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Our reference:
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Date: 15 January 2010

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 9 February 2010 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 12 January 2010 (previously circulated).
4. Customer Services Partnership

The report of the Head of Partnerships and Performance will follow.

5. Improvements to Public Conveniences – Bridgford Park

The report of the Head of Revenues and ICT Services is attached (pages 1-4)

6. Financial Plans and Strategy 2010/11 to 2014/15

The report of the Head of Financial Services is attached (pages 5-64).

7. Draft Climate Change Strategy and Action Plan

The report of the Head of Community Shaping is attached (pages 65-67).

8. Designated Public Places Order – Radcliffe on Trent – Consultation Findings

The report of the Head of Community Shaping is attached (pages 68-72).

9. Hawksworth Conservation Area Review

The report of the Head of Planning and Place Shaping is attached (pages 73-78)

Membership

Councillors Chairman: J N Clarke, Vice-Chairman: J A Cranswick, D G Bell, J E Fearon, R Hetherington, Mrs D J Mason

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.

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**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY 12 JANUARY 2010**

Held at 8.00pm in the Council Chamber, Civic Centre, Pavilion Road, West Bridgford

PRESENT:

J N Clarke - Chairman

Councillors J A Cranswick, J E Fearon, R Hetherington and Mrs D J Mason

ALSO IN ATTENDANCE:

Councillors Mrs D M Boote, S J Boote, L B Cooper, C J Evans, M J Hemsley, A MacInnes, G R Mallender, F J Mason, B Venes and T Vennett-Smith

OFFICERS PRESENT:

C Bullett	Deputy Chief Executive (CB)
A Graham	Chief Executive
R Mapletoft	Planning Policy Manager
D Mitchell	Head of Partnerships and Performance
N Morton	Head of Financial Services
P Randle	Deputy Chief Executive (PR)
D Swaine	Head of Corporate Services
P Wigginton	Member Services Manager

MEMBERS OF THE PUBLIC

102 Members of the public were also in attendance at the meeting.

APOLOGY FOR ABSENCE:

Councillor D G Bell

57. Declarations of Interest

There were none declared.

58. Minutes

The minutes of the meeting held on Tuesday 8 December 2009 were approved as a correct record and signed by the Chairman.

59. Rushcliffe Core Strategy – Options for Consultation

The Chairman welcomed the Members of the public to the meeting of Cabinet and recognised the importance of the issue being considered for Rushcliffe's residents. He explained the procedure involved and the decision now to be considered by Cabinet.

He went on to confirm the Council's continued opposition to the imposition by Government of the large number of new homes being proposed for Rushcliffe.

In his view these figures were not a fair distribution of homes throughout the county. In addition the Borough had few Brownfield sites and this would mean significant encroachment into the Green Belt. He believed the targets for housing growth were unjustified and should be opposed. Therefore the Council would continue to lobby Central Government about the targets and its opposition to them.

At the invite of the Chairman the Deputy Chief Executive (PR) gave a presentation to Cabinet outlining the current position. He also circulated an amended sheet to replace page 62 of the appendix to the report which provided extra information about the requirement of sites for employment purposes.

He explained that the Local Development Framework was a complicated, complex and lengthy process and the purpose of the report was to seek agreement to publish the Core Strategy for initial consultation. Its proposed publication was in line with the arrangements with all the other authorities that made up the Nottingham Core Housing Market Area. In effect this meant that the aligned Core Strategies would be published jointly, however each individual authority had to make decisions affecting their particular area.

The Core Strategy included a delivery strategy to achieve the objectives, including policies and it set out how much development was intended to happen, where it could possibly be located, when and by what means.

He reminded the Cabinet of the housing requirements and possible site options for both urban and rural parts of the Borough. He then went on to explain the timetable for the process as set out below –

Issues and Options	June/July 2009
Options for Consultation	Jan – March 2010
Pre-submission draft	September 2010
Submission to Secretary of State	January 2011
Hearing	April 2011
Adoption	December 2011

Following his presentation the Deputy Chief Executive (PR) went on to outline the key issues in his report reminding Cabinet that the Local Development Framework (LDF) Group had met on two occasions to consider this issue. Consideration by the LDF Group had formed part of the process by which all of

the Greater Nottingham local planning authorities were working together to develop core strategies which aligned with each other.

At the first meeting in November 2009, the LDF Group was not inclined to identify locations for housing adjacent to the Principal Urban Area because of the scale proposed, the erosion of the Green Belt and the known level of opposition from residents affected.

At the December 2009 meeting of the Group, a report was presented identifying the risks involved to the Council should it fail to comply with the published timescale and consultation plan. Fundamentally this could be construed as demonstrating a lack of intention to exercise a statutory duty. In summary the associated risks were:

- *The potential for Government intervention to develop the Rushcliffe Core Strategy and recover the costs from the Council after removing the Council's plan making powers;*
- *The potential for planning applications to be received that, if refused and appealed, could not be legitimately defended because of the Council's failure to plan for growth. In such circumstances, the risk of the appellant being awarded costs would be high thus exacerbating the financial risk to the Council;*
- *That 'planning by appeal' or Government intervention could be viewed as a lack of democratic and community leadership;*
- *The potential for negative press and a damaged reputation due to the poor use of public money to defend a failure to exercise a statutory duty;*
- *The potential loss of significant Growth Point funding and HCA 'single conversation' money for affordable housing and infrastructure ;*
- *Unplanned development with insufficient associated infrastructure*

The LDF Group had given serious consideration to these risks and the majority of its Members felt compelled to continue to proceed with the consultation process in line with the agreed timetable. The Group was strongly opposed to referring to this stage in the process as the Council's 'Preferred Option' but they felt that they had no real alternative other than to recommend proceeding to consultation. They still maintained their opposition to the scale of housing growth required in Rushcliffe by the Government's Regional Plan and confirmed the commitment to defending the principles of the Green Belt and associated protection given by it.

At this point in the meeting the Chairman again reiterated that the figures for housing growth had been imposed on the Council by Central Government and the Council remained opposed to the proposed scale of development required. He went on to state that the proposed recommendation within the report should be amended to take account of the strength of opposition of both the Council and the residents of the Borough as shown through the findings of the Big Picture campaign and the number of people attending the meeting. He suggested that the recommendation should read as follows –

- a) Cabinet (i) deplores and strongly disagrees with the Government's target for housing growth in Rushcliffe and recognises the strength of local opposition to it, and (ii) will continue to proactively lobby Central Government to review this figure in order that it be reduced;
- b) in view of the significant risks associated with not complying with the Local Development Framework, the Rushcliffe Core Strategy – Option for Consultation document be published in accordance with the timetable agreed by the Greater Nottingham Joint Planning Advisory Board;
- c) the publication of the document forms the basis for the required public consultation but does not commit the Council to the development of any site in Rushcliffe;
- d) Cabinet strongly urges residents to take the opportunity to participate in the formal consultation process and provide their views on the options identified;
- e) a further report be provided to Cabinet following the consultation period outlining its findings and detailing the proposed ways forward at that stage; and
- f) the Head of Corporate Services be given delegated authority to make any minor amendments to the Rushcliffe Core Strategy - Option for Consultation document prior to publication following consultation with the portfolio holder.

In addition the Chairman urged both Elected Members and residents to continue to lobby Government to express concerns about the unjustified and high targets for housing growth.

Councillor Cranswick supported the amended recommendations and indicated that the Council was being forced to comply with the process but he hoped that circumstances might change in the future which might influence the issue.

Councillor Mrs Mason supported the comments by the Chairman and felt that the number of houses imposed on the Borough, when compared to other districts was disproportionate. She recognised the importance of the consultation document and the need to seek views from all interested parties which would feed into the process. She also recognised the strength of local opposition and the real concerns that had been expressed.

In response to a question from Councilor Mrs Mason, the Head of Financial Services indicated that the Council had set aside a reserve of £330,000 to cover costs relating to future planning appeals. Although very difficult to quantify at this stage he anticipated that if the Council failed to comply with the Local Development Framework process, the amount of £330,000 could well be insufficient to cover all the potential costs.

Councillor Hetherington expressed real concerns about the number of houses being proposed and also about the ability of the Council to protect the Green

Belt. In response, the Planning Policy Manager reported that although it was desirable to protect the Green Belt wherever possible, that protection was not there in perpetuity. He added that there might be a need to review Green Belt boundaries at some time in the future as a consequence of potential development and he reminded Members that it had been encroached by the outcome of the planning appeal for the Sharphill site at Edwalton.

Commenting on this the Chairman reported that the Council had always been opposed to the development at Sharphill but that it had been granted by a Government inspector at appeal.

In response to a comment from Councillor Fearon, the Chairman indicated that there would be a General Election in the next few months and the outcome of that could have a bearing on the future of the Local Development Framework process. However at this stage it was important for the process to carry on, particularly in view of the significant risks should the Council fail to do so. However if things were to change then the Council would need to react and reflect when the outcome of the General Election was known.

Councillor Fearon felt that it was vital that the consultation exercise undertaken was comprehensive and that rural areas were included. This was because it provided the opportunity for people to voice their concerns and influence the way forward.

The Deputy Chief Executive (PR) indicated that if the recommendation to proceed was approved, the Council would be undertaking a comprehensive and extensive consultation exercise in order to engage with as many people as possible.

Councillor Cranswick indicated that it was important for the public to lobby Government at every opportunity to continue to apply pressure on them to change the proposals for housing growth. The Chairman supported these comments and indicated that the allocation of houses to the Borough was totally disproportionate when compared to other areas.

In response to a question from the Chairman, the Deputy Chief Executive (PR) indicated that although it was possible that the other authorities involved might not proceed to the consultation stage their representative on the Greater Nottingham Joint Planning Advisory Board had agreed the aligned core strategies and the proposed timetable. He referred to the risks identified earlier as set out in the report and stressed that these would still be relevant to the Council and the Borough irrespective of what other authorities decided.

In response to a question from Councillor Cranswick, the Planning Policy Manager indicated that if only part of the strategy was agreed then the process would fail and the Government would instruct the Council to amend the document. He indicated that the Council had to evidence compliance with the requirements of the Core Strategy process in order to proceed.

The Chairman referred to other parts of the consultation document, in particular the employment sites. In response the Planning Policy Manager reported that the Regional Plan was not specific about the requirement for each authority, but that it was a requirement to provide reasonable levels of

employment land, particularly in larger settlements and this requirement would be fulfilled.

The Chief Executive also drew Cabinet's attention to the need to provide details of an economic assessment, in particular relating to employment land. The Planning Policy Manager confirmed this and indicated that a study had been commissioned to identify levels of land and its findings had been incorporated into the consultation document.

In reply to a question from Councillor Cranswick about housing allocations, the Planning Policy Manager reported that although it was theoretically possible to redistribute the housing allocations between authorities in the Housing Market area, there was no appetite to do this from the authorities concerned. It was not possible to transfer allocations from one housing market area to another.

The Chairman noted these comments but felt that it was vital for the Council to continue to make every effort to reduce the numbers of housing allocated to the Borough as he was aware that other areas had indicated that they required more housing than had been allocated to them. In conclusion he stated that the Council would continue to oppose the Government's target for housing growth in Rushcliffe, but the risks associated with not taking the matter forward were so significant that it would be irresponsible not to do so.

The amended recommendation was referred to Cabinet and it was **AGREED UNANIMOUSLY**

RESOLVED that

- a) Cabinet (i) deplores and strongly disagrees with the Government's target for housing growth in Rushcliffe and recognises the strength of local opposition to it, and (ii) will continue to proactively lobby central Government to review this figure in order that it be reduced;
- b) in view of the significant risks associated with not complying with the Local Development Framework, the Rushcliffe Core Strategy – Option for Consultation document be published in accordance with the timetable agreed by the Greater Nottingham Joint Planning Advisory Board;
- c) the publication of the document forms the basis for the required public consultation but does not commit the Council to the development of any site in Rushcliffe;
- d) Cabinet strongly urges residents to take the opportunity to participate in the formal consultation process and provide their views on the options identified;
- e) a further report be provided to Cabinet following the consultation period outlining its findings and detailing the proposed ways forward at that stage; and

- f) the Head of Corporate Services be given delegated authority to make any minor amendments to the Rushcliffe Core Strategy - Option for Consultation document prior to publication following consultation with the portfolio holder.

The meeting closed at 8.45 p.m.

CHAIRMAN

IMPROVEMENTS TO PUBLIC CONVENIENCES – BRIDGFORD PARK

REPORT OF THE HEAD OF REVENUES AND ICT SERVICES

CABINET PORTFOLIO HOLDER – COUNCILLOR J A CRANSWICK

Summary

This report brings forward proposals for the replacement of the public toilets sited in Bridgford Park. The budget consultation workshops supported the need to improve substantially the condition of this facility on the existing site.

Recommendation

It is RECOMMENDED that the scheme presented in this report be approved in principle, subject to the outcome of the consultation exercise to be undertaken with interested parties and community groups.

Details

1. At its meeting on 10 November, when considering the report on the Community Hub and Associated Initiatives (Minute 42 – resolution d refers), Cabinet requested that proposals for the provision of good quality public conveniences be reported to a future meeting.
2. The existing toilet provision does little to compliment the surroundings and its design and condition mean that it has limited or no appeal. The building sits within the grounds of Bridgford Hall, which is a grade II listed building. The toilet facility was constructed around 1970 and is of a traditional construction and design. Whilst the fabric of the building is in good general condition, the internal condition of the building and the sanitary fittings are poor and outdated.
3. Members will already be aware that the building attracts a level of complaint as well as anti-social behaviour and inappropriate use of the facility.

Proposals

4. The proposal is to refurbish and extend the existing building to create four unisex toilet cubicles, at least one of which would cater for the needs of the less-able and to create a new kiosk or park office. The reconfigured toilets would be accessible from the front elevation only, to give users an enhanced feeling of safety and this would be further improved by the provision of the new kiosk or park office which would give a degree of supervision over the toilet facility (**see plans attached1**).
5. The viability and merits of providing either a park office or refreshment kiosk at busy periods will be explored. If supported, it is envisaged that any such kiosk facility would be let out on a commercial basis and that the revenue would contribute to the running costs of the toilets.

6. There is also the option to charge for the use of the toilet facilities and this would be included as part of the consultation exercise.
7. It would be the intention to provide temporary toilet facilities for approximately 8 weeks whilst the work is carried out. However, a suitable site with access to services would need to be identified.
8. The scheme being proposed will be subject to the outcome of a short period of consultation. Consultees will include local businesses, members of the public who use the facility, The Friends of Bridgford Park and local Community Groups.
9. The total cost of the scheme including fees will be £79,600. The works being proposed will be subject to obtaining planning permission. It is anticipated that the works will proceed after permission has been granted and the consultation exercise has been completed. The facility should be available for use in the Autumn of 2010.
10. The cost of providing temporary toilets would be an additional £4,000 approximately.

Financial Comments

The draft Financial Plans and Strategy include provision for the capital works described within the report. The cost of the temporary toilets, totalling £4,000 has also been included within the revenue budgets of the draft financial plans for 2010/11.

All maintenance costs associated with the new facilities will be contained within existing budgets.

