on the best of the poor response by the residents</p> <p>The Parish Council is the most democratic form of local government and the opportunity to create this institution in Edwalton should not be lost.</p> <p>The poor response by the residents to the initial enquiry is most disappointing. We would welcome a re-run of the enquiry</p>
14	A further tier of government is entirely unnecessary and will cost money.
15	A further tier of government is entirely unnecessary and will cost money.
16	<p>There are numerous voluntary groups within Edwalton built up over many years. South Notts Flower Club, Local History Society, Drama Groups, Ladies Fellowship, Bridge Club, Edwalton Football Academy, Boys Brigade, Brownies, Gardening Club, Tea Room Dance sessions, Friendship Club, Probus Club, Mothers Union, Toddler Groups along with No 3 Churches and there associated activities.</p> <p>We are more than represented by two Borough Councillors and I fail to see what another tier of local government can offer</p>
17	<p>We are adequately represented by two elected representatives on RBC and fail to see the need for another tier of local Government. Creating a separate Parish Council for Edwalton would set a precedent for another ward in West Bridgford. Compton Park, Trent Bridge, Abbey Wards etc</p> <p>There are numerous voluntary groups in Edwalton along with number 3 Churches which could be a communication link with the Borough Council for consultation purposes.</p> <p>Having lived in Edwalton Village for 40 years I do not feel that a parish council for Edwalton would serve and additional service to the community</p>

18	<p>You ask for views on the vote, I am sad but not surprised at the lack of interest in the premium purpose. Folk tend to only comment when they find something to complain about. Perhaps Council could have avoided the word govern in the approach made then and indeed now. I am sure that represent would be more acceptable.</p> <p>Do you see yourselves in a more powerful role? Remember the old days of the man who watched another drown in the river. He reported the event to the police who wanted to know why he had not tried to save the man, he replied I did, I shouted give me your hand but he didn't. The officer replied you should have tried "take my hand". WORDS WORDS WORDS!!!</p> <p>As to small numbers of response we could fall back on the bible and remember the tale of I think Joshua who bid 10,000 to drink from a river. All but 300 sipped direct while they cupped hands. These chosen few went on to storm the coast of Jericho. These in that City (village in today's term) had no idea how the vote went. And i think 84 out of 100 is better than 300 out of 10,000 in any case. Of course you may not want Jericho to fall!!!</p> <p>Best wishes for future polls (I'll put money on 8.4%)</p>
19	<p>Whether you agree with the decision or not, the questionnaire was so poorly designed and presented as to make its outcome both predictable and meaningless. The low response rate was more a function on the poor questionnaire than the views of the electorate. especially -</p> <ol style="list-style-type: none"> 1) "The Occupier" suggest it is junk mail 2) Almost complete lack of explanation on its subject 3) suggestion that it would cost more without any inclusion on benefits <p>These are more common which would form the basis of a formal complaint if they are not addressed by yourselves</p>
20	I do not believe that Trevor Road is part of Edwalton
21	<p>A low response rate to the consultation does not necessarily show that there is not enough support for a Parish Council, as the leaflet states. There could be a range of reasons for the low response.</p> <p>Have RBC considered using radio, East Midlands today, noticeboards, eye catching envelopes etc. reminder letters could have a plus response rate. I could go on...</p>
22	Enough is enough! I am quite happy with the service from Rushcliffe
23	We feel that Edwalton always gets considered as an afterthought or changes that are made e.g. refurbishment of Edwalton Park seem inferior to those done in West Bridgford. A local Council would help prevent this.
24	Disappointed about response. Do people want democracy?
25	<p>Is 8.4% said yes and 4% said no, how can you object it? What about democracy.</p> <p>The 87.4% who did not respond have no say in it now. The non-voted in a ballot do not count</p>
26	Delighted that the Council recommends that no Parish Council should be set up. The Council are clearly smarter than I had expected
27	As 66% of people had voted for a parish council, their views should be respected and the Council should reverse their decision
28	Cannot see the point of adding another layer of bureaucracy (elected or not) when in my view the Borough Council are doing a magnificent job

29	Many people in Greenacre now own previous Council properties, and have spent thousands of pounds. Improving at the same. A visit by the council will see the enthusiastic and creative work that has been done in Greenacre, despite the huge number of anti-social occupations of late. People of Edwalton should view how Tollerton Village is a shining example of the work the Council does, working for the aged, youth friendship clubs, weekly crazy drives, organised day trips, shopping trips, health clubs, everyone catered for at first hand. Finger on the pulse on litter, dog fouling, litter and general shabbiness.
30	1) An additional layer of administration and its costs is undesirable 2) 8.4% of residents does not constitute a compelling body of opinion 3) Edwalton is adequately represented by its Borough Councillors
31	Completely unnecessary. Waste of time and money.
32	As I said in my earlier response I am in favour of a parish council for Edwalton. We have two Borough Councillors but I doubt whether many residents know who they are, and they don't seem very active in Edwalton. My main objection to the recent proposals that Edwalton and its boundaries may be subject to change. The historic Edwalton Parish should be the subject of a parish council, not an artificial political area like a council ward. I shall be very willing to supply a copy of the entire Edwalton parish if you want it!
33	There is no desire from 87.4% of the Edwalton residents for yet another layer of government.
34	My view is that Rushcliffe Borough Council is working very well as to date, and see no point in a Parish Council being set up
35	It is too late to have a parish council. The only local issue of importance has been decided against local wishes (the Sharpill development) nothing else matters
36	This decision is made when 87.4% of residents did not respond to the consultation
37	Over 50% of the respondents wanted a parish council
38	I agree that there is no mandate to set up a Parish Council, and feel that the system should remain as now
39	I totally agree with the Council's recommendation - enough said - don't waste any more time on this.
40	I agree entirely with the Council. Please don't spend too much time/council tax payer money on minority whims which are of little interest to most local residents.
41	The cost has not been justified and only a tiny minority are pushing for it
42	Not worth the extra cost
43	Doesn't seem any point in a Parish Council and it will only add to our rates which are expensive enough
44	The Council's tame acceptance of the extent of development deserves as much resistance as it can get and a parish council can only add to local feeling
45	There are no problems with what is in place at present. Please leave alone
46	It is ridiculous, it is bad enough having a tier system with NCC

47	A Parish Council at present will be too expensive to operate and be an unnecessary burden to financially maintain at the present time
48	Local people should have an official say in any decision affecting their lives and life styles.
49	Unfortunately I have to agree with the Council as it appears that not many people could be bothered to give an opinion and therefore don't care
50	<p>My original objections still stand, and this exercise has already cost money (contrary to the claim of the self-appointed Edwalton Council)</p> <p>1) No identifiable area how</p> <p>2) Additional layer of local government will be costly</p> <p>3) Already existing village organisations serving local needs</p> <p>This reply comes from an individual who served as a Parish Council locally for 20 years</p>
51	I strongly agree with your decision not to establish a parish council. There is absolutely no justification for having an additional layer of local government. Further costs are not needed at the present time.
52	We need a stronger voice against the Sharphill Woods project. I don't believe the residents views were taken on board.
53	Despite the wording of the consultation letter, it will cost pensioners money. I for one am born and bred in West Bridgford and do not relish the idea of a change in boundary and a reduction in local funding as a result. Why try to break something that isn't broken
54	It appears from the result of the poll that there is a general apathy towards the proposal
55	Having served on both parish (Keyworth) and borough (Rushcliffe) councils I am sure that a borough council alone is sufficient for Edwalton
56	I was Chairman of Derby South many years ago. The councillors under my control held monthly clinics in the various wards mainly to assist the elderly if they require help. I was a member of our own parish council and I feel it could be of more help to the elderly but my suggestions fell on stony ground. However, a well-run parish council is, if well run, a very useful thing to have
57	The fact that nearly 90% did not bother to respond to the consultation reflects the general view that few residents could not care less and there is no need for a parish council
58	Did not receive the first leaflet. We are a family of 5 people...4 people above 18 years of age. All 4 persons are in favour of set up of parish council
59	Did not receive the first leaflet. We are a family of 5 people...4 people above 18 years of age. All 4 persons are in favour of set up of parish council
60	Did not receive the first leaflet. We are a family of 5 people...4 people above 18 years of age. All 4 persons are in favour of set up of parish council
61	Did not receive the first leaflet. We are a family of 5 people...4 people above 18 years of age. All 4 persons are in favour of set up of parish council
62	Be more in touch and tailored to local needs
63	The whole process has been a total waste of money and time when the view of most people are not interested in the proposal
64	I think that the advantages of being part of the larger community of West Bridgford are more important

65	As we have a West Bridgford address and postcode we would not be prepared to pay any money to an Edwalton parish council. We live in West Bridgford and don't understand why we would have anything to do with Edwalton
66	As we have a West Bridgford address and postcode we would not be prepared to pay any money to an Edwalton parish council. We live in West Bridgford and don't understand why we would have anything to do with Edwalton
67	With such a poor response the Council had to decline the proposition
68	With such a poor response the Council had to decline the proposition
69	We would very much like to see a Parish Council set up in Edwalton
70	If Rushcliffe Borough Council did a good job, then it wouldn't be necessary to set up a parish council. But as it is, they do an appalling job of running the borough. They need someone to challenge their wastefulness other than an individual who they are quite happy taking taxes but don't listen and don't provide a good enough service
71	On planning issues the Council does not take into consideration the view of the local people - perhaps a parish council will improve this situation
72	I don't want to pay an additional tax for an unnecessary parish council
73	Having a parish council for Edwalton adds another layer in the chain and inevitably costs are incurred. Their power is limited. I am reasonably happy with RBC's aims and services provided
74	I am dismayed at the Borough Council asking this question for the 2nd time. The question was asked and residents voted over 2:1. That should have been sufficient.
75	I strongly suspect that RBC has its own reasons for not wanting a parish council in Edwalton. However, local issues need local people to act on them, therefore it is a good idea
76	Cannot see the necessity for Edwalton Parish Council
77	Cannot see the necessity for Edwalton Parish Council
78	I note that 2/3 of those responding were in favour although the low turnout is disappointing. This reflects the low level of promotion of the survey which largely relied on leaflets, many of which will have been treated as junk mail. Few visit the Council's website just for interest and few visit the Evening Post. I wonder how many actually read Rushcliffe Reports? Had it been pushed more, there would have been greater response
79	I pay enough Council Tax as it is
80	We live in a democracy; people who don't vote cannot dictate how a council comes to a decision. The turn out to council elections that is not that huge
81	I agree the Council cannot proceed with such a poor response to the consultation. However I still would like and support a parish council in Edwalton if there were to be a review of this position in the future.
82	Of the votes cast there was an overwhelming majority for the proposal. The Borough Council are choosing to ignore this vote and the clear wishes of the Edwalton residents to have a local (rather than West Bridgford) say in local matters. My impression is that West Bridgford could not care less about Edwalton (apart from collecting the money). So if the Borough Council still refuses to allow the creation of a Parish Council. Then the West Bridgford special expenses precept should not be levied on Edwalton residents.

83	<p>All of the residents of Edwalton had the opportunity to respond to the proposal.</p> <p>87.4% of the residents had no strong view whether or not a Parish Council should be created and did not respond. This indicates that they would accept view of the voting majority.</p> <p>Of those that voted there was a very significant majority for the proposal. This democratic decision should not be ignored and a Parish Council should be created</p>
84	I consider the local borough council is adequate and satisfactory
85	Edwalton should not be subsumed by West Bridgford
86	Edwalton should not be subsumed by West Bridgford
87	As there was so little response to the earlier consultation, it is obvious that most people do not have a strong opinion on the matter. This seems to be an expensive operation considering the financial problem the Country has and the money would have been better spent on essentials.
88	As there was so little response to the earlier consultation, it is obvious that most people do not have a strong opinion on the matter. This seems to be an expensive operation considering the financial problem the Country has and the money would have been better spent on essentials.
89	I agree with the Council, It's not a necessarily an estate, not been taken in to consideration
90	The yes vote represented 67% of those who voted. In any other election this represents a win, why not this one? Just because people abstain is not good enough reason to say no, how do MP's get voted in then?
91	I am content; I see no reason to make any changes.
92	I pay more than enough Council tax as it is and do not wish to have any more expenses added to it. More committee means more waste of our (public) money.
93	I voted in favour of setting up a parish council. However, given the pitifully low turnout, there is clearly no reason to believe it would be viable
94	A change cannot be recommended on the basis of a response rate of 12.6% even though 2/3rds of those responding wanted change
95	This Council is run by Tories and not everyone likes the liars and con men
96	It was a daft idea in the first place
97	Common sense has prevailed.
98	Do not need another tier of government
99	If 227 responded and 151 of them supported a Parish Council, I feel there will be more than enough interested people to run an effective Council given the small geographical area and population size
100	Reponses are too few to the meaningful. It would become the hobby of a select few.
101	Surely in a democracy the views of those who bothered to vote in the consultation should have precedence? If the same principle (that a low response indicates a lack of support for a Parish Council) was applied to local Elections. the results would be declared invalid
102	With the low response it shows there is not enough interest to support a Parish Council
103	I do not agree with the Council's recommendation.

104	I do not agree with the Council's recommendation.
105	In view of the level of response I find it difficult to go against the council decision
106	Parish Council will be more responsive to local needs. It should manage finances better. Parish Council may lead to more of a sense of community
107	I think you should consider having a public meeting which will show how much support there is.
108	I think you should consider having a public meeting which will show how much support there is.
109	There are enough councils already and extra money out of rate payers threshold would be a great burden, and a waste of money. I say no to Parish Councils
110	Edwalton would benefit from a Parish Council to determine more local issues for example recycling on street. the apathy of other residents shouldn't effect rights of those who were interested in the idea
111	I believe that Rushcliffe Borough Council does an adequate job in Edwalton and therefore it need not be changed. I consider that there are a few "upper-crusts" in Edwalton who would like to run things in Edwalton, but I believe that this would be costly to us all in the long run. Therefore leave Edwalton alone.
112	We think a Parish Council would benefit the Edwalton community by having a body to consult and act on the community's behalf. Especially with the proposed development at Sharphill. Up to now the resident's voice has not been listened to.
113	Many people do not understand what a parish council does and therefore will not have bothered to reply. The leaflets delivered did not explain there would be no additional cost (we would no longer need to pay the West Bridgford special expenses) I do not see why the council has the right to veto as the 8.4% of residents could happily run a parish council and ensure local voices are heard rather than being considered with West Bridgford all the time (the areas have very different issues)
114	No need for a parish council. A lot of people would not want to pay more Council Tax to fund this pointless layer of bureaucracy and the level of responses support this
115	Just another introduction to another taxation, which will have an annual upwards review
116	Council Tax is too high already
117	As there is such a limited response to the survey, it certainly appears there is not enough support for a parish council, therefore I agree with the Council's decision.
118	As there is such a limited response to the survey, it certainly appears there is not enough support for a parish council, therefore I agree with the Council's decision.
119	We need fewer tiers of governance, not more.

Report of the Executive Manager - Operations and Corporate Governance

Cabinet Portfolio Holder – Councillor J A Cranswick

Summary

This report sets out the recommendation of the Community Governance Review Member Group, which met on 23 January to consider responses to the consultation undertaken as part of the Community Governance Review of Shelford and Newton.

Recommendation

Cabinet is asked to:

- a) consider the recommendation of the Community Governance Review Member Group to establish separate parish councils for Shelford and Newton; and
- b) confirm its support for the arrangements for the second stage of the consultation.

Background

1. The Community Governance Review, as set out in the Local Government and Public Involvement in Health Act 2007, is being carried out following receipt in June 2013 of a valid petition from residents of Shelford and Newton. It calls for the cessation of the current single parish council which serves both villages, and for the establishment of two separate parish councils; one for each village. As part of the first stage of the Review the Council is required to consult local people and this was undertaken from 30 September to 29 November 2013 following reports to Cabinet (10 September 2013) and Council (26 September 2013) outlining the process.
2. Cabinet at its meeting on 10 September 2013 extended the terms of reference for the cross party Member Group which had been established to consider the Community Governance Review for Edwalton to include Shelford and Newton. A summary of the consultation responses is set out in **Appendix 1**, and a transcript of the submitted comments is attached as **Appendix 2**. The Member Group, chaired by Councillor Cranswick, met on 23 January 2014 to consider the consultation responses and to determine whether or not to recommend that separate parish councils be established for Shelford and Newton. The Member Group's recommendation is set out in this report for consideration by Cabinet prior to a second round of consultation being undertaken from 17 February 2014.

Views of the Community Governance Review Member Group

3. At its meeting on 23 January 2014, the Member Group considered the consultation responses and whether separate parish councils should be established for Shelford and Newton. In considering the matter the Member Group took account of the following:
 - 400 leaflets and a questionnaire were posted to households in Shelford and Newton parish, and a further 23 to businesses and community groups
 - Respondents could also reply online via the Council's website
 - 624 electors and residents of Shelford and Newton parish are potentially affected by the review
 - the original petition submitted triggering the review contained 298 valid signatures representing 48% of the electorate
 - 197 (31.6%) of the electorate responded to the consultation
 - 180 said 'yes' they would like to see separate parish councils
 - 17 said 'no' they would not like to see separate parish councils
 - as a percentage of the total electorate 28.8% said yes and 2.7% said no
4. The Member Group recognised that 31.6% of the electorate had responded to the consultation. They discussed whether this indicated sufficient support for the establishment of separate parish councils. The Group also considered whether separate parish councils would provide convenient and effective local governance for Shelford and Newton.
5. As part of its deliberations the Member Group also considered:
 - possible names for the separate parishes, should it be decided that they are to be set up
 - whether or not the separate parishes should be warded
 - if separate parish councils were to be established there was likely to be a cost implication in terms of parish precepts
 - how many parish councillors each council should have
 - comments from respondents, which were grouped into common themes
 - the purpose of the consultation was to inform residents' responses and not to influence how they may choose to reply.
6. In conclusion, and having considered all the information, the Group believed that the response rate indicated that there was strong support for the establishment of separate parish councils for Shelford and Newton. Therefore, it is recommended to Cabinet that separate parish councils should be established and consequently the next round of consultation would be undertaken on this proposal. The Group resolved that:

- i. having considered the consultation responses, including comments, they believed that there is sufficient level of demand evidencing community support for the establishment of separate parish councils for Shelford and Newton
- ii. they were confident that the establishment of separate parish councils would provide convenient and effective local government
- iii. the names of the new parishes should be 'Shelford' and 'Newton' respectively
- iv. the parish councils should have the following numbers of councillors: 5 for Shelford and 9 for Newton
- v. The boundary for the parishes should be as per the map at page 30 within Appendix 3 and due to their size the parishes should not be warded.

