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Our reference: lrj
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Date: 6 February 2012

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 14 February 2012 at 7.00 pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford to consider the following items of business.

Yours sincerely



Head of Corporate Services

AGENDA

1. Apologies for absence.
2. Declarations of Interest.
3. Minutes of the Meeting held on Tuesday 10 January 2012 (previously circulated).

Key Decisions

None.

Non Key Decisions

None.

Budget and Policy Framework Items

4. Budget 2012/13 and Medium Term Financial Strategy

The report of the Interim Head of Financial Services is attached (pages 1 - 54).
5. Draft Corporate Strategy 2012 - 2016

The report of the Head of Corporate Services is attached (pages 55 - 62).

6. Pay Policy Statement 2012/13

The report of the Head of Corporate Services is attached (pages 63 - 69).

Matters referred from Scrutiny

None.

Membership

Chairman: Councillor J N Clarke

Vice-Chairman: Councillor J A Cranswick

Councillors D G Bell, J E Fearon, D J Mason, Mrs J A Smith

Meeting Room Guidance

Fire Alarm - Evacuation - in the event of an alarm sounding you should 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 - Facilities, including those for the disabled, are located opposite Committee Room 2.

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

Microphones - When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.



CABINET

14 FEBRUARY 2012

BUDGET 2012/13 AND MEDIUM TERM FINANCIAL STRATEGY

4

REPORT OF THE INTERIM HEAD OF FINANCIAL SERVICES

CABINET PORTFOLIO HOLDER – COUNCILLOR CLARKE

Purpose of the Report

1. The purpose of the report is to: -
 - i. Update members on the current revenue and capital monitoring position for 2011/12;
 - ii. Report back comments received by members following the member budget workshops held in November 2011 and January 2012;
 - iii. Provide the background information to enable Cabinet to submit a draft revenue and capital budget for 2012/13 to Council on 1st March 2012;
 - iv. Consider special expenses for West Bridgford, Ruddington and Keyworth;
 - v. Outline information that the Government has provided in relation to the Council Tax incentive scheme and to consider criteria concerning Council Tax referenda (the replacement for “capping”);
 - vi. Outline options for Council Tax for 2012/13 to enable Cabinet to make a recommendation to Council on 1st March 2012.
 - vii. Update the Medium Term Financial Strategy and Forecasts;
 - viii. Consider the main issues and risks that are likely to impact on the Council's budgets in the medium term.
 - ix. Consider the treasury management strategy and prudential indicators for 2012/13.

Recommendations

2. It is RECOMMENDED that Cabinet: -
 - i. Notes the current revenue and capital monitoring position for 2011/12;
 - ii. Notes the comments received from members on the Budget 2012/13 and medium term financial strategy outlined in **Appendix D**;
 - iii. Approves the Medium Term Financial Forecast as set out in paragraph 47;
 - iv. Notes the scenario and risk analysis illustrated in **Appendix G**;
 - v. Approves the treasury management strategy 2012/13 including prudential borrowing indicators as set out in **Appendix H**;

3. It is RECOMMENDED that Cabinet recommends to Council: -
 - i. The Revised Budget 2011/12 and Budget 2012/13 as set out in **Appendix E**;
 - ii. The Capital Programme 2012/13 – 2015/16 as set out in **Appendix F**;
 - iii. The special expenses for West Bridgford, Ruddington and Keyworth as set out at paragraph 27;
 - iv. A preferred level of Council Tax (Band D equivalent) for 2012/13;

Revenue and Capital Monitoring 2011/12

4. The revenue and capital monitoring position for the current year provides useful context for members when considering the budget and medium term financial projections.
5. The budget position to the end of December 2011 for revenue is attached at Appendix A with explanation of variances at Appendix B.
6. The revenue budget monitoring for December continues to show savings, reflecting the councils drive for efficiency and maximisation of income. This is a significant achievement given the current economic climate.
7. As previously reported the majority of the savings have been achieved through additional income, particularly green waste but also through the early delivery of service reviews for Environment and Waste and Revenue and Benefits.

8. The summary position for capital is set out below and detailed at Appendix C

	Current Budget	Projected Outturn	Projected Variance
	£	£	£
Expenditure			
Revenues and ICT Services	704,000	641,000	63,000
Partnerships & Performance	2,178,000	2,128,000	50,000
Environment & Waste	1,053,000	1,053,000	0
Community Shaping	779,000	742,000	37,000
Planning & Place Shaping	73,000	70,000	3,000
Contingency	374,000	0	374,000
	5,161,000	4,634,000	527,000
Financing			
Capital Receipts	(1,719,000)	(1,892,000)	173,000
Government Grants	(2,870,000)	(2,220,000)	(650,000)
Other Grants/Contributions	(111,000)	(101,000)	(10,000)
Use of Reserves	(461,000)	(421,000)	(40,000)
	(5,161,000)	(4,634,000)	(527,000)
Net Expenditure	0	0	0

9. The projected outturn for capital is an underspend of £527,000. The majority of this relates to unused contingency and the remaining variances are as reported to Cabinet in December.

Budget Workshops – Comments

10. Member budget workshops were held in November 2011 and January 2012. Both sets of workshops were well attended and covered a number of issues impacting on the council's budget.
11. The main focus for this year was to provide members with information about the changing landscape of funding and service provision expected from 2013/14. Implementing the proposed schemes for localising Business Rates and Council Tax Support will be complex and challenging in the current economic environment and preparation will be the key.
12. Members were also presented with the draft budget position for 2012/13 and medium term financial projections. The service review savings have delivered a balanced budget for 2012/13 although there is much uncertainty from 2013/14 onwards.
13. After the January workshops members were invited to make comments on the budget and these have been consolidated at Appendix D with answers to questions where appropriate.

Revenue Budget 2012/13 & Capital Programme 2012/13 – 2016/17

Revenue Budget 2012/13

14. The Council's detailed budget for 2012/13 has been reviewed and revised to bring it in line with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Service Reporting Code of Practice (SerCOP).
15. The detailed budget is attached at Appendix E and contains explanations for major variances between the Original Budgets for 2011/12 and 2012/13.
16. It should be noted that the change in number and treatment of holding accounts has resulted in variances between services and between operating expenditure and central support service costs. These do not however have an impact on the Net Council Budget (the Council's bottom line)
17. The budget has been set in line with the four year plan adopted during the last budget round. As outlined for members at the budget workshops the plan is working and sticking to it will put the council in the best position to manage the turbulence in the medium term.
18. The savings initiatives identified last year's have been further developed, tested for resilience and then incorporated into the revenue budgets for 2012/13. The table below summarises the additional savings included since the 2011/12 budget was set: -

Saving Initiatives	Budget 2012/13
	£
Options approved by Members	
Ceasing the trade waste service	11,900
Charging for green waste	260,000
Integrating litter and dog bins / removing shrub beds	4,000
Ending funding for the part-time cleaners in the large villages	9,600
Sub-Total	285,500
Savings Identified by Managers	
Staffing and Staff Related	480,200
Pension Backfunding	162,900
Insurance Contract	175,000
Energy Contract	15,000
Other Efficiencies	185,000
Sub-Total	1,018,100
Service Redesign	
Depot Services (Cabinet January 2012)	270,000
Review of Refuse Rounds	
Removal of hardly used Bottle Banks	
Competency Based Pay Scheme	
Reduction in number of grass cuts	
Large grassed areas to wild flower meadow	
Revenues and Benefits	100,000
Reduction in Staff Costs	
Conservation (Cabinet November 2012)	10,000
Stop Small Environmental Improvements	
Grant Aid & Community Facilities (Cab January 2012)	10,000
Grant aid saving	
Sub-Total	390,000
TOTAL SAVINGS IN 2012/13 BUDGET	1,693,600

19. The budget review for 2012/13 also identified some areas of budget increase particularly inflationary increases in fuel and utilities costs and reductions in achievable income for Planning and Building Control Fees.
20. It is important that members do not consider a single year's budget and council tax setting in isolation as this can cause financial difficulties in the medium term. The implications for the medium term are considered and forecasted later in this report.

Capital Programme 2012/13 - 2016/17

21. The Council's Capital Programme has also been reviewed and revised to make it simpler and more understandable for members.

22. The capital programme is detailed at Appendix F and summarised below:

	2012/13	2013/14	2014/15	2015/16	2016/17
	Original Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
	£000	£000	£000	£000	£000
EXPENDITURE					
Revenues & ICT	495	677	125	125	125
Partnerships & Performance	1,639	473	329	58	0
Environment & Waste					
Management	1,178	1,521	1,266	1,563	5,543
Community Shaping	801	418	419	420	422
Planning and Place Shaping	0	0	0	0	0
Financial Services	150	150	150	150	150
Total	4,263	3,239	2,289	2,316	6,240
FUNDED BY					
Usable Capital Receipts	(2,212)	(2,417)	(1,724)	(1,896)	(5,820)
Disabled Facilities Grants	(220)	(220)	(220)	(220)	(220)
Use of Reserves	(821)	(200)	(200)	(200)	(200)
Grants and Contributions	(760)	(152)	0	0	0
Section 106 Monies	(250)	(250)	(145)	0	0
Total	(4,263)	(3,239)	(2,289)	(2,316)	(6,240)

23. The Capital Programme has been updated to include schemes re-phased from 2011/12. Schemes for Alford Road Pavilion re-development, Park Lodge structural repairs and part of the Information Systems strategy.
24. The original programme has also been adjusted to reflect the current provisions required for the support and delivery of Cotgrave Masterplan. Funding from the Homes and Communities Agency has increased to £2m and this is reflected in the revised budget. Spending plans for vehicle replacement have been revised and new items have been included for Cotgrave Leisure Centre and the acquisition of a Nitrogen Dioxide monitor.
25. The budget provision for investment in affordable housing has also been reviewed after receipt of £1,000,000 of section 106 monies from the RAF Newton site, which must be used for this purpose. The funding is time limited and will be used before the council's own funding earmarked at the time of housing stock transfer.

26. The table below sets out the available capital funding for the life of the capital programme:

	2012/13	2013/14	2014/15	2015/16	2016/17
	£000	£000	£000	£000	£000
Available Resources B/F	(18,275)	(15,416)	(13,014)	(11,305)	(9,424)
Capital Receipts (Useable)	(74)	(115)	(115)	(115)	(115)
Grants & Contributions	(1,230)	(622)	(365)	(220)	(220)
Revenue Contributions	(100)	(100)	(100)	(100)	(100)
Sub-total	(19,679)	(16,253)	(13,594)	(11,740)	(9,859)
Programmed Expenditure	4,263	3,239	2,289	2,316	6,240
Available Resources C/F	(15,416)	(13,014)	(11,305)	(9,424)	(3,619)

Special Expenses 2012/13

27. 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.
28. In 2012/13 a new special expense is required for cemetery maintenance costs at the St Mary Magdelene churchyard in Keyworth.
29. The table below details the proposed costs to be included as special expenses for the budget for 2012/13 for West Bridgford, Ruddington and Keyworth.

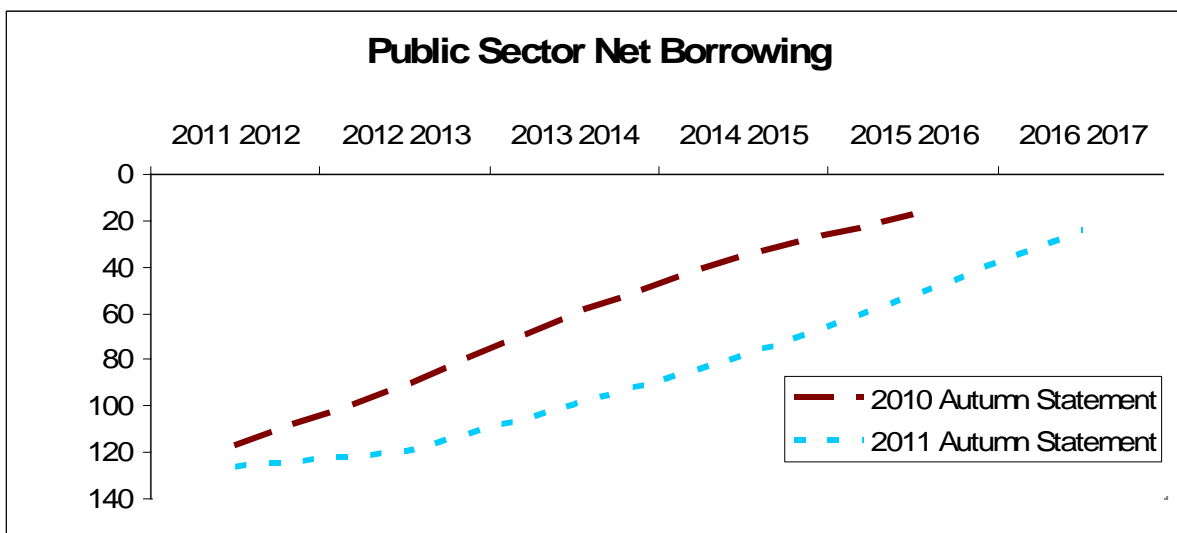
	2011/12	2012/13
	£	£
West Bridgford		
Parks and Playing Fields	415,000	417,980
West Bridgford Town Centre	51,300	50,990
Community Halls	44,250	39,300
Seats & Bins	1,840	1,840
Burial Subsidy	19,320	19,330
Contingency	13,270	15,550
Annuity Charges	106,880	97,810
RCCO	100,000	100,000
	751,860	742,800
Ruddington		
Cemetery & Annuity Charges	6,650	6,650
	6,650	6,650
Keyworth		
Cemetery Maintenance		3,970
	0	3,970
TOTAL SPECIAL EXPENSES	758,510	753,420