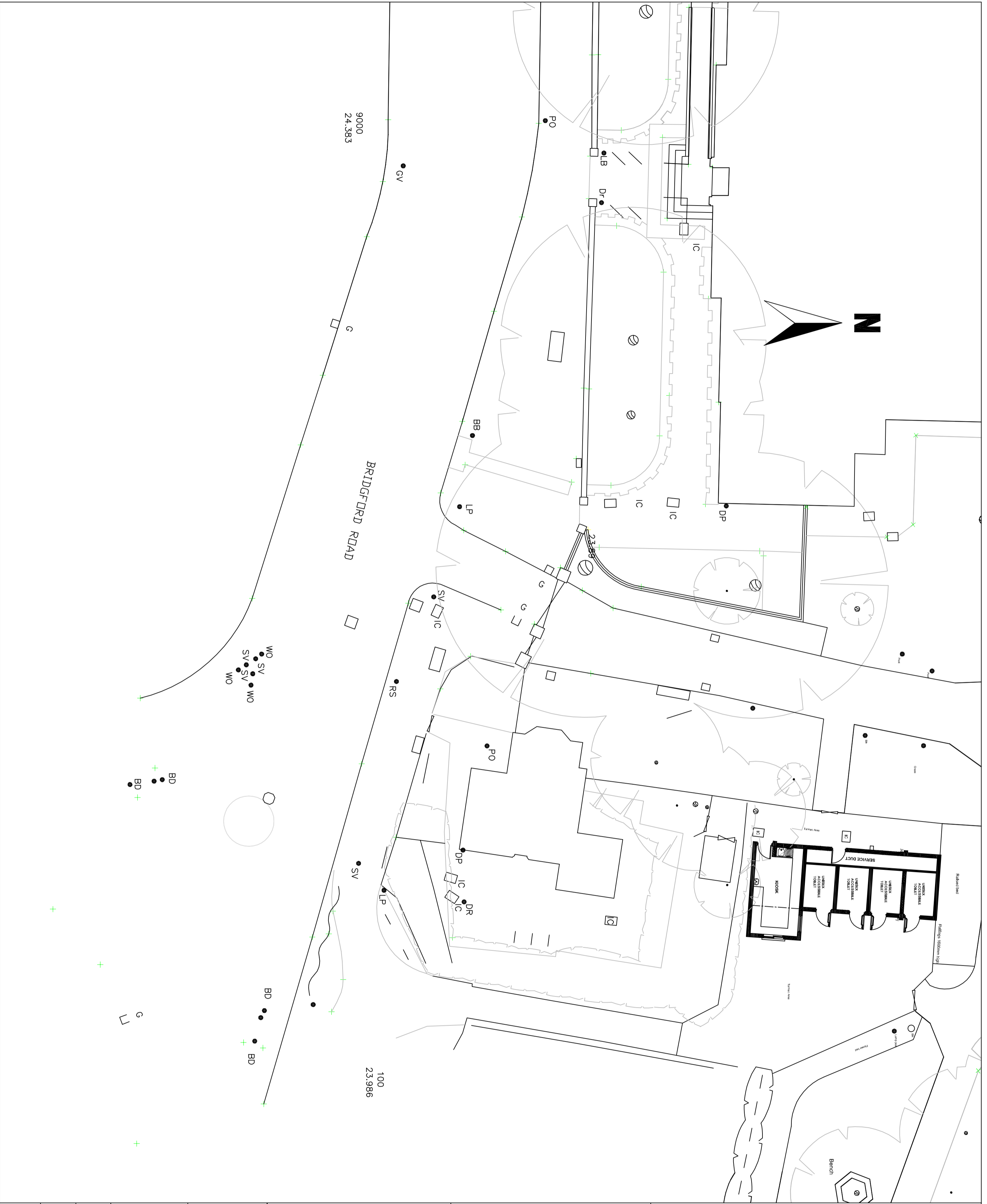
Section 17 Crime and Disorder Act

The scheme will be designed to minimise the impact of anti-social behaviour.

Diversity

The scheme will be designed to provide facilities for the less-able and for baby changing.

Background Papers Available for Inspection: Nil



Notes:



Rushcliffe
Borough Council

Property Services

Civic Centre
Pavilion Road
Trent Bridge
West Bridgford
Nottingham
NG2 5FE
Tel. 0115 981 9911
Fax. 0115 914 8452

Project
BRIDGFORD PARK
TOILETS 09/10

Drawing title
FEASIBILITY - Location Plan

Date JAN 2010	Project officer A. HUTSON	
Scale 1:50 @ A2	Drawn OF	Checked
Reference	Rev.	

Gravel path

Raised bed

Railings 1600mm high

Grass

Bin

Post

IC

SERVICE DUCT

UNISEX
ACCESSIBLE
TOILET

UNISEX
ACCESSIBLE
TOILET

UNISEX
ACCESSIBLE
TOILET

UNISEX
ACCESSIBLE
TOILET

KIOSK

IC

Tarmac Area

Tarmac Area

Flower bed

Bin

Lamp post



Notes:



Rushcliffe
Borough Council

Property Services

Civic Centre
Pavilion Road
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Project

**BRIDGFORD PARK
TOILETS 09/10**

Drawing title

FEASIBILITY - Floor Plan

Date **JAN 2010** Project officer **A. HUTTON**

Scale **1:50 @ A2** Drawn **OF** Checked

Reference Rev.

FINANCIAL PLANS AND STRATEGY 2010/11 TO 2014/15**REPORT OF THE HEAD OF FINANCIAL SERVICES****CABINET PORTFOLIO HOLDER – COUNCILLOR J N CLARKE****Summary**

1. The Council's revenue, capital and treasury management activities, set out in this report, are all inter-linked and need to be consistent with each other. The prudential guidelines arrangements re-emphasise the need for such consistency and this report brings together all the relevant aspects to provide a demonstrably integrated approach to the Borough's revenue budget, capital programme, treasury management strategy, prudential indicators and medium term financial strategy. A statement is also included that sets out the Council's approach and targets for efficiency savings.
2. The Council has faced significant financial pressures from the deteriorating economic conditions, with reductions in income and the prospect of reductions in formula grant in later years. It has been widely publicised that due to the state of the UK economy and the current national budget deficit that Central Government will have to reduce costs significantly over the coming years. The formula grant for 2010/11 has been confirmed at the previously recorded level but the messages are that the next round of three year settlement figures are going to include significant reductions. Reductions in income relate, mostly significantly, to interest receipts, but also to fees and charges, for example land charges. Only as recently as January 26th, the Government announced that the country had pulled out of recession and achieved positive growth in terms of Gross Domestic Product. However, the increase was only 0.1%, a lot less than the 0.4% predicted. This has led to predictions that the country will not recover as quickly as originally anticipated and that interest rates will take even longer to recover to its pre-recession levels.
3. As a consequence the medium term financial strategy has been amended to reflect this recent information. Overall, a need for savings of up to £1.2m for 2010/11 had been identified, of which £0.76m has been found by management without adversely affecting services. Through member and resident workshops, further savings were identified which reduced the savings target for 2010/11 to £100,000 and £600,000 in 2012/13 onwards. This latest interest forecast, offset by the use of the windfall VAT claim of £360,000 over the medium term has increased the savings target from 2012/13 to £800,000. The Council's financial strength has also made it possible for the savings to be achieved over a longer period (as opposed to an immediate need) and the prudent policy of setting aside surplus interest receipts against periods such as this has mitigated against the impact of reduced interest rates in the short term.
4. Annex 3 includes a summary of those options currently under consideration to help bridge the immediate gap and contribute towards the medium term

savings target. To assist Cabinet in their decision on each of these options, extensive consultation was undertaken with Members, focus groups of residents and youth assembly members. The summary of these workshops have been further scrutinised in a further member workshop and the results of the final workshop are included in Annex 3.

5. The detailed impact of these options has not been included in this report but Annex 3 does include a summary of the impact in the short and medium term of these options including varying levels of increase in Council Tax. A full projection is also provided showing the position if none of the options are accepted and also if all the options are accepted. A table showing the impact of various levels of savings is also included to help inform Cabinet of the likely impact a certain level of savings derived from selecting the options will have. Cabinet is invited to indicate which of these options should be implemented in the light of information provided. These will be incorporated into the proposed budget for final approval by Council.
6. Any further required savings to be found over the next 12 – 24 months will be approached through further reviews of all aspects of the budgets and exercises such as the 'Fit for Purpose' review which has already helped the authority achieve some efficiency savings. This review will look at processes across the Council and the objective will be to streamline the processes and either engineer cashable savings without compromising quality or improve quality for the same cost as referred to in Annex 5. The review of the processes will entail ensuring that the process is customer focused to give the best service for the customer.
7. The capital programme has been designed to support the Council's priorities, with provision included to support affordable housing, decent homes, recycling, community safety and more accessible customer services. Provision is also included to maintain the Council's assets. In order to reduce administration, streamline the decision making associated with capital schemes and to improve the performance of achieving the capital programme, officers are authorised to proceed with schemes in the programme on the basis of the appraisals already carried out.
8. The financial strategy again aims to achieve a "balanced budget" that is sustainable in the medium term, in accordance with the aim of past financial strategies. This, however, is only achievable if the savings targets can be met.
9. Provided that this revised strategy is maintained and the targeted savings delivered in later years, the Council's financial plans will be robust, sustainable over the 5 year period and affordable in so far as the current uncertain economic climate permits. It will also be necessary to ensure that the capital programme is kept within the proposed prudential indicators. The projected levels of balances and reserves are adequate, provided that spending plans are adhered to and savings targets met.
10. The main elements of the report are:
 - a) a capital programme in 2010/11 of £4.229m and of £3.586m in 2011/12;
 - b) a net revenue expenditure in 2010/11 of £12.430m, subject to the selection of the budget options to be implemented;

- c) a West Bridgford special expense budget of £754,040, resulting in a Council Tax requirement of £55.18 in West Bridgford;
- d) a medium term financial strategy based on
- setting the Council Tax for 2010/11 to fund net expenditure while using balances over the medium term, together with a savings target, to balance the budget;
 - Meeting the savings target through a “fit for purpose” review, including investing to save, business process re-engineering and review of other ways of providing services;
 - To utilise balances over following years to achieve a balanced budget in the medium term;
 - To maintain earmarked reserves through savings in operating costs and any Local Authority Business Growth Incentive receipt;
 - To confirm a minimum level of general balances of £1.25m;
 - For the longer term to continue to prioritise services and examine ways of reducing net expenditure, with emphasis on identifying provision that might be transferred from lower priority to higher priority services;
 - To place any additional income received from investments in an interest equalisation reserve to smooth out fluctuations and to utilise this balance where shortfalls are experienced.
11. The proposed Treasury Management strategy and borrowing limits support the achievement of the proposed spending plans.
12. The attached **Annexes** detail the proposed capital programme, prudential indicators, the proposed revenue budget, financial strategy and level of Council Tax, the treasury management strategy, together with the efficiency plans.
13. Members are invited to consider which options for Council Tax they wish to recommend to Council and which budget options are to be implemented. Based on the options selected to recommend to Council, there will be some consequential amendments to relevant budget figures.

Recommendations

It is RECOMMENDED that Cabinet supports and proposes to the Council for approval:

- i. the capital programme as set out in **Annex 1**, and that officers be authorised to take the necessary steps to implement the first two years of that programme;
- ii. the prudential indicators as set out in **Annex 2**;
- iii. delegation to the Section 151 Officer the authority to effect movements between the separately agreed authorised and operational limits for external debt in respect of external borrowing and other long term liabilities, in accordance with optional appraisal and best value for money for the authority;

- iv. The revenue estimates for 2010/11, amended by the relevant savings initiatives selected by Cabinet as detailed in Annex 3 and including the contingency provision, proposed at £180,000 based on the financial strategy as set out in **Annex 3** and supported by the detailed budget book;
- v. To take the necessary steps to implement option 7, increases in car parking charges in West Bridgford subject to compliance with the necessary notice periods
- vi. An appropriate level of Council Tax for general Borough purposes, with the consequent use of revenue balances;
- vii. The medium term financial strategy as set out in **Annex 3**;
- viii. The treasury management strategy as set out in **Annex 4**;
- ix. The efficiency plans as set out in **Annex 5**

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

The proposed plans indicate the budgetary provision to support diversity.

Background Papers for Inspection: Nil

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CAPITAL PROGRAMME 2010/11 TO 2014/15**Prudential Guidelines**

1. In considering its programme for capital investment, the Council is required, within the prudential code, to have regard to:
 - Affordability, for example in relation to the Council Tax;
 - Prudence and sustainability, for example in relation to external borrowing;
 - Value for money, for example options appraisal;
 - Stewardship of assets, for example through asset management plans;
 - Service objectives, for example through the authority's strategic plans;
 - Practicality, for example achievability of the plans.
2. It is considered that the prudential indicators and the medium term financial plan demonstrate the affordability, prudence and sustainability of the programme, **subject to the achievement of the target savings in the financial strategy projections**. The programme is consistent with the Council's Corporate Strategy including the priorities for improvement, capital strategy and asset management plans.
3. More detailed appraisals of the schemes in the first two years of the programme have been carried out by officers. It is therefore proposed that officers should be authorised to proceed on the basis of these appraisals in order to expedite the capital programme and streamline administration and decision making. These appraisals are included with the detailed "budget book" for this year and are linked to the Corporate priorities for improvement.

Capital Expenditure Proposals

4. The programme in **Appendix 1** to this report contains the expenditure proposals for the next five years. The main difference compared with the programme approved last year are:
 - Inclusion of £80,000 for redevelopment of the public conveniences in Bridgford Park;
 - Inclusion of £1,482,000 to support the IS Strategy;
 - Rephasing of Decent Homes Funding and inclusion of a further £50,000 for Disabled Facilities Grants;
 - Rephasing of the Vehicle Replacement programme;
 - Rephasing of the schemes for West Bridgford Town Centre and the Depot relocation;
 - A reduction of £750,000 in the provision for Customer Service partnership working, reflecting the proposal for a partnership with the Police.
5. The Capital Programme clearly shows the links to the corporate priorities for improvement so it is easy to understand which projects are aligned to which priorities. Significant expenditure is planned on affordable housing through

support to social landlords, the Vehicle Replacement programme and the provision of Disabled Facilities and Discretionary Grants. Other larger items built in to the programme include the Partnership Project with the Police for the enhanced delivery of Customer Services and expenditure arising from the Information Services Strategy.

6. The overall programme planned for 2010/11 totals £4,229m. A contingency provision of £300,000 is included, which will be enhanced by rolling forward any unspent contingency from 2009/10.

Capital Financing

Government Support

7. The estimated capital resources and their use to finance the proposed programme are summarised at **Appendix 2**. In addition to the proposed programme any slippage on schemes in 2009/10 will be carried forward and have to be financed in 2010/11.
8. Grant support of £201,000 in respect of Disabled Facilities Grants (DFGs) for 2010/11 has been assumed as confirmation of the allocation from Department of Communities and Local Government (DCLG) has not been received at the time of the preparation of this report. This is less than is required to support the proposed expenditure of £550,000 (since the grant rate is 60%). No reduction is proposed in order to ensure that the anticipated demand to deliver this mandatory service can continue to be met.

Capital Receipts

9. The Borough budgeted capital receipts are from repayment of historic mortgages for Council Houses and loans to Nottinghamshire Cricket Club. These are estimated at £36,000 in 2010/11.

Revenue Financing of Capital Expenditure

10. There is no "in-year" provision for financing of capital expenditure from revenue in 2010/11, with the exception of that contained within the West Bridgford Special Expense budget. However, the revenue reserve earmarked for this purpose is estimated to be £2.107m as at 31 March 2010. This sum is available to finance the General Fund capital programme. In addition, the invest to save reserve will be used to finance the IS strategy projects.

Contributions

11. The programme assumes total contributions of £762,000 in 2010/11. This assumes the full funding of £450,000 will be awarded for Decent Homes work and £201,000 awarded for Disabled Facilities grants. A further £63,000 contribution towards the Playbuilder project in 2010/11 is expected together with other contributions totalling £48,000 for waste efficiency and recharge to householders for works at Earl Howe pumping station. In addition, £702,000 will be drawn from the invest to save reserve to finance the IS Strategy expenditure.

12. In future years a further £780,000 will be released from the invest to save reserve for the IS strategy. The only other contributions anticipated at this stage are to fund Disabled Facilities Grants and with the potential to release £250,000 from Section 106 monies to support Development and Place Shaping projects in 2013 and 2014.

Resources

13. From the projection of resources shown at **Appendix 2**, and the revenue projections in the report on the Council Tax, it can be seen that the proposed programme is affordable, although this needs to be considered in conjunction with the prudential indicators and the effect on the revenue account.