Next Steps

7. Cabinet are asked to consider the Member Group's recommendation in order to determine the proposal upon which a second round of consultation will be undertaken between 17 February and 11 April 2014.
8. In line with the requirements of the Community Governance Review process the second round of consultation will involve:
 - A further leaflet and questionnaire being sent to every household in the petition area, along with businesses and community groups (the proposed leaflet, questionnaire and map is attached as **Appendix 3**). The purpose of this is to gauge residents' views on the Council's proposal which came from its consideration of responses to the first round of consultation;
 - Information on the process being available on the Council's website and an online questionnaire being available to complete and submit
 - Relevant press releases
9. The consultation will ask whether residents agree with the Council's recommendation to establish separate parish councils in Shelford and in Newton.
10. The responses to this second round of consultation will then be considered by the Member Group in May, at which time they will make a final recommendation for the Community Governance Review. This will then be reported to Cabinet (May 2014) and Council (June 2014) in due course.

Financial Comments

It is recognised that there are potential additional costs associated with the establishment of a parish council. The level and detail of these costs are something that would be determined by the parish council at the time a decision was made on its establishment. It will be the responsibility of the parish council to determine the nature and level of its costs which will be linked to its activities and the level of support required to deliver these e.g. associated salaries and premises.

At this point it is difficult to reconcile the potential impact of separate parish councils on any parish precept. This is because it is not clear what separate parish councils would be responsible for. Therefore the potential value of a precept is not clear at this time.

If separate parish councils were to be established the Borough Council is responsible for ensuring that budgets are prepared and agreed for the parish councils to administer once they are elected. As such it is likely that the Borough Council would have to arrange and adopt the initial parish precepts on behalf of the new parishes at an appropriate time.

Section 17 Crime and Disorder Act

None

Diversity

None

Background Papers Available for Inspection:

Cabinet Report 10 September 2013

Council 26 September 2013 - Community Governance Review – Shelford and Newton

Summary of Consultation undertaken on the Community Governance Review of Shelford and Newton

Consultation

1. There were two aspects to the consultation: direct consultation with those in the Shelford and Newton Parish and indirect consultation which was open to anyone in the Borough.

Direct Consultation

2. The main focus of the consultation stage was the delivery of a leaflet and questionnaire to every household in Shelford and Newton Parish. Approximately 400 leaflets were delivered to 624 electors as agreed by Council in the terms of reference for the review. 23 leaflets and questionnaires were also delivered to businesses and community groups. The leaflet explained what a community governance review is and asked the question:

Do you want the existing parish council for Shelford and Newton to be split into two separate parish councils?

3. Respondents were also asked to provide any comments on the proposal or any alternative suggestions they would like to be considered. A postage paid envelope was included with each leaflet.
4. Where necessary householders were asked to enclose additional responses from other members of their household on a separate sheet and return them in the same envelope. The leaflet stated that all responses would be available for public inspection. Residents could also respond via online survey, consultation email or traditional letter.

Indirect Consultation

5. The consultation was open to residents of the Borough with an interest in the review through the Council's website.
6. As required by the legislation, the County Council were informed that the Council were undertaking a Community Governance Review and were invited to comment.

Consultation responses

7. The consultation period ran from 30 September 2013 until 29 November 2013 and a total of 197 responses were received.
 - 197 people returned the questionnaire including 2 businesses or community groups
 - None responded on line via the Council's website
8. This gives a response rate of 31.6% of the electorate in Shelford and Newton Parish (197 of the 624 electors). In some instances the response sheet was returned as 'Mr and Mrs' and these have been recorded as two responses.

9. The 197 responses represented 145 of the 435 households who received a leaflet. These were spread across the whole of Shelford and Newton Parish.
10. Of the 197 individual responses:
- 180 respondents answered YES to the question 'Do you want the existing parish council for Shelford and Newton to be split into two separate parish councils?'
 - 17 respondents answered NO to the question

Breakdown of responses as a percentage of all responses:

Opinion	Number of responses	As % of responses
Yes	180	91%
No	17	9%

11. There were potentially 624 residents of Shelford and Newton Parish who could have responded to the leaflet delivered to each household. The response rate equates to the following:

Breakdown of responses as a percentage of electorate:

Opinion	Number of responses	As % of electorate
Yes	180	28.8%
No	17	2.7%
Not responded	427	68.4%

Consultation Comments

12. Of the 197 responses a total of 58 respondents made comments, some of whom gave more than one comment.

'Yes' response comments

13. The comments from those who responded to the question saying they would like separate parish councils are grouped into common themes as set out below. In addition 3 people responded agreeing to the proposal, but with concerns about the amount of precept they would have to pay

	Theme	No. of respondents*
a.	The two villages have different needs and issues due to Newton's increase in size	38
b.	Miscellaneous	10

Some respondents gave more than one comment

'No' response comments

14. There were 7 comments not in favour of separate parish councils, although they were all slightly different so were classed as miscellaneous i.e there were no common themes.

Transcript of Comments Received from Respondents

24. Newton will soon dwarf Shelford in size. The two villages have very different issues
25. As Newton is fast becoming a large village with recent residential developments doubling the size I feel Shelford is too far away to be aware of the issues we're beginning to face and a separate parish could address matters more effectively
31. However, 1) I would like to know why I pay the fourth highest precept? 2) What do I get for it? 3) If Newton becomes a separate parish - Where will it meet? How many constitutes a Council? 4) Would the precept increase? (as a separate Parish) Certainly with Newton Park, Poppyfields plus the industry it would appear Newton will be the larger.
32. The villages of Shelford and Newton are completely separate communities with unique identities and issues. allowing each to be governed separately would increase engagement and involvement from local residents
36. As Newton is now much increased in size and population from Shelford enables easier administration of each village
38. Good to see separate Parish Councils, perhaps Shelford can stop taking most the funds! (I have lived in both Newton and Shelford)
45. I do not believe there will be enough interest in Newton to form a Parish Council
54. I live in the "old" Newton village and feel my needs are more akin to those of Shelford Village. I would support a split of the Parish Council if "old Newton" could stay under Shelford Parish Council and the New Newton have its own Council to consider the needs of those residents
55. I feel that my needs are more akin to those residents of Shelford and would support a split in the council if the old village of Newton could remain under the control of Shelford Parish and the newer development have their own Council
57. As Newton becomes a village centred more on the old air base it will have needs different to Shelford and be different in character as an emerging community
58. I only bought my new home because it was in the Shelford and Newton Parish Council which was highly recommended to me. Why do we need to change things all the time? Do the residents of Shelford not like the new housing currently been built on the old RAF Newton site? Perhaps they should look at the huge amounts of additional Council Tax! Enhancing the Parish Council budget, is this not a good thing?

60. A medieval village and what will be a very modern village will have different requirements and need different Councillors
61. A medieval village and what will be a very modern village will have different requirements and need different Councillors
62. Thanks to Mike Unwin for the explanation, I agree that with Newton growing we would be better off separately to avoid Shelford matters being over-looked
63. Separate Parish Councils are a must as eventually we will end up only discussing Newton problems as they will be the largest village and Shelford will get forgotten by all
66. Over recent years the community of Newton has grown (and will continue in the future) and expanding it makes perfect sense for them to be in charge of their own individual community
67. Over recent years the community of Newton has grown (and will continue in the future) and expanding it makes perfect sense for them to be in charge of their own individual community
81. We support the proposed changes newton is an expanding village and we feel it would benefit from its own local council
82. We should have the right for self-governance, especially with the projected growth for Newton
86. Shelford and Newton are two parishes separated geographically and demographically and so would be better served by two separate parish councils who could then each concentrate on their local residents and parishes without having to consider what impact their decisions would have on the other 'half' of the currently combined parishes.
87. Shelford and Newton are two entirely separate villages having different needs.
88. I have no objection about the Parish Boundaries change, but i have noticed a lot of the footpaths are not marked. Have they been removed? - See map enclosed as you cannot walk through them as it is all ploughed up. The grass is too long has been cut up by horses from Newton & Shelford Riding Club as they are using the footpaths as horse trials. I hope that when Shelford Parish is separated, they look at those footpaths
91. Given the expansion of Newton it makes sense for it to have a separate council so that both communities can work on what is important to them
92. We feel Shelford gets most of the funding and facilities. We pay Council Tax and extra £15.00 for maintenance. We don't have a children's play area and equipment, fast broadband, enough buses and bad roads
93. Bearing in mind the growth of Newton (un-welcome though it is!) it makes sense to have separate Councils as both are moving in different directions.
94. Bearing in mind the growth of Newton (un-welcome though it is!) it makes sense to have separate Councils as both are moving in different directions.

95. We want all money to be invested locally, post office, schools, medical centre and buses!!
96. We want all money to be invested locally, post office, schools, medical centre and buses!!
104. Will provide more control over Newton's needs and give proper representation of needs
107. Newton is expanding rapidly, so a larger Newton would be better represented by its own parish council
108. Newton is expanding rapidly, so a larger Newton would be better represented by its own parish council
109. With village split both can go on to be superb places to live and develop
110. We support the changes. Newton is an expanding village and we feel it would benefit from its own local council
116. It definitely needs to be split. Newton is becoming too big now that the new houses have been built
119. Leave well alone
130. It would mean Shelford Councillors could deal with matters relevant to Shelford. Having attended quite a few council meetings, it was obvious how much time was being spent on Newton and this time seems to be growing. In future Shelford Council may need all their time to deal with local matters
137. Currently there are double the number of residents on the electoral roll for Newton (430 to Shelford's 200). With the proposed additional housing this will increase the numbers still further. To date, Newton has always been the poorer relative compared to Shelford regards to community expenditure. Both Parishes need a separate Council so that local affairs can be governed equally and fairly Newton and Shelford are very different communities and their conditions of environments very diverse to each other
138. Currently there are double the number of residents on the electoral roll for Newton (430 to Shelford's 200). With the proposed additional housing this will increase the numbers still further. To date, Newton has always been the poorer relative compared to Shelford regards to community expenditure. Both Parishes need a separate Council so that local affairs can be governed equally and fairly Newton and Shelford are very different communities and their conditions of environments very diverse to each other
141. This has been in the pipeline ever since the M.O.D sold out Annington Homes. It's past time that is was done as the two villages are too far apart to be classed together.
142. This has been in the pipeline ever since the M.O.D sold out Annington Homes. It's past time that is was done as the two villages are too far apart to be classed together.

143. As a new resident - This sounds a good idea as long as the costs didn't increase. It would be helpful to know what exactly is a parish council function in the modern day.
144. As a new resident - This sounds a good idea as long as the costs didn't increase. It would be helpful to know what exactly is a parish council function in the modern day.
146. Newton is growing rapidly and now has two district parts which need to be drawn together so that we can develop resources for the future and for young families. We urgently need a community building and playing fields for the children who are quite isolated away from the usual amenities. A Parish Council should be able to discover local needs and help bring them into reality
147. A separate Council would be more beneficial as we feel that with the growing number of residents in Newton, energies and efforts would be centralised to the area more. A concern we have that feel could be addressed quickly is the lack of public walkways/ footpaths outside of the new build Newton complex. For example, there are lots of new families with children out of Wellington Avenue
148. A separate Council would be more beneficial as we feel that with the growing number of residents in Newton, energies and efforts would be centralised to the area more. A concern we have that feel could be addressed quickly is the lack of public walkways/ footpaths outside of the new build Newton complex. For example, there are lots of new families with children out of Wellington Avenue
160. Yes I think it is a good idea to have individual Parish Councils for the villages of Shelford and Newton
162. As long as the Parish precept doesn't increase
163. As Shelford and Newton are totally different villages, with their own identity requiring unique facilities to suit each village, we feel it is sensible to split them. Newton is much larger than Shelford and needs to be managed in a different way to Shelford
164. As Shelford and Newton are totally different villages, with their own identity requiring unique facilities to suit each village, we feel it is sensible to split them. Newton is much larger than Shelford and needs to be managed in a different way to Shelford
165. By keeping one parish for both Newton and Shelford I would hope would keep costs down. I see no real argument for setting up an additional parish which will require more manning plus cost overall.
166. Against the proposal as it would leave Shelford as a very minor Parish
169. Having regard to increase of residents, it is time for Newton to be independent
170. Having regard to increase of residents, it is time for Newton to be independent
174. With the planned expansion of Newton as a housing development, I fear the existing Parish Council would not be able to spread its resources widely

enough. Their common sense must prevail with two separate parish councils that can concentrate on their respective areas. Also a separate parish council for Newton will hopefully keep Newton residents updated with on-going developments at the RAF site. As it's gone very quiet and those of us in the new homes were sold the idea of 500 homes, a school for example. I'd welcome more news.

175. Welcome separate parish councils but I am concerned it may increase additional cost to the residents. Are such details available?
195. We feel this would benefit both areas as they are so different in their needs that it is no longer realistic to run them as one.
196. We feel this would benefit both areas as they are so different in their needs that it is no longer realistic to run them as one.



What is a parish council?

Parish councils are the most local level of elected local government which represent the interests of their community and are funded through an additional charge added to council tax bills, which is called a 'precept'.

Many town and parish councils are involved in local matters such as planning, licensing, managing town and village centres and providing community halls.

Will it cost me anymore than I pay now?

The amount of charge is something that each parish council has to decide for itself and it depends on what services and facilities it provides. Parish councils can also apply for grants and loans.

The following table provides examples of parish precepts within the Rushcliffe Borough Council area and also gives the size of the electorate. The charge shown is for the annual charge for Band D properties and is in additional to the Council Tax.

Shelford and Newton Parish residents are currently charged the amount shown in the table below.

Parish	Parish size (electorate)	Annual precept	Weekly precept
Shelford	209	£41.68	£0.80
Newton	430	£41.68	£0.80
Barton in Fabis	215	£27.94	£0.54
Kingston Upon Soar	226	£33.69	£0.65
Upper Broughton	241	£63.33	£1.22
Wysall	291	£41.73	£0.80
Flintham	471	£48.54	£0.93
Hickling	424	£28.06	£0.54
Willoughby	446	£25.14	£0.48
Langer cum Barnstone	770	£123.81	£2.38

17 February 2014

To all households in Shelford and Newton Parish

Dear Resident

How Shelford and Newton will be governed in the future...

In September 2013 we wrote to tell you that Rushcliffe Borough Council had received a petition from residents asking for the cessation of the existing parish council, and for separate parish councils to be formed for each of the two villages. By law the Council had to carry out a review of how decisions are made in the area by doing what is called a 'Community Governance Review'.

Part of this process was to ask local people whether they would like to see separate parish councils set up in Shelford and in Newton. The consultation closed on 23 November 2013.

I am now writing to let you know:

- What you told us
- What the Borough Council is doing with the results
- How you can have your say on the next stage in the process.

More details about the review and the consultation are available on the Council's website: www.rushcliffe.gov/shelfordandnewton .

Yours sincerely

Daniel Swaine
Executive Manager - Operations and Corporate Governance (Monitoring Officer)

Do you want separate parish councils in Shelford and Newton?

What you told us

Residents in the parish of Shelford and Newton were asked if they would like to see two separate parish councils created – one for Shelford and one for Newton. Over 400 leaflets were delivered to households, businesses and community groups in the area. Information was also on the Council's website and in Rushcliffe Reports and the Evening Post.

- **31.6% of residents responded to the consultation**
- **28.8% of residents said 'yes' they would like to see separate parish councils in Shelford and in Newton**
- **2.7% of residents said 'no' they would not like to see separate parish councils**
- **68.4% residents did not respond to the consultation.**

What is the Council doing with the results?

The Council has considered all of the responses and comments. The Council's view is that the large majority of the electorate who voted would like to see separate parish councils. A response to the consultation of 31.6% demonstrates support for this. Therefore it is recommending that **separate parish councils should be set up**. We are also recommending that:

- The new parishes should be named Shelford and Newton;
- The parish councils should have five councillors for Shelford and nine councillors for Newton;
- The parishes should not be warded
- The boundary of the parishes should be as per the enclosed map.

What happens now ...

The next part of the review is to ask if you agree with the Borough Council's recommendation to set up separate parish councils in Shelford and in Newton.

Should the two parishes simply be called Shelford Parish, and Newton Parish? We want your opinion.

Finally, the Borough Council needs to determine, should separate parish councils be established (from the elections to be held in May 2015), how many parish councillors should be elected for each council. This will be done by comparisons with other local parish councils, and by using national guidance.

How do I have my say?

By completing the accompanying form and returning it in the prepaid envelope. Every person over 18 can have a view. Please use additional sheets if you need to.

Alternatively you can

- Respond online at: www.rushcliffe.gov.uk/shelforsandnewton
- Send an email response to: consultation@rushcliffe.gov.uk
- Submit written comments to the Democratic Services Manager, Rushcliffe Borough Council, Civic Centre, Pavilion Road, West Bridgford, Nottingham, NG2 5FE.

Even if you signed the petition and/or replied to the first round of consultation it is important that you tell us what you think now.

Please note that the CLOSING DATE for comments is 11 April 2014. Any comments received after that date may not be considered. The responses to the consultation will be considered by the Council and a final decision will be made in June 2014.

Have Your Say...

As we can only consider the views of people who are affected by this proposal, please include your name, address and postcode in any response.

Full Name	_____
Address	_____ _____
Postcode	_____

Rushcliffe Borough Council had recommended that separate parish councils be set up for Shelford and for Newton.