Medium Term Financial Strategy and Forecasts

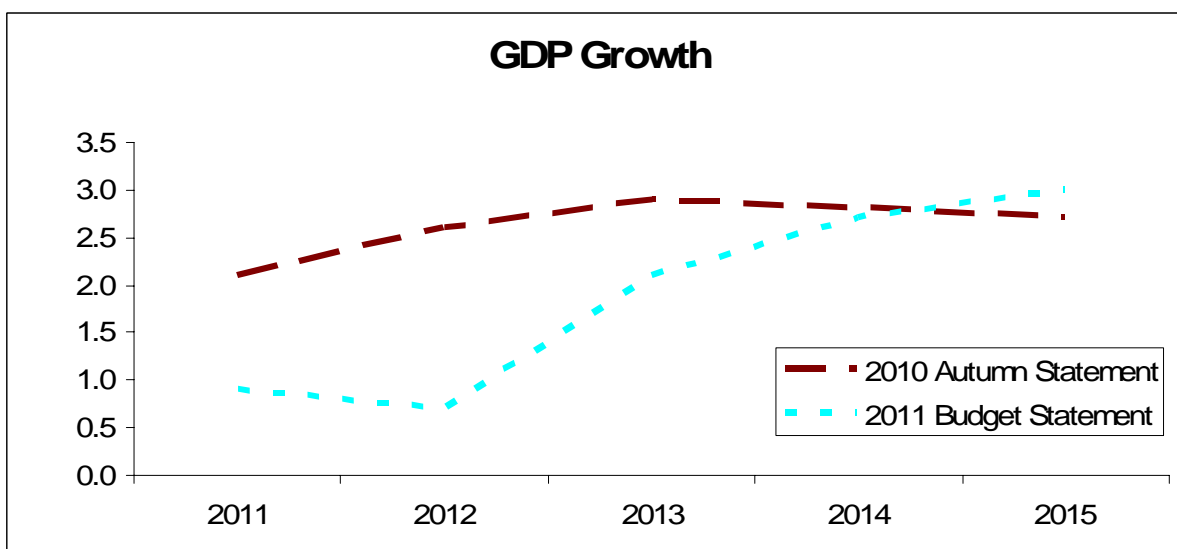
30. This section examines the changing financial landscape that the council is currently managing in and applies some forecasts based upon what is currently known. The following section will deal with some risk and scenario analysis given the unprecedented levels of uncertainty.
31. The section is split into four areas:
- National Economic Indicators;
 - Localisation of Business Rates;
 - Localisation of Council Tax Benefit;
 - Medium Term Forecast.

National Economic Indicators

32. This section identifies two key national economic indicators (Public Sector Net Borrowing and Gross Domestic Product). The following chart summarises the changes in Public Sector Net Borrowing between the autumn 2010 and autumn 2011 Statement.



33. The outlook for GDP growth is illustrated below:



34. The graphs show that borrowing has not reduced by as much as the government intended and GDP growth is lower than anticipated a year ago. These indicators make a loosening of the government's current fiscal policy unlikely. The outlook for Local Government remains extremely difficult and indeed could be worse than had been predicted through the Comprehensive Spending Review.

Localisation of Business Rates

35. The way that the Government provides funding to local authorities will change significantly from April 2013.
36. The Government issued a consultation paper entitled 'Local Government Resource Review - Proposals for Business Rates Retention' on 18 July 2011. This was supplemented with a further eight technical consultation documents that were issued on 22 August.
37. The Council submitted a detailed response prior to the consultation deadline of 24 October outlining concerns as to how the system would operate in practice.
38. The Government's response to the consultation was published on 19 December 2011. There was some encouraging aspects particularly the change in tier split to 80 : 20 in favour of District Councils.
39. The detail of the scheme will continue to be developed over the summer and local authorities through the Local Government Association have urged that this is published sooner rather than later.
40. Given the uncertainty there remains a specific concern around where the baseline will be set. This is the initial allocation of business rate for 2013/14, which was originally to be determined in line with the Comprehensive Spending Review announcement.
41. This is expected to be revised after the chancellor's autumn statement announcement, which given the above national economic indicators will be worse rather than originally expected. The council is currently projecting a reduction of 5% on switch to localised business rates.

Localisation of Council Tax Benefit

42. The Government also recently consulted on proposals for the localisation of support for Council Tax in England a replacement for council tax benefits.
43. The Government consultation discussed high level principles rather than details of how the scheme would operate. In essence, the government looked at ways the funding for council tax benefits could be reduced by 10% whilst at the same time transfer the financial responsibility for the scheme from central to local government.
44. The council again submitted a detailed response outlining concerns as to how the system would operate in practice.

45. The Government's response to the consultation was published on 19 December 2011. The main points are summarised below:
- a. Basic thrust of the original proposals remain unchanged
 - b. The timetable remains unchanged – local authorities must have a scheme approved by 31st January 2013, otherwise a default scheme based on the current Council Tax Benefit (CTB) will be imposed. Due to the 10% reduction in CTB paid to authorities, it would not benefit any authority to revert to the default scheme.
 - c. The billing authorities will be the default lead authority (by agreement it could be the County). In designing a scheme the Council must
 - i. Consult with the County Council and Police;
 - ii. Consult with the public;
 - iii. Determine who is eligible and the procedures to be applied;
 - iv. Not revise schemes mid-year but can change annually;
 - v. Risk share with County, Police and Fire authorities;
 - d. Billing authorities will be able to collaborate with others so that multiple authorities can use a single scheme.
 - e. Funding will be set on an annual basis for the first 2 years. From 2015/16 onwards, the Government may consider multi-year allocations.
 - f. Pensioners will be the only formally protected group – they must not receive less benefit than they currently receive.
46. If DCLG are to meet their own schedule for both the Business Rates Reform and the Localisation of Council Tax Benefit, they must ensure that the Bill passes all its stages in Parliament by the summer and attain Royal Assent by the end of July 2012.

Medium Term Financial Forecast

47. The council's medium term financial forecast is illustrated below; members are reminded that it contains indicative council tax increases of 3%, however no decision regarding council tax increases have as yet been made. Options for council tax increases set out below:

	CERTAINTY		UNCERTAINTY		
	2011/12 Current	2012/13 Forecast	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
	£000	£000	£000	£000	£000
Net Cost of Services	12,060	11,446	11,648	11,206	11,335
Contingency	80	80	80	80	80
Revenue Contribution to Capital	860	200	200	200	200
Interest Receipts	(560)	(450)	(450)	(700)	(900)
Special Expenses	(759)	(753)	(771)	(781)	(790)
Use of Earmarked Reserves	(1,320)	(580)	(345)	(76)	(70)
Net Council Budget	10,361	9,943	10,362	9,929	9,855
Forecast Resources:					
Central Government Grant	(5,550)	(4,872)	0	0	0
Localised Business Rates	0	0	(4,628)	(4,397)	(4,177)
Council Tax / Coll'n Fund	(50)	(100)	(25)	0	0
Income From Council Tax	(4,660)	(4,835)	(5,005)	(5,181)	(5,363)
Council Tax Freeze Grant	(136)	(136)	(136)	(136)	0
Total Resources	(10,396)	(9,943)	(9,794)	(9,714)	(9,540)
Budget (Surplus) / Deficit	(35)	0	568	216	316
Service Redesign Savings	0	0	(568)	(216)	(316)
Budget (Surplus) / Deficit	(35)	0	(0)	(0)	(0)

48. The Council's medium term financial forecast reflects a balanced budget for 2012/13, which is a significant achievement. The decision members take on the council tax increase will not make a significant difference for 2012/13. If the decision is taken to freeze council tax an additional £136,000 savings will need to be found in 2013/14. This can be considered when undertaking service reviews during 2012/13.
49. The forecast reflects the council's strong financial position, which is supplemented by it being debt free with a healthy reserves position.
50. The forecast identifies the uncertainty outlined above and the council will need to keep a close eye on developments and revise its assumptions when more detail is known. Even more importantly it must be flexible and ready to change should the need arise.

Council Tax Setting 2012/13

51. The two main issues for members to consider before recommending a Council Tax level to Council for 2012/13 are:

- Council Tax Freeze Incentive Grant;
- Council Tax Referendum Criteria ;

Council Tax Freeze Incentive Grant

52. The Government has announced that it intends to grant fund local authorities that freeze their council tax for 2012/13. The grant, as last year, will be equivalent to a 2.5% council tax increase, which is £136,000 for the Council. Unlike last year though the grant will only be paid for 1 year (2012/13) and not future years.

Council Tax Referendum Criteria

53. The Government has introduced council tax referenda as a replacement to the “capping” regime previously used to control the level of council tax increases.

54. Under the new regime councils that set an “excessive” council tax increase would be required to undertake a referendum of its council tax payers to sanction, or otherwise their proposed tax increase.

55. The full ramifications of a council tax referendum are still unknown. What is clear is that the cost such a process could be as much as £150,000 if successful £200,000 if not. This alone equates to a 4% increase in council tax and would place a massive risk on the council’s scarce resources.

Council Tax Increase Options

56. The factors above effectively restrict the Council to three options.

- Accepting the Council Tax Freeze Incentive;
- A Council Tax increase of 2.5%;
- A Council Tax increase of 3.5%.

57. Members will recall that the current Medium Term Financial Forecast provides for a 3% increase in council tax. The table below outlines the different financial impact of each option on that forecast:

	2012/13	2013/14	2014/15	2015/16
	£	£	£	£
1. Council Tax Freeze	27,000	136,000	136,000	136,000
2. 2.5% Increase	27,000	27,000	27,000	27,000
3. 3.5% Increase	(27,000)	(27,000)	(27,000)	(27,000)

58. If additional savings are required for 2012/13 (options 1 & 2) they can be accommodated within existing budgets, contingencies or use of balances. If a council tax freeze is the preferred option additional savings will need to be identified as part of the budget cycle for 2013/14.

Medium Term Risks & Scenario Analysis

59. It has already been outlined that there is a great deal of uncertainty from 2013/14 making forecasting with any confidence impossible. It is important however to know where the major risks and potential opportunities may come from.

60. This understanding will put the council in a strong position to influence in areas still being developed but also provide the maximum time to manage issues it can't influence or control.

61. The tables at Appendix G identify the major financial risks the council will face in 2012/13 and into the medium term. It also assesses the potential financial scope of each risk when compared to the Medium Term Financial Forecast. This tool will be used to help periodically review and update the council's major financial risks.

Treasury Management Strategy & Prudential Indicators 2012/13

62. The Council has adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management. This requires the Cabinet to annually consider the council's Treasury Management Strategy and set Prudential Borrowing Indicators at the same time as setting the budget.

63. The indicators are a technical accounting requirement and are based upon a range of different external borrowing scenarios that may happen during the medium term. These are reviewed and updated annually by the Council and provide a statutory framework for officers to work within during the year.

64. The Treasury Management Strategy and Prudential Indicators are set out at Appendix H.

Financial Comments

The financial impact of the Borough's spending plans is described in the report

Section 17 Crime and Disorder Act

The budget supports the Council's work in tackling crime and disorder

Diversity

In the development of proposals within the financial strategy due regard is being given to the potential equalities impact, in order to ensure fair financial decisions. Where necessary assessment will be made to measure and evaluate any such impact and this will help to identify methods for mitigating or avoiding it. This process will help to ensure that agreed courses of action are justifiable and, where necessary plans are in place to alleviate negative impact.