Background papers available for public inspection – Nil

CAPITAL PROGRAMME 2010/11 TO 2014/2015

Appendix 1

Activity Area/Scheme Project	Estimated Expenditure						Revenue Effect in 2010/11	Revenue Effect in Full Year
	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Expenditure:</u>								
Revenues and ICT Services	2,050.0	822.0	480.0	548.0	100.0	100.0	0.0	(5.0)
Financial Services	900.0	300.0	150.0	150.0	150.0	150.0	0.0	0.0
Partnerships and Performance	1,400.0	290.0	0.0	12.0	73.0	25.0	0.0	(48.0)
Environment and Waste Management	11,350.0	1,537.4	1,296.6	5,519.7	1,573.6	1,422.7	0.0	103.6
Community Shaping	6,350.5	1,001.1	1,189.1	802.1	162.0	163.0	5.0	5.0
Planning and Place Shaping	2,819.7	278.0	470.0	130.0	630.0	630.0	0.0	3.0
GRAND TOTAL	24,870.2	4,228.5	3,585.7	7,161.8	2,688.6	2,490.7	5.0	58.6
<u>Financed By:</u>								
Usable Capital Receipts		2,664.5	2,414.7	6,760.8	2,037.6	1,839.7		
Disabled Facilities Grants		201.0	201.0	201.0	201.0	201.0		
Decent Homes Funding		450.0	0.0	0.0	0.0	0.0		
IT Reserve/Spend to Save Reserve		702.0	480.0	100.0	100.0	100.0		
Other Grants and Contributions		111.0	110.0	0.0	250.0	250.0		
Revenue Financing of Capital Outlay		100.0	380.0	100.0	100.0	100.0		
GRAND TOTAL		4,228.5	3,585.7	7,161.8	2,688.6	2,490.7		

A further sum of £4 million has been set aside for investment in property funds, which is classified as Capital Expenditure

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Revenues and ICT Services

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Bridgford Hall Refurbishment	Apr 11	Mar 12	High	1,6	448.0	0.0	0.0	448.0	0.0	0.0	0.0	(5.0)
	Redevelopment of Public Conveniences, Bridgford Park	Apr 10	Jun 10	Med	1,3,6	80.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0
	Civic Centre Energy Savings-Electricity	Apr 10	Jul 10	Low	1	40.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0
	IS Strategy	Nov 09	Mar 15	Med	1,6	1,482.0	702.0	480.0	100.0	100.0	100.0	0.0	0.0
	Revenues and ICT Total					2,050.0	822.0	480.0	548.0	100.0	100.0	0.0	(5.0)

Priorities for improvement 2007 - 2011 (See (5) above)	
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 anti social behaviour to make people feel safe
4	Increase community involvement in decision making
5	Help children and young people achieve their potential and make a positive contribution to society
6	Deliver efficient and effective high quality services

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Financial Services

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Contingency					900.0	300.0	150.0	150.0	150.0	150.0	0.0	0.0
	Financial Services Total					900.0	300.0	150.0	150.0	150.0	150.0	0.0	0.0

A further sum of £4 million has been set aside for investment in property funds, which is classified as Capital Expenditure

Priorities for improvement 2007 - 2011 (See (5) above)
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 anti social behaviour to make people feel safe
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6 Deliver efficient and effective high quality services

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Partnerships and Performance

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Customer Services Partnership Working	Nov 09	Mar 11	High	1,2,4,6	1,250.0	250.0	0.0	0.0	0.0	0.0	0.0	(48.0)
	Keyworth Leisure Centre Pitch Upgrade	Apr 13	Mar 14	Med	1,2,5,6	25.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0
	Rushcliffe Leisure Centre Changing Room Supply & Extraction Unit				6	12.0	0.0	0.0	12.0	0.0	0.0	0.0	0.0
	Gym Hall - Warm Air Heating Unit				1,2,6	15.0	0.0	0.0	0.0	15.0	0.0	0.0	0.0
	Replacement Pool Filters	Feb 10	Apr 10	Low	1,6	40.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0
	Car Park Surfacing				1,6	25.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0
	Arena Bows Rink Cloth Cover/Underlay				1,2,6	33.0	0.0	0.0	0.0	33.0	0.0	0.0	0.0
	Partnerships and Performance Total					1,400.0	290.0	0.0	12.0	73.0	25.0	0.0	(48.0)

Priorities for improvement 2007 - 2011 (See (5) above)

- | |
|------------------------------------------------------------------------------------------------------------------------------------------|
| 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 anti social behaviour to make people feel safe |
| 4 Increase community involvement in decision making |
| 5 Help children and young people achieve their potential and make a positive contribution to society |
| 6 Deliver efficient and effective high quality services |

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Environment and Waste Management

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Provision of new Depot Building	Apr 12	Mar 13	High	1	4,000.0	0.0	0.0	4,000.0	0.0	0.0	0.0	103.6
	Waste Management Wheeled Bins	Ongoing		Low	1,6	300.0	60.0	60.0	60.0	60.0	60.0	0.0	0.0
	Vehicle replacement	Ongoing		Low	1,6	2,850.0	477.4	436.6	659.7	713.6	562.7	0.0	0.0
	Disabled Facilities Grants	Ongoing		High	1,2,4,5,6	2,750.0	550.0	550.0	550.0	550.0	550.0	0.0	0.0
	Decent Homes Funding/PSR	Ongoing		High	1,2,3,4,5,6	1,450.0	450.0	250.0	250.0	250.0	250.0	0.0	0.0
	Environment and Waste Management Total					11,350.0	1,537.4	1,296.6	5,519.7	1,573.6	1,422.7	0.0	103.6

Priorities for improvement 2007 - 2011 (See (5) above)

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 anti social behaviour to make people feel safe
4	Increase community involvement in decision making
5	Help children and young people achieve their potential and make a positive contribution to society
6	Deliver efficient and effective high quality services

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Community Shaping

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Support for Registered Social Landlords	Ongoing		High	1,2,3,4,6	4,850.2	639.1	639.1	641.1	0.0	0.0	0.0	0.0
	Partnership Grants	Ongoing		High	1,2,3,5,6	305.0	59.0	60.0	61.0	62.0	63.0	0.0	0.0
	Conversion of the Stable Block Bridgford Park	TBC		Med	1,2,3,4,5	125.0	125.0	0.0	0.0	0.0	0.0	0.0	0.0
	Children's Play Areas and Facilities for Older Children - Special Expense	Ongoing		Low	1,3,4,5,6	500.0	100.0	100.0	100.0	100.0	100.0	5.0	5.0
	Alford Road Football Pavilion Re-development - Special Expense	Apr 11	Mar 12	Med	1,3,4,5,6	390.0	0.0	390.0	0.0	0.0	0.0	0.0	0.0
	The Playbuilder Project	Jan 09	Mar 11	Med	1,2,3,5,6	165.3	63.0	0.0	0.0	0.0	0.0	0.0	0.0
	Staff Welfare Facility - West Park	Apr 10	Mar 11	Low	6	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0
	Community Shaping Total					6,350.5	1,001.1	1,189.1	802.1	162.0	163.0	5.0	5.0

Priorities for improvement 2007 - 2011 (See (5) above)

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 anti social behaviour to make people feel safe
4	Increase community involvement in decision making
5	Help children and young people achieve their potential and make a positive contribution to society
6	Deliver efficient and effective high quality services

CAPITAL PROGRAMME 2010/11 TO 2014/2015
Head of Planning and Place Shaping

Ref	Activity Area/Scheme Project	Proposed				Estimated Expenditure						Revenue Effect in 2010/11 of Col (7)	Revenue Effect in Full Year of Col (6)
		Start Date	End Date	Risk	Priority	Total Scheme Cost / 5 Year Provision	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	Running Expenses	Running Expenses
	(1)	(2)	(3)	(4)	(5)	(6) £'000	(7) £'000	(8) £'000	(9) £'000	(10) £'000	(11) £'000	(12) £'000	(13) £'000
	Provision for Development and Place Shaping	Apr 12	Mar 14	High	1,2,3,4 5,6	1,000.0	0.0	0.0	0.0	500.0	500.0	0.0	0.0
	Making Borough Council Car Parks Safe	Apr 09	Mar 12	Med	1,3,6	240.0	80.0	80.0	0.0	0.0	0.0	0.0	0.0
	Environmental Improvements - General	Ongoing		Medium	1,2,4	525.0	105.0	105.0	105.0	105.0	105.0	0.0	0.0
	- West Bridgford Town Centre	Apr 07	Mar 12	High	1,2,3,4	851.2	0.0	260.0	0.0	0.0	0.0	0.0	3.0
	Footpath Enhancement	Ongoing		Low	1	125.0	25.0	25.0	25.0	25.0	25.0	0.0	0.0
	Earl Howe Sewage Treatment Plant	Apr 10	Mar 11	High	1,6	78.5	68.0	0.0	0.0	0.0	0.0	0.0	0.0
	Planning and Place Shaping Total					2,819.7	278.0	470.0	130.0	630.0	630.0	0.0	3.0

Priorities for improvement 2007 - 2011 (See (5) above)

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
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Appendix 2

CAPITAL RESOURCE PROJECTION

	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Resources b/f	22,596	19,681	17,052	14,673	12,247	10,242
Usable Receipts	124	36	36	4,335	33	33
Contributions and Grants	949	1,464	1,071	301	551	551
Revenue Contributions	100	100	100	100	100	100
Expenditure	4,088	4,229	3,586	7,162	2,689	2,491
Resources c/f	19,681	17,052	14,673	12,247	10,242	8,435

Prudential Guidelines

1. The arrangements involving “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.

This paper provides the relevant advice and sets out the proposed indicators.

Prudential Indicators

Affordability

2. Affordability may be demonstrated by the resources to finance capital expenditure and the implications of this expenditure and its financing on the General Fund, including its impact on Council Tax.
3. The actual capital expenditure that was incurred in 2008/09 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval as absolute limits are:

Capital Expenditure					
	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
General Fund Total	4,603	4,088	3,527	3,106	7,062

4. The capital programme annex demonstrates that these plans are affordable in that they can be wholly financed from current capital resources without recourse to borrowing. Alternative capital finance arrangements will be used, however, where they can be shown to be more economic than the standard method of utilising capital receipts.
5. The impact on revenue of interest (and debt repayment where applicable) arising from capital expenditure plans is important in demonstrating affordability. Because the Council is debt-free and has significant investments, interest is an income to the General Fund. Also, as there are no plans to borrow to finance the capital programme, capital expenditure reduces the level of investments held by the Council and hence reduces the interest income. The indicator below - the ratio of financing costs to net revenue stream – shows the relationship between investment income and income from

external support from the Government, plus the amount to be raised from Council Tax.

Ratio of financing costs to net revenue stream					
	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
General Fund Total	-20.94	-12.37	-4.31	-8.49	-9.22

6. The impact of the lower predicted investment returns over the next few years is clearly demonstrated as the rate of return is not anticipated to improve until 2012/3
7. The Code requires that the incremental impact of new capital investment decisions on the level of Council Tax should be calculated to ensure their affordability. The table below provides figures for the estimated impact of the new capital programme compared to that approved last year.

Incremental impact on Council Tax of revised capital programme			
	2010/11 Estimate £	2011/12 Estimate £	2012/13 Estimate £
General Fund	+0.02	-0.34	+0.41
West Bridgford Special expense	Nil	Nil	Nil

The medium term financial projections and strategy contained within the report on the Council Tax for 2010/11 include the above effects and demonstrate the overall impact and affordability of the whole of the Borough's revenue and capital plans.

Prudence and Sustainability

8. Prudence and Sustainability under the Code are demonstrated by the amount of the Capital Financing Requirement (CFR), and the levels (and movements in) the authorised and operational boundaries of external borrowing.
9. Estimates of the end of year CFR for the Borough for the current and future years and the actual requirement at 31 March 2009 are:

Capital Financing Requirement – end of					
	2008/09 Actual £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000	2012/13 Estimate £'000
General Fund Total	-505	-505	-505	-505	-505

10. The CFR measures the extent to which capital expenditure has not been permanently financed. For Rushcliffe, the figure is negative as the Council is debt-free and past provisions set aside for the repayment of debt have exceeded past borrowings.

11. The Borough has an integrated treasury management strategy and has adopted the CIPFA *Code of Practice for Treasury Management in the Public Services*. At any time, the Borough has a number of cash flows both in and out and manages its treasury position in terms of investments and temporary borrowings in accordance with its approved treasury management strategy and practices. In day to day cash management, no distinction can be made between revenue and capital cash. In principle, external borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the CFR reflects the authority's underlying need to borrow for a capital purpose.

12. CIPFA's *Prudential Code for capital finance in Local Authorities* includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two years".

13. The Borough's plans clearly meet this criterion since they indicate the continuation of debt-free status.

14. In respect of its external debt, it is recommended that the Council approves the following authorised limits for its total external debt, gross of investments, for the next three years. These limits separately identify borrowing from other long term liabilities such as finance leases. The Council is asked to approve these limits and to delegate authority to the Section 151 Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at the next meeting following the change.

Authorised limit for external debt				
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Borrowing	9,700	10,500	11,500	12,500
Other long term liabilities	Nil	Nil	Nil	Nil
Total	9,700	10,500	11,500	12,500

15. These limits are consistent with the authority's current commitments, plans, revenue budget and capital programme proposals and the proposed treasury management strategy. They are based on an estimate of the most likely, prudent but not worst case scenario, with sufficient headroom over and above this to allow for operational management, unusual cash movements for example. Risk analysis and risk management strategies have been taken into account as have plans for capital expenditure, estimates of the CFR and estimates of cashflow requirements for all purposes.

16. The Council is also asked to approve the following operational boundary for external debt for the same time period. The proposed operational boundary for external debt is based on the same estimates as the authorised limit, but reflect the estimate of the most likely, prudent but not worst case scenario,

without the additional headroom included in the authorised limit. The operational limit represents a key management tool for in-year monitoring by the Section 151 Officer. Within the operational boundary, figures for borrowing and other long-term liabilities are separately identified. The same delegation to effect movements between the two elements is requested as for the authorised limit.

Operational Boundary for external debt				
	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000
Borrowing	2,500	3,000	3,500	4,000
Other long term liabilities	Nil	Nil	Nil	Nil
Total	2,500	3,000	3,500	4,000

17. The Council had no external debt as at 31 March 2009.
18. In taking its decisions on the report, the Council is asked to note that the authorised limit determined for 2010/11 will be the statutory limit determined under Section 3(1) of the Local Government Act 2003.

Treasury Management

19. The treasury management strategy contains the relevant prudential indicators, which for convenience are also repeated here.
20. The Borough has adopted the CIPFA *Code of practice for treasury management in the public services*. This is an indicator in itself.
21. It is recommended that the Council sets an upper limit on its fixed interest rate exposures and variable interest rate exposures for 2010/11, 2011/12 and 2012/13 of 100% of its net outstanding principal sums. Any borrowing will be for temporary periods only and therefore will be one loan, which must be either fixed or variable.
22. In accordance with the above principle, it is recommended that the Council sets an upper limit of maturity of any borrowings of 100% within 364 days and a lower limit of nil. For all other periods both the upper and lower limits will be nil.
23. It is recommended that sums invested for periods of longer than 364 days be limited to being no more than 60% of the total amount available for investment. For 2010/11, this amounts to £20.76m (60% of £34.6m).

Minimum Revenue Provision

24. The Council is required under regulation 27 of the 2003 Regulations to charge the revenue account for each financial year a Minimum Revenue Provision to account for the cost of the debt in that financial year. Following the amendments contained in the 2008 Regulations, the Council now has a requirement to calculate a Minimum Revenue Provision that it considers to be prudent. A review of the Capital and Treasury management strategy confirms that in the medium term, the Council does not have a requirement to take out

debt to finance the Capital Programme. Therefore, according to the five year Financial Strategy, a Minimum Revenue Provision would not be required.

25. If there was a need to make a Minimum Revenue Provision, this would be calculated in line with the guidance, and the asset life method, as described, would be followed.