Do you agree with this recommendation?

Yes No

Do you agree with the new parishes being named Shelford and Newton respectively?

Yes No

Do you agree with the number of parish councillors being five for Shelford and nine for Newton?

Yes No

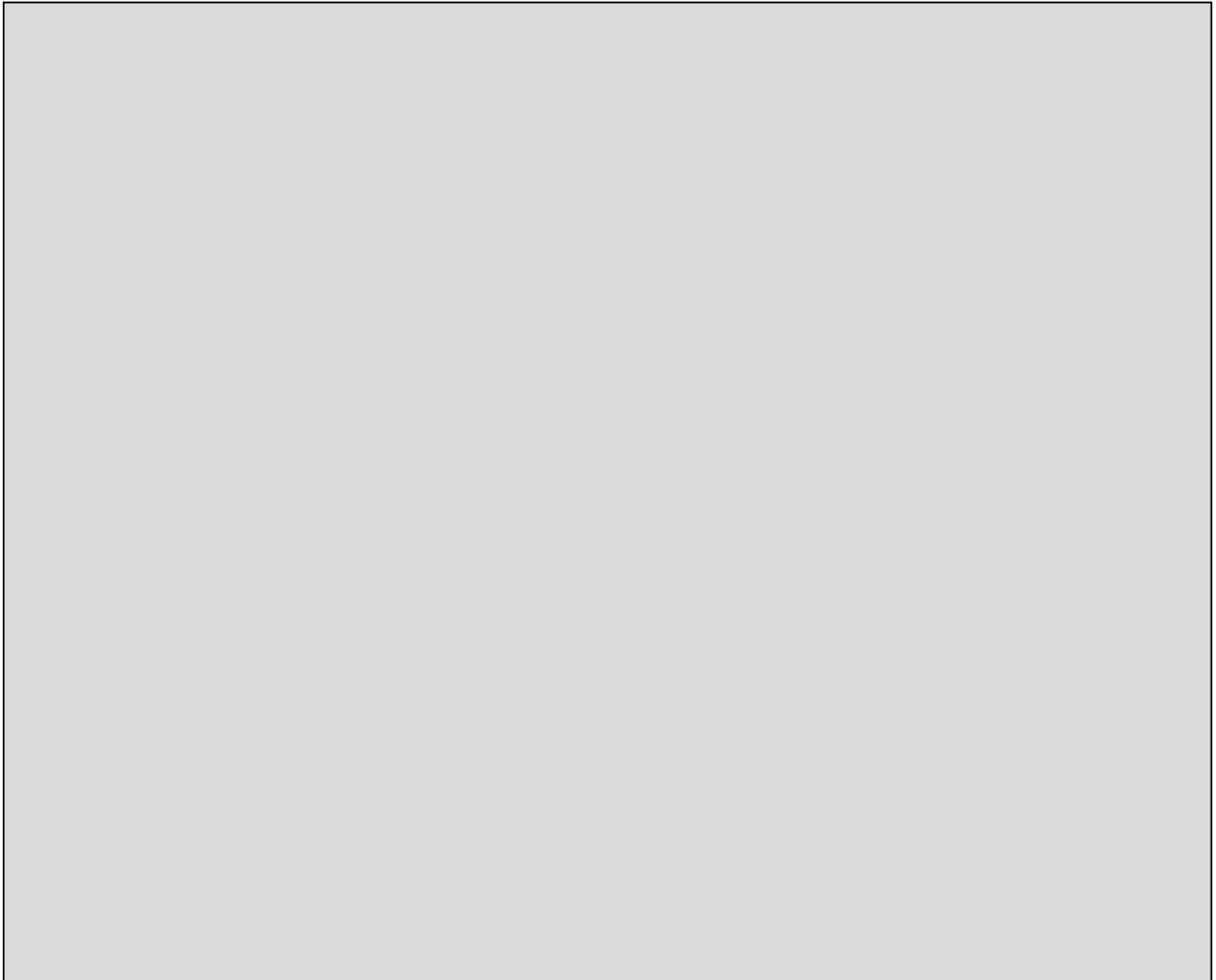
Do you agree that the separate parishes should not be warded?

Yes No

Do you agree with the proposed boundary?

Yes No

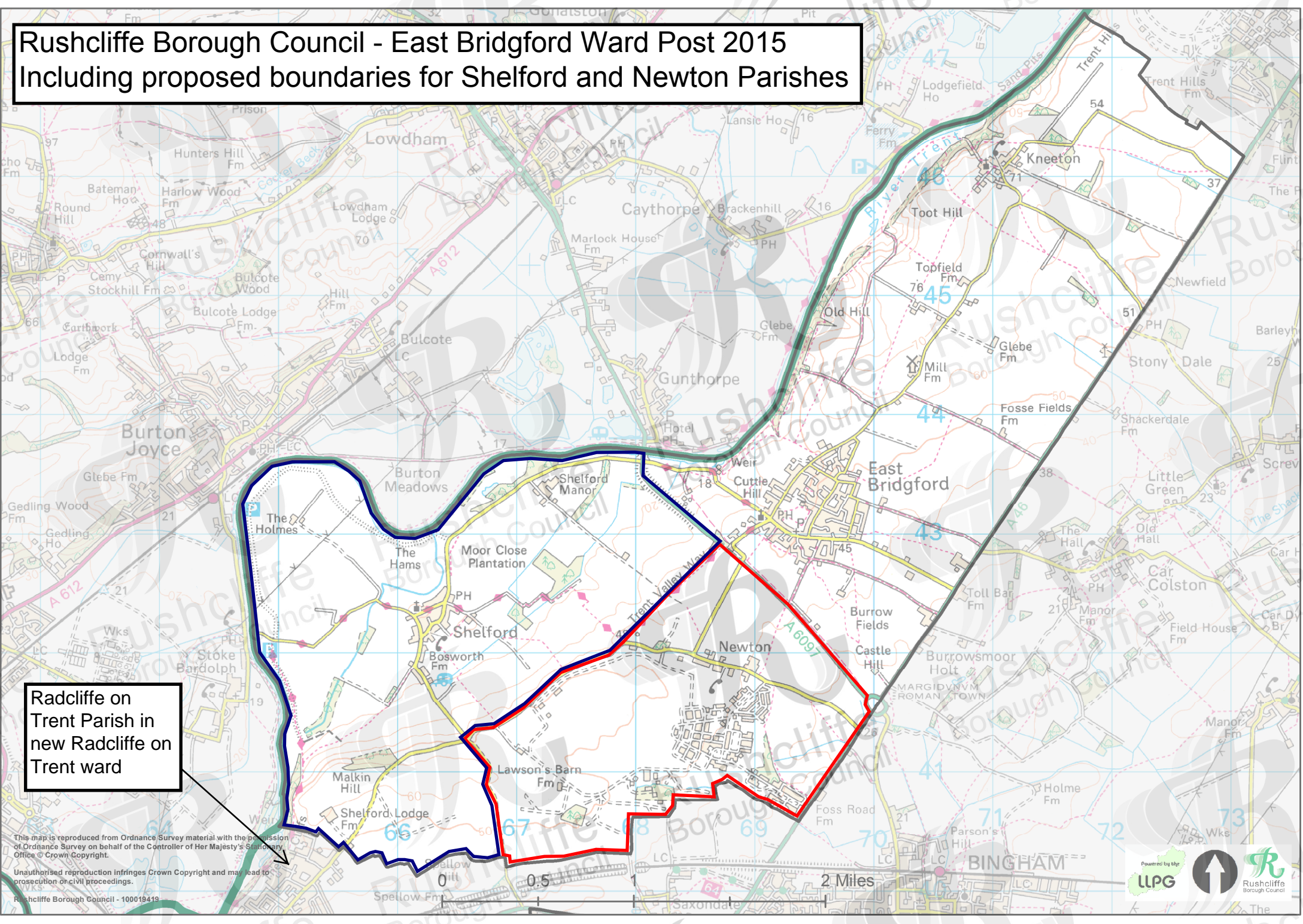
Please provide any comments on this proposal, or any alternative parish names you would like to be considered by Rushcliffe Borough Council. Please note all responses will be available for public inspection.



Please include additional responses from other members of your household on a separate sheet of paper and return in the same envelope. Please ensure their names and addresses are included.

All responses MUST be received by the Council by no later than 11 April 2014. Any comments received after that date may not be considered.

Rushcliffe Borough Council - East Bridgford Ward Post 2015 Including proposed boundaries for Shelford and Newton Parishes



Radcliffe on Trent Parish in new Radcliffe on Trent ward

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Report of the Executive Manager – Finance and Commercial

Background

This report presents the detail of the 2014/15 budget, the 5 year Medium Term Financial Strategy (MTFS) from 2014/15 to 2018/19, including the revenue budget the proposed capital programme, the Transformation Strategy and Treasury Management Strategy. Cabinet are asked to consider the attached budget and strategies and to make recommendations to Full Council.

Recommendations

It is RECOMMENDED that Cabinet recommends to Full Council:

- a) The budget setting report and associated financial strategies 2014/15 to 2018/19 (attached Annex) including a Transformation Strategy to deliver efficiencies over the five year period (**Appendix 3**).
- b) the Capital Programme as set out in **Appendix 4**.
- c) Rushcliffe's 2014/15 Council Tax for a Band D property is set at £117.99 (no increase from 2013/14).
- d) the Special Expenses for West Bridgford, Ruddington and Keyworth (as set out in Appendix 1) resulting in the following Band D Council tax levels for the Special Expense Areas:
 - i) West Bridgford £54.41 (£54.68 in 2013/14)
 - ii) Keyworth £1.46 (£1.47 in 2013/14)
 - iii) Ruddington £3.55 (£2.21 in 2013/14)

Budget and Associated Strategies

1. The attached report and appendices detail the following:
 - a. The anticipated changes in funding over the five year period;
 - b. The financial settlement for 2014/15 and the anticipated settlement from 2015/16 onwards and the significant budget pressures the Council must address over the Medium Term;
 - c. The budget assumptions that have been used in developing the 2014/15 budget and MTFS;

- d. The detailed budget proposals for 2014/15 including a new Transformation Strategy to deliver the anticipated efficiency and savings requirement;
 - e. The recommended levels of Council Tax for Band D properties for the Council and its special expense areas of West Bridgford, Ruddington and Keyworth;
 - f. The projected position with the Council's reserves over the medium term;
 - g. Risks associated with the budget and the MTFs;
 - h. The proposed capital programme; and
 - i. The proposed Treasury Management Strategy.
2. The salient points within the MTFs are as follows (MTFS report references in parenthesis):
- a. It is proposed that Council Tax for 2014/15 will remain at £117.99 (no increase from 2013/14), the lowest in Nottinghamshire and it remains one of the lowest in the country (Section 3.4);
 - b. Special expenses have increased from £707k to £713k, however this increase in total is largely mitigated against by a rise in taxbase for the special expense areas (Section 3.5);
 - c. The Council's Revenue Support grant has reduced by £0.76m from £3.13m to £2.37m (24%). Between 2013/14 and 2018/19 the anticipated reduction is £2.2m (70%) – (Section 3.6);
 - d. Taking into account resource predictions and spending plans there is a savings requirement of £624k in 2014/15 and over the 5 year period £1,656k, this is frontloaded with 83% of the savings required by 2015/16 (section 5.1);
 - e. The Council has a number of earmarked reserves, their balance rising over 5 years from £9.48m to £16.32m (Section 6). This is largely due to the New Homes Bonus that is expected although it will be committed as major infrastructure projects come to fruition;
 - f. A new Transformation Strategy has been formulated to ensure the savings required can be achieved (Section 7 and Appendix 3);
 - g. The key risks to the MTFs are highlighted, including the impact of central government policy change and fluctuations in business rates (Section 8); and
 - h. The capital programme demonstrates the Council's commitment to deliver more efficient services, improve its leisure facilities and facilitate economic development. Spend over the 5 years is £23.5m, a corollary

of this is that the Council's capital resources diminish from £13.1m to £3.8m (Section 9).

Conclusion

3. The MTFS has been developed at a time of significant financial challenge both nationally and locally. The process has been rigorous and thorough, with a Transformation Strategy that takes into account both officers' and Members' views. Whilst the Council faces financial constraints both the revenue and capital budget delicately balances the need for efficiency and economy with the desire for growth; and the aim of encouraging economic development in the Borough.

Financial Comments

These are detailed in the attached budget report. The Council is required to set a balanced budget for the 2014/15 financial year and the proposals presented represent a balanced budget.

In the opinion of the S151 Officer, a positive assurance is given that the budget is balanced, robust and affordable. The Capital programme is achievable, realistic and resourced, with funds and reserves including the General Fund adequate to address the risks within the budget.

Section 17 Crime and Disorder Act

There are no section 17 implications

Diversity

In the development of proposals within the MTFS due regard is given to the equalities impact, in order to ensure fair financial decisions.

Annexes and Appendices

Annex to the Budget Report

- Appendix 1 Special Expenses
- Appendix 2 Revenue Budget Service Summary
- Appendix 3 Transformation Strategy 2014/15
 - Appendix A
 - Appendix B
- Appendix 4 Capital Programme
- Appendix 5 Treasury Management Strategy 2014/15 to 2018/19
- Appendix 6 Use of Earmarked Reserves 2014/14 to 2018/19

Background Papers Available for Inspection: Department for Communities and Local Government website, 2014/15 Financial settlement papers

**ANNEX A
RUSHCLIFFE BOROUGH COUNCIL**

**BUDGET SETTING REPORT
AND ASSOCIATED FINANCIAL STRATEGIES
2014/15-2018/19**

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APPENDICES:

1. SPECIAL EXPENSES
2. REVENUE BUDGET SERVICE SUMMARY
3. TRANSFORMATION STRATEGY
4. CAPITAL PROGRAMME
5. TREASURY MANAGEMENT STRATEGY 2014/15 – 2018/19
6. USE OF EARMARKED RESERVES 2014/15

1. EXECUTIVE SUMMARY AND INTRODUCTION

1.1 Introduction

This budget and associated financial strategies have been developed at a time of significant financial challenge nationally, with local implications. The announcement of the December 2013 Finance Settlement emphasises the importance, as the Council plans for the next five years, on maintaining the discipline established by the current Four Year Plan in strongly linking medium term financial planning to the Authority's Corporate and Transformation Strategies.

Like families and businesses, Councils are being required to take tough budgetary decisions to ensure they can balance their books and continue to provide vital services to local people, including some of the most vulnerable people in society. Rushcliffe's budget setting process has been rigorous and thorough driving savings and developing new ways of working in order that service provision can be maintained and improved.

Rushcliffe's Council Tax level remains the lowest in Nottinghamshire and amongst the lowest in the country. Against this backdrop the Council continues to invest in local priorities such as Economic Development, Housing and Leisure which create opportunities for new jobs in, and improve the quality of life for, our community.

Alongside the Medium Term Financial Strategy and the Corporate Strategy a new Transformation Strategy has been created as the Council looks to be increasingly innovative (such as delivering Streetwise through a social enterprise and on-going collaboration with partners). These three strategies are intrinsically linked and between them explain not only the Council's aspirations but also how these aspirations will be delivered. Given the scale of the potential future budget savings that will be required this clarity and integration will become an increasingly important factor as the Council looks to maintain and improve service quality in the Borough.

1.2 Executive Summary

This report outlines the Council's Medium Term Financial Strategy (MTFS) through to 2018/19 including the revenue and capital budgets, supported by a number of key associated financial policies alongside details of significant changes to fees and charges. The purpose of the report is for Cabinet Members to recommend the 2014/15 budget (with the associated Policies and Strategies) to Full Council. Key statistics arising from this report are detailed below.

	2013/14	2014/15
RBC Precept	£4,595k	£4,646k
Council Tax Increase	4.21%	0%
Council Tax Band D	£117.99	£117.99
Revenue Support Grant	£3,131k	£2,377k
Retained Business Rates	£2,152k	£2,123k
Reserves (at 31 March)	£8,668k	£6,877k
Capital Programme	£5,998k	£7,383k

Special Expenses		
Total Special Expense Precept	£708k	£713k
West Bridgford	£54.68	£54.41
Keyworth	£1.47	£1.46
Ruddington	£2.21	£3.55

The Local Government Act 2003 introduced a requirement that the Chief Financial Officer reports on the robustness of the budget. The estimates have been prepared in a prudent manner, although it should be recognised that there are a number of elements outside of the Council's control. A number of risks have been identified in Section 8 of this report and these will be mitigated through the budget monitoring and risk management processes of the Council.

2. BUDGET ASSUMPTIONS

2.1 Table 1 - Statistical assumptions which influence the five year financial strategy

Assumption	Note	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Budgeted inflation	1	0%	0%	0%	0%	0%	0%
Pay costs increase		1%	1%	1%	1%	1%	1%
Pension contribution rate	2	12.9%	13.0%	13.0%	13.0%	13.0%	13.0%
Return on cash investments	3	0.71%	0.60%	0.60%	1.00%	1.25%	1.50%
Tax base increase	4	(6.06%)	1.09%	0.5%	0.5%	0.5%	0.5%

Notes to Assumptions

1. Whilst inflation does impact on services, the Council's managers are expected to deliver within cash limited budgets which require them to absorb the cost of inflation. As such the net effect of inflation is reduced to zero within the estimates.
2. The latest Pension Triennial Valuation has indicated that the pension contribution rate relating to the future service of employees will be increased by 0.1% in 2014/15. In addition the Council is required to allocate funding to address the estimated deficit position on the Pension Fund. Such costs are expected to increase by £71k in 2014/15, £161k in 2015/16 and £187k in 2016/17.
3. Based on projections consistent with the Council's Treasury Management Strategy.
4. Tax base figures in 2013/14 were reduced in comparison to 2012/13 due to the replacement of Council Tax Benefit with the locally determined Council Tax Support Scheme on the 1st April 2013.