Background Papers for Inspection: Nil

Revenue Variance Analysis by Service Area
April 2011 - December 2011 (9 Months)

	Actual vs Profile			Projected vs Budget			
	Budget YTD	Actual YTD	Variance (Under)/Over	Current Budget	Projected Outturn	Variance (Under)/Over	%age Variance
Community Shaping	1,122,325	916,677	(205,648)	1,607,950	1,502,950	(105,000)	(6.5%)
Corporate Services	1,156,756	1,059,230	(97,526)	1,509,080	1,436,080	(73,000)	(4.8%)
Environment & Waste	2,556,107	1,921,781	(634,326)	3,728,699	3,146,699	(582,000)	(15.6%)
Financial Services	1,513,156	1,493,664	(19,492)	1,999,640	1,897,640	(102,000)	(5.1%)
Partnerships & Performance	1,129,141	1,122,583	(6,558)	1,595,020	1,590,020	(5,000)	(0.3%)
Planning & Place Shaping	138,826	201,058	62,232	208,510	278,510	70,000	33.6%
Revenues, Property & ICT	1,749,390	1,443,510	(305,880)	1,718,280	1,513,280	(205,000)	(11.9%)
Total	9,365,701	8,158,503	(1,207,198)	12,367,179	11,365,179	(1,002,000)	8.1%

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REVENUE BUDGET MONITORING - April 2011 - December 2011 (9 Month)

	YTD Variance	Projected Variance
ADVERSE VARIANCES	£000	£000
Financial Services		
- Bank charges are higher than budgeted mainly due to the increase in transactions caused by going "cashless".	60	55
Partnerships & Performance		
- Overspend on utilities at Keyworth LC for last years payments	32	20
Planning & Place Shaping		
- The budget for Development Control fees will not be achieved.	75	100
- Income from Building Control fees is down however this is partially offset by additional income from a staff sharing arrangement.	53	72
Total Adverse Variances	220	247
FAVOURABLE VARIANCES		
Community Shaping		
- The projected outturn reflects underspends in employee costs across the service.	(39)	(42)
Additional income, not originally budgeted for, has been received from the PCT to support Community Development.	(9)	(9)
- Expenditure on Local Strategic Partnership, Community Safety, Environmental Initiatives and General Grants is lower than anticipated	(65)	(40)
Corporate Services		
- The budget for consultations is projected to be underspent although this is partly offset by higher photocopying costs.	(28)	(27)
- Savings on Democratic Services, Members' Expenses, Civic Receptions and Community Support	(24)	(22)
- Savings due to concurrent running of Borough Election & Referendum .	(47)	(30)
Environment & Waste Management		
- Income from the Green Waste Service is higher than originally budgeted.	(295)	(290)
- Savings from ceasing the Trade Waste service.	(42)	(50)
- The projected outturn reflects underspendings in employee costs in Streetwise and Fleet & Garage.	(112)	(134)
- Savings in Streetwise on spare parts, vehicle hire and tipping charges.	(127)	(107)
Financial Services		
- The projected outturn for drainage levies are lower than budgeted.	(7)	(7)
- Savings due to recalculation of unfunded superannuation payment.	(59)	(150)
Partnerships & Performance		
- Income from Car Parking is projected to be higher than budgeted.	(25)	(15)
- Income from Edwalton Golf Courses is projected to be higher than budgeted.	(6)	(10)
Planning & Place Shaping		
- Staff savings within Development Control and Building Control.	(46)	(52)
- Income from Search Fees is higher than budgeted.	(35)	(50)
Revenues, Property & ICT		
- Rents from Industrial Sites, Land Holdings and Investment Properties are projected to be greater than budgeted due to the high levels of occupancy.	(52)	(46)
- Savings have been achieved through the early implementation of the Revenues and Benefits service review.	(103)	(115)
- Service and maintenance costs on the civic centre are lower than budgeted.	(28)	(10)
- Underspends on telephones and mail are projected.	(13)	(30)
Total Favourable Variances	(1,162)	(1,236)
Sum of Minor Variations	(266)	(13)
TOTAL VARIANCE	(1,208)	(1,002)

CAPITAL PROGRAMME MONITORING - DECEMBER 2011							
	H/M/L	Budget YTD £000	Actual YTD £000	Variance £000	Current Budget £000	Projected Outturn £000	Variance £'000
REVENUES & ICT SERVICES							
Earl Howe Sewage Treatment Plant	H	59	44	(15)	59	48	(11)
Walcote Drive Watercourse	M	0	0	0	180	180	0
Making Borough Council Car Parks Safe	M	46	37	(9)	54	54	0
IS Strategy	M	173	156	(17)	240	200	(40)
Public Conveniences Bridgford Park	L	39	36	(3)	39	39	0
Bingham Toilets Security Enhancements	L	0	0	0	6	6	0
Civic Centre Energy Efficiency	L	0	0	0	40	40	0
Civic Centre Enhancements level 1	L	20	19	(1)	20	20	0
Car Park Resurfacing	L	14	7	(7)	19	7	(12)
Park Lodge Structural Repairs	L	0	0	0	0	0	0
Footpath Enhancements	L	24	18	(6)	47	47	0
		375	317	(58)	704	641	(63)
PARTNERSHIPS & PERFORMANCE							
Community Contact Centre Spokes	H	0	0	0	0	0	0
Cotgrave Masterplan	H	0	0	0	2,000	2,000	0
RLC Gym Heating/Ventilation/Equipment	M	15	12	(3)	15	15	0
ELLC Energy Efficiency Measures	M	22	0	(22)	22	22	0
Rushcliffe Community Contact Centre	L	47	11	(36)	100	50	(50)
Car Park Pay & Display Machines	L	21	21	0	21	21	0
EGC Enhance Bar/Lounge Facilities	L	15	11	(4)	20	20	0
		120	55	(65)	2,178	2,128	(50)
ENVIRONMENT & WASTE MANAGEMENT							
Disabled Facilities Grants	H	413	427	14	550	550	0
Decent Homes Grants	L	74	60	(14)	74	74	0
Wheeled Bins Acquisition	L	45	28	(17)	60	60	0
Vehicle Replacement	L	59	54	(5)	369	369	0
		591	569	(22)	1,053	1,053	0
COMMUNITY SHAPING							
Support for Registered Housing Providers	H	15	11	(4)	369	369	0
Partnership Grants	H	94	46	(48)	125	83	(42)
Alford Road Pavilion Redevelopment	M	5	2	(3)	5	5	0
West Bridgford Community Hall Upgrade	M	10	12	2	10	12	2
Community Partnership Reward Grants	L	26	15	(11)	34	37	3
Gresham Pavilion Legionella Work	L	9	8	(1)	12	12	0
Bridgford Park Trim Trail	L	121	118	(3)	121	121	0
Play Facilities	L	0	0	0	100	100	0
Staff Welfare Facility West Park	L	2	0	(2)	3	3	0
		282	212	(70)	779	742	(37)
PLANNING & PLACE SHAPING							
Environmental Improvements	M	71	57	(14)	73	70	(3)
		71	57	(14)	73	70	(3)
CONTINGENCY							
		0	0	0	374	0	(374)
TOTAL		1,439	1,210	(229)	5,161	4,634	(527)

APPENDIX D

NAME	Are you generally supportive of the MTFS as presented in the workshop?	Do you have any comments relating to the savings proposed in this workshop?
Councillor 1	Yes	Most (of this councillor's) constituents wanted more grass cutting – not less
Councillor 2	Yes	Leave things as presented at the budget workshop
Councillor 3	Yes	Continue with current policy...i.e. Council tax
Councillor 4	Yes	Restore some of the smaller cuts previously agreed to such as Small Environmental Improvement grants, Grant Aid and Community Facilities
Councillor 5	Yes	Councillors need to seriously consider savings and cutbacks, and need positive proposals to discuss
Councillor 6	Yes	<p>Review <u>Option 1</u> (Review refuse collection rounds to maximise efficiency: could result in collecting different waste on different days of the week) – obviously if this goes ahead, we are looking to achieve savings in Year 2</p> <p><u>Option 4</u> (Creation of a competency based pay scheme for all front line staff) Sounds tricky to implement, but good savings if successful</p> <p><u>Option 3</u> (Remove around 10 hardly used bottle bank sites and only collect from 30 others when nearly full and continue regular collection from “top 10” sites (which yield 70% of total collected))</p>

APPENDIX D

		<p>Could Parish Councils be asked to ring in when sites need emptying?</p> <p><u>Option 9</u> (Review of grass mowing to decide if we do it in the most effective way. Consider contracting this service out)</p> <p>Should consider contracting out – may be possible to maintain existing number of cuts</p> <p><u>Option 12</u>(Limit landscaping on new developments which the council will subsequently take over)</p> <p>Agree that new developments should have Management Companies, with contributions from residents, to run estates in perpetuity</p>
Councillor 7	<p>Very supportive. In the current economic situation, the Council needs to demonstrate that it can cut costs in order to prevent increases in the levels of Council Tax</p>	<p><u>Initiative 1</u> – (Review refuse collection rounds to maximise efficiency: could result in collecting different waste on different days of the week)</p> <p>Collecting different waste on different days of the week would lead to confusion by the general public</p> <p><u>Initiative 3</u> – (Remove around 10 hardly used bottle bank sites and only collect from 30 others when nearly full and continue regular collection from “top 10” sites (which yield 70% of total collected))</p> <p>In the absence of a kerbside collection facility, we need to retain as many bottle bank sites as possible</p> <p><u>Initiative 8</u> – (Charge to remove graffiti & fly tipping from private property)</p> <p>The present free service has been greatly appreciated by the public. Not in</p>

APPENDIX D

		favour of such a change
Councillor 8	Does not support the proposed 3% Council Tax increase for 12/13. Opted for the Government Tax Freeze Grant of 2.5%	Unhappy with some of the proposed changes to litter clearance. Reluctant to cut service below current
Councillor 9	Yes	Agree with proposals
Councillor 10	Yes. Accepts that a balance has to be achieved between savings on services and the use of reserves during the continuing economic down-turn. Would like to see services that are now currently incurring a charge to residents (formerly not charged for) would revert back to their former status during the next up-turn	<p>Hopes that service redesign does not lead to a reduction in the workforce in posts that provide crucial expertise.</p> <p>Hopes that savings affecting the most vulnerable of our citizens in the borough are kept to a minimum, so that the specific needs of these residents are still met.</p>
Councillor 11	Doesn't agree with Council Tax increase	
Councillor 12	Yes	No comments at present
Councillor 13		Country Park. Car park charges – Thinks that the proportion paying has been 10% or under. Is there any merit in scrapping it or enforcing it? Has crime/cost increased since the security guards were stopped?

APPENDIX D

		<p>Why is there no income from the public toilets - Thought there is a charge for entry in WB?</p> <p>Green bins - suggests the 2nd bin charge should be same as the first as that is more equitable.</p> <p>Why is animal and public health together as a topic?</p> <p>Can pest control income be increased to a better proportion of costs?</p> <p>What are environmental initiatives?</p> <p>Why is emergency planning going to cost more next year?</p> <p>Planning enforcement does not get enough support in the Council and residents & developers perceive RBC to be a push over. Is this to do with cost saving?</p> <p>What is housing enabling? We should spend more from capital reserves on low cost housing.</p>
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SUMMARY OF GENERAL FUND REVENUE ESTIMATES

Ref.		Original 2011/12	Original 2012/13
		£	£
	SERVICE EXPENDITURE		
1.	Cultural and Related Services	2,994,090	2,922,890
2.	Environmental & Regulatory Services	4,852,930	4,817,660
3.	Planning Services	1,441,950	1,737,500
4.	Highways & Transport Services	(197,390)	(203,230)
5.	Housing Services	2,127,900	1,735,030
6.	Central Services	5,061,980	3,757,690
7.	Capital Financing Costs	(3,316,240)	(3,320,740)
8.	NET COST OF SERVICES	12,965,220	11,446,800
9.	General Contingency	80,000	80,000
10.	Revenue Contribution to Capital	0	200,000
11.	Interest On Balances/Investments	(1,069,760)	(450,000)
12.	Special Expenses	(758,510)	(753,420)
13.	Transfers to/from Reserves	(150,000)	(580,000)
14.	NET COUNCIL BUDGET	11,066,950	9,943,380

Variance Explanations

The following pages outline detailed service budgets and variances from the Original Budget 2011/12. It is important to note that the change in methodology creates many variances within services but not against the overall Net Council Budget.

The changes had three major impacts.

1. Central Support Costs have been re-classified as Operating Expenditure.
2. Corporate Management costs have been re-allocated to Services.
3. Capital charges costs for support services have been re-allocated to Services.

Where these variances occur in the following detailed budgets they are referenced with an x.

CULTURAL AND RELATED SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	CULTURE & HERITAGE		
	Arts & Events		
x	Operating Expenditure	58,930	116,640
	Operating Income	(6,400)	(9,190)
	Net Operating Expenditure	52,530	107,450
x	Central Support Costs	75,290	32,950
	Net Expenditure	127,820	140,400
	RECREATION & SPORT		
	Community Centres		
x	Operating Expenditure	67,750	168,670
	Operating Income	(107,150)	(111,850)
	Net Operating Expenditure	(39,400)	56,820
x	Central Support Costs	70,660	10,400
	Capital Charges	25,330	25,330
	Net Expenditure	56,590	92,550
	Sports Development & Community Recreation		
x	Operating Expenditure	54,600	94,520
	Operating Income	(24,870)	(28,320)
	Net Operating Expenditure	29,730	66,200
x	Central Support Costs	55,430	13,140
	Net Expenditure	85,160	79,340

Variance Explanations

CULTURAL AND RELATED SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	RECREATION & SPORT CONT'D		
	Indoor Sport & Recreation Facilities		
1	Operating Expenditure	1,149,490	1,169,130
	Operating Income	(130,160)	(130,790)
	Net Operating Expenditure	1,019,330	1,038,340
x	Central Support Costs	81,800	24,350
	Capital Charges	189,810	189,810
	Net Expenditure	1,290,940	1,252,500
	Outdoor Sport & Recreation Activities		
x	Operating Expenditure	210,100	292,510
	Operating Income	(65,500)	(68,660)
	Net Operating Expenditure	144,600	223,850
x	Central Support Costs	105,910	13,100
	Capital Charges	37,830	37,830
	Net Expenditure	288,340	274,780
	Golf Courses (Edwalton)		
x	Operating Expenditure	21,240	25,960
2	Operating Income	(83,350)	(93,350)
	Net Operating Expenditure	(62,110)	(67,390)
x	Central Support Costs	6,040	2,020
	Capital Charges	19,780	19,780
	Net Expenditure	(36,290)	(45,590)

Variance Explanations

- 1 The contract sum with Parkwood details a reduction in 2012/13 and other smaller general savings have been identified on unspent budgets.
- 2 The management contract provides for an inflationary uplift which has been incorporated into the 2012/13 budget.