**COUNCIL TAX 2010/11: BUDGET REQUIREMENT AND
BOROUGH COUNCIL TAX****Medium Term Financial Strategy**

1. A revised medium term financial strategy for the General Fund and Council Tax is proposed as set out below.
 - setting the Council Tax for 2010/11 to fund net expenditure while using balances over the medium term, together with a savings target, to balance the budget;
 - Meeting the savings target through consideration of priorities and a “fit for purpose” review, including investing to save, business process re-engineering and review of other ways of providing services;
 - To utilise balances over following years to achieve a better balanced budget in the medium term;
 - To maintain earmarked reserves through savings in operating costs and any Local Authority Business Growth Incentive receipt;
 - To confirm a minimum level of general balances of £1.25m;
 - For the longer term to continue to prioritise services and examine ways of reducing net expenditure, with emphasis on identifying provision that might be saved from lower priority areas or transferred to higher priority services;
 - To place any additional income received from investments in an interest equalisation reserve to smooth out fluctuations and to utilise this balance where shortfalls are experienced.
2. The strategy has been amended to cater for the latest projections of the national economic climate and view of public finances into the future. In particular the Council’s income through interest receipts is projected to be depressed for a longer period and the pressure for reduced levels of public expenditure results in and the likelihood of a lower financial settlement from central government from 2011/12. While significant savings have already been identified to mitigate these factors, further savings are required in future and withdrawals from balances and from the interest equalisation reserve are required to balance the budget in the medium term.

Spending Pressures on the budget for 2010/11 and projections for future years

3. The financial strategy approved last year when setting the budget for 2009/10 indicated a savings requirement of £450,000 for 2010/11, this savings target was increased when reviewed in October principally because of the poorer outlook for investment returns and other income. The risk of increased expenditure demands for certain services as a consequence of the recession was also highlighted. In addition, assumptions for the level of external support from the Government were reduced in response to predictions about the affordability of public expenditure plans:
 - Last year the prediction was that external support would grow by 2.5% each year. The impact of reduced public expenditure plans on this income from 2011 onwards will not be known until later this year. For the

purposes of the strategy it is assumed that there will be a 2.5% reduction from 2011/12 and no rises for the next three years;

- Inflation is anticipated to be lower in the future than it has been over the past few years, and therefore the assumption with the projection has changed reducing the inflation levels to 1%;

4. The projections of the Council's revenue finances presented to Cabinet in October indicated a savings requirement of £1.2m for 2010/11, with further savings of £750k required from 2012/13 onwards.

Movements since Cabinet 13 October 2009

5. As a consequence of the need to identify savings, Managers undertook a review of all the budgets to highlight potential savings. The savings exercise looked to highlight budgets that could be reduced, or efficiencies obtained, without affecting service delivery. This exercise highlighted savings of £760,000 through the 'Fit for Purpose' review and a review of all aspects of the budget. These savings should not impact on the level of service provided to residents or adversely affect the Council's reputation. While these savings have generally led to greater efficiency, they have not been easy for Managers to achieve. Savings have also been generated through changing the method of financing Information Technology investment so that this is now treated as a capital item rather than a revenue cost.
6. Since the latest report to Cabinet in October, the authority has undertaken the most extensive and detailed consultation of the budget proposals ever. In addition to the savings and efficiencies identified by Managers a number of other initiatives or suggestions were identified that potentially would have some impact on services and these have been the subject of consultation with Members, local residents and representatives of the Youth Assembly. Further details of these options, and the results of the consultation are given later in this report.

Interest Rate Forecast

7. On the 26th January, the Government published revised Gross Domestic Product data. Whilst this indicated that the UK has come out of the recession, it was not as strong a growth as expected. This implies that the recovery is still very weak and it may be longer before the economy starts to show sustained growth. As a result, our treasury management advisors have reduced the interest rate forecast for the medium term, the result of which is that, although rates are not expected to change from the predicted 1% for 2010/11, they may only rise to 3% by March 2013 and slowly grow from there. Therefore, the level of investment returns budgeted for 2010/11 is 1.0%, a significant reduction from the 2.75% predicted at the same point the previous year
8. As a result, the medium term financial strategy has been revised, the impact of which is to reduce the level of investment income from 2012/13 onwards by an average of £290,000.

VAT rebate – Fleming case

9. The authority has submitted a claim for excess VAT paid over to the Inland Revenue for a period during the 1980s and 1990s. A recent trial case (Fleming) has overturned a previous ruling that these types of claims could only go back up to three years, so the Inland Revenue are accepting claims relating to earlier periods. The authority has submitted a claim and has now received notification that the claim will be paid and a net amount of at least £360,000 is expected. For the purpose of the financial projection, this amount has been included as a reserve to supplement the financial position in years 2011/12 to 2014/15. The impact is that this will offset the reduced investment income over the next five years.
10. Although this is the largest part of the claim, further smaller amounts may be received relating to this issue, including interest, and decisions will be taken on these amounts, if and when they are confirmed.

County Council budget – implication for Rushcliffe

11. One of the proposals being considered by the Council is increasing the administration charge for trade waste. This will cost the Borough £18,000 and has been factored into the base projection in Appendix 3a. The County Council's final proposals do not include the original option to withdraw the sharing of performance related recycling credits for recycled material sent to the MRF, but do include the withdrawal of the discretionary elements of the concessionary fare scheme. It is understood that the partnership will not therefore provide the discretions next year. There is still not enough information to understand what the impact of the County's proposals in terms of common partnerships and this is still being recognised as a risk.

Budget Options and consultation

12. As stated above, a number of initiatives and suggestions were put forward and were the topic of consultation with Members, residents and youth assembly members who considered their likely impact, the priority of services and the need to achieve target savings levels. Formal consultation with business ratepayers will be undertaken on the basis of this report. The options were considered both by Members and the focus groups of residents in workshops held in late November 2009. The table below details the options that were unanimously supported by Members and residents. These have all been factored into the base projection, as described at Member workshop 3.

TABLE 1

Options unanimously supported by all groups	Amount per annum	Members	Residents
1. Street Cleansing/Grass Cutting Introduce private sponsorship across a range of high profile locations - for example, litter bins, planters, road islands, vehicles, wheeled bins; and charge local retail companies for the return of shopping trolleys that have been abandoned in urban areas	£35,000	Unanimously Supported	Unanimously supported
2. Refuse and Recycling Introduce a charging regime for residents who would like an additional green wheeled bin - based on publicity and advertising the Council could get an extra 2,000 green wheeled bins with a charging rate of £25 per bin per annum	£50,000	Unanimously supported	Unanimously supported
3. Leisure Centres Enter in to a "Trust" arrangement with Parkwood Leisure	£95,000	Unanimously supported	Unanimously supported
4. Member and Democratic Services Reduce Member Development budget; no increase in Members allowances 2010/11; reduce conference budget; save on printing and postage by sending 50% electronically and reducing the numbers of paper copies	£21,000	Unanimously supported	Unanimously supported
5. Sports, playing fields and parks Introduce car park charge at the Country park, consideration to be given that this may be a voluntary charge	£15,000	Unanimously supported	Unanimously supported
6. Car Parking Further increase car parking charges in West Bridgford to £1.00 (for up to 2 hrs)	£79,000	Unanimously supported	Unanimously supported
7. Car Parking Introduce £1.00 evening (7days) and Sunday parking charges in West Bridgford	£39,000	Unanimously supported	Unanimously supported
8. Planning and Building Control Charge for pre-application service	£18,000	Unanimously supported	Unanimously supported
Total favoured by all groups	£352,000		

13. When included in the budget for 2010/11 and the projections to 2014/15, these savings highlighted above (numbered 1 to 8), together with the £760,000 of savings identified by Managers, taking into account the revised interest rate projections and the revised draft capital programme, result in a savings requirement of £100,000 for 2010/11 with a further requirement for £700,000 of savings from 2012/13. Although all of the above initiatives were unanimously supported, Cabinet may decide not to confirm them all and if so these savings targets would increase accordingly.
14. The results of the consultation process were then considered by member workshops in January. During these workshops, members had the opportunity to review the results of all the consultation and reconsider which of the options that did not have unanimous support might be acceptable. Member comments noted during the Workshops in January are detailed in **Appendix 2**. The following tables summarises the conclusions:

TABLE 2

	Amount per annum	Residents Workshop	Further Member workshop in January
9. Pest and Dogs Increase pest control fees by 30% (£45 to £60) for rodents and pests of public health significance to improve the expenditure / income ratio	£6,000	Favoured by the majority	Favoured by all groups
10. Information Services Take in advertising in Rushcliffe Reports and on website or alternatively reduce to 2 editions	£12,000	Unanimously supported	Favoured by all groups
11. Arts, Events and Community Reduction in grants and partnership budgets	£50,000	Favoured by minority only	Favoured by 5 out of the 6 groups. The sixth group wanted to keep this budget as a contingency for any pressure from partners as a result of the County Council's budget proposals
12. Member and Democratic services Reduce hire of transport for Mayor and the gaining of income towards Mayoral events	£5,500	Unanimously supported	Favoured by 5 out of the 6 groups
13. Member and Democratic Services Remove the community support grant	£25,000	Favoured by the minority only	Supported by two of the six groups
14. Arts, events and community Removal of budget for large sports events and a reduction in budget for smaller events across Borough	£9,000	No workshop group in favour	Supported by two of the six groups
15. Strategic Housing Increase charges to home alarm service customers by £1.85 per quarter	£5,500	No workshop group in favour	Supported by one of the six groups
16. Street Cleaning/Grass Cutting Do not employ the 5 part time cleaners in the six large villages; reduce overtime on weekend cleansing activities; removal of 6000m ² of shrub beds in open space and grass; reduction of bins over time through a process of integration of dog bins with litter bins via a rolling programme across the borough	£69,000	No workshop group in favour	No support
17. Private Sector Housing Cease financial support for the services that are provided in partnership with others	£25,000	No workshop group in favour	No support

	Amount per annum	Residents Workshop	Further Member workshop in January
18. Refuse and Recycling Introducing a charging regime for all domestic green waste of £25 per wheeled bin per annum. The potential income generated includes an assumption that the current number of green bins would reduce by approximately 25% and the additional income also includes the loss of one vehicle/crew.	£800,000	No workshop group in favour	No support
19. Public conveniences Stop providing the public conveniences service	£26,000	Residents felt that there had to be provision of toilets available for the public and could look at other ways of providing it	No support
20. Leisure Services Reduce leisure prices for juniors	£40,000 (i.e. an additional cost)	No workshop group in favour	No support

15. Residents and Members also had the opportunity to consider the impact of Council Tax increases of around £1, £2 and £3. Residents all favoured an increase of around £2 as an appropriate response to the financial difficulties, especially if this resulted in fewer service reductions. Members indicated a degree of support but there were differing views expressed.

Projections – options under the strategy

16. To demonstrate the approximate effect of the main options, the following scenarios have been modelled at **Appendix 3**:
- A Base Projection, excluding all the options outlined in the above table 2 and with a nil Council Tax increase;
 - As a) but including options 9. to 15. outlined in the above table 2 that had some degree of support;
 - As b) with a 2% Council Tax rise.
17. The following table summarises the impact of each of these options on the savings requirement within the medium term financial projections. The support highlights the support of the 6 individual groups during the third round of member workshops. The impact on the 2010/11 savings target column indicates how much the savings target is reduced to by implementing that option on it's own:

TABLE 3

Description	Amount & Impact on 2010/11 savings target	Considered support (out of 6 groups)	Impact on 2012/13 savings target
Pest and Dogs Increase pest control fees by 30% (£45 to £60) for rodents and pests of public health significance to improve the expenditure / income ratio	£6,000	All groups	£6,300
Information Services Take in advertising in Rushcliffe Reports and on website or alternatively reduce to 2 editions	£12,000	All groups	£12,500
Arts, Events and Community Reduction in grants and partnership budgets	£50,000	5 groups	£52,000
Member and Democratic services Various items within the Mayoral budget	£5,500	All groups	£5,800
Member and Democratic Services Remove the community support grant	£25,000	2 groups	£26,000
Arts, events and community £9,000 Removal of budget for large sports events and a reduction in budget for smaller events across Borough	£9,000	2 groups	£9,500
Strategic Housing £5,500 Increase charges to home alarm service customers by £1.85 per quarter	£5,500	1 group	£5,800
Street Cleaning/Grass Cutting Do not employ the 5 part time cleaners in the six large villages; reduce overtime on weekend cleansing activities; removal of 6000m2 of shrub beds in open space and grass; reduction of bins over time through a process of integration of dog bins with litter bins via a rolling programme across the borough	£69,000	None	£73,000

Description	Amount & Impact on 2010/11 savings target	Considered support (out of 6 groups)	Impact on 2012/13 savings target
Private Sector Housing £25,000 Cease financial support for the services that are provided in partnership with others	£25,000	None	£26,000
Refuse and Recycling Introducing a charging regime for all domestic green waste of £25 per wheeled bin per annum. The potential income generated includes an assumption that the current number of green bins would reduce by approximately 25% and the additional income also includes the loss of one vehicle/crew.	£800,000	None	£836,000
Public conveniences Stop providing the public conveniences service	£26,000	None	£27,100
Leisure Services Reduce leisure prices for juniors	£40,000 (i.e. additional cost)	None	£51,600 (i.e. additional cost)

18. In the table below, the impact of the relevant Council Tax options are highlighted

Description	Amount & Impact on 2010/11 savings target	Impact on 2012/13 savings target
Council Tax increase of £1.08 saving £44k	£44,000	£48,000
Further Council Tax increase of £1.08 to £2.16 saving a further £44k	£44,000	£48,000
Further Council Tax increase of £1.08 to £3.24 saving a further £44k	£44,000	£48,000

19. In order to consider the full impact of the options, the cumulative impact of the savings needs to be considered. The table below highlights the impact of a group of savings or Council Tax on the immediate savings target and the future savings target.

Cumulative savings/Council Tax increase proposed (£)	Revised 2010/11 savings target (£)	Revised additional savings target In 2012/13 (£)
0	100	700
50	47	700
100	0	676
150	0	583
200	0	490
250	0	397

20. Cabinet Members are invited to indicate:

- a) Whether they confirm the inclusion of the unanimously supported proposals set out in table 1 or if not, to indicate which initiative should be deleted: and
- b) What combination of savings from table 3 and what level of Council Tax increase, if any should be recommended to Council.

21. It is likely that the results of Cabinet's selections will fall between the two extremes modelled in Appendix 3. Once determined Officers will provide the relevant projection and amended figures for the resolution. If more than £100,000 of savings are chosen, this will reduce the use of balances over the medium term financial projection and provide a better impact on the future savings target.

Partnerships and the Local Area Agreement

22. Working in Partnership is a key strand of the Council's corporate strategy. Figures are provided in **Appendix 1** that demonstrates the extent of budgetary provision of services that are provided in partnership with others.

Risks

23. The financial projections are made under a set of assumptions. Members should note that reality might differ from these assumptions. Those factors that would have a more significant impact on the projections, either for better or worse, include:

- Future changes/reductions to Formula Grant, the risks from this are lessened by the 3 year formula grant announcement, but longer term the risk remains;
- The prevailing level of interest rates: The dependency on interest earned on investments remains significant. Variations in these could greatly improve or worsen the Borough's financial position. The interest equalisation reserve is being used to smooth the effects of the interest rate fluctuations in the short term;
- Further reduction in income levels especially from planning applications, land charges and new areas being factored into the budget;
- The impact on the Borough's budget of potential budget proposals being implemented by Nottinghamshire County Council;

- Further withdrawal of external funding currently committed to specific posts and projects;
- Demand for Council services as a result of the current economic conditions.

Appendix 4 evaluates these risks and those with a lesser impact. It is for such matters that the Borough Council must retain an adequate general balance and reserves. There are a number of significant risks involved with this year's budget and as a result the level of contingency has been increased to £180,000 in 2010/11. This provides a robust budget that takes into account the risks that are facing the Council.

Net Expenditure on services

Revenue expenditure and income

24. A summary of the base budget for 2010/11 is included at **Appendix 5** on the basis of the Base Projection in **projection 3a**. Clearly this will need to be amended depending upon the budget options supported. The figures in the following paragraphs are based on this projection and if further savings are selected to be incorporated into the budget, this will tend to decrease these figures accordingly.

Special Reserves

25. Special revenue reserves represent amounts set aside for particular purposes. **Appendix 6** indicates the projected amounts in these reserves which are considered to be adequate.