3. RESOURCES

3.1 When setting its annual budget the Council has, traditionally, had certainty about the majority of resources it would receive each year. However the introduction of retained business rates from 1 April 2013 has exposed the Council to a greater level of variation in its income and, along with an anticipated continued decline in resources, has made the forecasting of spending plans more challenging.

3.2 This section of the report outlines the resources available to the Council under six headings, Business Rates, Council Tax (RBC and Special Expenses), Revenue Support Grant, New Homes Bonus, Fees Charges and Rents, and Other Income.

3.3 Business Rates

The forecast position on business rates is shown below.

Table 2 Business Rates

£'000	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Retained Business Rates	2,152	2,123	2,182	2,226	2,270	2,315
Increase / (reduction) ¹		(29)	59	44	44	45
Increase / (reduction) (%)		-1.3%	2.7%	2%	2%	2%

Business Rate assumptions reflect experience to date with regard to the award of additional reliefs, successful ratings appeals, and government decisions limiting future increases to the capped limit of 2%. The Chancellor's Autumn Statement announced a number of changes to Business Rates that include:

- The extension into 2014/15 of the small business rates relief scheme.
- Rather than RPI (3.2%) the increase in Business Rates in 2014-15 (and thereafter) has been capped at 2% .
- The government has committed to clearing 95% of the existing business rates appeals by July 2015.

The Secretary of State for Communities and Local Government has confirmed that local authorities will be fully refunded for the loss in revenue that will result from the changes introduced. However as it is not possible at this stage to accurately quantify the impact of these changes, the above figures exclude their impact on the basis that additional grant income will be received

¹ The 2014/15 figure has reduced low due to issues such as downward valuations at the power station. The figures do not include the Small Business Rates Relief Grant due to be received in 2013/14 and 2014/15 details of which are provided at Appendix 3

The impact in 2014/15 from the pooling of business rates within Nottinghamshire will be calculated once forecasts from the relevant authorities have been produced and assimilated into the pooling model.

3.4 Council Tax

As identified at Table 1 between 2013/14 and 2014/15 Rushcliffe's Council Tax base has increased by 1.09% and this trend is forecast to continue, albeit at a lower level, throughout the remainder of the MTFS.

As a result of the strong growth in the tax base and the Government's announcements with regards to Council Tax Freeze Grant, it is proposed that the Band D Council Tax for 2014/15 be frozen at its 2013/14 level of £117.99. Future planning assumptions see a similar decision for 2015/16 followed by 2% per annum increases from 2016/17 onwards. If adopted such an approach will result in a Council Tax Freeze Grant being paid by the Government equivalent to 1% for 2014/15 and 2015/16 after which an equivalent level of funding will be included with the Revenue Support Grant. The movement in Council Tax (and Council Tax Freeze grant), the tax base, precept and use in collection fund surplus are shown in Table 3.

Table 3. Council Tax

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Council Tax Base (a)	38,948	39,373	39,570	39,768	39,967	40,167
Council Tax £:p (b)	£117.99	£117.99	£117.99	£120.34	£122.75	£125.21
£ Annual Increase	£4.77	£0	£0	£2.35	£2.41	£2.46
% increase	4.21%	0%	0%	2%	2%	2%
Gross Council Tax collected (a x b)	£4,595,475	£4,645,620	£4,668,860	£4,785,680	£4,905,950	£5,029,310
Increase in Precept		£50,145	£23,240	£116,820	£120,270	£123,360
Council Tax Freeze Grant ²		£53,590	£107,470	£107,470	£107,470	£107,470
Collection Fund Surplus	£25,000	£100,000	0	0	0	0

² The Freeze Grant calculation includes adjustments for Special Expense Areas and the Council Tax Support Scheme and, as a result, is slightly higher than a one percent increase on Rushcliffe's basic level of Council Tax.

3.5 Special Expenses

The Council sets a special expense to cover any expenditure it incurs in a part of the borough which elsewhere is undertaken by a town or parish council. These costs are then levied on the taxpayers of that area. As with 2013/14 special expenses will only be levied in West Bridgford, Ruddington and Keyworth. **Appendix 1**, summarised at Table 4, details the Band D element of the precepts for the special expense areas. It should be noted that while the West Bridgford special expense includes an amount to recover deficits accumulated over time (£56,280), the Band D equivalent has reduced slightly from the 2013/14 level (-£0.27 or -0.50%).

Table 4 Special Expenses

	2013/14		2014/15	
	Cost	Band D	Cost	Band D
	£	£	£	£
West Bridgford	698,646	54.68	700,840	54.41
Ruddington	5,350	2.21	8,650	3.55
Keyworth	3,632	1.47	3,630	1.46
Total	707,628		713,120	

3.6 Revenue Support Grant and Other Specific Grants

The Government has provided actual and indicative figures that will result in Revenue Support Grant reducing significantly in 2014/15 and 2015/16, a trend that it is anticipated will continue for each year of the MTFS. As shown at Table Five it is forecast that between 2013/14 and 2018/19 RSG paid to RBC will decrease from £3.13m to £0.93m, a reduction of 70%.

Table 5 Revenue Support Grant

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Revenue Support Grant	3,131	2,377	1,609	1,376	1,151	934
Reduction from previous year £'000 ³	N/A	754	768	233	225	217
Reduction from previous year (%)	N/A	24%	32%	15%	16%	19%
Reduction from 2013/14 (%)	N/A	24%	49%	56%	63%	70%

The provisional settlement has also confirmed some other one off grants totalling £107k for 2014/15 only, as follows:

- Community Right to Bid and Challenge Grants £17,000 (also received in 2013/14)
- Council Tax Support, new burdens grant £67,000 (also received in 2013/14.)
- Compensation due to the cap on Business Rates multiplier £23,000 (also due to be received in 2015/16)

The council may also receive a one off New Homes Bonus (NHB) Adjustment Grant based on an estimated refund due to local authorities (where DCLG has removed more than it needs to from RSG to fund NHB). This figure still needs to be confirmed but an initial estimated value is £7,000 (£17,000 2015/16).

3.7 New Homes Bonus

The Chancellor's Autumn Statement reversed the previous Spending Review 2013 announcements which proposed that the New Homes Bonus would be top sliced to provide funding for Local Enterprise Partnerships (LEPs).

On 16 December DCLG announced the provisional allocations for the NHB. The provisional RBC allocation for the year four payment is £510k resulting in a payment in 2014/15 of £1.47m. Estimates for future allocations are provided at Table Five. The current commitments for NHB relate to affordable housing (£830k), a contribution towards A453 work (£500k), one-off £25k contribution for the Councillors' Community Support Scheme and £75k towards the Leisure Strategy project. At present NHB is not used to support the revenue budget but is retained for projects including use on the leisure strategy and accommodation projects. NHB receipts are held in an earmarked reserve (see Section 6) and allocations are made on a case by case basis as investment opportunities arise.

³ 2013/14 was the first year of the locally retained non-domestic rate and therefore it is not possible to provide an accurate and meaningful comparison between Revenue Support Grant levels in 2012/13 and 2013/14.

Table 6 – New Homes Bonus

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
New Homes Bonus	956	1,467	1,788	2,189	2,490	3,189

3.8 Fees, Charges and Rents

The Council is dependent on direct payment for many of its services. This income, from various fees, charges and rents, is a key element in recovering the costs of providing services which in turn assists in keeping the Council Tax at its current low level. This income is shown in Table Seven.

Table 7 - Fees, Charges and Rental Income

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Rents e.g. Investment Properties	1,076	1,087	1,228	1,263	1,263	1,263
Green Waste Bins	745	892	897	902	902	902
Planning Fees	595	599	599	599	599	599
Car Parking Income	440	450	450	450	450	450
Service Charges	277	281	281	281	281	281
Building Control Fees	240	244	244	244	244	244
Non-Sporting Facility Hire	141	155	155	155	155	155
Licences	99	135	135	135	135	135
Market Stall Fees	38	38	38	38	38	38
Other Fees & Charges	817	823	823	823	823	823
TOTAL	4,468	4,704	4,850	4,890	4,890	4,890

Income assumptions are determined by a number of factors including current performance, decisions taken already and known risks. Examples of such adjustments include increases in charges for green waste, changes in investment property rents based on our knowledge of asset use, and additional licensing income (resulting from new charging arrangements for caravan sites).

Except where current or previous decisions will affect future income yields, the MTFS does not make any provision for future inflationary increases in fees and charges. This will be an option for addressing future budget gaps and forms part of the Transformation Strategy.

3.9 Other income

The Council is in receipt of other forms of income the majority of which relates to Housing Benefit Subsidy which is used to meet the costs of the national housing benefit scheme.. These are shown in Table Eight.

Table 8 – Other income

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Housing & Council Tax Benefit Admin Grant	434	382	382	382	382	382
Other Local Authorities Contribution	289	298	298	298	298	298
Interest on Investments	250	260	248	200	395	470
Other Government Grants	139	113	113	113	113	113
Recycling Credits	130	130	130	130	130	130
Costs Recovered (Legal, Council Tax)	110	113	113	113	113	113
Edwalton Golf Course	99	102	102	102	102	102
Other Grants	18	18	18	18	18	18
Other Income	866	329	329	329	330	330
TOTAL excl: Housing Benefit Subsidy	2,335	1,745	1,733	1,685	1,881	1,956
Housing Benefit Subsidy	16,700	17,284	17,284	17,284	17,284	17,284
TOTAL	19,035	19,029	19,017	18,969	19,165	19,240

3.10. Summary

Table 9 – All sources of income

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Retained Business Rates	2,152	2,123	2,182	2,226	2,270	2,315
Revenue Support Grant	3,131	2,377	1,609	1,376	1,151	934
Council Tax Freeze Grant	0	54	107	107	107	107
Specific grants for 2014/15 settlement	0	107	23	-	-	-
Total Funding Excluding NHB	5,283	4,661	3,921	3,709	3,528	3,356
New Homes Bonus ⁴	974	1,474	1,805	2,189	2,490	3,189
Total Funding Including NHB	6,257	6,135	5,726	5,898	6,018	6,545
Council Tax (RBC)	4,595	4,646	4,669	4,786	4,906	5,029
Council Tax (Special Expenses)	708	713	719	737	755	774
Collection Fund Surplus	25	100	-	-	-	-
Fees, charges and rental income	4,468	4,704	4,850	4,890	4,890	4,890
Other income	19,035	19,029	19,017	18,969	19,165	19,240
Net Transfer from Reserves ⁵	215	-	-	-	-	-
Total Budget Funding	35,303	35,327	34,981	35,280	35,734	36,478

⁴ NHB is transferred to reserves and is contained in the spending plan analysis of expenditure (section 4)

⁵ Transfer 'to' reserves is within the expenditure analysis

4. 2014/15 SPENDING PLANS

4.1 The Council's spending plans for the next five years are shown in Table 9 and take into account the assumptions in Section 2.

Table 10 – Spending Plans

	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Employees	11,176	9,396	9,683	9,846	10,015	10,127
Premises	1,818	1,447	1,447	1,447	1,447	1,447
Transport	1,315	1,037	1,037	1,037	1,037	1,037
Supplies & Services	6,813	5,283	5,299	5,299	5,299	5,299
Transfer Payments ⁶	16,812	17,444	17,428	17,334	17,334	17,334
Capital Charges	1,741	1,513	1,513	1,513	1,513	1,513
Third Party	1,276	3,056	2,944	2,891	2,926	2,963
Net recharges	-6,038	-4,781	-4,783	-4,781	-4,781	-4,781
Gross Service Expenditure	34,913	34,395	34,568	34,586	34,790	34,939
Change from Previous Year		-518	+173	+18	+204	+149
Net Contribution to Reserves ⁷	0	1,280	1,521	1,994	2,295	3,044
Revenue Contribution to Capital	390	276	276	151	151	151
Overall Expenditure	35,303	35,951	36,365	36,731	37,236	38,134

4.2 Some of the key decisions that have recently been taken and their impact on the above are summarised below:

- The setting up of Streetwise and the Garage collaboration with Nottingham City Council results in a shift in expenditure from Employees, Supplies and Services etc to third party payments (£1.8m);
- Elections expenditure to increase in 2015/16 impacts upon both supplies and services and employee costs (£112K), there is a contribution from the Election Reserve to fund this commitment;

⁶ Includes Housing Benefit Payments

⁷ The net contribution to reserves is significantly influenced by the receipt and retention of New Homes Bonus. Without the New Homes Bonus the Council would see a net transfer from reserves, i.e. reserves being utilised to support expenditure, for each of the years in the MTFS.

- Parish Council Support Grant – reduced in line with the reduction in central government support (January Cabinet Report) impacts on Transfer Payments; and
 - Drainage Board Levies – any increases are still to be confirmed but a 2% increase in the levy has been assumed (total of £225k) for 2014/15.
- 4.3 The Council is looking to contain many inflationary pressures within its existing cost envelope. Given this and other risks, there is a £200k contingency budget per annum.
- 4.4 While the planned transfers to reserves appear high this is due to the majority of New Homes Bonus being initially placed in an earmarked reserve prior to the identification of appropriate schemes. Such receipts are offset by funding pressures met from reserves, most notably the annual transfer of funding from the Organisation Stabilisation Reserve.

5 BUDGET REQUIREMENT

- 5.1 The budget requirement is formed by combining the resource prediction and spending plans. **Appendix 2** gives further detail on the Council's five year Medium Term Financial Strategy.

Table 11 – Budget Requirement

	2013/14 Revised Estimate £'000	2014/15 Estimate £000	2015/16 Estimate £000	2016/17 Estimate £000	2017/18 Estimate £000	2018/19 Estimate £000
Retained Business Rates	2,152	2,123	2,182	2,226	2,270	2,315
Revenue Support Grant	3,131	2,377	1,609	1,376	1,151	934
Council Tax Freeze Grant	0	54	107	107	107	107
Specific grants for 2014/15 settlement	0	107	23	0	0	0
New Homes Bonus	974	1,474	1,805	2,189	2,490	3,189
Council Tax (RBC)	4,595	4,646	4,669	4,786	4,906	5,029
Council Tax (Special Expenses)	708	713	719	737	755	774
Collection Fund Surplus	25	100	0	0	0	0
Fees, charges and rental income	4,468	4,704	4,850	4,890	4,890	4,890
Other income	19,035	19,029	19,017	18,969	19,165	19,240
Net Transfer from Reserves	215	0	0	0	0	0
Total Income	35,303	35,327	34,981	35,280	35,734	36,478
Gross Expenditure	35,303	35,951	36,365	36,731	37,236	38,134
New Savings Required (assumed ongoing)		624	760	67	51	154
Cumulative Savings over the MTFs period		624	1,384	1451	1502	1656

- 5.2 In order to deliver a balanced budget for 2014/15 the Council must identify £624,000 of additional efficiencies and income. The Council's plans to achieve this are detailed at Section 7.

6. RESERVES

- 6.1 In order to comply with the requirements of the Local Government Act 2003, a review has been undertaken of the Council's reserves, including a review of current and future risks. This has included an assessment of risk registers, pressures upon services, inflation and interest rates. In previous budgets the Council has supported the controlled release of reserves to support service delivery and the remains the approach over the next five years with the use of £1.42m over the life of the MTFs funded from the Organisation Stabilisation Reserve. To ensure that sufficient resources are available to support the budget for the long term (via the Organisation Stabilisation Reserve) it is proposed £500k from the 2013/14 projected revenue budget underspend is used to replenish this reserve. If agreed this replenishment would increase the opening balance on this reserve from £1.68m to £2,18m, £778k above the potential demand on these resources over the next five years.
- 6.2 Detailed below are the estimated balances on each of the council's specific reserves over the 5 year medium term period. **Appendix 6** details the movement in reserves for 2014/15 which also includes capital commitments.

Table 12 – Specific reserves

£'000	Balance 31.3.14	Balance 31.3.15	Balance 31.3.16	Balance 31.3.17	Balance 31.3.18	Balance 31.3.19
<i>Investment Reserves</i>						
Regeneration and Community Projects	2,096	1,595	941	941	941	941
Cotgrave Regeneration project	175	200	275	350	425	500
Council Assets and Service Delivery	684	0	0	0	0	0
Local Area Agreement	120	120	120	120	120	120
Invest to Save	661	0	0	0	0	0
<i>Corporate Reserves</i>						
Organisation Stabilisation ⁸	2,176	1,865	1,363	1,088	976	778
Risk and Insurance	100	100	100	100	100	100
Planning Appeals	349	349	349	349	349	349
Elections	200	200	88	88	88	138
<i>Operating Reserves</i>						
Planning	203	203	203	203	203	203
Leisure Centre Maintenance	180	180	180	180	180	180

⁸ Includes projected transfer of resources identified at 6.1.

Lottery	55	55	55	55	55	55
Planned Maintenance	100	100	100	100	100	100
Total Excluding NHB Reserve	7,099	4,967	3,774	3,574	3,537	3,464
New Homes Bonus	1,569	1,910	3,590	5,779	7,669	10,258
Total Earmarked Reserves	8,668	6,877	7,364	9,353	11,206	13,722
<i>General Fund Balance</i>	2,604	2,604	2,604	2,604	2,604	2,604
Total	11,272	9,481	9,968	11,957	13,810	16,326

- 6.3 All of the above reserves have specifically identified uses including some of which are held primarily for capital purposes namely the Council Assets and Service Delivery; Invest to Save; and Regeneration and Community Projects reserves. In line with the initial proposals considered by Cabinet, the above projections reflect the potential allocation of £2.5m from these reserves towards the cost of the Arena redevelopment. As with figures elsewhere in this budget relating to this project such allocations are still subject to a final decision to progress the redevelopment of the site.
- 6.4 It is anticipated that the New Homes Bonus Reserve will be called upon in future years as major infrastructure projects come to fruition. Current commitments on the New Homes Bonus Reserve are discussed at section 3.7.
- 6.5 It should be noted, in the professional opinion of the Council's Section 151 Officer, the General Fund Reserve position of £2.6m is considered adequate given the financial and operational challenges (and opportunities) the Council faces.