CULTURAL AND RELATED SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	OPEN SPACES		
	Community Parks & Open Spaces		
3	Operating Expenditure	505,340	585,640
4	Operating Income	(46,770)	(70,750)
	Net Operating Expenditure	458,570	514,890
x	Central Support Costs	116,000	55,110
5	Capital Charges	262,590	162,590
	Net Expenditure	837,160	732,590
	Countryside Recreation & Management		
6	Operating Expenditure	312,610	381,120
	Operating Income	(20,870)	(22,810)
	Net Operating Expenditure	291,740	358,310
x	Central Support Costs	42,720	28,100
	Capital Charges	5,570	5,570
	Net Expenditure	340,030	391,980
	Allotments		
	Operating Expenditure	4,340	4,340
	Net Expenditure	4,340	4,340

Variance Explanations

- 3 The increase in the 2012/13 budget is due to a review of work undertaken through the grounds maintenance SLA. This has been offset by possible savings identified in the service review of security cost reductions at Rushcliffe Country Park (RCP).
- 4 As part of the service review, income generation has been identified at Rushcliffe Country Park for the ice cream concession and additional parking income potential at Bridgefield.
- 5 In accordance with SerCOP direct revenue financing costs are no longer shown on the face of the service budgets.
- 6 The increase in the 2012/13 budget is due to a review of work undertaken through the grounds maintenance SLA.

CULTURAL & RELATED SERVICES TOTAL	2,994,090	2,922,890
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ENVIRONMENTAL AND REGULATORY SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	CEMETERY, CREMATION & MORTUARY SERVICES		
	Cemetery & Mortuary Services		
7	Operating Expenditure	27,830	34,180
	Operating Income	(400)	(410)
	Net Operating Expenditure	27,430	33,770
	Central Support Costs	2,060	0
	Capital Charges	3,220	3,220
	Net Expenditure	32,710	36,990
	COMMUNITY SAFETY		
	Crime Reduction & Safety Services		
8	Operating Expenditure	49,930	107,310
	Net Operating Expenditure	49,930	107,310
x	Central Support Costs	246,970	43,060
	Net Expenditure	296,900	150,370
	FLOOD DEFENCE & LAND DRAINAGE		
	Land Drainage		
9	Operating Expenditure	33,630	30,970
	Net Operating Expenditure	33,630	30,970
x	Central Support Costs	17,380	0
	Capital Charges	5,660	5,660
	Net Expenditure	56,670	36,630

Variance Explanations

- 7 The review of the Street Cleansing/Grounds Maintenance SLA has resulted in additional costs.
- 8 Staff savings have been identified as part of the savings exercise , contributing to the overall net reduction in the 2012/13 budget.
- 9 The review of the Street Cleansing/Grounds Maintenance SLA has resulted in the small saving.

ENVIRONMENTAL AND REGULATORY SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	REGULATORY SERVICES		
	Animal & Public Health		
x	Operating Expenditure	156,350	505,910
10	Operating Income	(209,410)	(211,490)
	Net Operating Expenditure	(53,060)	294,420
x	Central Support Costs	369,780	78,850
	Capital Charges	10,580	10,580
	Net Expenditure	327,300	383,850
	Environmental Protection		
x	Operating Expenditure	25,480	226,880
	Operating Income	(10,240)	(10,250)
	Net Operating Expenditure	15,240	216,630
x	Central Support Costs	192,100	33,870
	Capital Charges	8,210	8,210
	Net Expenditure	215,550	258,710
	Food Safety		
x	Operating Expenditure	3,340	170,360
	Operating Income	(2,520)	(2,600)
	Net Operating Expenditure	820	167,760
x	Central Support Costs	144,640	25,370
	Net Expenditure	145,460	193,130

Variance Explanations

- 10 The loss of Anti Social Behaviour grant has been offset by an increase in income from Tanker Services due to marketing and price increases.

ENVIRONMENTAL AND REGULATORY SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	REGULATORY SERVICES CONT'D		
	Health & Safety		
x	Operating Expenditure	0	77,030
	Net Operating Expenditure	0	77,030
x	Central Support Costs	130,570	24,360
	Net Expenditure	130,570	101,390
	Housing Standards		
x	Operating Expenditure	3,910	206,920
	Operating Income	0	(9,310)
	Net Operating Expenditure	3,910	197,610
x	Central Support Costs	163,800	26,380
	Net Expenditure	167,710	223,990
	Infectious Diseases		
x	Operating Expenditure	0	14,290
	Net Operating Expenditure	0	14,290
x	Central Support Costs	26,330	1,820
	Net Expenditure	26,330	16,110
	Licensing		
x	Operating Expenditure	63,940	162,710
	Operating Income	(203,440)	(203,440)
	Net Operating Expenditure	(139,500)	(40,730)
x	Central Support Costs	146,140	111,500
	Net Expenditure	6,640	70,770

Variance Explanations

ENVIRONMENTAL AND REGULATORY SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	REGULATORY SERVICES CONT'D		
	Pest Control		
x	Operating Expenditure	13,860	90,540
	Operating Income	(42,310)	(43,580)
	Net Operating Expenditure	(28,450)	46,960
x	Central Support Costs	84,660	43,670
	Capital Charges	6,130	6,130
	Net Expenditure	62,340	96,760
	Public Conveniences		
	Operating Expenditure	38,080	38,060
	Net Operating Expenditure	38,080	38,060
x	Central Support Costs	5,130	1,620
	Net Expenditure	43,210	39,680
11	STREET CLEANSING		
	Operating Expenditure	840,850	759,760
	Operating Income	(4,590)	(31,030)
	Net Operating Expenditure	836,260	728,730
	Central Support Costs	9,410	96,530
	Capital Charges	0	66,360
	Recharge to other services	0	(157,920)
	Net Expenditure	845,670	733,700

Variance Explanations

11 The Streewise service has been disaggregated to show two distinct services - Street Cleansing and Grounds Maintenance. In doing so the service has been recast into the recipient service areas which has in most cases resulted in a variance from the previous combined recharge. The Streewise service, prior to disaggregation, has made savings in employee costs by removing the cleaners in the villages and removing 3 posts where the current level of work allowed for the reduction in staff.

However, the savings made have been offset by an increase in support services following a change in the method of time apportionment.

ENVIRONMENTAL AND REGULATORY SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
12	WASTE COLLECTION		
	Household Waste Collection		
	Operating Expenditure	1,359,350	1,380,770
	Operating Income	(466,670)	(724,130)
	Net Operating Expenditure	892,680	656,640
	Central Support Costs	292,250	406,860
	Capital Charges	348,090	342,450
	Net Expenditure	1,533,020	1,405,950
	Trade Waste		
	Operating Expenditure	97,480	0
	Operating Income	(91,410)	0
	Net Operating Expenditure	6,070	0
	Central Support Costs	23,480	0
	Net Expenditure	29,550	0
	Recycling		
	Operating Expenditure	771,950	838,150
	Operating Income	(182,660)	(168,350)
	Net Operating Expenditure	589,290	669,800
	Central Support Costs	150,740	198,720
	Capital Charges	193,270	201,110
	Net Expenditure	933,300	1,069,630

Variance Explanations

12 The Waste Collection service area has made savings due to the redesign project in the collection of Green Waste, from the cessation of Trade Waste and from a small reduction in costs apportioned from the Environment & Waste Management and support staff. However these savings have been more than offset by the change in the method of support service costs apportionment resulting in an overall increase to the service expenditure. Income for 2012/13 on household waste has increased due to charging for the collection of garden waste. Income on recycling has reduced due to the resale price of glass cullet falling. Medical waste income has reduced as a result of a change in legislation affecting the items that can be charged for.

ENVIRONMENTAL & REGULATORY TOTAL	4,852,930	4,817,660
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PLANNING SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	BUILDING CONTROL		
x	Operating Expenditure	18,260	438,360
13	Operating Income	(324,960)	(267,860)
	Net Operating Expenditure	(306,700)	170,500
x	Central Support Costs	501,880	105,630
	Capital Charges	0	2,150
	Net Expenditure	195,180	278,280
	DEVELOPMENT CONTROL		
x	Operating Expenditure	54,460	843,570
14	Operating Income	(663,120)	(536,120)
	Net Operating Expenditure	(608,660)	307,450
x	Central Support Costs	1,027,120	281,110
	Capital Charges	0	2,160
	Net Expenditure	418,460	590,720
	PLANNING POLICY		
x	Operating Expenditure	150,630	493,360
	Operating Income	(6,930)	(7,660)
	Net Operating Expenditure	143,700	485,700
x	Central Support Costs	384,350	78,640
	Capital Charges	23,430	10,010
	Net Expenditure	551,480	574,350

Variance Explanations

- 13** The reduction in budget for 2012/13 reflects the current years level of income and market expectations for next year.
- 14** The reduction in budget for 2012/13 reflects the current years level of income and market expectations for next year.

PLANNING SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	ENVIRONMENTAL INITIATIVES		
x	Operating Expenditure	60,030	122,490
	Net Operating Expenditure	60,030	122,490
x	Central Support Costs	77,850	35,880
	Net Expenditure	137,880	158,370
	BUSINESS SUPPORT		
15	Operating Expenditure	13,390	210
	Net Operating Expenditure	13,390	210
x	Central Support Costs	50	8,900
	Net Expenditure	13,440	9,110
	ECONOMIC DEVELOPMENT		
16	Operating Expenditure	73,220	70,010
	Operating Income	(38,220)	(38,220)
	Net Operating Expenditure	35,000	31,790
	Central Support Costs	9,860	8,900
	Capital Charges	5,320	5,320
	Net Expenditure	50,180	46,010
	COMMUNITY DEVELOPMENT		
x	Operating Expenditure	75,330	78,130
	Net Operating Expenditure	75,330	78,130
x	Central Support Costs	0	2,530
	Net Expenditure	75,330	80,660

Variance Explanations

15 Budget has been reallocated following the creation of the Transformation Team.

16 Savings have resulted from the demolition of Borough premises that located Shopmobility. This responsibility has now passed to Notts CC following its relocation into the refurbished library in West Bridgford.

	PLANNING SERVICES TOTAL	1,441,950	1,737,500
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HIGHWAYS AND TRANSPORT SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	ENVIRONMENTAL, SAFETY & ROUTINE MAINTENANCE		
x	Operating Expenditure	20,200	22,500
	Net Operating Expenditure	20,200	22,500
x	Central Support Costs	6,440	1,920
	Net Expenditure	26,640	24,420
	PARKING SERVICES		
x	Operating Expenditure	103,980	147,750
17	Operating Income	(457,110)	(462,110)
	Net Operating Expenditure	(353,130)	(314,360)
x	Central Support Costs	70,900	28,510
	Capital Charges	58,200	58,200
	Net Expenditure	(224,030)	(227,650)

Variance Explanations

17 The possibility of growth in parking income in 2012/13 has been identified as part of the savings exercise.

	HIGHWAYS & TRANSPORT SERVICES TOTAL	(197,390)	(203,230)
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HOUSING SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	HOUSING STRATEGY		
x	Operating Expenditure	6,550	29,430
	Net Operating Expenditure	6,550	29,430
x	Central Support Costs	132,350	6,570
	Net Expenditure	138,900	36,000
	HOUSING ENABLING		
x	Operating Expenditure	631,090	704,160
	Operating Income	(12,000)	(12,000)
	Net Operating Expenditure	619,090	692,160
x	Central Support Costs	220	35,380
	Net Expenditure	619,310	727,540
	HOUSING ADVICE		
x	Operating Expenditure	0	22,770
	Net Operating Expenditure	0	22,770
x	Central Support Costs	7,800	38,210
	Net Expenditure	7,800	60,980
	PRIVATE SECTOR HOUSING RENEWAL		
x	Operating Expenditure	577,570	641,450
	Operating Income	(229,040)	(220,000)
	Net Operating Expenditure	348,530	421,450
x	Central Support Costs	192,340	23,450
	Net Expenditure	540,870	444,900

Variance Explanations

HOUSING SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	HOMELESSNESS		
x	Operating Expenditure	81,270	227,890
	Operating Income	(148,650)	(151,300)
	Net Operating Expenditure	(67,380)	76,590
x	Central Support Costs	280,280	93,300
	Capital Charges	12,050	12,050
	Net Expenditure	224,950	181,940
18	HOUSING BENEFITS		
	Operating Expenditure	14,388,210	15,226,470
	Operating Income	(14,817,320)	(15,319,080)
	Net Operating Expenditure	(429,110)	(92,610)
	Central Support Costs	1,067,690	400,690
	Net Expenditure	638,580	308,080
	HOUSING SUPPORT		
x	Operating Expenditure	93,790	106,460
	Operating Income	(147,350)	(147,350)
	Net Operating Expenditure	(53,560)	(40,890)
x	Central Support Costs	11,050	16,480
	Net Expenditure	(42,510)	(24,410)

Variance Explanations

18 The overall reduction in the 2012/13 budget includes savings identified in the Revenues & Benefits service review.

HOUSING SERVICES TOTAL	2,127,900	1,735,030
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CENTRAL SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
19	CORPORATE & DEMOCRATIC CORE		
x	Operating Expenditure	763,220	847,910
	Operating Income	(16,150)	(16,630)
	Net Operating Expenditure	747,070	831,280
x	Central Support Costs	1,572,970	714,440
	Capital Charges	13,220	26,640
	Net Expenditure	2,333,260	1,572,360
	NON DISTRIBUTED COSTS		
20	Operating Expenditure	842,990	654,820
	Net Operating Expenditure	842,990	654,820
	Recharge Income	(109,190)	0
	Net Expenditure	733,800	654,820
	CENTRAL SERVICES TO THE PUBLIC		
21	Local Tax Collection		
x	Operating Expenditure	5,199,290	6,175,060
	Operating Income	(5,373,290)	(5,639,800)
	Net Operating Expenditure	(174,000)	535,260
x	Central Support Costs	1,040,000	715,360
	Net Expenditure	866,000	1,250,620

Variance Explanations

- 19** The 2012/13 budget includes savings on consultation and external audit fees.
- 20** Notification of the latest actuarial revaluation of the superannuation fund , effective from April 2011, was received too late to be reflected in the 2011/12 budget. The direct payment in respect of leisure centre staff has been replaced with an increase in the overall percentage rate. This payment had been set at too high a level previously and the full effect is shown in the 2012-13 budget.
- 21** The 2012/13 budget includes savings identified in the Revenues & Benefits service review. In accordance with SerCOP staff costs have been split between Housing Benefits and Local Tax Collection.