Parish Precepts

26. Parish Council precepts technically form part of the Council's budget requirement. These are anticipated to amount to £1,801,140 for 2010/11, although formal notification is outstanding from a number of Parishes. Current assumptions are detailed at **Appendix 10**.

Special expenses

27. Special Expenses in West Bridgford and Ruddington relate to recreational facilities and other services provided by the Borough Council where equivalent provision is made by Parish Councils elsewhere. These special expenses total £754,040 and £6,570 respectively and are shown at **Appendix 7**, with more detail in the budget booklet. The special charge in respect of West Bridgford is therefore calculated at £55.18 Band D (a £0.15 increase over 2009/10). The special charge in respect of Ruddington is calculated at £2.52 Band D (a £0.08 decrease over 2009/10).

Revenue financing of capital expenditure

28. In accordance with the medium term financial strategy, no provision is made in respect of the revenue financing of capital expenditure, except for the element within the West Bridgford special expense (£100,000).

Total Expenditure

29. Adding all these elements to the estimated expenditure on services results in a total budget including all special and parish requirements of £14,911,360¹ subject to the budget options supported by Members.

Resources Available

External Government Support

30. The authority has been notified that it will receive £7,196,710 in external support for 2010/11. This consists of £6,284,187 from redistributed business rates and £912,523 from Formula Grant.

Capping

31. The Government has not issued any formal guidelines about the level at which capping of Council Tax increases may come into effect. However, the Secretary of State has issued statements that Government expects the average Band D council tax increase to fall to a 16 year low, following on from this year's average national council tax increase of 3 per cent which was the lowest since 1994-95. There was also a strong message that the Secretary of State would use the capping powers if Council tax increases are deemed to be excessive. In the past, decisions on capping have taken into account a range of factors. For these purposes, special expenses count as the Borough Council's expenditure. When combined with the increase in special expenses, an increase in the general Borough Council Tax of £3.89 would amount to 3% for capping purposes. The impact of being capped would be significant. At worst, there would be the cost and effort in unravelling the bills for 2010/11 and re-billing; the need to find budget reductions to achieve the lower Council Tax level; and an impact on the collection rate that might take two or three years to overcome. At best, severe action to reduce the Council Tax in the following year would be required.

Use of Balances

32. The final level of the budget requirement is determined by the extent to which the council decides to use available balances. As explained in the paragraphs relating to the financial strategy, the amounts of balances will be used to balance the budget requirement subject to a remaining savings.
33. General balances are estimated to be £2,855,000 at the end of the current financial year. All the scenarios under consideration will assume that the general balances are used over the five year medium term strategy leaving a balance greater than the minimum allowed under this financial strategy.

Collection Fund

34. **Appendix 8** outlines the estimated position in respect of the Collection Fund as at 31 March 2009. An overall Council Tax surplus of £545,376 has been predicted made up of the position from 2008/09 (£2,826) and a surplus for 2009/10 (£542,550). These balances are distributed as shown in the **Appendix 8**. The element of £59,078 surplus attributable to Rushcliffe is taken into account in the setting of the Council Tax, and is equivalent to £1.44 at band D.

¹ To be confirmed

Conclusions

35. In proposing the level of the budget requirement and associated Council Tax, the following factors need to be taken into account:
- The underlying cost of current services and future pressures upon this;
 - The risk of capping;
 - The continuing trend to increase the scope of local authority functions and responsibilities;
 - The need to prioritise services and examine ways of reducing net expenditure;
 - The need to maintain a minimum prudent level of balances, especially in the light of the Borough's increased reliance on interest receipts, and a sound financial position for the foreseeable future;
 - The implications for service levels and council tax in future years;
 - Uncertainty of current economic conditions, with the potential effect this could have on demand for the Council's services and income.

Borough Council Tax

36. The equivalent Council Tax for properties in valuation bands other than Band D would vary as shown in **Appendix 9** at this year's Council Tax rate. This would need to be adjusted subject to Cabinet's recommendation to Council about Council Tax increases. The approximate numbers of properties falling in each chargeable band is also indicated for information.
37. Different amounts are added to this general requirement to reflect the expenditure needs to meet Parish and special expenses. Current assumptions are shown in **Appendix 10**, which will be subject to revision.
38. Subsequently the Council must determine composite tax rates for the area that bring together the Borough and Parish Council Tax rates for each band and those precepted by the County Council, Fire Authority and Police Authority. These will be separately advised to the Council.

Background Papers Available for Inspection:- Consulting people on Rushcliffe Borough Council's 2010/11 Budget Options – MORI Summary Report 8 January 2010.

Appendix 1**Budgets in partnership****Partnership****Budget 2010/11**

£

Revenue

Choice Based Lettings	21,400
First Contact	9,360
First Lets	42,540
Friary Drop in Centre	5,980
Grantham Canal Partnership	5,610
Greater Nottingham Partnership	12,000
Local Area Agreement (LAA)	46,000
Local Strategic Partnership (LSP)	47,570
Management of Leisure Centres in Rushcliffe	405,360
Nottingham Rugby Club	25,000
Nottingham Citizens Advice Bureau	7,000
Notts Children and Young People Strategic Planning Board	Officer Time
Notts Safeguarding Children Board	Officer Time
Notts Wildlife Trust	15,750
Provision of Concessionary Fares	913,350
Rural Community Action Nottinghamshire (RCAN)	42,100
Rushcliffe Business Partnership	1,000
Rushcliffe CVS	36,430
Shadow Greater Nottingham Executive	No Direct Funding
South Notts Community Safety Partnership (CDRP)	98,000
	<hr/>
	1,734,450

Capital

Housing Developments and Options	639,100
Playbuilder Project	63,000
Customer Services Partnership Working	250,000
	<hr/>
	952,100

Total

2,686,550

Specific comments made by Members in Workshop Three (15/19 January 2010)

In Workshop Three, Members were given the opportunity to review the savings options supported by the previous Member Workshops and Residents' Workshop. In some cases, facilitating officers were asked to note down points which Members felt strongly about. This appendix records those opinions.

Take in advertising or reduce Rushcliffe Reports to 2 editions saving £6,000-£12,000 per annum

Two workshop groups would support taking in advertising and remain at the current number of editions. A further group would support taking in advertising and reducing the number of editions to two.

Reduce Mayor's expenditure saving £5,500 per annum

The majority of workshop groups were keen to see the Mayoral transport remain for high profile events but would support a reduction in the low-profile usage of the car and self funding of the Mayoral events.

Removal of large sporting events and reduction in small ones saving £9,000 per annum

One workshop group supported the reduction in support for large sporting events such as the women's FA Cup but would not like to see smaller, local events reduced.

**BASE PROJECTION only including savings which were fully supported as per TABLE 1
Proposed Strategy**

Appendix 3a

		2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Current Services							
Community Shaping Statutory	CSHS	1516	1365	1376	1388	1400	1413
Community Shaping Discretionary	CSHD	1915	1863	1869	1887	1910	1938
Corporate Services Statutory	CSS	527	523	705	914	799	816
Corporate Services Discretionary	CSD	2231	2160	2168	2202	2243	2291
Environment and Waste Management Statutory	EWMS	5463	5026	5088	5202	5285	5361
Environment and Waste Management Discretionary	EWMD	137	109	100	94	95	104
Financial Services Statutory	FSS	1550	1714	1732	1758	1789	1825
Financial Services Discretionary	FSD	4	-9	-20	-26	-29	-28
Planning and Place Shaping Statutory	PPSS	752	844	844	843	842	841
Planning and Place Shaping Discretionary	PPSD	65	59	48	49	52	60
Partnerships and Performance Statutory	PPS	96	0	0	0	0	0
Partnerships and Performance Discretionary	PPD	2620	1658	1430	1422	1474	1491
Revenues, Property and ICT Statutory	SSS	1371	1459	1497	1537	1577	1619
Revenues, Property and ICT Discretionary	SSD	-5	9	-33	-111	-130	-140
Total		18242	16780	16804	17159	17309	17591
Interest Receipts		-1777	-903	-1132	-1075	-1075	-1165
Reversal of Capital Charges		-3779	-2896	-2662	-2718	-2739	-2745
Contingency - unforeseen events		80	180	230	280	330	380
Savings target		0	-100	-100	-800	-800	-800
<i>Provisions</i>							
IT Reserve		130	30	30	30	30	30
Risk Management		0	0	0	0	0	0
Superannuation		0	0	0	0	0	0
VAT Reserve		0	0	-90	-90	-90	-90
<i>Less special expenses</i>		-757	-761	-768	-776	-788	-799
Current total		12140	12331	12312	12010	12177	12401
Financed by:							
External support		7057	7197	7053	7053	7053	7053
Council Tax		4538	4562	4577	4800	5034	5280
Planned use of balances		490	513	683	157	90	68
Collection Fund surplus		71	59				
Total resource		12156	12331	12313	12010	12177	12401
Available Resource/(shortfall)		16	0	0	0	0	0

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000
General Balance available at year end:	2855	2342	1659	1502	1412	1344
Underlying Council Tax Rate		£125.18	£127.83	£120.05	£123.66	£128.59
Council Tax Rate	£111.24	£111.24	£111.24	£116.25	£121.48	£126.94
Increase		£0.00	£0.00	£5.01	£5.23	£5.47
Deficit		0	0	0	0	0

**BASE PROJECTION including savings 9. to 15. in TABLE 2 that show some degree of support
Proposed Strategy**

Appendix 3b

		2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000
Current Services							
Community Shaping Statutory	CSHS	1516	1359	1371	1382	1395	1407
Community Shaping Discretionary	CSHD	1915	1803	1809	1826	1847	1875
Corporate Services Statutory	CSS	527	523	705	914	799	816
Corporate Services Discretionary	CSD	2231	2129	2137	2171	2211	2258
Environment and Waste Management Statutory	EWMS	5463	5026	5088	5202	5285	5361
Environment and Waste Management Discretionary	EWMD	137	103	94	88	89	98
Financial Services Statutory	FSS	1550	1714	1732	1758	1789	1825
Financial Services Discretionary	FSD	4	-9	-20	-26	-29	-28
Planning and Place Shaping Statutory	PPSS	752	844	844	843	842	841
Planning and Place Shaping Discretionary	PPSD	65	59	48	49	52	60
Partnerships and Performance Statutory	PPS	96	0	0	0	0	0
Partnerships and Performance Discretionary	PPD	2620	1646	1417	1409	1462	1478
Revenues, Property and ICT Statutory	SSS	1371	1459	1497	1537	1577	1619
Revenues, Property and ICT Discretionary	SSD	-5	9	-33	-111	-130	-140
Total		18242	16665	16689	17042	17191	17471
Interest Receipts		-1777	-904	-1136	-1084	-1090	-1187
Reversal of Capital Charges		-3779	-2896	-2662	-2718	-2739	-2745
Contingency - unforeseen events		80	180	230	280	330	380
Savings target		0			-670	-670	-670
<i>Provisions</i>							
IT Reserve		130	30	30	30	30	30
Risk Management		0	0	0	0	0	0
Superannuation		0	0	0	0	0	0
VAT Reserve		0	0	-90	-90	-90	-90
<i>Less special expenses</i>		-757	-761	-768	-776	-788	-799
Current total		12140	12315	12293	12015	12174	12389
Financed by:							
External support		7057	7197	7053	7053	7053	7053
Council Tax		4538	4562	4577	4800	5034	5280
Planned use of balances		490	497	663	162	87	56
Collection Fund surplus		71	59				
Total resource		12156	12315	12293	12015	12174	12389
Available Resource/(shortfall)		16	0	0	0	0	0

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000
General Balance available at year end:	2855	2358	1695	1533	1446	1390
Underlying Council Tax Rate		£124.80	£127.35	£120.16	£123.58	£128.29
Council Tax Rate	£111.24	£111.24	£111.24	£116.25	£121.48	£126.94
Increase		£0.00	£0.00	£5.01	£5.23	£5.47
Deficit		0	0	0	0	0

**BASE PROJECTION as per Option 3b) with a Council Tax increase of £2.16
Proposed Strategy**

Appendix 3c

		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
		£000	£000	£000	£000	£000	£000
Current Services							
Community Shaping Statutory	CSHS	1516	1359	1371	1382	1395	1407
Community Shaping Discretionary	CSHD	1915	1803	1809	1826	1848	1875
Corporate Services Statutory	CSS	527	523	705	914	799	816
Corporate Services Discretionary	CSD	2231	2129	2137	2171	2211	2258
Environment and Waste Management Statutory	EWMS	5463	5026	5088	5202	5285	5361
Environment and Waste Management Discretionary	EWMD	137	103	94	88	89	98
Financial Services Statutory	FSS	1550	1714	1732	1758	1789	1825
Financial Services Discretionary	FSD	4	-9	-20	-26	-29	-28
Planning and Place Shaping Statutory	PPSS	752	844	844	843	842	841
Planning and Place Shaping Discretionary	PPSD	65	59	48	49	52	60
Partnerships and Performance Statutory	PPS	96	0	0	0	0	0
Partnerships and Performance Discretionary	PPD	2620	1646	1417	1409	1462	1478
Revenues, Property and ICT Statutory	SSS	1371	1459	1497	1537	1577	1619
Revenues, Property and ICT Discretionary	SSD	-5	9	-33	-111	-130	-140
Total		18242	16665	16689	17043	17191	17471
Interest Receipts		-1777	-904	-1140	-1091	-1102	-1206
Reversal of Capital Charges		-3779	-2896	-2662	-2718	-2739	-2745
Contingency - unforeseen events		80	180	230	280	330	380
Savings target		0			-480	-480	-480
<i>Provisions</i>							
IT Reserve		130	30	30	30	30	30
Risk Management		0	0	0	0	0	0
Superannuation		0	0	0	0	0	0
VAT Reserve		0	0	-90	-90	-90	-90
<i>Less special expenses</i>		-757	-761	-768	-776	-788	-799
Current total		12140	12314	12289	12198	12352	12560
Financed by:							
External support		7057	7197	7053	7053	7053	7053
Council Tax		4538	4653	4668	4896	5135	5386
Planned use of balances		490	405	568	249	165	122
Collection Fund surplus		71	59				
Total resource		12156	12314	12289	12198	12353	12560
Available Resource/(shortfall)		16	0	0	0	0	0

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
	£000	£000	£000	£000	£000	£000
General Balance available at year end:	2855	2450	1882	1633	1468	1346
Underlying Council Tax Rate	£124.79	£127.27	£124.59	£127.88	£127.88	£132.41
Council Tax Rate	£111.24	£113.46	£113.46	£118.57	£123.91	£129.48
Increase		£2.22	£0.00	£5.11	£5.34	£5.58
Deficit		0	0	0	0	0

Risk and Robustness of Estimates

- Under statutory responsibilities, the section 151 Officer is required to comment on the strength of the estimates. The estimates are considered to be robust. Employee's costs are based on the approved establishment less an allowance for vacancies, interest income is based on the range provided by the Council's advisor's predictions. Support costs are calculated on the basis of the estimated work pattern for the year. The estimates have been reviewed in detail, with areas of consistent under spending deleted and provision is included in the projection for unforeseen events.
- Potential risks and their estimated impact on the projections is shown in the table below:

Risk	Probability	Impact on resources
Interest rates 0.5% less than budgeted	Medium	Average loss of £182,000p.a. Equivalent to Band D Council Tax of £4.44. This is mitigated by the interest equalisation reserve in the short term.
Pay awards higher than estimated	Low	A further 1% adds £110,000 or £2.68 at Council Tax Band D
General inflation 1% higher	Low	A further 1% adds £97,000 or £2.37 at Band D
Reduction in income levels from planning, land charges or additional charges	Medium	An impact of £100,000 will increase Council Tax by £2.44 at Band D
Larger cuts in external support after 2010/11	Medium	The impact of a further reduction of £200,000 will increase Council Tax by £4.88 at Band D in later years
Further withdrawal of external grants and funding, including amounts transmitted via the LAA/LSP	Medium	Potential for a loss of up to £175,000, equivalent to £4.27 at band D

- Other factors could improve the financial position. These are shown below with their estimated impact on the projections:

Factor	Probability	Impact on resources
Better RSG settlement – unwinding ceilings	Low	The impact of a less severe cut of £150,000+ p.a. is equivalent to £3.66 at Council Tax Band D in years 2,3,4 and 5
Pay awards lower than estimated	Low	A reduction of 1% saves £110,000 or £2.68 at Council Tax Band D. This is only possible from 2011/12 onwards
Interest rates 0.5% greater than budgeted	Low	Average gain of £182,000p.a. Equivalent to Band D Council Tax of £4.44

- Following the experience of recent years, when new unforeseen spending pressures have been imposed on the Council, the contingency provision in future years has been progressively increased to recognise such factors and their continuing nature. This also serves to improve the robustness of the projections. However the rate at which this increases has been reduced to reflect the current practice of finding funding from developments from existing provisions.