7. THE TRANSFORMATION STRATEGY AND EFFICIENCY PLAN

7.1 Since 2010 the Council has had a four year plan which has successfully driven change and efficiency activity. However, given the scale of the financial challenges facing the Council, a new Transformation Strategy has been formulated (See **Appendix 3**). Alongside this work the Executive Management Team has undertaken a review of all Council budgets resulting in savings which have been fed into the MTFS. The Transformation Strategy focuses on the following themes:

- (a) Service efficiencies and management challenge as an on-going quality assurance process;
- (b) Areas of review arising from Member budget workshops; and
- (c) Longer term reviews with further work being required and particularly impacting upon the Council's asset base.

7.2 This Programme will form the basis of how the Council meets the financial challenge summarised at Table 13.

Table 13 – Savings targets

	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Annual Budget Saving required	624	760	67	51	154
Cumulative Savings required	624	1,384	1,451	1,502	1,656
Projected Transformation Savings	613	1,160	1,476	1,691	1,758
Additional Transfer (to) / from Reserves ⁹	11	225	(26)	(189)	(102)

7.3 In order to deliver a balanced budget for 2014/15 the Council has taken some difficult decisions in areas such as increasing charges for green waste and reducing the parish council support grant. The Council continues to look at how it delivers its services, for example, further collaboration with partners and creating social enterprises such as Streetwise, as innovative ways of delivering its services more economically, efficiently and effectively.

7.4 Moving forward, this momentum must continue and the Council's key transformation projects need to be reviewed on an on-going annual basis. While the Council has identified a range of projects that can be used to deliver the anticipated savings required this will still be a challenging exercise. The current identified transformation projects which will be worked upon for delivery from 2014/15 are given at **Appendix 3**. Some of the more significant projects include:

⁹ The MTFS model assumes that a transfer of £300k per annum will be made from the Organisation Stabilisation reserve to support on-going services. These amounts represent the additional call on (or from 2016/17 onwards reduction to the requirement from) the Organisation Stabilisation Reserve.

- Bridgford Hall development
- Leisure and accommodation strategy
- Cyclical reviews of all service areas
- Reviewing fees and charges

8. RISK AND SENSITIVITY

8.1 The following table shows the key risks and how we intend to treat them through our risk management practices.

Table 14 - Key Risks

Risk	Likelihood	Impact	Action
Fluctuation in business rates	High	High	Growth plans and accurate monitoring
Lack of funding from partners	High	High	Engagement and realism
Central Government policy changes	High	High	Engagement in consultation and policy creation
Reductions in Government Funding	High	High	Lobbying and service transformation
Inadequate capital resources	Medium	High	Proportionate spending and sale of surplus assets, maximising pooled funding opportunities eg DFGs
Fee income volatility	Medium	Medium	Early monitoring of deviations
Inflationary pressures, particularly utility costs	Medium	low	Budget reporting processes
Increased demand for services	Medium	Medium	A robust performance management framework
Failure to deliver the required Transformation Strategy	Low	High	Effective programme and project management

8.2 The changing environment of local authority finance means that the Council is facing increasing risks and uncertainty in respect of the resources available to it. While predicting and controlling the level of external funding resources may be difficult, wherever possible the Council will use its budget management processes, reserves and general balances to mitigate these risks. It will also aim to deliver its services and maximise asset use in a way that can manage and mitigate the pressures which it faces. For example, the purchase of The Point not only delivers a rental income in excess of that available to the Council through treasury management investments, but is also an appreciating asset and, more importantly, is facilitating economic growth in the borough.

9. CAPITAL PROGRAMME

9.1 The Council's proposed five year capital programme is included at **Appendix 4** and summarised below.

Table 15 – Five year capital programme, funding and resource implications

	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Total
	£000	£000	£000	£000	£000	£000
Transformation & Innovation	835	355	2,555	55	55	3,855
Neighbourhoods	1,575	1,229	1,675	1,147	954	6,580
Communities	203	204	205	115	116	843
Corporate Governance	220	70	70	70	70	500
Finance and Commercial	4,550	5,275	1,650	150	150	11,775
Total	7,383	7,133	6,155	1,537	1,345	23,553
FUNDED BY						
Usable Capital Receipts	(3,891)	(1,636)	(4,283)	(1,165)	(973)	(11,948)
Disabled Facilities Grants	(233)	(292)	(292)	(292)	(292)	(1,401)
Use of Reserves	(3,109)	(859)	(80)	(80)	(80)	(4,208)
Grants and Contributions	(150)	0	0	0	0	(150)
Section 106 Monies	0	0	0	0	0	0
Internal Borrowing	0	(4,346)	(1,500)	0	0	(5,846)
Total	(7,383)	(7,133)	(6,155)	(1,537)	(1,345)	(23,553)
Capital Resources at start of year*	13,091	8,860	6,861	5,369	4,495	
Additions	2,971	758	3,133	1,233	1,233	
Used (-)	(7,202)	(2,757)	(4,625)	(2,107)	(1,915)	
Capital Resources at end of year¹⁰	8,860	6,861	5,369	4,495	3,813	

¹⁰ Capital Resources include capital receipts, capital grants and the Councils Investment Reserves (NHB Reserve is the committed capital element only)

- 9.2 The Council's five year capital programme shows the Council's commitment to deliver more efficient services, improve its leisure facilities for community use, and to facilitate economic development in the Borough. The major projects in the 2014/15 Programme include:
- Bridgford Hall refurbishment (£650k);
 - Support for registered housing providers (£840k);
 - Disabled facilities grants (£375k and a further £1,500k over the next four years);
 - Loan to Nottinghamshire County Cricket Club (£2,000k);
 - A453 contribution (£375k, a further £125k in 15/16);
 - On-going vehicle replacement (£300k and over £2,000k over the next four years).
- 9.3 After 2014/15 there is a continued focus on major projects with the £8,500k development at the Arena which is the largest project in the Programme. The provision of a new depot is anticipated for 2016/17 (£2,500k) to be funded from a capital receipt from the disposal of the Abbey Road site.
- 9.4 As Table 15 demonstrates the Council's capital resources are diminishing (the Programme includes no assumption regarding the disposal of the Civic Centre until a decision has been made upon its future). The Council's currently identified capital resources will have diminished substantially from £13.1m to £3.8m over the five year life of the Programme.

10. TREASURY MANAGEMENT

- 10.1 Attached at **Appendix 5** is the Treasury Management Strategy Statement which integrates capital investment decisions with cash flow information and revenue budgets. The key assumptions in the Treasury Strategy are summarised in the following table:

Table 16 – Treasury Assumptions

Treasury Assumptions	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Average Cash balances £'m	40	38	30	30	30
Average Interest rate earned on investments (%)	0.60	0.60	0.60	1.25	1.50
Interest Earned on Investments	240	228	180	375	450
Other Interest £'000	20	20	20	20	20
Total Interest £'000	260	248	200	395	470

As the MTFFS forecasts that the Council will still have £3.8m of useable capital resources available to it at the 31st March 2019 the Treasury Strategy includes no plans for future external borrowing. However investments are expected to reduce significantly in 2016/17 as the Authority makes provision to 'internally borrow' to fund the Leisure project at the Arena.

11. OPTIONS

- 11.1 As part of its consideration of the draft budget Cabinet are encouraged to consider the strategic aims contained within the Council's Corporate Strategy and in this context to what extent they wish to maintain existing services, how services will be prioritised, and how future budget shortfalls will be addressed.
- 11.2 Instead of freezing the Council could choose to increase its Council Tax. At present no final indication has been given of the limits above which a referendum would be required. However Table 17 provides details of the impact on budgets of a 1.98% (£2.34) and a 1.45% (£1.68) increase on the 2014/15 Band D Council Tax.

Table 17: Alternate Council Tax Levels

Freeze in 2014/15 Band D £117.99	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Council Tax (RBC)	4,595	4,646	4,669	4,786	4,906	5,029
Council Tax Freeze Grant	0	54	107	107	107	107
	4,595	4,700	4,776	4,893	5,013	5,136

1.45% in 2014/15 Band D £119.67	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Council Tax (RBC)	4,595	4,712	4,735	4,854	4,975	5,099
Council Tax Freeze Grant	0	0	54	54	54	54
	4,595	4,712	4,789	4,908	5,024	5,153

1.98% in 2014/15 Band D £120.33	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Council Tax (RBC)	4,595	4,738	4,761	4,880	5,002	5,128
Council Tax Freeze Grant	0	0	54	54	54	54
	4,595	4,738	4,815	4,934	5,056	5,182

- 11.3 The above figures indicate that a 1.45% increase would provide an additional £12k per annum of income to the Council in 2014/15 compared to £38k for a 1.98% increase. Assuming a Council Tax Freeze in 2015/16 and increases of two percent per annum thereafter by 2018/19 this gap increases to £17k per annum for a 1.45% increase and £46k for a 1.98% increase.

11.4 This paper does not include any alternate proposals with regards to the annual budget or the transformation strategy. However the Authority is yet to receive all the information it requires to finalise the budget proposals and this information, along with any changes recommended by Cabinet, will be incorporated into the budget presented to Full Council on 6th March.

Funding Analysis for Special Expense Areas

	2013/14	2014/15	%
	£	£	Change
West Bridgford			
Parks and Playing Fields	392,000	380,800	
Allotments	0	2,000	
West Bridgford Town Centre	39,400	36,500	
Community Halls	89,300	98,200	
Seats & Bins	1,800	1,000	
Burial Subsidy	22,700	22,700	
Contingency	1,822	25,000	
Previous Year deficit	0	25,062	
Annuity Charges	101,600	101,568	
RCCO	100,000	50,000	
Total	748,622	742,830	
Council Tax Reduction Support	(49,976)	(41,990)	
Total	698,646	700,840	
Tax Base	12,777	12,881	
Special Expense Tax	£54.68	£54.41	-0.50%
Keyworth			
Cemetery Maintenance	3,902	3,900	
Council Tax Reduction Support	(270)	(270)	
Total	3,632	3,630	
Tax Base	2,471	2,482	
Special Expense Tax	£1.47	£1.46	-0.5%
Ruddington			
Cemetery & Annuity Charges	5,909	9,200	
Council Tax Reduction Support	(559)	(550)	
Total	5,350	8,650	
Tax Base	2,421	2,438	
Special Expense Tax	£2.21	£3.55	61%
TOTAL SPECIAL EXPENSES	707,628	713,120	

REVENUE BUDGET SERVICE SUMMARY					Appendix 2	
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
	£	£	£	£	£	£
Communities	3,292,300	2,649,000	2,636,100	2,663,900	2,688,500	2,714,200
Corporate Governance and Operations	1,431,100	1,370,100	1,510,600	1,534,900	1,559,400	1,586,400
Finance and Commercial	4,115,800	3,795,100	3,904,400	3,918,200	3,797,600	3,738,500
Neighbourhoods	5,166,700	4,355,200	4,320,300	4,308,500	4,372,000	4,438,000
Transformation	- 121,600	6,300	- 156,600	-185,400	- 168,900	- 154,400
Net Service Expenditure	13,884,300	12,175,700	12,214,800	12,240,100	12,248,600	12,322,700
Capital Accounting Adjustment	- 2,474,700	- 1,513,900	- 1,513,900	- 1,513,900	- 1,513,900	- 1,513,900
Revenue contribution to capital	390,000	276,600	276,600	151,600	151,600	151,600
Transfer to/from reserves	- 214,600	1,279,000	1,521,000	1,994,000	2,295,000	3,044,000
Total Net Service Expenditure	11,585,000	12,217,400	12,498,500	12,871,800	13,181,300	14,004,400
Funding						
Central Government Grant	- 3,131,000	- 2,377,000	- 1,609,000	- 1,376,000	- 1,151,000	- 934,000
Localised Business Rates	- 2,152,000	- 2,123,000	- 2,182,000	- 2,226,000	- 2,270,000	- 2,315,000
Collection Fund Surplus	- 25,000	- 100,000	-	-	-	-
Council Tax Income:						
Rushcliffe	- 4,595,000	- 4,645,620	- 4,668,860	- 4,785,680	- 4,905,950	- 5,029,310
Special expenses	- 707,800	- 713,120	- 719,000	- 737,000	- 755,000	- 774,000
Council Tax Freeze Grant	-	- 53,590	- 107,470	- 107,470	- 107,470	- 107,470
Specific Grants and NHB	- 974,200	- 1,581,000	- 1,828,000	- 2,189,000	- 2,490,000	- 3,189,000
Total Funding	-11,585,000	-11,593,330	-11,114,330	-11,421,150	-11,679,420	-12,348,780
Gross Budget Deficit	0	624,070	1,384,170	1,450,650	1,501,880	1,655,620
Annual deficit assuming previous year deficit met and ongoing		624,070	760,100	66,480	51,230	153,740

Transformation Strategy 2015

Introduction

In 2010, the Council adopted a 4 Year Plan, a planned and measured approach to meeting the emerging financial challenges. The plan was written to identify cost efficiencies, increase income opportunities and develop transformational alternatives for the future delivery of services. The adopted approach aimed to reduce overall expenditure by £2.8m over the life of the Plan. This approach was reinforced in 2012 with the publication of our latest Corporate Strategy subtitled 'Proactively Preparing for the Future'.

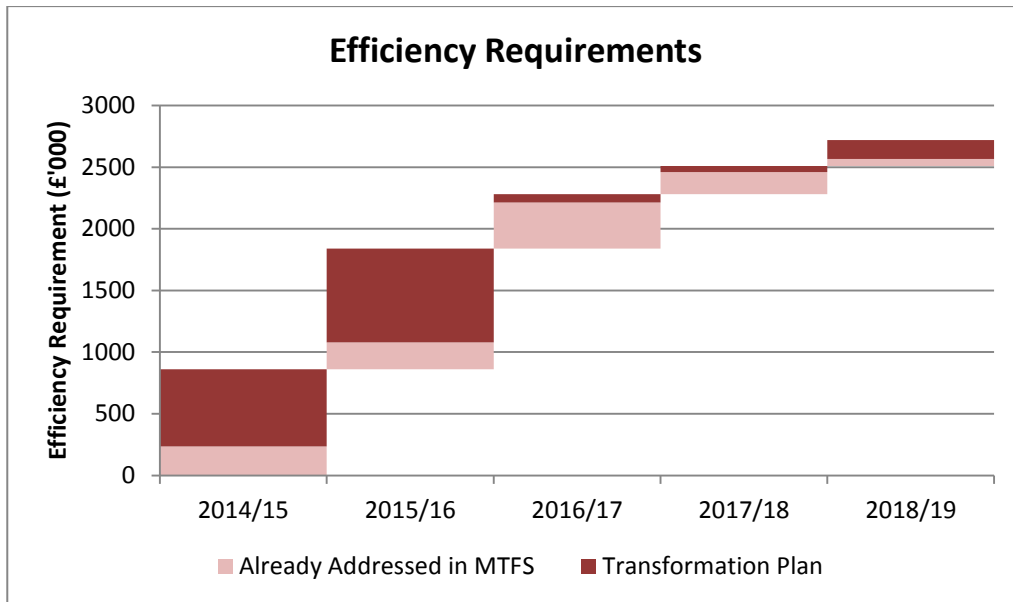
The 4 Year Plan has been in operation for three years and, so far, it has successfully supported the delivery of over £3m in efficiencies. In making our savings, services to residents in some cases have been changed from universally free services towards chargeable choice based services. Other services have been streamlined, to be even more efficient and leaner whilst attempting to make it easier for customers to transact their business with us at a time and in a way that suits them. We have done all of this without significantly impacting on service quality or resident satisfaction. Our latest resident polling data shows us that 77% of residents are satisfied with the way the council operates and 60% believe the Council provides value for money (2012).

Due to the continued austerity measures being placed upon the public sector the original target of £2.8m will need to increase to around £6m by 2018/19. Therefore, it has become clear that we need 'to stop the clock' and realign our approach and timeframe. This revised Transformation Strategy sets out the Council's approach to making further savings between now and 2018/19. It also explains our approach to identifying and working with partners, recognising and maximising opportunities, and leading the way in delivering high quality services that match the needs of residents. It is clear that as the organisation becomes leaner, it will become increasingly challenging to find further savings. Achieving the increased targets requires a bolder and more strategically focussed way of thinking.

Addressing the funding gap

The Council's net operating budget for 2013/14 was £10.6m. To meet the impact of inflation and reduced levels of funding, over the next five years the Council originally needed to save an additional £2.72m by 2018/19. As demonstrated below the timing of Government funding reductions meant that the scale of savings required in the first two years is significantly greater than those forecast from 2016/17 onwards.

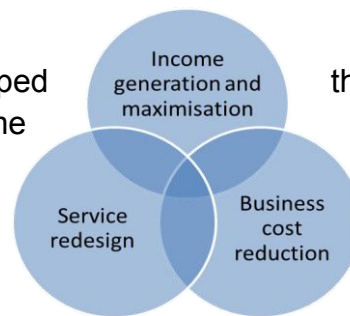
Alongside the development of the Transformation Strategy work has been undertaken to identify potential efficiencies within existing services and programmes of activity. As a result the funding gap addressed by the Transformation Strategy has reduced to £1.66m.



Like the first 4 Year Plan and the 2012 Corporate Strategy, we are proactively preparing for the future, taking the lead in reforming service delivery and working practices, providing excellent customer services whilst driving down costs.

Rushcliffe's core operating principles

In constructing the 4 Year Plan, Rushcliffe developed that summarised its approach to transformation – income maximisation, business cost reduction and service core principles will remain central to the operation of the next five years, as they have led to some significant have minimised the need to reduce or remove front line last three years. This has been achieved by focusing on a approach and great teamwork between Members and officers to limit the impact upon residents. However, we recognise to be successful in bridging the remaining funding gap it will be necessary to consider and implement large scale transformational change which can generate a large fiscal impact.