CENTRAL SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	CENTRAL SERVICES TO THE PUBLIC CONT'D		
	Elections		
22	Operating Expenditure	231,230	170,020
	Operating Income	(2,890)	(2,980)
	Net Operating Expenditure	228,340	167,040
	Central Support Costs	185,530	75,110
	Net Expenditure	413,870	242,150
	Emergency Planning		
	Operating Expenditure	28,410	28,410
	Net Operating Expenditure	28,410	28,410
x	Central Support Costs	870	25,270
	Net Expenditure	29,280	53,680
	Local Land Charges		
x	Operating Expenditure	30,090	101,770
23	Operating Income	(92,000)	(142,400)
	Net Operating Expenditure	(61,910)	(40,630)
x	Central Support Costs	120,210	44,270
	Capital Charges	9,740	9,740
	Net Expenditure	68,040	13,380
	Grants		
x	Operating Expenditure	135,470	130,550
	Net Operating Expenditure	135,470	130,550
x	Central Support Costs	0	5,050
	Net Expenditure	135,470	135,600

Variance Explanations

22 The budget primarily reflects the fallout of the election held in 2011/12.

23 The income budget on Land Charges has been increased to reflect current income trends.

CENTRAL SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	PRECEPTS & LEVIES		
	Operating Expenditure	231,130	233,440
	Net Expenditure	231,130	233,440
	CENTRAL SUPPORT SERVICES COSTS		
x	Central Support Costs (Not Recharged)	545,910	0
	Net Expenditure	545,910	0
	TRADING SERVICES		
24	Grounds Maintenance		
	Operating Expenditure	516,330	601,220
	Operating Income	(815,610)	(5,730)
	Net Operating Expenditure	(299,280)	595,490
	Central Support Costs	166,870	68,100
	Capital Charges	132,710	66,350
	Recharge Income	0	(729,940)
	Net Expenditure	300	0
25	Industrial Sites		
	Operating Expenditure	170,050	119,670
	Operating Income	(349,440)	(353,440)
	Net Operating Expenditure	(179,390)	(233,770)
	Central Support Costs	50,610	46,400
	Capital Charges	10,990	10,990
	Net Expenditure	(117,790)	(176,380)

Variance Explanations

- 24** The Streetworks service has been disaggregated to show two distinct services - Street Cleansing and Grounds Maintenance. In doing so the service has been recast into the recipient service areas which has in most cases resulted in a variance from the previous combined recharge. The Streetworks service, prior to disaggregation, has made savings in employee costs by removing the cleaners in the villages and removing 3 posts where the current level of work allowed for the reduction in staff. However, the savings made have been offset by an increase in support services following a change in the method of time apportionment.
- 25** The funding agreement with EMDA for the Manvers Business Park, where a proportion of rental income is paid over, ceases in 2012/13 resulting in savings. The void allowances on rental income has been reviewed to reflect actual occupancy rates, leading to the additional increase in budgeted income.

CENTRAL SERVICES

Ref	Service	Original 2011-12	Original 2012-13
		£	£
	Investment Properties		
26	Operating Expenditure	32,360	21,120
	Operating Income	(227,260)	(224,260)
	Net Operating Expenditure	(194,900)	(203,140)
x	Central Support Costs	12,820	30,830
	Net Expenditure	(182,080)	(172,310)
	Land Holdings		
	Operating Expenditure	10,770	10,380
27	Operating Income	(160,700)	(173,030)
	Net Operating Expenditure	(149,930)	(162,650)
	Central Support Costs	27,770	31,030
	Capital Charges	8,230	8,230
	Net Expenditure	(113,930)	(123,390)
	Property Maintenance		
28	Operating Expenditure	118,720	73,720
	Net Expenditure	118,720	73,720

Variance Explanations

- 26** Savings have arisen from reduced insurance costs following the renegotiated tender.
- 27** Void rates have been reassessed to reflect current occupancy patterns, resulting in an increase in budgeted income.
- 28** Plans for roofing maintenance at the Civic Centre are being reconsidered to establish the full extent of works required and the most effective way of funding those works. An adjustment has therefore been made to the revenue budget for 2012/13.

CENTRAL SERVICES TOTAL	5,061,980	3,757,690
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CAPITAL PROGRAMME 2012/13 - 2016/17

Scheme	Risk	2012/13	2013/14	2014/15	2015/16	2016/17
		Original Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
		£000	£000	£000	£000	£000
Revenues and ICT Services						
Carbon Management Plan Lighting	M	0	72	0	0	0
Boiler Room Insulation	M	0	10	0	0	0
Park Lodge Structural Repairs	M	23	0	0	0	0
Bridgford Hall Refurbishment	H	0	470	0	0	0
Information Systems Strategy	M	447	100	100	100	100
Footpath Enhancement	L	25	25	25	25	25
Sub total		495	677	125	125	125
Partnerships and Performance						
Cotgrave Masterplan	H	1,550	0	0	0	0
Pitch Upgrade Keyworth LC	M	0	25	0	0	0
Changing Room Supply and Extraction Unit - Rushcliffe LC	H	14	0	0	0	0
Warm Air Unit - Rushcliffe LC	H	0	17	0	0	0
Car Park Surfacing - Rushcliffe LC	M	0	0	29	0	0
Car Park Resurfacing Cotgrave LC	M	75	0	0	0	0
Bowls Rink Cloth - Arena	L	0	36	0	0	0
Sports Hall Floor - Arena	L	0	0	0	58	0
Community Contact Centre Spokes	H	0	150	300	0	0
Nottinghamshire Broadband	M	0	245	0	0	0
Car Park Pay & Display Machines	L	0	0	0	0	0
Sub total		1,639	473	329	58	0
Environment and Waste Management						
New Depot	H	0	0	0	0	4,000
Nitrogen Dioxide Monitor	L	16	0	0	0	0
Wheeled Bins	L	63	63	63	63	63
Vehicle Replacement	L	549	908	653	950	930
Disabled Facilities Grants	H	550	550	550	550	550
Sub total		1,178	1,521	1,266	1,563	5,543
Community Shaping						
Support for Registered Housing Providers	H	250	250	250	250	250
Partnership Grants	H	67	68	69	70	72
Play Areas and Facilities for Older Children - Special Expense	L	100	100	100	100	100
Alford Road Pavilion Re-development - Special Expense	H	384	0	0	0	0
Sub total		801	418	419	420	422
Financial Services						
Contingency		150	150	150	150	150
Sub total		150	150	150	150	150
PROGRAMME TOTAL		4,263	3,239	2,289	2,316	6,240

SCENARIO & RISK ANALYSIS - 2012/13 (Variations from Budget Model)

Worse than Budget Model (£000)				Better than Budget Model (£000)			
100	75	50	25	25	50	75	100
Investment Income							
Green Waste Fees							
Car Parking Charges							
Planning Fees							
Building Control Fees							
Search Fees							
Pay Inflation							
Benefits							
Homelessness							
Possible Variation							
£625,000				£225,000			

**TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS
2012/13****REPORT OF THE HEAD OF FINANCIAL SERVICES****Introduction**

The annual Treasury Management Strategy is required as part of the Treasury Management Policy. It details the framework within which borrowing and other treasury management activities will take place in 2012/13. The Prudential Code does not specifically cover investment activity. Instead, the Department for Communities and Local Government (DCLG) has offered guidance on how local authorities should conduct their investment activities rather than by primary or secondary legislation. The resultant Annual Investment Strategy has been incorporated within the overall Treasury Management Strategy and both are presented in the following paragraphs.

1. Executive summary

The Borough's treasury management strategy aims to maximise the income from investments, without taking significant risk with the available capital. In order to achieve this, the treasury management policy determines the constraints within which the strategy must operate, while the strategy determines the operational parameters for the year. In particular:

- The Council has considered diversification of the assets and the underlying risk in its investment portfolio to provide the potential for enhanced returns over the medium term. The reasons for doing so are the continuing importance of investment returns in the Council's overall finances as well as a recognition that investment returns purely from cash or near cash instruments that the Council has utilised up until the current time will be lower in the future
- The Section 151 Officer, under delegated powers, will undertake with advice from the Council's treasury advisor, Arlingclose Ltd, the most appropriate form of investments in keeping with the Council's income and risk management requirements and Prudential Indicators.
- The Council will maintain a counterparty list based on credit criteria. The Council has determined a 'high credit rating' as a long term of A-/A3 or better, short term F1/P-1 or better. Counterparty limits will also apply. While this is the proposed formal position, a tighter restriction will apply during the current period of instability in the Banking system. This will have an effect on the level of interest achieved which is reflected in the revenue budget.
- A limit of 60% of the Council's overall investments will apply for investments which exceed one year which will include pooled funds/collective investment schemes which the Council may invest in.

- Any borrowing will be for short term only, pending receipt of income or investments on maturity. The Council sets an absolute limit of £4.0m for 2012/13 in respect of temporary borrowing, which represents a possible, but not worst case, scenario. It is anticipated that borrowing would be actively managed within the operational boundary based on accurate cash flow forecasting.
- The capital programme will be funded from existing usable resources and not from borrowing. Cash for this purpose will be drawn from investments.
- Cash available for investment will be shared between the cash manager and the in-house team. The level of investments is set to enable the capital programme to be funded leaving day to day cash flows to be managed by the in-house team.

2. Scope of the Strategy

The suggested strategy for 2012/13 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury adviser. The strategy covers:

- the current treasury position;
- prospects for interest rates;
- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- The Borrowing Strategy;
- In-House Investment Strategy;
- External Investment Managers;
- any extraordinary treasury issues

3. Treasury Limits For 2012/13 to 2014/15

It is a statutory duty under Section 3 of the Local Government Act 2003, and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the authorised limit represents the legislative limit specified in section 3 of the Local Government Act 2003.

The Council must have regard to the Prudential Code when setting the Affordable Borrowing Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate those planned to be financed by both external borrowing and other forms of liability, such as credit arrangements. The affordable borrowing limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

4. Prudential Indicators for 2011/12 – 2014/15

The arrangements for “prudential guidelines” involve the following main features:

- The ability to set local limits for borrowing and capital expenditure subject to the Prudential Code of Practice developed by CIPFA and advice from the Section 151 officer;
- Capital investment plans are affordable, sustainable and prudent;
- The setting of “prudential indicators” to measure these factors;
- The monitoring of the indicators throughout the year to ensure compliance.

The proposed indicators are set out below: -

Capital Expenditure					
	2010/11 Actual £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
General Fund Total	5,834	4,634	4,263	3,239	2,289

Ratio of financing costs to net revenue stream					
	2010/11 Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate	2014/15 Estimate
General Fund Total	-4.08	-5.37	-4.75	-4.36	-6.42

Incremental impact on Council Tax of revised capital programme			
	2012/13 Estimate £	2013/14 Estimate £	2014/15 Estimate £
General Fund	+0.06	0.17	-0.18
West Bridgford Special expense	Nil	Nil	Nil

Capital Financing Requirement – end of					
	2010/11 Actual £'000	2011/12 Estimate £'000	2012/13 Estimate £'000	2013/14 Estimate £'000	2014/15 Estimate £'000
General Fund Total	-505	-505	-505	-505	-505

Authorised limit for external debt				
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Borrowing	11,500	12,500	13,000	13,500
Other long term liabilities	Nil	Nil	Nil	Nil
Total	11,500	12,500	13,000	13,500

Operational Boundary for external debt				
	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Borrowing	3,500	4,000	4,500	5,000
Other long term liabilities	Nil	Nil	Nil	Nil
Total	3,500	4,000	4,500	5,000

5. Borrowing

As the Council is debt free and has set aside proceeds from the housing stock transfer to support capital expenditure over the next few years, it is envisaged there will be no requirement to take new long term loans. However, the Council's debt free status does not preclude the need for short term borrowing to cover cash flow requirements.