Appendix 5

CALCULATION OF BUDGET REQUIREMENT

	2009/10 Budget	2010/11 Budget
	£	£
Community Shaping - Statutory	1,515,670	1,364,900
Community Shaping - Discretionary	1,915,460	1,862,650
Corporate Services - Statutory	526,730	522,890
Corporate Services - Discretionary	2,207,710	2,159,880
Environment and Waste Management - Statutory	5,462,680	5,026,460
Environment and Waste Management - Discretionary	136,600	109,130
Financial Services - Statutory	1,549,690	1,713,970
Financial Services - Discretionary	4,430	(9,310)
Planning and Place Shaping - Statutory	847,310	844,220
Planning and Place Shaping - Discretionary	64,590	58,740
Partnerships and Performance - Discretionary	2,619,510	1,658,250
Revenues , Property and ICT - Statutory	1,371,300	1,458,760
Revenues , Property and ICT - Discretionary	17,600	8,530
SERVICE EXPENDITURE	18,239,280	16,779,070
Net Interest Receipts	(1,760,730)	(903,010)
Reversal of Capital Charges	(3,778,650)	(2,895,840)
General Contingency	80,000	180,000
Direct Expenditure	12,779,900	13,160,220
APPROPRIATIONS TO/FROM RESERVES		
Transfer to IT Reserve	130,000	30,000
Total	12,909,900	13,190,220
Less Special Charge	(756,990)	(760,610)
Borough Expenditure	12,152,910	12,429,610
Plus Parish Precepts/Sp Charge	2,468,090	2,561,750
	14,621,000	14,991,360
Adjustments to previous years' external support		
Use of Balances	(486,896)	(611,647)
Total	14,134,104	14,379,713

Reserves

	2009/10 £'000	2010/11 £'000	2011/12 £'000
Revenue provision for capital programme	2,107	2,107	1,827
Information Technology	467	337	257
Superannuation	249	249	249
Risk Management	86	66	46
Equal pay	344	344	344
Interest equalisation	1,020	545	245
Planning delivery grant	55	0	0
Invest to save	1,954	1,252	772
Civil emergencies	75	75	75
Property Rationalisation Fund	250	250	250
TOTAL	6,607	5,225	4,065

Projected year end balances on special reserves

- **Capital Reserve:** This reserve will be used to finance those elements of the capital programme that are technically considered to be revenue in nature. The balance is adequate for the current programme.
- **Information Technology Reserve:** This reserve is used to support the information systems strategy and initiatives in the longer term.
- **Superannuation Reserve:** This reserve is available to fund costs of pension strain arising from early retirements. Expenditure from this reserve is very unpredictable, although experience has shown this level to be adequate provided any use can be ultimately restored as planned in the strategy.
- **Risk Management Reserve:** This reserve exists in order to fund initiatives designed to reduce risk of service disruption, insurance claims or harm to property and persons.
- **Equal Pay Reserve:** This reserve was set up to fund transitional liabilities following pay restructuring.
- **Interest Equalisation Reserve:** This reserve exists to "top up" interest receipts in those years when these show an adverse variance at outturn. It will be particularly important to support the new treasury management strategy which implies a potentially more volatile rate of return.
- **Planning Delivery Grant:** This grant must be used 25% for capital and 75% for revenue. This reserve holds the unspent portion of planning delivery grant, which is not committed to support general expenditure.
- **Invest to Save Reserve:** This reserve was originally set up when all authorities were given Business Growth Incentives to maintain economic development. The money is to be used for invest to save initiatives such as 'Fit for Purpose' projects.
- **Civil Emergencies Reserve:** This reserve was set at £75,000 and is available to provide for costs arising from emergencies that would not be covered by the "Bellwin" scheme. These are very difficult to predict, but this modest balance is considered to be adequate.
- **Property Rationalisation Reserve:** This reserve was set at £250,000 to facilitate the implementation of future property rationalisation decisions.

Appendix 7**SPECIAL EXPENSES**

	2009/10 Budget £	2010/11 Budget £
WEST BRIDGFORD		
Parks Playing Fields and Open Spaces	408,010	411,760
West Bridgford Town Centre	48,840	48,990
Community Halls	66,170	58,860
Miscellaneous (Seats and Bins)	4,980	3,010
Contingency	5,100	5,150
Burial Subsidy for West Bridgford Residents	18,940	19,130
Notional Loan Charges/Annuity	98,300	107,140
Provision from revenue financing of capital expenditure	100,000	100,000
Total West Bridgford	750,340	754,040
RUDDINGTON		
Cemetery - maintenance and loan charges	6,650	6,570
Total Special Expenses	756,990	760,610

Collection Fund – Council Tax Element

The opening balance for the Council tax element of the Collection Fund on 1 April 2009 showed a surplus of £957,634. When setting the Council Tax level for 2008/09, the balance was estimated to be a surplus of £954,808. This surplus therefore needs to be accounted for in the 2010/11 Council Tax. A new calculation for 2009/10 shows an overall estimated surplus of £545,376.

This surplus on the Collection Fund will be shared, as shown below, between Nottinghamshire County Council, the Police Authority, the Fire Authority and the Borough Council in proportion to their respective precepts on the Fund as shown below.

Authority	Share of (surplus) / deficit		
	2008/09 £	2009/10 £	Total £
Rushcliffe Borough Council	(308)	(58,770)	(59,078)
Nottinghamshire County Council	(2,130)	(408,308)	(410,438)
Nottinghamshire Police Authority	(268)	(52,295)	(52,563)
Nottm City & Notts Fire Authority	(120)	(23,177)	(23,297)
Total	(2,826)	(542,550)	(545,376)

Numbers of Chargeable Properties

	Current Council Tax Band D £111.24	Number	%	cumulative %
Band X	61.80	0	0	0
Band A	74.16	5,648	12.4	12.4
Band B	86.52	9,120	20.1	32.5
Band C	98.88	10,012	22.0	54.5
Band D	111.24	8,612	19.0	73.5
Band E	135.96	6,051	13.3	86.8
Band F	160.68	3,702	8.2	95.0
Band G	185.40	2,198	4.8	99.8
Band H	222.48	104	0.2	100.0

(1) PARISH AREA	Tax	Expenditure	Expenditure	Increase	Precept	Parish
	Base	2009/10	Requirement			Band 'D'
	(2)	(3)	(4)	(5)	(7)	(8)
	£	£	£	%	£	£
Aslockton	352	7,749	10,002	29.07%	10,002	28.41
Barton-in-Fabis	119	3,500	3,325	-5.00%	3,325	27.94
Bingham	3,247	184,720	250,735	35.74%	250,735	77.22
Bradmore	165	2,700	2,700	0.00%	2,700	16.36
Bunny	289	17,000	17,000	0.00%	17,000	58.82
Car Colston	85	-	-	-	-	-
Clipston	31	75	100	33.33%	100	3.23
Colston Bassett	125	4,500	4,850	7.78%	4,850	38.80
Costock	284	16,000	16,000	0.00%	16,000	56.34
Cotgrave	2,088	199,252	205,230	<i>E</i> 3.00%	205,230	98.29
Cropwell Bishop	647	89,025	89,025	0.00%	89,025	137.60
Cropwell Butler	331	9,960	10,300	3.41%	10,300	31.12
East Bridgford	807	32,464	33,440	<i>E</i> 3.01%	33,440	41.44
East Leake	2,342	141,644	143,085	1.02%	143,085	61.10
Elton-On-The-Hill	44	-	-	-	-	-
Flawborough	25	-	-	-	-	-
Flintham	205	10,300	10,610	<i>E</i> 3.01%	10,610	51.76
Gotham	616	33,369	34,370	<i>E</i> 3.00%	34,370	55.80
Granby cum Sutton	165	12,000	10,000	-16.67%	10,000	60.61
Hawksworth	66	4,622	5,350	15.75%	5,350	81.06
Hickling	252	6,910	6,900	-0.14%	6,900	27.38
Holme Pierrepont & Gamston	1,092	43,166	42,755	-0.95%	42,755	39.15
Keyworth	2,660	178,504	176,718	-1.00%	176,718	66.44
Kingston-on-Soar	117	3,300	3,800	15.15%	3,800	32.48
Kinoulton	413	7,000	7,000	0.00%	7,000	16.95
Kneeton	22	-	-	-	-	-
Langar cum Barnstone	354	39,990	40,800	2.03%	40,800	115.25
Normanton-on-Soar	193	11,337	11,573	2.08%	11,573	59.96
Normanton-on-the-Wolds	150	4,620	4,620	0.00%	4,620	30.80
Orston	212	7,300	8,000	9.59%	8,000	37.74
Owthorpe	45	-	-	<i>E</i> -	-	-
Plumtree	121	3,500	3,610	<i>E</i> 3.14%	3,610	29.83
Radcliffe-on-Trent	3,293	273,764	275,930	0.79%	275,930	83.79
Ratcliffe-on-Soar	55	-	-	-	-	-
Rempstone	200	4,900	4,900	-	4,900	24.50
Ruddington	2,612	250,488	258,000	<i>E</i> 3.00%	258,000	98.77
Saxondale	14	-	-	<i>E</i> -	-	-
Scarrington	76	750	770	<i>E</i> 2.67%	770	10.13
Screveton	66	-	-	-	-	-
Shelford	215	10,000	10,000	0.00%	10,000	46.51
Shelton	63	1,000	894	-10.64%	894	14.18
Sibthorpe	56	750	800	6.67%	800	14.29
Stanford-on-Soar	51	1,500	1,500	0.00%	1,500	29.41
Stanton-on-the-Wolds	202	4,632	4,632	0.00%	4,632	22.93
Sutton Bonington	598	19,809	20,295	2.45%	20,295	33.94
Thoroton	61	-	-	-	-	-
Thrumpton	74	3,391	3,490	<i>E</i> 2.92%	3,490	47.16
Tollerton	787	27,000	27,000	0.00%	27,000	34.31
Upper Broughton	149	9,631	9,631	0.00%	9,631	64.64
West Leake	68	2,000	2,000	-	2,000	29.41
Whatton-in-the-Vale	369	10,705	11,030	<i>E</i> 3.04%	11,030	29.89
Widmerpool	162	3,080	3,180	3.25%	3,180	19.63
Willoughby-on-the-Wolds	271	5,250	7,000	33.33%	7,000	25.83
Tithby & Wiverton	46	-	-	-	-	-
Wysall & Thorpe	194	7,943	8,190	<i>E</i> 3.11%	8,190	42.22
TOTAL	27,346	1,711,100	1,801,140	5.26%	1,801,140	-

Note: E = estimated expenditure requirement

TREASURY MANAGEMENT STRATEGY 2010/11**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 2010/11. 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 Council will potentially utilise investments which under current statute constitute capital expenditure. The Council envisages a maximum of £4 million would be invested on this basis; it will be financed from usable capital receipts and will therefore be included within the Capital Programme for 2010/11. The pooled funds performance and continued suitability in meeting the Council's investment objectives are regularly monitored.
- 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 £10.5m for 2010/11 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 2010/11 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 2010/11 to 2012/13

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 2010/11 – 2012/13

The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.

	2010/11	2011/12	2012/13
Authorised limit for external debt -			
Borrowing	£10.5m	£11.5m	£12.5m
Other long term liabilities	Nil	Nil	Nil
Operational boundary -			
Borrowing	£3m	£3.5m	£4m
Other long term liabilities	Nil	Nil	Nil
Fixed interest rate exposure, expressed as either:-			
Upper limit on fixed interest rate exposures	100%	100%	100%
Upper limit on variable interest rate exposures	100%	100%	100%
Total principal sums invested for longer than 364 days (per maturity date)	60% of £34.6m	60% of £28.3m	60% of £27.0m

Maturity structure of borrowing -	Upper Limit	Lower Limit
Under 12 months	100%	0%
12 to 24 months	Nil	Nil
24 months to 5 years	Nil	Nil
5 years to 10 years	Nil	Nil
Over 10 years	Nil	Nil

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
2010/11	1.0%
2011/12	2.5%
2012/13	3.0%
2013/14	3.5%
2014/15	4.0%

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.

Not all collective investment schemes (i.e. pooled funds) are credit rated; however the investments in the funds are well diversified and the exposure to individual names and, consequently, credit risk is low. Collective investment schemes include Corporate and Property Bonds, explained in more detail in paragraph 15.

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.

1/4/2009	31/3/2010	31/3/2011	31/3/2012	31/3/2013	31/3/2014
£40.7m	£37.6m	£33.7m	£29.9m	£28.2m	£24.9m

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. Investments defined as capital expenditure

The acquisition of share capital or loan capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments would have to be funded from capital or revenue resources and be classified as 'non-specified investments'.

A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this Council. It is therefore important to identify clearly if the loan is made for policy reasons (e.g. to the registered social landlord for the construction/improvement of dwellings) or if it is an investment for treasury management purposes.

Investments meeting the definition of capital expenditure can be funded from capital or revenue resources (as well as being subject to the Department of Communities and Local Government's Guidance on "non-specified investments") Placing of such investments have accounting, financing and budgetary implications.

It is important to note that on maturity of such an investment the principal sum is classed as a capital receipt. Capital receipts can only be used for specific purposes as set out in the capital finance regulations (SI 3146/2003 as amended by SI 521/2006) i.e. to finance capital expenditure or to redeem loans. If revenue resources or reserves are used to finance the capital investment, these resources are not replenished on maturity.

In view of this, the Council has determined a maximum of £4m limit to investments which constitute capital expenditure.

If £4 million is invested in 2010/11, it will be financed from usable capital receipts and will therefore be included within the Capital Programme for 2010/11.

12. 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.

13. 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.

14. External Cash Fund Management

The Council has appointed a cash manager, Tradition (UK) Limited, who manages the funds on a discretionary basis. The fund management agreements between the Council and the managers formally document the instruments they can use within pre-agreed limits.

The monies managed by Tradition are currently £20m.

15. Balanced Budget Requirement

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

16. 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 slow and uneven, more 'W' than 'V' shaped. The bank of England will stick to its lower-for-longer stance on policy rates.
- Gilt Yields will remain volatile; yields have been compressed by Quantitative Easing and will rise once QE tapers off and if government debt remains at record high levels.
- Central banks will eventually wind down and exit their emergency liquidity provisions and shrink their balance sheets, but official interest rates in the UK, Eurozone and US will stay low for some while.
- There are significant threats to the forecast from potential downgrades to sovereign ratings and/or political instability.

Underlying Assumptions:

- The Bank of England has increased Quantitative Easing (QE) to £200bn to insure against the downside risks to growth and stimulate the economy.
- The Bank forecasts GDP to grow by 4% in 2011 but concedes growth could be impeded by corporate and consumer balance sheet adjustments, restrictions in bank credit and consumers' cautious spending behaviour. This is an optimistic forecast in our view; evidence of recovery is scant with weak real economic data and rising unemployment.
- Looming bank regulation and liquidity and capital requirements will curb banking lending activity. The bank retains the option to reduce the rate on commercial banks' deposits to encourage them to lend.
- The employment outlook remains uncertain. Pay freezes and job cuts will continue into 2010.
- Inflation is not an immediate worry. The Bank's forecast is for CPI to rise in the next few months from higher commodity prices and VAT reverting to 17.5%, but is forecast to remain below 2% in the short term, only surpassing the target in 2012. There is a risk that inflation overshoots in 2010 prompting a letter from the Bank's Governor to the Chancellor.
- The UK fiscal deficit remains acute. Cuts in public spending and tax increases are now inevitable and more likely to be pushed through in 2010 by a new government with a clear majority.
- The net supply of gilts will rise to unprecedented levels in 2010. Failure to articulate and deliver on an urgent and credible plan to lower government borrowing to sustainable levels over the medium term will be negative for gilts.
- The Federal Reserve Chairman Bernanke's diagnosis of a weak U.S. economy and labour market signal that the Fed's "extended period" of low rates may get even longer. The outlook the Eurozone is more optimistic but the European Central Bank will only increase rates after a durable upturn in growth.