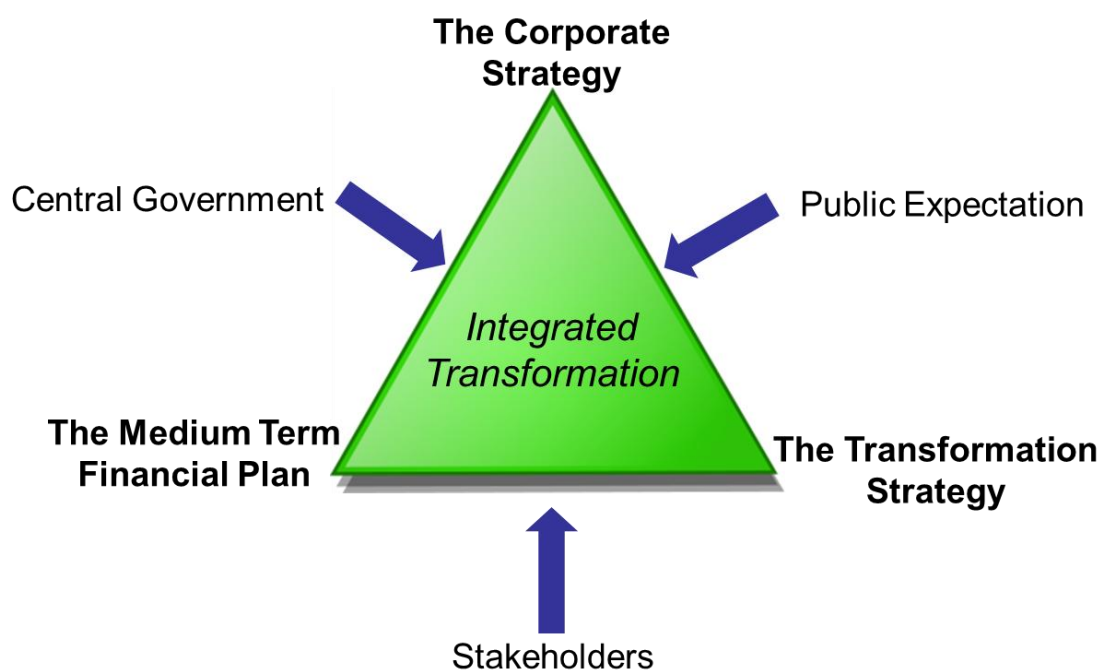
three core principles generation and redesign. These Council over the changes which services in the 'one' Council

The Transformation Strategy is an evolving document and although it essentially covers the next five years it should not be bound by time or scope. What is needed at this point is a clear commitment where officers are encouraged to maximise and bring forward opportunities as they become apparent. To this end and within the emerging complex environment, three partnership models have been identified to provide a framework to generate further efficiencies. These are covered in more detail in **Appendix A**.

An Integrated Approach to Transformation

This Strategy formalises the Council's integrated approach to transformation. It highlights the work that has been done in the last three years to deliver over £3m in efficiencies and formalises the Council's principles of partnership working (detailed at Appendix A). At a strategic level it highlights the important relationship between:

- The Council's Corporate Strategy – which provides the overall direction of the Council, its core values and its three key priorities,
- The Medium Term Financial Plan – a defined plan of how the authority will work towards a balanced budget and maintain viability,
- The Transformation Strategy – a document providing direction in respect of the strategically focussed streams of work to meet the financial targets whilst fulfilling the Council's corporate priorities.

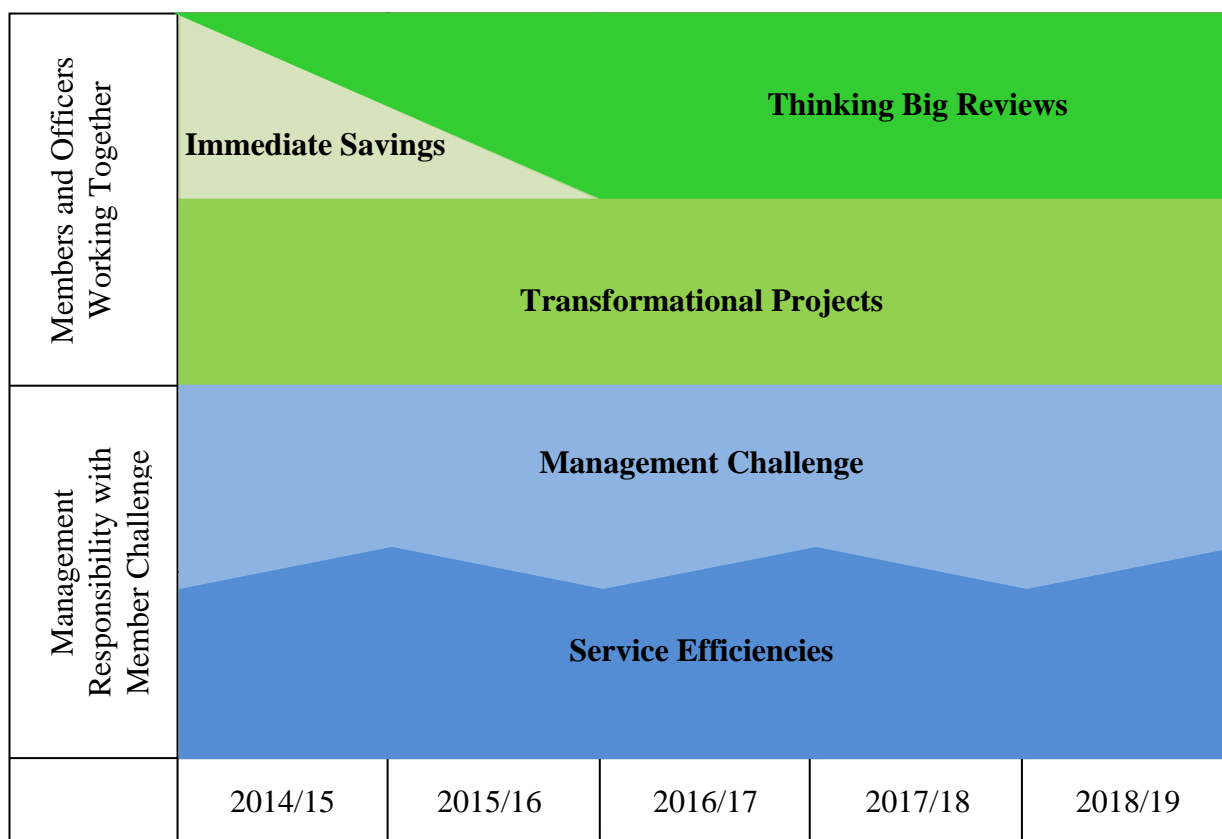


Rushcliffe's Integrated Approach to Transformation

The diagram above also shows how this trio of documents can be influenced by external factors such as central government, public expectation and other stakeholders.

The Transformation Strategy

This document details the different areas of work officers and Members will focus upon to meet the stretching financial targets set whilst continuing to fulfil our corporate priorities. The diagram below highlights the different work streams and shows how they fit together over the next five years.



Management Responsibility with Member Challenge

Each year, officers undertake an internal programme of investigations looking specifically at improving efficiency through different ways of working. We also challenge our budgets every year to drive out further savings whilst minimising the impact of front line services. We have a strong leadership focused on corporate priorities using weekly performance clinics to manage performance and budgets. We also ensure that every large scale project (where there is deemed to be a significant impact on residents, staff or budgets) has its own project board and governance structure. Activities are challenged through Leader and Portfolio Holder briefings, and constituted and established processes such as Member Groups. Reports on policy changes are passed through the Cabinet, and our Performance Management Board and Corporate Governance Groups regularly scrutinise review findings. Additional Member Groups are created by Cabinet where required.

Service Efficiencies

The culture at Rushcliffe has been to ensure different services are reviewed regularly to make sure they are as focused upon the customer and as streamlined as possible, any identified waste is removed from the system and where appropriate services are moved online. The way the service is delivered is also investigated and consideration is given to potential partnership opportunities or alternative methods of delivery to protect the services that residents value without a pre-determined

view. Headline efficiency targets have been identified for each area of the Council and these are illustrated at **Appendix B**.

Management Challenge

The Service Efficiencies are strengthened by on-going management of the services through regular performance clinics and a management challenge as part of the annual budget setting process – each Executive Manager is charged with scrutinising their budget line by line to identify and remove any additional savings or unused budget. This process has the buy-in of all staff as it is widely acknowledged that savings made through this process can reduce the number and scale of changes that directly impact on our residents. Again, top level targets have been identified for each area of the Council and these are illustrated in the table at **Appendix B**.

Members and Officers Working Together

The upper area of the diagram above focuses on activities where Members and officers work together to identify further savings and different ways of working. These aspects of the Strategy have been arrived at through our budget proposals which have continued to be radical and challenging as we look at ways of bridging the financial gap by 2018/19. Budget workshops, incorporating Members from all political groups, have looked at what has been achieved so far, policy changes that can be made immediately to save money in the coming year, different ways of delivering services in the future, and more long-term at a set of ‘Thinking Big’ options that could significantly change the face of the Council and the services it delivers.

Immediate savings

Each year, Members are presented with a number of policy changes which hit one or more of our core principles of income generation and maximisation, business cost reduction or service redesign. These operational changes form part of the budget setting process each year and generally result in savings or additional income for the following year.

Thinking big reviews

As part of the budget setting process for 2014/15, Members discussed a number of potential ‘Thinking Big’ reviews. These will primarily focus on gathering information upon which Members can base decisions which could potentially change the face of the Borough in the future. These are the ideas that previously would not have been considered necessary and, therefore, would have been unlikely to have reached formal discussion. Members have indicated that they wish to fully establish the options with regard to a small number of selected key projects in an attempt to preserve the highly valued services our residents need. These ‘Thinking Big’ ideas have the potential to contribute significantly to bridging the funding gap we are experiencing without reducing frontline services but they are not decisions to be taken lightly which is why further investigations will be undertaken.

Transformational Projects 2014-2016

As has already been mentioned above, this Strategy is a continuation of the Council’s original 4 Year Plan and as a consequence a number of key projects which influence service delivery and finances over the next few years are already in progress. The Council remains committed to these projects and the outcomes they can deliver.

Streetwise Franchise

On 1 July 2014, the Council's grounds maintenance and street cleaning functions will be empowered to become more competitive with the creation of a stand-alone social enterprise, Streetwise. The move to a social enterprise will enable Streetwise to retain the best aspects of its public sector heritage and social values, whilst operating in a more commercial way to open up new opportunities and to grow the business. Existing staff will be transferred into the new company under TUPE. Streetwise has been awarded the contract to provide a street cleansing and grounds maintenance service to the Borough Council for an initial contract period of 5 years. Overall, the cost of the contract will result in a saving to the Council.

Streetwise will continue to work in partnership with the Borough Council with the aspiration to replicate the Streetwise business model into a social franchise. Streetwise will support this development and will provide resources and expertise to help produce the franchising manual and prospectus. This could potentially lead to an additional income stream for both parties as new franchisees pay to use the Streetwise business model.

Building Control Partnership

The Council's Building Control service was reviewed in 2012/13 in line with the 4 Year Plan to identify efficiency savings and new ways of working. The service already shares a manager with South Kesteven District Council and this review was undertaken in partnership with them - making further savings. The review identified an opportunity to transform the service through a full partnership delivery approach with South Kesteven District Council which builds on the current successful shared management arrangement. It is expected that this approach will bring significant benefits, including increased resilience, greater efficiencies through the use of shared processes and further savings which would be shared between the two councils. Subject to receiving political approval, the joint building control service with South Kesteven District Council will be fully operational on 1 April 2014 and will be closely monitored over the first year of operation to resolve any initial teething problems. The main aim moving forward is to invite other partners to join from 2015 to achieve even greater efficiencies.

Garage Partnership

Following approval by the Cabinet in January 2014, Rushcliffe Borough Council and Nottingham City Council will be commencing a 'Co-operation Agreement' in April 2014 to deliver fleet maintenance and garage services across both geographical areas. The service builds on the City Council's scale and expertise in the delivery of maintenance programmes for large and complex public sector fleets. The scope of the expanded service will include the proactive maintenance and responsive repair of all the Council's fleet of vehicles and equipment at the City Council's Eastcroft Depot. The agreement will result in: a range of benefits and cashable savings for Rushcliffe; the creation of a platform for further growth with other public sector partners; the alignment of the Council's recent collaboration agreement on partnership working; and strategically help towards the release of the Council's Abbey Road Depot site moving forwards.

The transitional implementation of the agreement will be managed via a detailed project plan covering all the operational and workforce arrangements that need to be in place to support the 'go live' date of 1 April 2014. Once operational, the agreement will be monitored through a shared

performance management framework which will include regular operational meetings, a suite of performance indicators covering key outcomes and further oversight through the Council's existing scrutiny arrangements.

Collaboration

In December 2013, the Cabinet supported the Collaboration Agreement between Rushcliffe, Gedling Borough Council and Newark and Sherwood District Council. The Agreement sets out the benefits of a preferred partner approach and how the three councils plan to work together to save money, protect service standards and take advantage of future sharing opportunities. An emerging governance structure is being developed, which is led by the three Council Leaders and Deputy Leaders. They determine the priorities in collaboration with each of the Chief Executives, who take responsibility for deciding the methods of delivery and for monitoring the work plan. The focus up until 2015 is currently on the areas of ICT development, HR, Environmental Health and Waste Management, concentrating on efficiency, capacity and resilience. This is not an exclusive arrangement and partnerships with other councils will continue where they provide synergy.

Leisure Strategy Activation

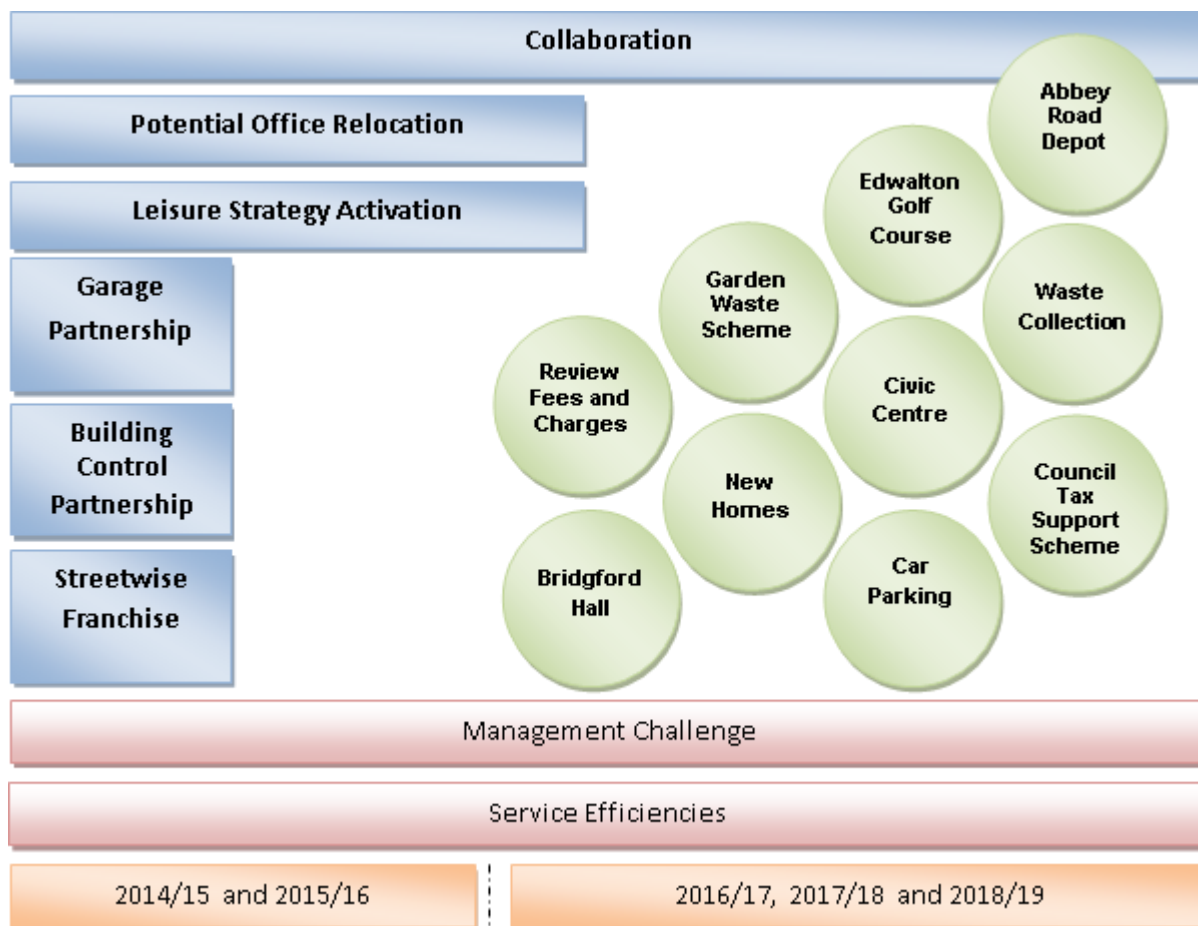
Since 2006, the Council's Leisure Strategy has highlighted the authority's ambition to rationalise leisure facilities in West Bridgford to one site – Rushcliffe Arena. During 2013, a feasibility study was undertaken that concluded such a change, primarily funded from the New Homes Bonus, could make this aspiration a reality and at the same time deliver a new facility that was both more energy efficient and cheaper to run. In October 2013 Cabinet supported the development of formal proposals for a new leisure centre at the Arena. Subject to final cabinet approval the new leisure centre will open to the public in 2016.

Transforming the way we work

The activation of the leisure strategy has also provided another opportunity. The Council has for some years been looking to vacate the Civic Centre on Pavilion Road. Changing staff numbers and different ways of working mean the Council needs less physical space to run its services. Plans are being drawn up to combine new office space within the updated Rushcliffe Arena with the view of vacating the Civic Centre in early 2016 if Cabinet approval is granted. This frees up the Civic Centre to be let or sold raising valuable income for the Council. It also provides an opportunity for the Council to fully review the way it works, including introducing more electronic solutions, more flexible working patterns, and a better work life balance for our staff. A new building will also mean lower energy costs and has the potential to include working spaces for partner agencies leading to closer links and better customer service for the residents of Rushcliffe.