Whilst under the old regime the short term borrowing limit was set at a level to provide for "worst case scenario", the Prudential Code advises that the Authorised Limit should be set at a realistic level. The authorised limit for external debt in the table above is therefore set at a level to provide for insufficient investments being realised in time to fulfil the obligation of payment to Major Precepting Authorities and net Formula Grant and business rate pooling payments together with routine commitments.

The operational boundary is set at levels to accommodate the predicted peaks and troughs of cash flow during the year. It rises over the three year period to reflect less cash being available for investment overall and the increased use of longer dated maturities, both factors giving rise to a reduction in liquidity.

6. Prospects for Interest Rates

The Council appointed Arlingclose Ltd in July 2006 as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates.

The table below gives Arlingclose Ltd.'s central view for interest rate movement and their economic commentary is attached at Appendix 1:

Year	Interest Rate
2012/13	0.5%
2013/14	0.5%
2014/15	0.5%
2015/16	0.5%
2016/17	0.5%

7. Permitted Investments

The Council may use any approved investment for the prudent management of its treasury balances during the financial year under the heads of Specified Investments and Non-Specified Investments. The Council will only use the following:

Specified Investments:

Specified Investments will be those that meet the criteria in the DCLG Guidance, i.e. the investment:

- Is sterling denominated
- Has a maximum maturity of 1 year
- Meets the “high” credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland.
- The making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

“Specified” Investments for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- *Certificates of deposit with banks and building societies
- *Gilts: (bonds issued by the UK government)
- *Bonds issued by multilateral development banks
- AAA-rated Money Markets Funds with a Constant Net Asset Value (Constant NAV) investing in predominantly in government securities
- AAA-rated Money Market Funds with a Constant Net Asset Value (Constant NAV) investing in instruments issued primarily by financial institutions
- Other Money Market Funds and Collective Investment Schemes – i.e. credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

**Investments in these instruments will be on advice from the Council’s treasury advisor.*

For Credit rated counterparties, the minimum criteria will be the short-term/long-term ratings assigned by one or more of the following agencies (Moody’s Investor Services, Standard & Poor’s, and Fitch Ratings)

The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

Non-Specified Investments

Having considered the rationale and risk associated with Non-Specified Investments, the following have been determined for the Council’

Investment	Maximum Maturity	Capital	In-House	Fund Managers
Deposits with banks and building societies	5 yrs	X	√	√
Certificates of Deposit with banks and building societies	5yrs	X	√	√
Gilts	10 yrs	X	√*	√
Bonds issued by multilateral development banks	10 yrs	X	√*	√
Bonds issued by financial institutions guaranteed by the UK government	10 yrs	X	√*	√
Sterling denominated bonds by non-UK sovereign governments	10 yrs	X	√*	√
Money Market Funds and Collective Investment Schemes (pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573) but which are not credit rated	N/A	X	√*	X
Government guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	10 yrs	√	√	X
Non-guaranteed bonds and debt instruments (e.g. floating rate notes) issued by corporate bodies	10 yrs	√	√	X
Collective Investment Schemes (Pooled funds) which do not meet the definition of collective investment schemes in SI 2004 No 534 or SI 2007 No 573	N/A	√	√*	X

**Investment only on advice from treasury advisor*

In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

The use of the above instruments by the Council's fund manager(s) will be by reference to the fund guidelines contained in the agreement between the Council and the individual manager.

The Debt Management Agency Deposit Facility (DMADF) is run by the Debt Management Office which is an Executive Agency of Her Majesty's Treasury; investments in the DMADF are therefore considered very secure.

The table below shows the maximum periods together with maximum amount for which funds may be prudently invested in term deposits with any one institution:

Institution	Short Term Credit Rating	Long Term Credit Rating	Up To 365 Days		Over 365 Days	
			Maximum Amount	Maximum Period	Maximum Amount	Maximum Period
Money Market Funds		AAA	£10M	1 YEAR	N/A	N/A
Debt Management Account			£55M	1 YEAR	N/A	N/A
English Local Authorities			£3M	1 YEAR	£3M	5 YEARS
UK and Foreign Banks and building societies	F1 or equivalent	A-, A, A+, AA- or equivalent	£10M	1 YEAR	£3M	2 YEARS
UK and Foreign Banks and building societies	F1+ or equivalent	AAA, AA+, AA or equivalent	£10M	1 YEAR	£3M	5 YEARS

There are no aggregate limits per market sector. Lower limits may be operated by the Section 151 Officer determined by reference to other ratings available in support of the main credit rating. However, while this is the proposed formal position, the Council has currently restricted its investment activity to:

- The Debt Management Agency Deposit Facility (The rates of interest from the DMADF are below equivalent money market rates. However, the returns are an acceptable trade-off for the guarantee that the Council's capital is secure)
- AAA-rated Money Market Funds with a Constant Net Asset Value (CNAV)
- Deposits with other local authorities
- Business reserve accounts and term deposits. *These have been primarily restricted to UK institutions that are rated at least AA- long term, and have access to the UK Governments' 2008 Credit Guarantee Scheme (CGS)*
- Bonds issued by Multilateral Development Banks

8. Investment Objectives

All investments will be in sterling. The general policy objective is the prudent investment of its treasury balances, which may include monies borrowed for the purpose of expenditure in the reasonably near future. The Council's investment priorities are:

- (a) the security of capital and
- (b) liquidity of its investments.

The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.

Borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.

9. Security of Capital by the use of Credit Ratings

The Council receives creditworthiness advice from its treasury advisors. The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The Council will continue to maintain a counterparty list based on its criteria and will monitor and update the credit standing of the institutions on a regular basis. This assessment will include credit ratings and other alternative assessments of credit strength (for example, statements of potential government supports). The Council will also take into account information on corporate developments of and market sentiment towards investment counterparties.

10. Investment balances and liquidity

The table below shows the balance of funds available for investment. The diminishing level in later years is a result of the need to support the current capital programme.

1/4/2010	31/3/2011	31/3/2012	31/3/2013	31/3/2014	31/3/2015
£36.7m	£33.0m	£28.0m	£27.0m	£23.7m	£21.2m

Giving due consideration to the Council's level of balances over the next 3 years, the need for liquidity, its spending commitments and provisioning for contingencies, a limit of 60% of the Council's overall investments will apply for investments which exceed one year which will include pooled funds/collective investment schemes which the Council may invest in.

11. Provisions for credit-related losses

If any of the Council's investments appeared at risk of loss due to default, i.e. the demise of the counterparty, and not one resulting from a fall in market value due to movements in interest rates, the Council will make appropriate provisions from its resources.

12. In-house investment strategy

The Council's shorter-term investments will be made with reference to the outlook for money market rates. For these monies, the Council will mainly utilise term deposits, business reserve accounts and money market funds.

The global financial market storm in 2008 and 2009 has forced investors of public money to reappraise the question of risk versus yield. Income from investments is a key support in the Council's budget.

The UK Bank Rate has been maintained at 0.5% since March 2009. Short-term money market rates are likely to remain at very low levels which will have a significant impact on investment income. The Council's strategy must

however be geared towards this development whilst adhering to the principal objective of security of invested monies.

The Council will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators.

13. External Cash Fund Management

The Council no longer has an external fund manager.

14. Balanced Budget Requirement

The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

15. End of Year Report

Activities during the year will be submitted to Corporate Governance Group in the form of an Annual Treasury Management Activities report.

Economic Background

- The recovery in growth is likely to be weak and uncertain.
- The initial reaction to the CSR is positive, but implementation risks remain.
- The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank of England will stick to its lower for longer stance on policy rates.
- Uncertainty surrounding Eurozone sovereign debt and the risk of contagion will remain a driver of global credit market sentiment.

Underlying assumptions:

- Financial market stress is expected to remain a feature of 2012. Rates within interbank markets (where banks fund the majority of their day to day operations) have continued to climb. This dynamic was a characteristic of the 2008 banking crisis and whilst the authorities have flooded the markets with liquidity, it is still a strong indicator of market risk.
- Inflation has moderated back to 4.8% in November. CPI is expected to drop gradually back towards the 2% target as the January 2011 VAT increase, the surge in oil prices and the large energy price hikes fall out of the twelve month comparison.
- Recent data and surveys suggest that since the summer the UK economy has lost the admittedly fragile momentum. Business and consumer surveys point to continued weakness in coming months. Public spending cuts, austerity measures, credit constraints, low business and consumer confidence could result in the economy stalling (Q3 excepted, when the 2012 Olympics will provide a temporary boost) and most likely pressure the Bank of England to provide further QE.
- Faltering global growth will not be helped by the considerable uncertainty and expansion of risks presented by the crisis in the Eurozone and gridlock in the US going into an election year. The knock-on effects could in turn weigh on growth in China and emerging market countries.
- Gilt supply is expected to be higher in 2012-13 than earlier forecast by the Treasury. However, over the short-term, gilts will retain their safe-haven status as euro area contagion risks grow.
- Sizeable European bond redemptions and refinancing (Italy in particular) in the first half of 2012 remain significant challenges. Headwinds to fiscal convergence and treaty changes could intensify downgrade pressures on the AAA core nations as well as peripheral countries. The effectiveness of the European Financial Stability Fund (EFSF) may prove limited, increasing the possibility of a sovereign failure or the break-up of the euro area.

GLOSSARY OF TERMS

Actively managed funds	Funds in which the aim is to outperform a benchmark by asset allocation, market timing or stock selection (or a combination of these) rather than passively following the benchmark
Asset backed security (ABS)	A type of bond which is for which the collateral is made up of assets (such as automobile loans, credit card receivables, home equity loans, student loans, etc. ABS enables institutions such as finance companies or corporations to raise capital by borrowing against these assets.
Bank Rate	The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate". Until recently this rate was also referred to as the 'repo rate'.
Bid-offer spread	The difference between the selling price and the buying price of an asset or commodity
Bond	A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.
Capital growth	Increase in the value of the asset (in the context of a collective investment scheme, it will be the increase in the unit price of the fund)
Credit Ratings	Formal assessments by registered agencies of a counterparty's future ability to meet its liabilities
Collective Investment Schemes	Funds in which several investors collectively hold units. The assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'Pooled Funds'). Unit Trusts and Open-Ended Investment Companies are types of collective investment schemes / pooled funds.
Corporate Bonds	Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Corporate Bond Funds	Collective Investment Schemes investing predominantly in bonds issued by companies and supranational organisations.
CPI	Consumer Price Index. (This measure is used as the Bank of England's inflation target.)
Discretionary fund management	Fund management where the investment manager is given total authority to manage the assets as the fund manager sees fit within pre-agreed guidelines and limits.
Diversification / diversified exposure	The spreading of investments among different types of assets or between markets in order to reduce risk.
ECB	European Central Bank
Federal Reserve	The US central bank. (Often referred to as "the Fed")
Floating Rate Notes	A bond issued by a company where the interest rate paid on the bond changes at set intervals (generally every 3 months). The rate of interest is linked to LIBOR and may therefore increase or decrease at each rate setting

Income distribution	The payment made to investors from the income generated by a fund; such a payment can also be referred to as a 'dividend'
Investment Grade Securities	Securities where the probability of default is considered to be low. Investments with long-term ratings between AAA and BBB are considered investment grade.
Maturity	The date when an investment is repaid or the period covered by a fixed term investment
Money Market Funds	MMFs invest in a range of short term assets with the highest level of credit worthiness and provide low risk with high liquidity. Specifically approved for LA use by SI 2002 no. 451.
Non-Specified Investments	Any investment for periods greater than one year. Investment with bodies that do not have a high credit rating, use of which must be justified.
Pooled funds	See <i>Collective Investment Schemes</i> (above)
Property Funds	Collective Investment Schemes whose assets predominantly comprise commercial and industrial property and shares in companies which own or operate real estate.
Quantitative Easing	In March 2009, the Monetary Policy Committee announced that, in addition to setting Bank Rate at 0.5%, it would start to inject money directly into the economy in order to meet the inflation target. The instrument of monetary policy shifted towards the quantity of money provided rather than its price (Bank Rate). But the objective of policy is unchanged – to meet the inflation target of 2 per cent on the CPI measure of consumer prices. Influencing the quantity of money directly is essentially a different means of reaching the same end
Short Term Credit Rating	Indicates capacity for timely payment of financial commitments. This rating has a time horizon of less than 12 months. The range of ratings for investment grade institutions is F1+ (highest) to F3 (lowest), all other ratings being of a speculative grade.
Specified Investments	Investments that offer high security and high liquidity, in sterling and for no more than 1 year. UK Government, local authorities and bodies that have a high credit rating.
Supranational Bonds	Instruments issued by organisations created by governments through international treaties. Either carries an AAA rating in their own right or guaranteed by the parent government.
Temporary Borrowing	Borrowing to cover peaks and troughs of cash flow, not to fund spending.
Term Deposits	Deposits of cash with terms attached relating to maturity and rate of return (interest)

REPORT OF THE HEAD OF CORPORATE SERVICES

CABINET PORTFOLIO HOLDER – COUNCILLOR J N CLARKE

Summary

The Council's current Corporate Strategy 2007-2011 and the interim Corporate Strategy Refresh 2009 are both due to expire on 31 March 2012. The Corporate Strategy 2012-2016 has been drafted and is attached at **Appendix One** for consideration.