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)

EFFICIENCY TARGET 2010/11**The Efficiency Target**

1. The process for recording and the corresponding targets were changed in line with the changes brought about as part of the Comprehensive Spending Review 2007. The initial targets for the three years to 31 March 2011 are to achieve cashable efficiency savings of 3%, 3.1% and 3.2% giving a total target of 9.3% by the end of 2010/11. This year is the third year of this three year programme.

Qualifying efficiencies

2. The guidance has remained consistent with previous years in regard to identifying cashable savings and suggests that efficiencies will normally be evidenced by:
 - Reduced inputs (e.g. staff time) for the same outputs;
 - Reduced prices for the same outputs;
 - Additional outputs/quality for the same inputs;
 - Improved unit costs.
3. Some activities are still specifically ruled out as efficiency gains:
 - Re-labelling of an activity;
 - Cuts that result in poorer services;
 - Transferring costs from one area to another;
 - Increases in fees and charges to the public.

Baseline

4. The baseline for the savings has also been updated. The baseline is based on 2007/08 actual data and the target for 2008/09 is £544,966. This means the cumulative target will be £1,689,395 for the three years to March 2011. The Government did announce that the overall target for efficiency savings was being increased from £30bn to £35bn over the three years to March 2011. However, there is no detail available to show how this would impact on individual Council targets.

Classification

5. Previously, it was also necessary to classify the efficiencies by the “gershon” workstream. These were Procurement, Corporate Services, Transactional services and Productive time. From April 2008 onwards, the Council only needs to report on the value of total cash-releasing (cashable) efficiency gains with no analysis required.

Continuing Efficiencies from prior years

6. The target from the Comprehensive Spending Review 2004 for the Council was to achieve £1,099,000 of total savings, of which £549,500 had to be cashable. Any cashable savings that were declared over the total target of £1,099,000 can count towards the 2008/09 efficiency savings. This amounts to £109,784 for Rushcliffe. The forecast cumulative efficiency savings at March 2010 is predicted to be £1,335,000.

Reporting of Efficiencies

7. As described above, the savings do not have to be split into the different workstreams. Previously, the Council had to submit a forward looking statement detailing the savings that the Council are planning and a backward looking statement that recorded the actual achievements. The only reporting requirement for the three years from 2008/09 is to report the total savings forecast for the year, in October, and the actual savings achieved, in July. This is included as one of the 198 Performance Indicators that the Council has to report on.
8. Efficiency data is also required to be published on the Council Tax bill and the Council Tax leaflet. On the face of the bill, the Council will have to publish;
 - Forecast efficiency savings for 2009/10 in total and the percentage of baseline costs that it represents for both Rushcliffe, Nottinghamshire County Council separately and Nottinghamshire Police Authority and Nottinghamshire Fire and Rescue Authority)
 - Forecasted efficiency savings per household for 2009/10 (aggregate of Rushcliffe, Nottinghamshire Council County and Nottinghamshire Police Authority and Nottinghamshire Fire and Rescue Authority)

In the leaflet, the above will be published along with the forecasted efficiency savings and percentage of baseline costs for each of the three authorities mentioned above individually.

Level of Efficiency savings

9. Through the budget setting process for 2010/11 a significant number of small efficiencies have been highlighted and these, added to the major savings from the Leisure Centre Management contract will be incorporated into the 2009/10 actual return. The total is estimated at £1,335,000 including the amount brought forward from previous years (see paragraph 6).

Key actions

10. A significant savings target is now indicated in the medium term financial plan. A key element in achieving this target will be increased efficiency and the Council is undertaking a "fit for purpose" review whereby the efficiency and effectiveness of services will be examined and action taken to improve the value for money, resilience and customer focus of services. Activities that could be included in this review are:

- Investing to save (e.g. improved and more cost effective infrastructure and IT)
 - Re-engineering services and processes to maximise efficiency
 - Examine and bench mark costs – is it more cost effective to “buy-in”?
11. The aim is to streamline processes to release efficiencies without compromising quality, while at the same time, offering services that are customer-focussed and meets residents’ needs and expectations. The Council will continue to develop partnership working and build on the success of Concessionary Fares and Leisure Provision, which have both contributed savings over the last two years.
12. Specifically identified initiatives contributing towards the efficiency savings that will be reported for 2010/11 are shown in the table below. This includes efficiencies already identified in the “fit for purpose” review. This will ensure that the target is met as a minimum. These will be supplemented by other savings identified during the year through the fit for purpose review: –

Action	Estimated saving £'000
Savings of leisure services through a leisure contract	122,000
Review of Structure of Planning and Place Shaping	91,000
Reduction in agency staff due to sickness management system and the creation of apprenticeship scheme at the Depot	60,000
Increased homelessness prevention work reducing need for Bed & Breakfast costs	10,000
Reconfiguration of food hygiene inspection work	16,000
Review of Administration	76,000
Review of Corporate services	45,000
New revenues and benefits computer system and review of benefits staffing	66,000
Review of Partnerships and Performance section	12,000
Review of printing services and greater level of electronic communication	11,000
Energy efficiency measures	10,000
Total	519,000

DRAFT CLIMATE CHANGE STRATEGY AND ACTION PLAN

REPORT OF THE HEAD OF COMMUNITY SHAPING

CABINET PORTFOLIO HOLDER - COUNCILLOR MRS D J MASON

Summary

The report sets out the key issues for the Climate Change Strategy 2009-12 and the plans to address these during the life of the strategy. The draft strategy and action plan was circulated with the agenda for the Community Development Scrutiny Group meeting on 25 January 2010. **MEMBERS ARE ASKED TO BRING THEIR COPY TO THE MEETING.**

The Community Development Scrutiny Group made the following minor changes –

Minor typing – whole document
Reformatting on pages 14-19
Add batteries to the list of recyclables on page 21.

In April 2009 the Place Shaping and Community Engagement Scrutiny (now Community Development) recommended that a Member Panel be established to oversee the development of the draft Climate Change Strategy and Action Plan. Since then the Panel has convened on four occasions to fulfil its purpose. The draft strategy and action plan were considered by the Community Development Scrutiny Group on 25 January 2010 and they agreed to endorse both documents but recommended that further work be undertaken to prioritise the tasks within the Action Plan having regards to their impact and the resources required for delivery.

Recommendation

It is RECOMMENDED that

- a) the Cabinet approve the draft strategy and action plan ; and
- b) the Head of Community Shaping in consultation with the Cabinet Portfolio holder be authorised to prioritise the tasks within the Action Plan having regard to their impact and the resources required for delivery.

Details

1. Rushcliffe Borough Council's Corporate Strategy 2007-2011 sets out the Council's first priority as 'Helping to deliver a sustainable environment.' This includes the Strategic Task 3, developing and delivering a climate change action plan.
2. During 2008/09 Rushcliffe Borough Council worked with the Energy Saving Trust (EST) to develop a draft Climate Change Action Plan. In April 2009 the

Place Shaping and Community Engagement Scrutiny Group received a presentation from the EST on the draft action plan. At this stage it was recommended that a Member Panel be convened to oversee the development and initial implementation of a Climate Change Strategy and to undertake further work on the draft action plan to ensure it was fit for purpose for Rushcliffe.

3. In June 2009 the Climate Change Member Panel had their first meeting. The group agreed their terms of reference, including:
 - To oversee the development of a Climate Change Strategy and action plan, including a vision for how Rushcliffe Borough Council can help to tackle climate change up to 2020
 - The Member Panel should run for the duration of the involvement with the Energy Saving Trust (18 months from November 2008) to review findings of the EST and oversee the development of the strategy and action plan whilst also overseeing the initial implementation phase of the action plan
4. The Member Panel convened on three further occasions during July, September and December to oversee the development of both the strategy and action plan. Members identified gaps and made comments on the action plan and strategy. Where gaps were identified by Members, amendments have been incorporated into the action plan and are noted as such for Member consideration.
5. The strategy sets out why we need a Climate Change Strategy for Rushcliffe, the main contributors to climate change, our key challenges to tackling these, what our successes have been so far and the Council's approach to tackling climate change in the future. This is broken down to service level. The strategy also provides information on what the individual and local communities can do to tackle climate change.
6. The action plan forms an appendix to the strategy and is in two parts, the first part focuses on actions already underway and the second part on actions yet to be started. The action plan is structured into the following areas:
 - Strategy
 - Services
 - Community Leadership
 - Own Estate
7. The Action Plan has been circulated throughout the Council to relevant officers. All actions included have been approved by the relevant Heads of Service to be taken forward in 2010/11 Service Plans, subject to Cabinet endorsement and approval.
8. The Climate Change Action Plan will be monitored on a quarterly basis by the officer led Climate Change Working Group, reporting to the Senior Management Team.
9. Additionally, the Community Development Scrutiny Group will scrutinise the action plan on an annual basis. The Climate Change Member Panel will

continue to meet over the next four months to oversee the initial implementation phase.

10. The Strategy is a result of ongoing involvement and consultation with a range of partners. The final version will be made available on Rushcliffe Borough Council's website.

Financial Comments

The work undertaken by the Energy Saving Trust in the development of the action plan has been provided to the Council free of charge.

The majority of the actions within the action plan will be achieved within existing secured and projected resources available to the Council and its partners.

Section 17 Crime and Disorder Act

Section 17 has been taken into consideration in the development of this strategy.

Diversity

The draft strategy will be subject to an Equality Impact Assessment and the outcomes and actions included in the final strategy.

Background Papers Available for Inspection: Nil

**DESIGNATED PUBLIC PLACES ORDER- RADCLIFFE ON TRENT-
CONSULTATION FINDINGS**

REPORT OF THE HEAD OF COMMUNITY SHAPING

CABINET PORTFOLIO HOLDER - COUNCILLOR J E FEARON

Summary

There is a problem with people drinking in the Town Centre in Radcliffe on Trent and then causing anti-social behaviour. The Community Safety Partnership believes that providing the police with further enforcement powers to tackle these issues would be helpful.

A Designated Public Places Order (DPPO) would provide additional powers to the Police to deal with the problems being experienced as a result of people drinking in public places.

On 8 December 2009 Cabinet approved the process for consultation to make a DPPO in Radcliffe on Trent. It was agreed that a further report would be presented to Cabinet outlining the findings of the consultation.

A consultation exercise was subsequently undertaken during December to obtain the views of residents, the Parish Council, the Police, the County Council, the Radcliffe Pub Watch and the Neighbourhood Watch network.

A total of 101 responses had been received, with 98% in support of making a Designated Public Place Order in Radcliffe on Trent. Only 2% did not support the proposal.

The proposed area to be covered by the order is shown on the **attached plan**.

Recommendation

It is RECOMMENDED that the creation of a Designated Public Places Order for Radcliffe on Trent, under section 13 of the Criminal Justice and Police Act 2001, be supported and referred to Council for approval.

Details

Consultation

1. Consultation was undertaken in December 2009. Letters were sent directly to the Police, Radcliffe on Trent Parish Council and Nottinghamshire County Council. Radcliffe on Trent Parish Council made local people aware of this consultation and a message went out through the Neighbourhood Watch networks in the area. The Radcliffe Pub Watch was also consulted. A notice also went in the legal notice section of the Nottingham Evening Post making people aware that the consultation was commencing and there was an article

in the paper on Thursday 24 December 2009 about this which included the web link address for the survey.

2. At the close of the consultation period 101 responses had been received to the following questions:

- Do you think we should set up a controlled drinking zone in Radcliffe?
- What is your reason for this answer?
- Do you think this is the right area for the controlled zone?
- If 'no' where exactly would you like the zone to cover? If we are to extend the zone we need evidence, so please tell us your reasons here.

3. In answer to the question 'Do you think we should set up a controlled drinking zone in Radcliffe on Trent?' 98% (99 people) of respondents answered yes they were in support of the proposal. Common reasons given were:

- To address the alcohol related antisocial behaviour being seen in the area
- To increase feelings of safety amongst people accessing the centre of the parish
- To deal with groups of people drinking on the street which are intimidating
- There is no need to drink on the street with the number of drinking establishments in the parish
- To stop the littering that results from the on street drinking

4. Rushcliffe Borough Council has also received specific responses from Radcliffe on Trent Parish Council who have stated their 'strong support' for these proposals and Inspector Phil Hallam from the Police who has also confirmed their support for this.

5. Of the 2% of consultees which represents two responses who opposed the order, the following reasons were given:

"One of the great pleasures of an English summer evening is to sit outside a pub (Black Lion?) or restaurant (Piano?) and enjoy a beer with friends. I don't see how one could ban drinking by 'youngsters' yet allow the more mature population of Radcliffe to continue their social behaviour. Instituting a 'controlled drinking zone' is discriminatory and an erosion of civil liberties".

"how do the police decide who has been drinking too much? is this another way of the government making more money?"

6. In response to the first comment the DPPO targets people who are engaged in or likely to become engaged in anti-social behaviour regardless of their age. The DPPO powers are discretionary and do not represent a ban as the Police will only utilise them to prevent disorder.

7. In response to the second comment the DPPO powers will predominantly be utilised by the Neighbourhood Policing Team officers for Radcliffe on Trent who are aware of people within their area who have a history of involvement in alcohol related crime and disorder and so may decide to take preventative action if they see these individuals with alcohol in the street otherwise the

powers will be used if the anti-social behaviour is actually being displayed at that time. In terms of the cost there is a maximum fine of £500 attached to these powers however in the vast majority of cases the police action stops at confiscating the alcohol.

8. In answer to the question 'Do you think this is the right area for the controlled zone?' 85.9% (85 people) answered yes and 10.1% (10 people) answered no. Of the 10 respondents who answered no the following suggestions were received in summary:
 - Two respondents requested that the land behind the Harlequin properties be included
 - Three respondents felt the area was too big – difficult to police
 - One respondent wanted to extend the area to include the whole of the village of Radcliffe on Trent
 - One respondent wanted to add the cliff walk area and play area
 - One respondent stated just being in the centre would move problem elsewhere
 - And two respondents disagreed with the proposal so therefore disagreed with the area
9. The Order is intended to provide additional measures for dealing with alcohol-related nuisance and disorder taking place within Radcliffe on Trent. The Home Office guidance acknowledges that the creation of such a designated area may well lead to ant-social drinking or nuisance being displaced into areas that have not been designated for this purpose. The Home Office therefore advises that prior to making an area designated, local authorities should make an assessment of all the areas to where they reasonably believe that nuisance or disorder will be displaced, ensuring that all those affected by the designated order are appropriately consulted. This assessment took place in conjunction with the Police and the areas identified were included in the targeted consultation. The Police have advised that the majority of drink related anti-social behaviour occurs in the town centre, by including the surrounding area the partnership will ensure that any displacement is covered by the DPPO. It is therefore intended to include the whole of the built area shown on the **attached appendix** subject to some minor amendments being made to ensure the area covered is more clearly defined.
10. If support for this initiative is received from Cabinet a report will go to Council in March 2010 for the final decision to be made. This would include the definitive area to be covered by the Order. If an order is made by Council a newspaper advertisement would have to be published advising when the Order was to take effect. It would also be necessary to install appropriate signage in the areas affected.
11. The Police have been involved in the decision to recommend the making of an Order, and have supplied information in support of the process.

Financial Comments

There are sufficient funds within existing Community Safety budgets to contain costs arising from the Designated Public Places Order, estimated to cost approximately £3,500.