Summary of the Transformation Strategy Work Programme

The diagram below summarises the Transformation Strategy Work Programme for the next five years and provides a framework within which the required efficiencies will be delivered.



Governance

This Strategy is undoubtedly ambitious and it needs to be to reduce the budget by as much as is required. However, it must also be achievable within the resources the Council has available.

Since the publication of the original 4 Year Plan in 2010, the Chief Executive has through an management restructure adopted by Full Council created an internal Transformation and Projects team who are responsible for delivering and monitoring the Transformation Strategy (previously the 4 Year Plan). They also provide much needed project management resources for each review undertaken.

However, it would still not be possible to do everything at once and to that effect a five year programme has been developed. In the event of unforeseen circumstances the programme of reviews will be assessed to decide if it is still achievable or whether changes need to be made. Each individual project will have its own terms of reference, project plan and governance arrangements. Overall, monitoring of the Strategy will take place quarterly by the Chief Executive and his Executive Management Team. Where it is required by individual projects, consultation and engagement with members of the public will take place.

The following risks have been identified and will be monitored accordingly.

Risk	Probability	Impact	Mitigation
Reviews do not achieve anticipated savings	Probable	>£250k	Individual reviews where there is underachievement may be offset by others with higher savings.
Programme slippage	Possible	>£250k	Monitoring of programme and taking early corrective action
Insufficient capacity to undertake the programme	Possible	>£250k	Procure extra resources – ie consultancy
Insufficient interest from alternative providers	Possible	Negative	Find appropriate savings from direct service provision by quality reduction (probably)

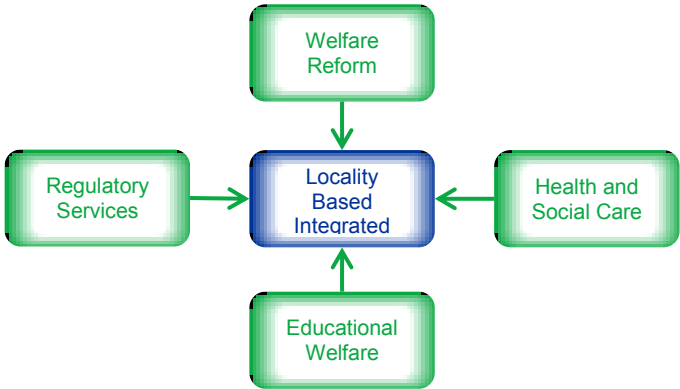
Rushcliffe’s Accepted Models of Partnership Working

1. Localised Integrated Working Partnerships

These types of integrated delivery partnerships involve working with other agencies and organisations whose services are delivered to Rushcliffe borough residents. These partnerships are aimed at improving the connectivity of public services, public regulation, reducing the need to cross-refer people and issues.

The Government has recognised and begun to embrace the value of partnerships of scope and is increasingly looking to realise both financial and customer benefits from these. Central Government policies around community safety, health outcomes, welfare reform and community budget pilots, all demonstrate recognition of the importance of the different agencies working together in a single locality to benefit their residents.

Rushcliffe is a pioneer in this area. development of the Rushcliffe Contact Centre bringing together services for the Police, Job Centre sector, South Nottinghamshire other services has been recognised approach has been supported by our ability to work in other locations on a remote access basis. The service has recently been expanded into Bingham where an integrated delivery service model has been deployed and is being delivered from the new Health Centre.



The successful Community joint customer plus, voluntary College and nationally. This

There are also a range of projects underway involving our locality partners, which embed these principles and take services out into the community, including Positive Futures, Rush for Health, Lark in the Park and Business Partnership events.

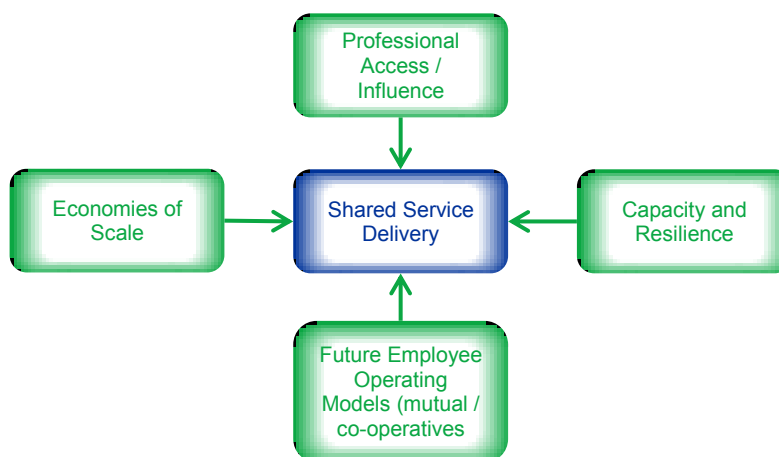
2. Partnerships of Scale

This term describes two or more organisations joining together largely to benefit from economies of scale. These partnerships can, like localised integrated working partnerships, drive efficiencies but unlike scope partnerships they may not, in themselves, directly improve the way in which the service is delivered to Rushcliffe Borough residents. Opportunities exist in this area to share back office services, reducing costs and removing duplication whilst maintaining and improving capacity and resilience.

If scale partnerships are to be successful, previous experience has shown that there is a greater chance for success if they cover a broad range of services but are focussed and aligned on a small number of culturally similar and willing partners. It is possible to develop these partnerships organically – that is, as opportunities arise – and this has been our approach to date following the unsuccessful attempt to enter a partnership with Liberata and Charnwood Borough Council.

As mentioned above, to date partnerships of scale have developed organically – the Council has been successful in developing a number of such partnerships, of which the following, mostly back office services, have come to fruition: payroll services (Gedling), ICT (Broxtowe, Newark & Sherwood), building control (South Kesteven), procurement (Gedling), homelessness (Gedling) and emergency planning (Nottinghamshire County Council).

Following continued encouragement from Central Government, there has been an increased willingness and determination from the Leaders within the Nottinghamshire to forge closer relationships of scale (Waste Collection and Management). In addition, the leadership of Gedling and Newark and Sherwood councils have indicated they would be willing to develop a close working relationship



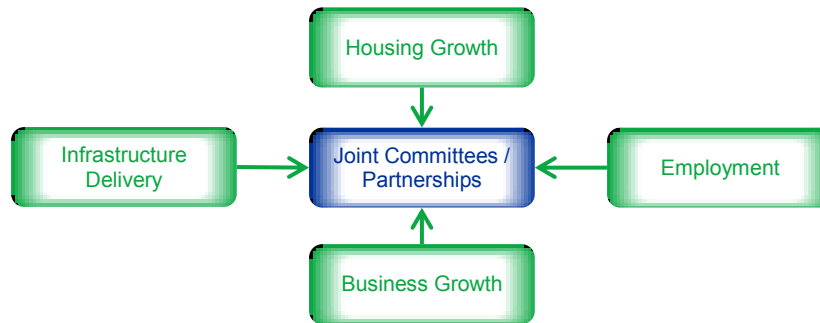
encouragement there has been and Leaders within closer (Waste Management). of Gedling and councils have willing to relationship

across a broad range of services with Rushcliffe building upon a history of working proactively and positively together. This was formalised following the Cabinet decision on 3 December 2013 and the publication of a Collaboration Agreement in which all three authorities have agreed to work together using a preferred partner approach to maximise capacity, reliance and efficiency where it makes business sense. Closer working between these authorities could both exploit the partnership of scale opportunities whilst also contributing to meeting all three councils' future aspirations.

3. Partnerships for Governance

There has been a growth of place-based and themed partnership arrangements. These have largely been designed to implement and administer arrangements within defined areas focussed upon common objectives including: The Joint Planning and Advisory Board (Nottingham City, Nottinghamshire County Council, Broxtowe BC, Gedling BC, Erewash DC and Rushcliffe BC).

However, the emergence of other forums has restricted the representation and of individual districts. The Wellbeing Boards and Enterprise Partnerships are prime examples where representation is restricted to one borough or council. Therefore, to combat this, it is likely there will be an increase in the number of joint committee arrangements. These will be focused upon agreeing joint objectives, allocating resources and monitoring outcomes which impact regionally and nationally. For example, in January 2014, the Cabinet supported the establishment of the City of Nottingham and Nottinghamshire Economic Prosperity Committee to drive future investment in growth and jobs in the City and County.



and growth of Health and Local are prime representation district or Therefore, to there will be an

If these do grow, there will be an increasing reliance upon forging relationships which can influence outcomes for Rushcliffe residents; for example, agreeing key infrastructure requirements which benefit not only Rushcliffe but neighbouring boroughs and districts.

These models of partnership working provide a framework within which officers can be swift to take advantage of opportunities as they arise. They build upon our existing core principles model highlighted above and provide a clear map for the future.

Headline Targets 2014/15 to 2018/19

Anticipated savings in £000	Opportunity	2014/15	2015/16	2016/17	2017/18	2018/19
Service Efficiencies and Management Challenge	1,080	158	533	848	1,013	1,080
<u>Thematic Reviews - With Potential Savings</u>						
Wheeled bin charges for new houses	23	12	23	23	23	23
Bridgford Hall	100	(35)	(70)	100	100	100
Printing for Member Meetings	11	5	5	11	11	11
Council Publications and Promotion	9	9	9	9	9	9
Grants and Support	25	10	25	25	25	25
Planning pre-application Advice	10		10	10	10	10
Leisure Strategy	350		150	350	350	350
Burial Provision	20		20	20	20	20
	548	1	172	548	548	548
<u>Income Reviews</u>						
Fees and charges Generally	50	50	50	50	50	50
Street Trading Licenses	5	5	5	5	5	5
Car Parking - Rural	25			25	25	25
Car Parking - West Bridgford	50				50	50
	130	55	55	80	130	130
<u>Saving Opportunities / (cost)</u>						
Small Business Rates Relief Grant	0	400	400	0	0	0
	0	400	400	0	0	0
Overall	1,758	613	1,160	1,476	1,691	1,758
Funding Gap	(1,847)	(624)	(1,384)	(1,450)	(1,502)	(1,656)
(Shortfall) / Surplus (In addition to £300k committed from Org Reserve)	(89)	(11)	(225)	26	189	102
Transfer From Reserves	(1,420)	(311)	(525)	(275)	(112)	(198)

<u>Strategic Assets - savings to be determined</u>						
Edwalton Golf Course	?					
Office Accomodation	?					
Abbey Road Depot	?					

<u>Other Reviews (savings tbd)</u>						
Council Tax Support Scheme	?					
Nottingham City Garages	?					
Streetwise	?					
Collaboration	?					

CAPITAL PROGRAMME 2014/15

Ref	Scheme	2014/15	2015/16	2016/17	2017/18	2018/19
		Indicative	Indicative	Indicative	Indicative	Indicative
		Estimate	Estimate	Estimate	Estimate	Estimate
		£000	£000	£000	£000	£000
	Cotgrave Town Centre Regeneration Project	0	300	0	0	0
	Bingham Market Place Resurface	60	0	0	0	0
	Bridgford Hall Refurbishment	650	0	0	0	0
	Footpath Enhancement	25	25	25	25	25
	Cotgrave Precinct Works	50	0	0	0	0
	The Point Enhancements	50	30	30	30	30
	New Depot	0	0	2,500	0	0
	Sub total	835	355	2,555	55	55
	Neighbourhoods					
	Wheeled Bins	60	60	60	60	60
	Vehicle Replacement	300	544	990	462	269
	Support for Registered Housing Providers	840	250	250	250	250
	Discretionary Support Grants	0	0	0	0	0
	Disabled Facilities Grants	375	375	375	375	375
	Sub total	1,575	1,229	1,675	1,147	954
	Communities					
	Partnership Grants	63	64	65	65	66
	Nottinghamshire Cricket Club Grant	90	90	90	0	0
	Play Areas - Special Expense	50	50	50	50	50
	Sub total	203	204	205	115	116
	Corporate Governance					
	Information Systems Strategy	220	70	70	70	70
	Sub total	220	70	70	70	70
	Finance and Commercial					
	Nottinghamshire Cricket Club Loan	2,000	0	0	0	0
	Contribution to the A453	375	125	0	0	0
	Pitch Upgrade Keyworth LC	25	0	0	0	0
	Changing Room Supply and Leisure Strategy/Office Accommodation	2,000	5,000	1,500	0	0
	Contingency	150	150	150	150	150
	Sub total	4,550	5,275	1,650	150	150
	PROGRAMME TOTAL	7,383	7,133	6,155	1,537	1,345

TREASURY MANAGEMENT STRATEGY 2014/15 – 2018/19

The Capital Prudential Indicators 2014/15 to 2018/19

Introduction

1. The Local Government Act 2003 requires the Council to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out capital and treasury management activities.
2. The CIPFA Prudential Code establishes a framework designed to support local strategic planning, local asset management planning and option appraisal. The objectives of the CIPFA Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.
3. The overall prudential framework also has an impact on the Council's treasury management activities as it directly impacts borrowing and investment activity. The Treasury Management Strategy for 2014/15 to 2018/19 is included from paragraph 19.

The Capital Prudential Indicators

4. The Council's capital expenditure plans are summarised below and forms the first of the prudential indicators. Capital expenditure needs to have regard to:
 - Corporate objectives (e.g. strategic planning);
 - Stewardship of assets (e.g. asset management planning);
 - Value for money (e.g. option appraisal);
 - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
 - Affordability (e.g. implications for council tax and rents); and
 - Practicability (e.g. the achievability of the Corporate Plan).

Capital Expenditure Estimates

5. Capital expenditure can be financed immediately through the application of capital resources, for example, capital receipts, capital grants or revenue resources. However, if these resources are insufficient or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need. Table 1 summarises the capital expenditure projections and anticipated financing, with capital expenditure increasing with regards to anticipated spend in relation to, in particular, accommodation and leisure strategy.

Table1: Projected Capital Expenditure

£'000	2013/14 Estimate	2013/14 Revised	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Capital Expenditure	5,998	5,843	7,383	7,133	6,155	1,537	1,345
Financed by:							
Capital Receipts	4,982	3,707	3,891	1,636	4,283	1,165	973
Capital Grants/ Contributions	726	1,675	383	292	292	292	292
Reserves	290	461	3,109	859	80	80	80
Net Financing Need for the Year (Internal Borrowing)	0	0	0	4,346	1,500	0	0
Total	5,998	5,843	7,383	7,133	6,155	1,537	1,345

6. The key risks to the capital expenditure plans are that the level of grants estimated is subject to change and anticipated capital receipts are not realised in the medium term.

The Council's Borrowing Need (the Capital Financing Requirement)

7. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital expenditure which has not yet been paid for by either revenue or capital resources. The capital expenditure above which has not been financed increases the CFR from a negative to a positive position (ie the use of internal borrowing).

Table 2: CFR Projections

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Capital Financing Requirement						
Opening Balance	(505)	(505)	(505)	3,841	5,341	4,741
Movement in CFR	0	0	4,346	1,500	(600)	(600)
Closing Balance	(505)	(505)	3,841	5,341	4,741	4,141
Movement in CFR represented by						
Net financing need for the year (internal borrowing)	0	0	4,346	1,500	0	0
Less MRP/VRP and other financing movements	0	0	0	0	(600)	(600)
CFR Movement	0	0	4,346	1,500	(600)	(600)

8. CLG Regulations have been issued which require the Corporate Governance Group to consider an Minimum Revenue Provision (MRP) Statement in advance of each year. Further commentary financing of the debt is provided within the Treasury Management Strategy Statement (paras 30-33). A variety of options are provided to Councils, so long as there is prudent provision. The following MRP Statement is recommended (taking advice from our Treasury Advisors).
9. Rushcliffe Borough Council has fully financed its capital expenditure incurred before 1 April 2013. In the event of an MRP charge being required the policy for approval is:
 - *Option 3 Asset Life Method – in accordance with the proposed regulations MRP will be based on the estimated life of the assets, (this option must be applied for any expenditure capitalised under a Capitalisation Direction).*

Estimated life periods will be determined under delegated powers. To the extent that expenditure is not the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonable reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

This option provides for a reduction in the borrowing need over approximately the asset's life.

The Use of the Council's Resources and the Investment Position

10. The application of resources (capital receipts, reserves etc) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc). Table 3 details estimates of the year end investment balance and anticipated day to day cash flow balances. It should be noted that resources decline over time as capital expenditure is funded from internal resources.

Table 3: Expected Investment Position

Year End Resources £'000	2013/14 Revised	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Expected year-end balances	33,000	33,000	31,000	23,000	23,000	23,000
Expected Average Investments over the year	40,000	40,000	38,000	30,000	30,000	30,000

Prudential Indicators for External Debt**Authorised Limit for External Debt**

11. The authorised limit is the “affordable borrowing limit” required by section 3 (1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It shows the maximum amount the Council could afford to borrow to maximise treasury management opportunities and either cover temporary cash flow shortfalls or use for longer term capital investment.

Table 4: The Authorised Limit

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Authorised Limit	13,000	9,000	12,000	12,000	12,000	12,000

Operational Boundary for External Debt

12. The operational boundary is the expected borrowing position of the Council during the course of the year. The operational boundary is not a limit and actual borrowing can be either below or above the boundary subject to the authorised limit not being breached.

Table 5: The Operational Boundary

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Operational Boundary	4,000	4,000	9,000	9,000	9,000	9,000

Prudential Indicator for Prudence

13. The framework established by the CIPFA Prudential Code is designed to ensure that the objective of keeping external debt within sustainable, prudent limits is addressed each year.

Gross Borrowing and the Capital Financing Requirement

14. This is a key indicator of prudence. In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council needs to ensure that debt does not, except in the short term, exceed the total capital financing requirement in the preceding year plus

the estimates of any additional increases to the CFR for the current and following two financial years.