Recommendation

It is RECOMMENDED that Cabinet considers the Corporate Strategy 2012-2016 and recommends it to Council for endorsement and publication.

Details

1. The current Corporate Strategy was published in March 2007 and was refreshed in the summer of 2009 to ensure the priorities and strategic tasks contained within it were still relevant. The Strategy contained 13 strategic tasks based upon six corporate priorities for improvement. The refreshed Strategy of 2009 consolidated these tasks to reflect the significant progress made.
2. The 2007-2011 Strategy has come to a conclusion and as such a new Strategy has been developed to reflect the Council's key priorities over the next four years. The process of developing these new key priorities reflects the significant progress made against delivery of previous objectives. Work to ensure the legacy of these achievements continues is central to the way the Council delivers its services.
3. The Corporate Strategy 2012-2016 focuses on three themes key to developing the Borough over the next four years – our economy, our residents and our Council. Each theme encompasses three strategic tasks, the delivery of which will achieve the community outcomes stated in the Strategy. These nine strategic tasks are also supported by measures and targets to monitor progress towards our goals.
4. A draft of the Corporate Strategy was circulated to Members in late 2011 with an invitation to comment on the format, structure, style and content of the Strategy. All comments received are attached at **Appendix Two**.

5. The Corporate Strategy is monitored quarterly by the Performance Management Board. Members of the Board will scrutinise progress towards completing the nine strategic tasks and monitor performance through a basket of corporate performance indicators which include those contained within the Corporate Strategy. They have the opportunity to request further information or investigation where progress or performance does not appear to be sufficient to reach the targets set or deliver the community outcomes desired.

Financial Comments

The Corporate Strategy 2012- 2016 has been developed alongside the Council's Budget setting process in order to align resources to the delivery of key priorities. Furthermore its development is set against the backdrop of the Council's Four Year Plan, which sets out its proposals to address the financial challenges facing the Council based upon business cost reduction, service redesign and income maximisation.

Section 17 Crime and Disorder Act

Development and delivery of a successful Corporate Strategy is integral to the Council fulfilling its roles and duties under Section 17. The previous Strategy 2007-2011 contained a specific priority for improvement regarding reducing levels of crime and anti-social behaviour and this is reflected in the significant achievements made on the issue across the Borough. Whilst this previous priority has not been carried into the revised Strategy 2012-2016 it remains an area of strategic importance for the Council to ensure Rushcliffe remains a place where people feel safe.

Diversity

Development and delivery of a Corporate Strategy reflective of the Council's key priorities ensures its services are delivered in a way reflective of the diverse make up of its residents and their needs and aspirations.

Background Papers Available for Inspection:

Rushcliffe Borough Council Corporate Strategy 2007 – 2011

Rushcliffe Borough Corporate Strategy Refresh 2009 - 2011

Proactively Preparing for the Future

Rushcliffe Borough Council

Corporate Strategy – 2012-2016

Welcome to Rushcliffe – Great place, Great lifestyle and Great sport

Rushcliffe is a fantastic place to live and work. We feel very privileged to play such an important role in providing essential public services to residents of the Borough. We couldn't do this without the people who work for the Council – they are its life-source; they provide the dynamism which drives service performance and improvement and without their professionalism and commitment the Council would be unable to provide essential services to residents. There is a collective sense of responsibility between Councillors and staff to deliver 'what's right for Rushcliffe' and all decisions are made in accordance with our guiding principles – providing community leadership, delivering focused quality services which meet our customers' expectations, and recognising and promoting diversity.

We have been working hard over the last eight years to develop those services residents find most useful and those which are highly visible – we have an award winning recycling2go service, an excellent customer services centre, a very efficient council tax and benefits system getting support to those in need, excellent partnerships with sporting venues and other public service providers, attractive and desirable affordable housing, and a responsive Streetwise service focusing on keeping the Borough clean. Whilst this level of excellence is demanded by Rushcliffe residents, it all comes at a cost. We work hard to manage the money we have to continue delivering services our residents need, without increasing the Council Tax excessively. Over the last few years this has become an increasingly difficult task. We are proud of the way our staff and your Councillors have approached this task, working together to find £2m of savings in the three years to 2010. Our work in this area will continue over the next few years, making sure we make good use of technology and target our efforts where they will make the most significant differences to the lives of our residents.

Allen Graham, Chief Executive, and Neil Clarke, Leader of the Council, Rushcliffe Borough Council

Key Achievements 2007-2011

- Top for resident satisfaction [2008 Place Survey results]
 - 93% of residents satisfied with Rushcliffe as a place to live – 4th nationally
 - 66% of residents satisfied with the way the Council runs things – 1st nationally
 - 52% of residents feel the Council provides value for money – 1st nationally
- Awarded 'Excellent' in both Comprehensive Performance Assessment 2008 and Comprehensive Area Assessment 2009

Proactively Preparing for the Future – Draft Corporate Strategy 2012/16

- Achieved a number of awards and accolades for ground breaking services and consistently excellent service provision
- Gross annual income of £39 million; efficiency savings in the last three years of £2.03m
- Annual staff survey shows 96% of Rushcliffe staff are happy to ‘go the extra mile’

Between 2007-2011, we focused our attention and resources on six priority areas:

1. Help to deliver a sustainable environment
2. Pursue effective partnership working to deliver improved and accessible public services within Rushcliffe and the East Midlands region
3. Reduce levels of crime and antisocial behaviour to make people feel safe
4. Increase community involvement in decision making
5. Help children and young people to achieve their potential and make a positive contribution to society
6. Deliver efficient and effective high quality services

Actions undertaken by the Council helped to deliver real change for our residents in these areas. Here are some of our successes:

In 2009, we published our Climate Change Action Plan which focuses on how the Council and its residents can help tackle climate change. One of our successful projects is being run in partnership with Warmstreets who provide subsidised loft and cavity wall insulation for all residents. People over 70 or on certain benefits may get it free. Residents can save money on fuel bills with the result being that less fossil fuels are consumed and less people will live in fuel poverty. We have adopted a new Carbon Management Plan with a target of reducing carbon emissions by 15% by 2015.

In April 2011, in partnership with the Police, we opened a brand new Community Contact Centre in the heart of our busiest shopping and residential area. The Rushcliffe Community Contact Centre, which sits within West Bridgford Police Headquarters, provides telephone, face-to-face and online support to residents across a broad range of Council and Police services. This partnership has been so successful we are now looking for ways to expand this principle and deliver customer services on behalf of other public services in the Borough. Since the Centre opened in April 2011, 15,485 customers have been served (3,476 of these enquiries were taken on behalf of the police) this compares to 8,305 customers visiting the Civic Centre over the same period last year. One happy customer said, “I was able to reclaim my lost property and get some advice on my planning application all in one visit”.

Our successful ‘weeks of action’ bring together partners to focus on issues of concern to the community. In key areas across the Borough we have asked the community what matters to them, what needs attention and what would make living in that area more pleasant. In the last few years we have held several events

providing increased dog fouling clear-up and enforcement patrols, tackling graffiti and fly-tipping with help from the community, increased police patrols and crime safety advice, and more recently health advice for young people. Since 2007 the crime rate has fallen by 43% as a result of Rushcliffe's pro-active approach to tackling crime, as part of the South Nottinghamshire Community Safety Partnership. We also set out to increase safety in borough-owned car parks with more security patrols, better lighting and the removal of hedges which obstruct clear lines of visibility. Crime in our car parks has gone down and we have won several national car park safety awards.

With partners, we have helped 18 communities to draw up a parish plan for their village. A parish plan is a holistic vision and programme of action based on consultation, research and survey followed by community action planning. Communities are given assistance to bring together likeminded people to discuss issues of concern to local residents and decide upon actions that are appropriate and relevant to that specific community – a perfect example of local people influencing decisions that directly affect their communities. In Cotgrave, we have taken this one step further and undertaken a complete master-planning exercise with the local community that has resulted in a large scale regeneration project to revitalise the community including new housing and employment on the colliery site, and a complete redevelopment of the town centre.

The Rushcliffe Play Strategy focussed over £500,000 of funding to improve children's play parks in the Borough. Seven new play facilities have been built and a further 14 existing sites have been significantly improved. These play areas provide children of all ages with somewhere safe and stimulating to play in their local area. We have also been working with partners from Nottingham Rugby to tackle childhood obesity through our joint Try-It - A Conversion for Life programme, which looks to enhance the lives of young people through sport.

Still on-going is the successful Positive Futures project in Cotgrave. This is a social inclusion project which aims to help young people engage in positive activities. During the lifespan of Positive Futures and the "Make Cotgrave Smile" community safety programme, crime in Cotgrave has reduced by over 20%. Rushcliffe has a management role in Positive Futures, which is co-ordinated by Nottinghamshire County Cricket Club.

In 2008, we introduced our Express Delivery service for benefit claims. To get vulnerable people the money they need as quickly as possible we made a pledge to make a decision on benefits cases within 24hrs of all the necessary documentation being provided by the claimant. This has helped to bring our performance for processing claims down to an average of 14 days. We have processed 238 claims through this initiative this year. Our customers are very complimentary about this service, "...low waiting time...compared to other councils, Rushcliffe is excellent".

Proactively Preparing for the Future

Rushcliffe is a very prudent authority and weathered the financial storms of 2009/10 well. However, the national financial situation worsened and a radical rethink was required in 2010/11 to save the £2.8m needed over the following 4 years to make the budgets balance again. We refocused and drew up a four year plan with three elements at the heart – income generation, income maximisation and service redesign. We have made great progress during 2011/12 and the continual delivery of this plan forms a major part of this Corporate Strategy.

Finances aside, we are still very focused on delivering services to residents at a time that suits them and in a way they find acceptable. Our service delivery is based around customer need rather than council convenience. Putting customers first and new legislation in the form of the Localism Act 2011 present us with both opportunities and challenges. Rushcliffe is eager to capitalise on its new responsibilities, especially where this puts residents at the centre of service design and delivery.

This document presents our Strategy for the next four years. It is the Council's fifth Corporate Strategy and in many ways will be the most difficult to deliver. We will be focusing on three key themes over the next four years – our economy, our residents, and our council. We have identified nine strategic tasks the delivery of which will help the Council towards its long-term goals set out in the 2020 Vision for the Borough. The Action Plan on the following page details these tasks, their desired outcomes and how we are going to measure progress toward achieving them.

Review and Monitoring

The Corporate Strategy is reviewed by the Council's Performance Management Board on a quarterly basis. Progress towards achieving the objectives and targets set out under the strategic tasks is reported and monitoring of strategic performance indicators takes place. This enables Councillors to see where the Council is performing well and where further attention is needed if the Council is to reach its stated goals. In line with the Localism Act 2011 the Council will also be experimenting with communicating progress against the Corporate Strategy directly to residents to enable them to hold the Council to account.

Our Economy			
Strategic Tasks	Adopt the Rushcliffe Local Plan	Support the regeneration of Cotgrave including new housing, employment opportunities and a vibrant town centre	Undertake an economic assessment of the Borough's potential for business growth
Community Outcomes	Appropriate housing and supporting infrastructure is built following the adoption of the Rushcliffe Local Plan	Quality of life for residents in Cotgrave is improved through increased local employment opportunities, an enhanced local environment and excellent local shopping and social facilities	The Borough is a more prosperous area with improved employment opportunities and thriving local businesses
	Head of Community Shaping	Head of Partnerships and Performance	Head of Community Shaping
	December 2011 – March 2013	January 2008 – March 2020	April 2012 – March 2016
Measures and Targets	Rushcliffe Local Plan adopted by March 2013 <ul style="list-style-type: none"> Submission of Draft Core Strategy by July 2012 Inspector's report received January 2013 	Cotgrave Master Plan delivered by 2020 <ul style="list-style-type: none"> Appoint a developer partner for the project by December 2012 Undertake public consultation on town centre regeneration proposals in June 2013 Planning application submitted for the town centre regeneration scheme by April 2014 	Economic assessment of the Borough's potential for business growth completed by 2013 Increase in rateable value Percentage of RBC-owned business units occupied Percentage of privately-owned business units occupied
Our Residents			
Strategic Tasks	Implement Welfare Reform, including: <ul style="list-style-type: none"> developing a local Council Tax Support scheme transferring housing benefit customers to the national Universal Credit system 	Activate the Leisure Strategy to best provide leisure facilities and activities as the conditions prescribed in the Strategy arise	Facilitate activities for Children and Young People enable them to reach their potential
Community Outcomes	Vulnerable residents feel supported and are able to access advice and financial assistance which is administered transparently and fairly to those in need	Rushcliffe residents continue to be able to access a wide range of leisure facilities and activities helping them to maintain healthy and active lifestyles	Young people living in the Borough are healthy, active, confident and engaged in the communities they live in
	Head of Revenues and ICT	Head of Partnerships and Performance	Head of Community Shaping
	April 2012 – March 2017	April 2012 – March 2016	April 2012 – March 2016
Measures and Targets	Local Council Tax Support scheme adopted by January 2013 Percentage of council tax support customers satisfied with the service received	Percentage of users satisfied with sports and leisure centres Percentage of residents who regularly participate in sport and active recreation	Rushcliffe Children and Young People Plan delivered by March 2013 Development of Rushcliffe Young Ambassadors Group by May 2012 Delivery of Rushcliffe Young Ambassadors Group project plan by September 2013 Percentage of young people satisfied with the Borough as a place to live Percentage of young people actively participating in sports or organised social activities outside of school
Our Council			
Strategic Tasks	Deliver the Council's Four Year Plan to reduce costs, generate income and adopt more effective delivery models	Develop the use of technology to improve customer access and reduce costs by: <ul style="list-style-type: none"> Introducing self-serve options on the website Making better use of social media Working in partnership to share staff, applications and best practice Supporting the implementation of rural broadband across the Borough Continuing the development of remote access points for customer services across the Borough 	Examine the future viability of all Council owned property to maximise the potential of the Council property portfolio
Community Outcomes	Residents of the Borough continue to receive the council services they require. The Council provides these services in a variety of different ways whilst keeping Council Tax as low as possible	Residents are able to readily access Council services and information using a method that suits them	Property owned by the Council is utilised to its full potential or used to generate income for the Council enabling it to keep Council Tax as low as possible
	Head of Partnerships and Performance	Head of Revenues and ICT	Head of Revenues and ICT
	April 2012 – March 2015	April 2012 – March 2016	April 2012 – March 2016
Measures and Targets	Four Year Plan delivered by March 2015 Percentage of residents satisfied with the services the Council provides Value of savings achieved through the Four Year Plan	Percentage of transactions done through self-serve Percentage of residents satisfied with the variety of ways they can contact the Council Percentage of households with access to at least 2mbps broadband in the home	Assessment of key property assets within the portfolio undertaken by 2016 <ul style="list-style-type: none"> Future use of The Hall and Park Lodge, West Bridgford considered by March 2013 Level of income generated through letting property owned by but not occupied by the Council