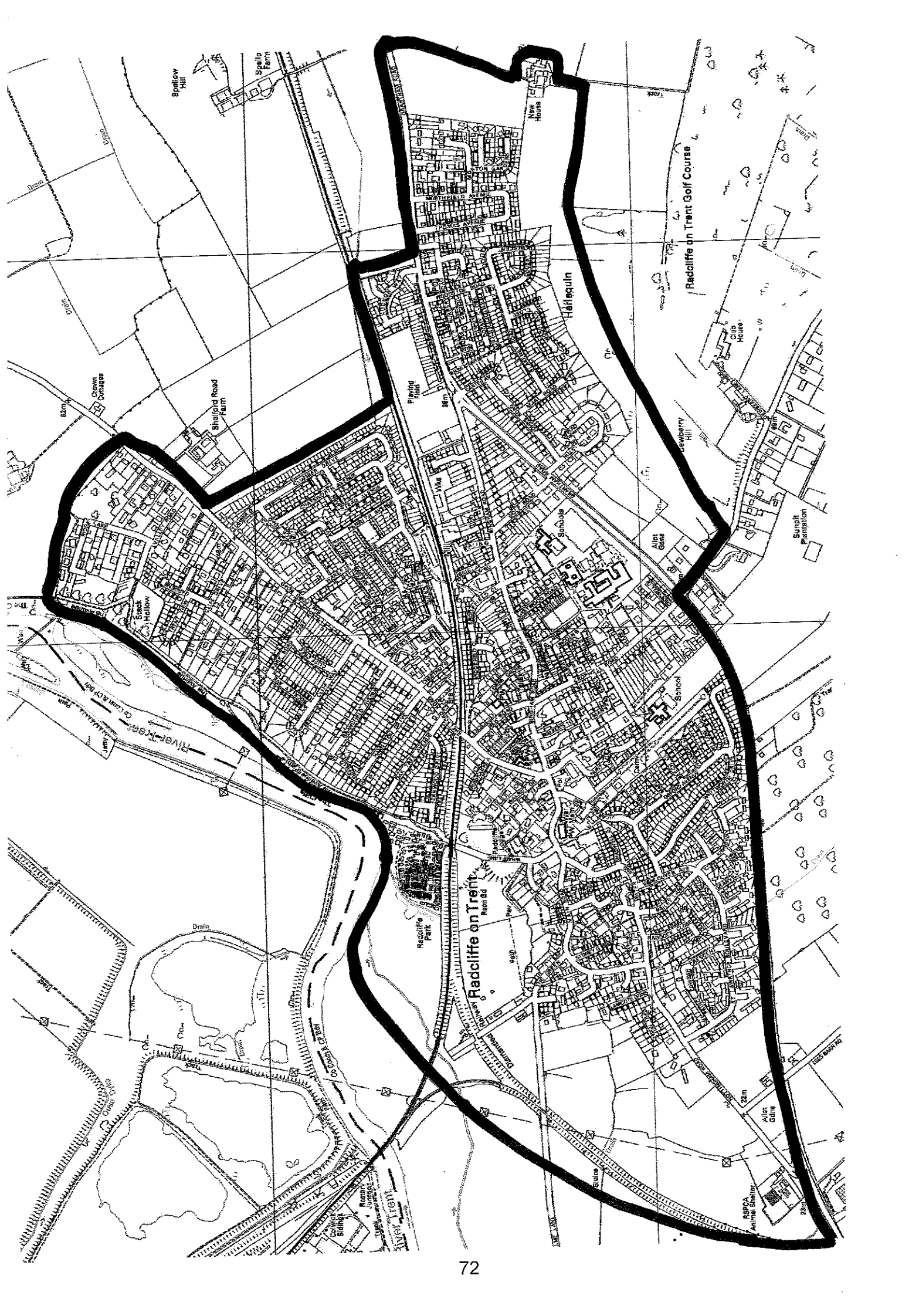
Section 17 Crime and Disorder Act

Obtaining this Order is intended to provide additional powers to reduce anti-social behaviour in Radcliffe on Trent.

Diversity

There are no diversity implications anticipated with the obtaining of this Order.

Background Papers Available for Inspection: Consultation Responses



HAWKSWORTH CONSERVATION AREA REVIEW

REPORT OF THE HEAD OF PLANNING AND PLACE SHAPING

CABINET PORTFOLIO HOLDER – COUNCILLOR D G BELL

Summary

Hawksworth Conservation Area has been appraised and its boundary reviewed as part of a programme to review all the Conservation Areas within the Borough. This report recommends changes to the Conservation Area boundary.

Recommendation

It is RECOMMENDED that

pursuant to Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990, changes to the boundary of the Hawksworth Conservation Area be designated as shown on the plans at **Appendix 2** of this report and notice be given in accordance with the statutory requirements.

Details

1. Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990 imposes a duty on local planning authorities to designate as Conservation Areas any 'areas of special architectural or historical interest the character or appearance of which it is desirable to preserve or enhance'. PPG 15: Planning and the Historic Environment (September 1994; Department of the Environment and Department of National Heritage) also specifies that local planning authorities "should seek to establish consistent local standards for their designations and should periodically review existing Conservation Areas and their boundaries against those standards."
2. At the same time the need for a more rigorous approach to the designation of Conservation Areas has been recognised. The English Heritage guidance "Conservation Area Appraisals" states that "PPG 15 stresses the need for local planning authorities to make an assessment of the special interest, character, and appearance of all Conservation Areas in their districts... it is vital that the special interest justifying designation is clearly defined and analysed in a written *appraisal* of its character and appearance."
3. Finally PPG 15 points out that management plans for Conservation Areas are needed with the reminder that "Section 71 of the Act places a duty on local planning authorities to formulate and publish proposals for the preservation and enhancement of Conservation Areas."
4. The Borough Council is therefore embarking on a thorough review of all existing Conservation Areas which includes:

An appraisal of the Conservation Area's special interest and character;

A review of the Conservation Area's boundaries;

A statement of management policies for the preservation and enhancement of the Conservation Area.

Appraisal of Hawksworth Conservation Area

5. An Appraisal was carried out which took the form of an assessment of the particular character of the Conservation Area.
6. Hawksworth was designated a Conservation Area in 1972 and includes 6 Listed buildings. It is a small compact village with a simple street layout consisting of Main Road and the perpendicular Town Street. The tall landmark of St Mary and All Saints church (13th century) and the tower of Top Farm form a central focal point at the junction of the two roads. Also of note are the 19th century buildings of the W. B. Stubbs Engineering Works and the Grade II Listed mid 17th century Hawksworth Manor which forms an important terminal view at the end of Town Street.
7. The predominant building materials are red brick and pantiles, though the whitewashed houses on Town Street provide an interesting yet harmonious contrast. Much of Hawksworth's charm is derived from the relationship between the buildings and the trees, hedges, boundary walls and wide grass verges in the village.
8. Recent government guidance (PPG15, 1994) on the designation of Conservation Areas has broadened the parameters to take into account buildings within their settings and not just the buildings alone. To reflect this new approach the following guidelines have been used.

To enhance the setting and character of whole streets rather than just sections along them. (One way to achieve this is to include modern development where this occurs as infill within areas of older buildings. Another is to avoid boundaries which pass down the centre-line of roads.)

To include areas of high quality landscape associated with buildings (including mature trees and hedges, particularly if these are survivals of older layouts).

To take into account the influence of the countryside setting beyond the built-up area (although the inclusion of extensive areas of countryside within Conservation Areas would not be appropriate).

9. The result of applying the appraisal process to Hawksworth was to confirm that the existing Conservation Area designation is still justified. The appraisal also identified the need for a number of changes to the boundary. The first reason for these changes is to create a simplified and more logical boundary by following existing physical features. The second reason is to preserve and enhance the setting of the whole of Main Road by including modern development which occurs as infill next to older buildings.

10. Details of the changes are listed in **Appendix 1** of this report and plans showing the changes area provided in **Appendix 2**.

Consultation

11. Although there is no statutory requirement to consult prior to designation or revision of Conservation Areas, PPG15 advises that it is highly desirable that there should be consultation with local residents and other local interests over both the identification of areas and the definition of their boundaries. A draft version of the Conservation Area Appraisal and proposed boundary changes were sent to the Parish Council for them to organise local consultation.
12. The draft appraisal documents were displayed during a public consultation event organised by Hawksworth Parish Council on 7 July 2009. Notices advertising the meeting were delivered to all the households in the parish. A total of 13 people (including the Parish Clerk and Chairman) attended the meeting which voted 8-2 (3 abstained) against any changes to the Conservation Area boundary. The draft appraisal documents proposed the inclusion of several areas of open space and all of the properties in the village. However, following the response from residents a more conservative revision of the boundary has been proposed that still addresses the need to bring it into line with the government guidance.
13. Following the meeting a SWOT analysis response was received from the Parish Council which raised issues of speeding traffic, poor management of the holly hedge on Main Road and the threat of new development. In light of this feedback it was not felt necessary to make any village specific management guidelines as the design and conservation issues raised are addressed by the *Generic Management Plan for Conservation Areas in Rushcliffe*.

Publicity

14. There is a statutory duty to advertise the changes to the designation in a local newspaper and the London Gazette including a description of the boundary. It is also proposed to write to all properties within the areas affected by the changes; this will inform residents that the appraisal documents will be available to download from the Council's website.

Costs and Management

15. There are costs involved in the advertisement and publicity exercise as outlined above. There will also be additional costs in staff time in the administration of the statutory controls involved in the new designated areas. However all additional costs will be absorbed into existing budgets.

Outcomes and Outputs

16. The re-alignment of the Conservation Area boundary at Hawksworth will achieve the following:

The boundary of the Conservation Area will be simplified and thus made easier to identify on the ground.

The conservation and enhancement of additional areas of special character will be ensured.

Justification

17. The appraisal and review of Conservation Areas is a central government requirement. This proposal will also meet the Council's objectives to:

Protect, preserve and enhance the natural and built environment of the Borough.

Support and provide guidance to internal and external customers regarding development in Conservation Areas, tree preservation and high hedge legislation.

Financial Comment

There are no direct financial implications arising from this report.

Section17 Crime and Disorder Act

There are no direct crime and disorder issues arising from this report.

Diversity

There are no direct diversity issues arising from this report.

Background Papers Available for Inspection: Internal file ref: Hawksworth 701.11(a).

HAWKSWORTH CONSERVATION AREA NEW AREAS RECOMMENDED FOR INCLUSION

Area on Plan: A

Part of garden to Dove Cottage, Main Road

Reason for inclusion: To create a logical boundary that follows existing physical features.

Area on Plan: B

Spring Cottage, Vale House and part of garden of Manor Cottage, Main Road

Reason for inclusion: To preserve and enhance the setting and character of the whole of Main Road by including both the historic buildings and the modern infill properties. To create a simplified boundary.

Area on Plan: C

Belvoir House, Main Road

Reason for inclusion: To enhance the setting and character of the whole of Main Road by including both the historic buildings and the modern infill properties.

Area on Plan: D

Stables, paddock and grounds at Top Farm, Town Street

Reason For inclusion: To include an attractive area of open space that makes a substantial contribution to the rural setting of Town Street and allows far reaching views of the wider landscape.

Area on Plan: E

Land south of Foremans Cottage, Main Road

Reason for inclusion: To create a logical boundary that follows existing physical features.

Area on Plan: F

Land to the north of 1820 House, Main Road

Reason for inclusion: To create a logical boundary that follows existing physical features.

Area on Plan: G

Part of garden of Ivy House

Reason for inclusion: To create a logical boundary that follows existing physical features.

EXISTING AREAS RECOMMENDED FOR EXCLUSION

Area on Plan: H

Land at Philips Farm, Main Road

Reason for exclusion: To create a logical boundary that follows existing physical features.

Area on Plan: I

Land north of Manor Farmhouse, Main Road

Reason for exclusion: To create a logical boundary that follows existing physical features.

Area on Plan: J

Land to rear of Ivy House, Main Road

Reason for exclusion: To create a logical boundary that follows existing physical features.

Area on Plan: K

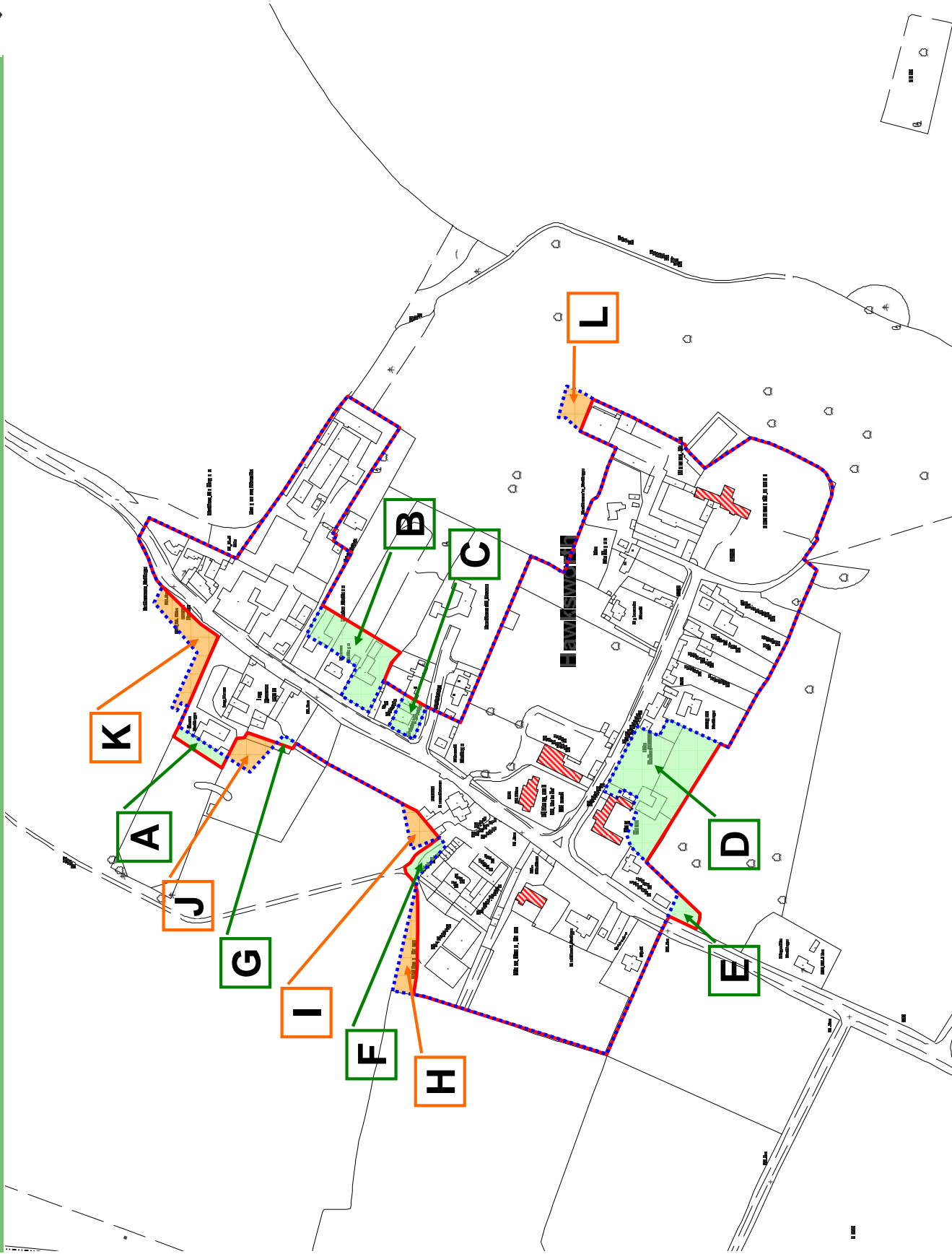
Land North of Ivy Barn, Main Road

Reason for exclusion: To create a logical boundary that follows existing physical features.

Area on Plan: L

Land at Manor Farm, Town Street

Reason for exclusion: To create a logical boundary that follows existing physical features.



	Listed Building
	Proposed new Conservation Area boundary
	Current Conservation Area Boundary
	Proposed addition to Conservation Area
	Proposed removal from the Conservation Area



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