Table 6: CFR versus Gross External Debt

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Gross Borrowing at 1 April	0	0	0	0	0	0
Internal borrowing	0	0	0	0	0	0
Gross Borrowing at 31 March	0	0	0	0	0	0
Capital Financing Requirement						
Total CFR	(505)	(505)	3,841	5,341	4,741	4,141

15. The Executive Manager – Finance and Commercial reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans and the proposals in this budget report.

Prudential Indicators for Affordability

16. Affordability indicators provide details of the impact of capital investment plans on the Council's overall finances.

Actual and estimates of the ratio of net financing costs to net revenue stream

17. This indicator identifies the trend in net financing costs (borrowing costs less investment income) against net revenue income. The purpose of the indicator is to show how the proportion of net income used to pay for financing costs (a credit indicates interest earned rather than cost) is changing over time. The trend below is consistent with the fact that our investments will decline, as will the Council's net budget, but in the later years projected interest rate rises means the proportion of interest earned increases.

Table 7: Ratio of Financing Costs to Net Revenue Stream

	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
General Fund	-2.31%	-2.37%	-2.25%	-1.83%	-3.87%	-4.28%

Incremental Impact of Capital Investment Decisions

18. This is an indicator of affordability that shows the incremental impact of capital investment decisions on Council Tax. The indicator identifies the revenue costs associated with the capital programme for a particular year. A minus figure is indicative of the assumed benefits from the Leisure Strategy and Accommodation changes. This changes to a positive figure in 2017/18 as the Council starts to pay for the cost of capital on this project.

Table 8: Capital Expenditure – Annual Impact on Council Tax

	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Impact on Council Tax – Band D	0.21	0.53	(3.27)	(8.36)	6.35	6.30

Treasury Management and Investment Strategy Statement 2014/15 to 2018/19

19. The CIPFA Code of Practice for Treasury Management in the Public Services (the “CIPFA Treasury Management Code”) and the CIPFA Prudential Code require local authorities to produce a Treasury Management Strategy Statement on an annual basis. This Strategy Statement includes those indicators that relate to the treasury management functions.

20. The CIPFA Treasury Management Code defines treasury management activities as:

“The management of the local authority’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.”

Statutory and Professional Requirements

21. The above definition highlights that the treasury management service is an important part of the overall financial management of the Council’s affairs. The prudential indicators (paragraphs 1-18) consider the affordability and impact of capital expenditure decisions, and set out the Council’s overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets its balanced budget requirement under the Local Government Finance Act 1992. Furthermore the Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans are affordable, prudent and sustainable. The Council has gone beyond this requirement, so that Members are fully informed of the implications on the 5 year Medium Term Financial Strategy of its Capital Programme.

22. The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act, included from section 45); this sets out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments, and accords with the CIPFA Treasury Management Code of Practice 2011 (‘the Code’).

23. The primary requirements of the Code are as follows:

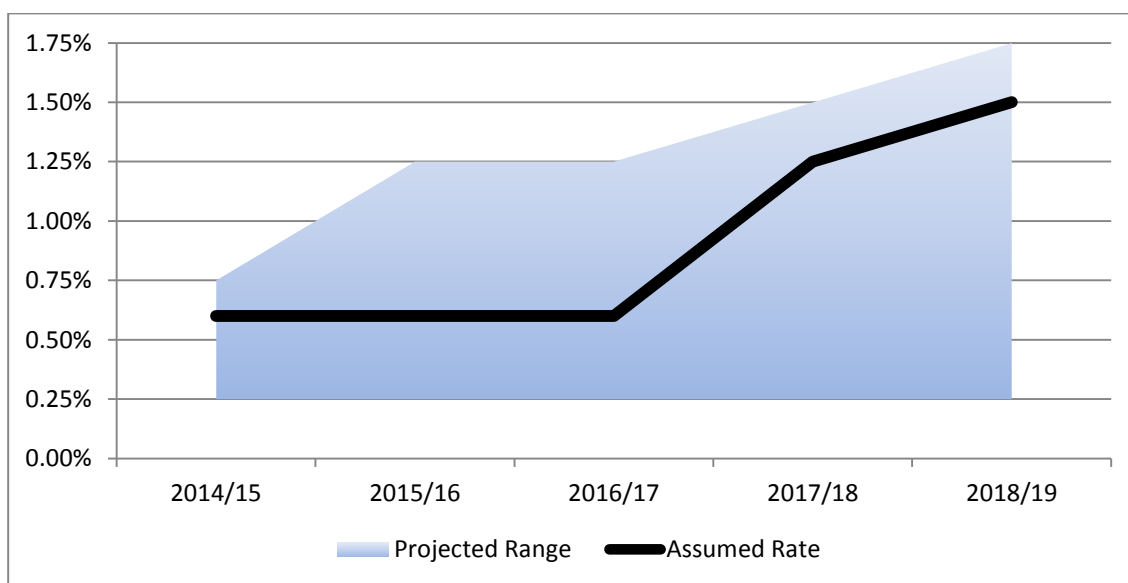
- a) Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities.
- b) Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- c) Receipt by the full council of an annual Treasury Management Strategy Statement – including the Annual Investment Strategy and Minimum Revenue Provision Policy – for the year ahead, a Mid- Year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
- d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- e) Delegation by the Council of the role of scrutiny of the treasury strategy and policies to a specific named body. For this Council the delegated body is the Corporate Governance Group.

24. The suggested strategy for 2014/15 in respect of the following aspects of the treasury management function is based upon interest rate forecasts provided by the Council's treasury advisor, Arlingclose combined with our expected cashflow position.

The Current Economic Climate and Prospects for Interest Rates.

25. The Council is facing increasing difficulty in securing higher interest rates on its investments. Call account interest has reduced from 0.75% with Santander and Royal Bank of Scotland to 0.40% and 0.65% respectively which has had a significant impact on the returns. For example, future returns on investments with Santander have reduced from approximately £60,000 to £30,000 per annum.
26. There has also been a reduction in the rates on fixed term investments which will also have an impact on the interest earned. For example, the current rate for a 12 month investment with Barclays is 0.796% compared with the rate secured by the Council in August 2013 of 0.84%.
27. For any treasury decisions, whether to borrow or invest, the Council must pay due regard to both the economic climate and expectations going forward. The graph below shows that short-term rates are expected to remain low until 2016/17 and steadily rising thereafter. We have assumed rates in between the minimum and maximum expectation and consider a prudent prognosis. The Strategy has to be reactive to changing market conditions as such forecasts can quickly change and this could impact on future decision making.

Expected Movement in Interest Rates



28. Growth in the UK economy is expected to continue to strengthen but this is not expected to be reflected in interest rates as the Bank Rate is expected to remain at 0.5% for the next couple of years. The table below shows the assumed average interest rates that investments will be made at over the next five years for budget setting purposes.

Table 9: Budgetary Impact of Assumed Interest Rate Going Forward

%	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Average Interest rate	0.60	0.60	0.60	1.25	1.50
Expected interest from investments	240,000	228,000	180,000	375,000	450,000
Other investment income	20,000	20,000	20,000	20,000	20,000
Total Interest	260,000	248,000	200,000	395,000	470,000

29. The credit risk with banking failures has diminished but regulatory changes have been proposed to move away from the bank 'bail-outs' seen in previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors which includes Local Authorities are 'bailed in' to assist with the recovery process. As such the management of this risk could be aided by more investment diversification with Building Societies. There are also proposals for EU regulatory reform to Money Market Funds which could result in these funds moving to variable net asset value and losing their credit ratings. Diversification of investments between creditworthy counterparties to mitigate 'bail-in' risk will become even more important with these developments.

External Debt and Investment Projections 2014/15 to 2018/19

Debt Projections

30. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be refinanced. The following table shows the effect on the treasury position over the next five years. The expected maximum debt position each year represents the operational boundary indicator and so may be different from the year end position. Whilst we are not expected to externally borrow, this enables the Council to have the flexibility to borrow, if it is deemed appropriate.

Table 10: Debt Projections

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Debt at 1 April	0	0	0	0	0	0
Internal borrowing	0	0	0	0	0	0
Debt at 31 March	0	0	0	0	0	0
Operational Boundary	4,000	4,000	9,000	9,000	9,000	9,000

31. The capital programme assumes internal borrowing of:
- £4,346,000 in 2015/16
 - £1,500,000 in 2016/17
32. This additional borrowing relates to the development at the Arena site and office accommodation, which will result in a reduction in the level of investments which, in turn, will reduce the interest receivable from investments.

33. Subject to confirmation of the funding model for the Arena development, amounts of £600,000 are planned to be set aside in 2017/18 onwards which will be financed by the New Homes Bonus for the repayment of this debt in accordance with the statutory provisions as detailed in the MRP policy set out in section 9.

Investment projections

34. The following table highlights the expected change in investment balances

Table 11: Investment Projections

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Investments at 1 April	33,459	33,000	33,000	31,000	23,000	23,000
Expected change in investments	(459)	0	(2,000)	(8,000)	0	0
Investments at 31 March	33,000	33,000	31,000	23,000	23,000	23,000

Borrowing Strategy 2014/15 to 2018/19

35. As indicated in para 14 above based on the initial funding model considered by Cabinet (which is still subject to final confirmation as part of any agreement to proceed with the development) the Council would internally borrow a total of £5.846m in 2015/16 and 2016/17 to finance the development at the Arena site and office accommodation. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to use internal resources.
36. By doing this, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise.
37. The approved sources of long-term and short-term borrowing are:
- Internal borrowing
 - Public Works Loan Board
 - Local authorities
 - Commercial banks
 - Money markets
 - Leasing

Treasury Management limits on activity

38. The purpose of these indicators is to contain the activity of the treasury function within certain limits and therefore reduce the risk of an adverse movement in interest rates impacting negatively on the Council's overall financial position. As suggested in the CIPFA Treasury Management Code, all investments (whether fixed or variable rate) with a period of less than twelve months to maturity are regarded as variable rather than fixed rate investments as they are potentially subject to movements in interest rates when they mature. Likewise, any fixed rate borrowing that

is due to mature within twelve months is regarded as being at a variable rate as the rate to be paid on any replacement loan could differ from the rate currently being paid.

Upper Limits for Fixed and Variable Rate Exposure

39. These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Table 12: Interest Rate Exposure

%	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Fixed						
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments over 1 year	25	25	25	25	25	25
Upper Limit for Fixed Interest Rate Exposure on Investments up to 1 year	100	100	100	100	100	100
Variable						
Upper Limit for Variable Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure on Investments	100	100	100	100	100	100

Maturity Structure of Fixed Rate Borrowing

40. This indicator highlights the existence of any large concentrations of fixed rate debt that will need to be replaced. It is designed to protect against excessive exposures to interest rate changes in any one period, with particular emphasis on the next ten years.

Table 13: Maturity structure of Fixed Rate Borrowing

%	Existing Level	Lower Limit	Upper Limit
Under 12 months	Nil Borrowing	0	100
12 months and within 24 months	Nil Borrowing	0	100
24 months and within 5 years	Nil Borrowing	0	100
5 years and within 10 years	Nil Borrowing	0	100
10 years and within 20 years	Nil Borrowing	0	100
20 years and within 30 years	Nil Borrowing	0	100
30 years and within 40 years	Nil Borrowing	0	100
40 years and within 50 years	Nil Borrowing	0	100
50 years and above	Nil Borrowing	0	100

Upper Limit for Total Principal Sums Invested over 1 year

41. This limit is intended to contain exposure to the possibility of any loss that may arise as a result of the Council having to seek early repayment of any investments made. If an investment has to be repaid before its natural maturity date due to cash flow requirements then, if market conditions are unfavourable, there could be an adverse impact upon the Council. As the level of overall investments declines so does the amount that would be expected to invest over 1 year

Table 14: Principal Sums Invested over 1 year

£'000	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Upper Limit for Total Principal Sums Invested over 1 year	12,900	8,250	7,750	5,750	5,750	5,750

Credit Risk

42. The Council considers security, liquidity and yield, in that order, when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.
43. The Council also considers alternative assessments of credit strength such as information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent)
 - Sovereign support mechanisms
 - Credit default swaps (where quoted)
 - Share prices (where available)
 - Corporate development, news, articles, market sentiment and momentum
 - Subjective overlay
44. The only indicators with prescriptive values are credit ratings. The other indicators of credit worthiness are considered in relative rather than absolute terms.

Investment Strategy 2014/15 to 2018/19

45. Both the CIPFA Code and the CLG Guidance require 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. 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 unsuitable low investment income.
46. The Council will ensure that:
 - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring of their security which is set out in the Specified and Non Specified investments sections below.
 - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for funds may prudently be committed. These procedures will also apply to the Council's prudential indicators covering the maximum principal sums invested.
47. The CIPFA Treasury Management Code recommends that organisations should clearly specify the minimum acceptable credit quality of its counterparties, however they should not rely on credit ratings alone and should recognise their limitations. Credit ratings should only be used as a starting point when considering credit risk and organisations should make their investment decisions based on all ratings issued by the main credit rating agencies.
48. Credit rating information is provided by Arlingclose on all active counterparties that comply with the criteria below. A counterparty list will be maintained from this information and any counterparty not meeting the criteria will be removed from the list.
49. Should a body be removed from the Council's counterparty list then any extant investment will normally be retained until the earliest date under the agreement upon which it can be reclaimed. During such a period no further investments will be made with the counterparty.

Current investments

50. Surplus funds are invested based on the most up to date forecasts of interest rates and in accordance with the Council's cash flow requirements in order to gain the maximum benefit from the Council's cash position throughout the year. Funds are separated between specified and non-specified investments as detailed below.

Specified investments

51. The CLG guidance defines specified investments as those:
 - Denominated in pound sterling,
 - Due to be repaid within 12 months of arrangements,
 - Not defined as capital expenditure by legislation, and
 - Invested with one of:
 - The UK Government
 - A UK local authority, parish council, or community council, or

- A body or investment scheme of “high credit quality”

52. The Council defines “high credit quality” organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA- or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

Non-specified investments

53. Any investment not meeting the definition of a specified investment is classed as non-specified. The Council does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and scheme not meeting the definition on high credit quality.

54. The Council may invest its surplus funds with the counterparties detailed in the following table:

Table 15: Counterparty Details

	Rating body (Fitch or equivalent)	Money Limit (maximum)	Time Limit (up to)	Specified	Non-specified
UK domiciled Banks and Building Societies	A-	£10m	2 years	Y	Y
Non-UK domiciled Banks	AA-	£5m	1 year	Y	N
Council's own banker	N/A	£1m	overnight	Y	N
UK Central Government	Government Secure		overnight	Y	N
UK Local Authorities	Highly Secure Not Rated	£5m	1 year	Y	N
UK Registered Providers of Social Housing	A-	£5m	1 year	Y	N
Money Market Funds and other pooled funds	Likely to lose credit ratings (para. 29)	£5m	overnight	Y	Y
Funding Circle	N/A	£0.5m	5 years	N	Y
CCLA Property Fund	N/A	£1.0m	5 years	N	Y

55. A group limit of £12m will apply to counterparties that are subsidiaries of larger banking groups.
56. Although the above table details the Counterparties that the Council could invest funds with it would not invest funds with Counterparties against the advice of Arlingclose even if they met the criteria above.
57. Following the reduction in the interest rate from 0.75% to 0.40% on the Santander Call Account the Council is planning further diversify with Svenska Handelsbanken. The limit of investment is a

maximum of £5 million in a call account with at a rate of 0.65%. This is within the approved limits provided by Arlingclose. Also highlighted in Table 15 is diversification with the CCLA Property Fund and Funding Circle (the latter to also help facilitate business growth).

58. Any infringement of the above limits can be authorised by the Section 151 Officer or the Deputy Section 151 Officer, and will be reported retrospectively to the Corporate Governance Group. This is to cover exceptional circumstances so that instant decisions can be made in an environment which is both fluid and subject to high risk.

Treasury Management Advisors

59. The Council uses Arlingclose as its treasury management advisors. The company provides a range of services which include:

- Technical support on treasury matters and capital finance issues
- Economic and interest rate analysis
- Generic investment advice on interest rates, timing and investment instruments; and
- Credit ratings/market information service comprising the three main credit rating agencies.

60. 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.

Member and Officer Training

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

- Periodically facilitating workshops for members on finance issues;
- Interim reporting and advising members of Treasury issues via CGG;
- Identifying officer training needs on treasury management related issues through the Performance Development and Review appraisal process;
- Officer attendance at training events, seminars and workshops; and
- Support from the Council's treasury management advisors.

APPENDIX 6

<u>Use of Earmarked Reserves in 2014/15</u>	Projected Opening Balance	Projected Income	Projected Expenditure	Ref	Net Change in Year	Projected Closing Balance
	£'000	£'000	£'000		£'000	£'000
Investment Reserves						
Regeneration and Community Projects	2,096	50	(551)	¹	(501)	1,595
Cotgrave Regeneration Project	175	75	(50)	²	25	200
Council Assets and Service Delivery	684		(684)	³	(684)	0
Local Area Agreement	120				0	120
New Homes Bonus	1,569	1,474	(1,133)	⁴	341	1,910
Invest to Save	661		(661)	⁵	(661)	0
Corporate Reserves						
Organisational Stabilisation	2,176		(300)	⁶	(300)	1,876
Organisational Stabilisation			(11)	⁷	(11)	(11)
Risk and Insurance	100				0	100
Planning Appeals	349				0	349
Elections	200				0	200
Operating Reserves						
Planning	203				0	203
Leisure Centre Maintenance	180				0	180
Lottery	55				0	55
Planned Maintenance	100	30	(30)	⁸	0	100
	8,668	1,629	(3,420)		(1,791)	6,877

1. £501,000 Office Accommodation Capital, £50,000 Play Areas Special Expense Capital

2. £50,000 Cotgrave Precinct Capital

3. £684,000 Office Accommodation capital

4. £758,000 Support for Registered Housing Providers Capital, £375,000 A453 capital

5. £661,000 Office Accommodation Capital

6. £300,000 to support the Revenue budget
7. £11,000 to support the Transformation Strategy
8. £30,000 The Point Capital