Comments from Councillors in response to the draft Corporate Strategy consultation

Councillor One:	<p>Comments about what was missing from the Corporate Strategy, including:</p> <ul style="list-style-type: none"> • planning applications and planning enforcement • the Country Park and Local Nature Reserves / woodland • development of more low cost / affordable / housing • provisions of good available sports fields • reduction in carbon emissions.
Councillor Two:	<p>Questioned the focus of the tasks, for example using technology to improve customer access would appear to be decommitting from the hub and spoke model.</p>
Councillor Three:	<p>Please consider:</p> <ul style="list-style-type: none"> • including words of support for rural businesses and rural diversification, particularly where this is of benefit to a village community under the economic growth task • changing planning rules to give special consideration to schemes that would benefit the local community – for example a village shop within a larger development for a community where there are no local shopping facilities • including support for rural broadband under the use of technology to improve customer access task
Councillor Four:	<p>Comments about affordable housing which this Councillor felt was noticeable in the Corporate Strategy by its absence. This Councillor also wanted the Council to consider the inclusion of tasks relating to setting up additional town and parish councils within the Borough and a review of scrutiny.</p>
Councillor Five:	<p>Question regarding one of the proposed measures which has since been removed from the indicator set.</p>
Councillor Six:	<p>A few suggested changes to the text of the Corporate Strategy; a comment about a proposed indicator which has since been removed; and identification of items this councillor expected to see in the Corporate Strategy including future housing development (especially Sharp Hill and Easte Leake) and the extension to the Gypsum Mine.</p>

REPORT OF THE HEAD OF CORPORATE SERVICES

CABINET PORTFOLIO HOLDER – COUNCILLOR J N CLARKE

Summary

Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year. This report sets out the Council's Pay Policy Statement 2012/13 for consideration by Cabinet prior to referral to Council for approval.

Recommendation

It is RECOMMENDED that Cabinet, having considered the Pay Policy Statement, 2012/13 forward it to Council for approval.

Background

1. The Localism Act 2011 received royal assent on 15 November 2011. Section 38 of the Act placed a new requirement on local authorities to publish a Pay Policy Statement by 31 March each year. The Statement must set out the Council's policies relating to the:
 - a) remuneration of its Senior officers,
 - b) remuneration of its lowest-paid employees, and
 - c) the relationship between the remuneration of its Senior officers and the remuneration of its employees who are not Senior officers.
2. Senior officers have been defined as the posts of Chief Executive, Deputy Chief Executives and the seven Heads of Service for the purposes of the Pay Policy Statement.
3. Attached as **appendix A** to this report is the proposed Pay Policy Statement 2012-13. The Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior officers. It does not supersede the responsibilities and duties placed on the Council in its role as an employer and under employment law. These responsibilities and duties have been considered when formulating the Statement.
4. This Statement aims to ensure the Council's approach to pay attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency.

5. The Statement has been put together taking into account the relevant sections within Chapter 8 'Pay Accountability' of the Localism Act 2011. In its development consideration has also been given to the draft guidance produced by the Department for Communities and Local Government (DCLG) entitled 'Openness and Accountability in local pay – draft guidance under section 40 of the Localism Act'. Additionally consideration has been given to the Code of Recommended Practice for Local Authorities on Data Transparency published by the DCLG in September 2011.
6. As this is the first time local authorities have been required to produce a Pay Policy Statement and a relatively short time scale was given for its completion, it is anticipated that DCLG may provide further guidance on its scope and content in the future. If and when such guidance becomes available then it may be necessary to review the Statement accordingly to reflect any new requirements.
7. The Council is required to approve the Statement before 31 March each year and as soon as possible publish it on its website demonstrating an open and transparent approach to pay policy. The Statement may be amended by resolution of full Council during the year to which it relates.

Financial Comments

There are no direct financial implications arising from this report as the Pay Policy Statement sets out the Council's policies relating to remuneration. It does not serve to set or agree specific rates or numerical amounts.

Section 17 Crime and Disorder Act

There are no direct implications arising from this report.

Diversity

This Pay Policy Statement aims to ensure the Council's presents and open and transparent approach to pay which attracts and retains a high performing and diverse workforce whilst ensuring value for money.

Background Papers Available for Inspection:

Openness and Accountability in local pay – draft guidance under section 40 of the Localism Act - Department for Communities and Local Government (DCLG)

Code of Recommended Practice for Local Authorities on Data Transparency by the DCLG - September 2011 (DCLG)

Localism Act 2011 – Chapter 8 'Pay Accountability'

Rushcliffe Borough Council

Pay Policy Statement 2012 / 13

1. Introduction

- 1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. The Statement is approved by full Council each year and published on the Council's website demonstrating an open and transparent approach to pay policy.
- 1.2 This Statement draws together the Council's policies relating to the payment of the workforce particularly:
- Senior Officers
 - its lowest paid employees; and
 - the relationship between the pay of Senior Officers and the pay of other employees
- 1.3 For the purposes of this statement 'pay' includes basic salary, pension and all other allowances arising from employment.

2. Objectives of this Statement

- 2.1 This Statement sets out the Council's key policy principles in relation to pay evidencing a transparent and open process. It does not supersede the responsibilities and duties placed on the Council in its role as an employer and under employment law. These responsibilities and duties have been considered when formulating the Statement.
- 2.2 This Statement aims to ensure the Council's approach to pay attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency. Further details of this information can be found on the Council's website at the following address:

<http://www.rushcliffe.gov.uk/councilanddemocracy/aboutthecouncil/seniorofficers/roleandremuneration/>

3. Senior Officers

- 3.1 For the purposes of this Statement Senior Officers are defined as those posts with a salary above £58,200 which is the current Senior Civil Service minimum pay band. This definition is in line with the Code of Recommended Practice for Local Authorities on Data Transparency published in September 2011. Senior Officers within Rushcliffe currently consists of 10 posts out of a current establishment of 379. The posts are as follows:-

Chief Executive

Deputy Chief Executive (Section 151 officer)

Deputy Chief Executive

Head of Corporate Services (Monitoring Officer)

Head of Community Shaping

Head of Environment and Waste Management

Head of Financial Services

Head of Partnerships and Performance

Head of Planning and Place Shaping

Head of Revenues and ICT Services

- 3.2 The policies the Council consults in setting pay for all employees is shown at **Appendix One**. The Council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs.

4. Pay of the Council's Lowest Paid Employees

- 4.1 The total number of Council employees is presently 379. The Council has defined its lowest paid employees by taking the average salary of five permanent staff (employed on a part-time basis) on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. On this basis the lowest paid full-time equivalent employee of the Council earned £12,145 in 2011/12.

5. Pay Relationships

- 5.1 The Localism Act 2011 requires the Council to set out its policy relating to the relationship between the pay of its Senior Officers and the pay of the rest of its employees. This relationship is demonstrated by the Council's grading structure and the information is available from the Council's Website.
- 5.2 The Council does not explicitly set the pay of any individual or group of posts by reference to a pay multiple. The Council feels that pay multiples cannot capture the complexity of a dynamic and highly varied workforce in terms of job content, skills and experience required. In simple terms, the Council sets different levels of basic pay to reflect differences in levels of responsibility. Additionally the highest paid employee of the Council's salary does not exceed 10 times that of the lowest paid group of employees.
- 5.3 The Head of paid service, or this delegated representative, will give due regard to the published Pay Policy Statement before the appointment of any Officers. Full Council will have the opportunity to discuss any appointment exceeding £100,000 before an offer of appointment is made, in line with the Council's Officer Employment procedure rules within Part 4 of the Council's Constitution.

Policies on other aspects of pay

Process for setting the pay of Senior Officers

The pay of the Chief Executive is based on an agreed pay scale which is agreed by Council prior to appointment. Changes to this are determined by the Leader, Deputy Leader and Leader of the Opposition, who are advised by an agreed external professional and the Monitoring Officer. The last remuneration panel met on 27 October 2010.

The pay of all Officers including Senior Officers is determined by levels of responsibility, job content and the skills and experience required. Consideration is also given to benchmarking against other similar roles, market forces and the challenges facing the authority at that time and to maximise efficiency. The pay of these posts is determined through the Chief Executive, or his nominated representative, in consultation with the Strategic Human Resources Manager and in line with the Council's pay scales and its agreed scheme of delegation.

The Council moved away from the national conditions of service in 1990 and pay scales are set locally.

As with all employees, the Council would look to appoint on the lowest point of the scale to secure the best candidate. However, there are factors that could influence the rate offered to an individual, including the relevant experience of the candidate, their current rate of pay and market forces.

All Senior Officers are expected to devote the whole of their service to the Authority and are excluded from taking up additional business, ad hoc services or additional appointments without consent.

Terms and Conditions – All Employees

All employees are governed by the local terms and conditions as set out in the Employee handbook.

Local Government Pension Scheme

All employees may join the Local Government Pension Scheme. The Scheme is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the local government pension scheme see: <http://www.lgps.org.uk/>

Neither the Scheme nor the Council adopt different policies with regard to benefits for any category of employee and the same terms apply to all staff. It is not normal Council policy to enhance retirement benefits but there is flexibility contained within the policy for enhancement of benefits and the Council will consider each case on its merits.

Car Lease Scheme - Discontinued

The Council operated a car lease scheme until March 2011 which provided a scaled contribution towards the annual cost of a lease car. The scheme was discontinued as part of a review of management costs across the authority resulting in a phased withdrawal of contributions with all contributions being withdrawn by April 2014.

Car Allowances

The Council pays car allowances in accordance with the National Joint Council scales which are the same for the Senior Officers and other staff. These rates can be found on the Council's website.

The car allowances and mileage rates are reviewed in line with the publication of the nationally agreed scales.

Pay Increments

Increments for all employees including Senior Officers are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or his nominated representative, has the discretion to award and remove increments of officers' dependant on satisfactory or unsatisfactory performance in consultation with the Strategic Human Resources Manager.

Relocation Allowance

Where it is necessary for a newly appointed employee to relocate to take up appointment, the Council may make a contribution towards relocation expenses. The same policy applies to Senior Officers and other employees. Payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area. The costs include estate agents fees, legal fees, stamp duty, storage and removal costs, carpeting and curtains, short term rental etc. The Council will pay 80% of some costs and 100% of others or make a fixed sum available. If an employee leaves within three years of first employment, they may be required to reimburse a proportion of any relocation expenses.

Professional fees

The Council currently meets the cost of professional fees and subscriptions for employees where it is a requirement of their employment or their contract. Only one professional fee or subscription is paid.

Returning Officer Payments

In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of returning officer, acting returning officer, deputy returning officer or deputy acting return officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

Fees for returning officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties they are distinct from the process for the determination of pay for Senior Officers.

Managing Organisational Change Policy

The Managing Organisation Change Policy was agreed by Council in March 2007. The Council's policy on the payment of redundancy payments is set out in this policy. The redundancy payment is based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay.

The policy provides discretion to enhance the redundancy and pension contribution of the individual and each case would be considered taking into account individual circumstances. Copies of the policy agreed by Council in March 2007 are available on the Council's website.

Payments on termination

The Council does not provide any further payment to employees leaving the Council's employment other than in respect of accrued leave which by agreement is untaken at the date of leaving or payments that are agreed or negotiated in line with current employment law practices.

Publication of information relating to remuneration of Senior Officers

The Pay Policy Statement will be published annually on the Council's website following its approval by full Council each year.