When telephoning, please ask for: Constitutional Services
Direct dial 0115 914 8511
Email constitutionalservices@rushcliffe.gov.uk

Our reference:
Your reference:
Date: 6 February 2017

Rushcliffe
Borough Council

Rushcliffe Community Contact Centre
Rectory Road
West Bridgford
Nottingham
NG2 6BU

In person
Monday to Friday
8.30am - 5pm
First Saturday of each month
9am - 1pm

By telephone
Monday to Friday
8.30am - 5pm

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Nottingham
NG2 7YG

To all Members of the Council

Dear Councillor

A meeting of the CABINET will be held on Tuesday 14 February 2017 at 7pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

Deputy Monitoring Officer

AGENDA

1. Apologies for absence.

2. Declarations of Interest.

3. Minutes of the Meeting held on Tuesday 10 January 2017 (pages 3 – 7)

Key Decisions

None.

Non Key Decisions

None.

Budget and Policy Framework Items

4. 2017/18 Budget and Financial Strategy

The report of the Executive Manager - Finance and Corporate Services is attached (pages 8 – 118)

Matters referred from Scrutiny

None.

Membership

Chairman: Councillor J N Clarke
Vice-Chairman: Councillor S J Robinson
Councillors R L Butler, J E Cottee, D J Mason, R G Upton

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble at the far side of the plaza outside the main entrance to the building.

Toilets: are located to the rear of the building near the lift and stairs to the first floor.

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

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

MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY 10 JANUARY 2017

Held at 7.00pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West Bridgford

PRESENT:

Councillors J N Clarke (Chairman), R L Butler, J E Cottee, S J Robinson, R G Upton

ALSO IN ATTENDANCE:

Councillors R M Jones, A MacInnes and G R Mallender.

OFFICERS PRESENT:

N Carter	Deputy Monitoring Officer
A Graham	Chief Executive
P Linfield	Executive Manager - Finance and Corporate Services
K Marriott	Executive Manager - Operations and Transformation
V Nightingale	Constitutional Services Officer

APOLOGY FOR ABSENCE:

Councillor D J Mason

33. **Declarations of Interest**

There were none declared.

34. **Minutes**

Councillor Clarke welcomed everyone to the first meeting in the Council's new offices; he congratulated everyone involved in the creation of, and move to, a new leisure centre and offices.

The minutes of the meeting held on Tuesday 13 December 2016 were approved as a correct record and signed by the Chairman.

35. **Future Property Investment Strategy Options**

Councillor Robinson presented a report which outlined options to maximise the opportunities for the Council to reduce its dependency on Government grants and to increase its revenue income through the utilisation of the Asset Invesment Strategy. He stated that Cabinet had resolved to establish a £10 milllion investment fund in July 2015 with a further £0.5 million for Funding Circle loans, which had been approved by Council in March 2016. He informed Councillors that £5.2 million had already been allocated.

Councillors were reminded that the Council had considered several investments during the previous year but had not been able to pursue these for a variety of reasons. He said that the potential to establish a property development company had also been explored.

Councillor Robinson said that it was important to ensure that there was a mixed utilisation of the fund including general, property and community investments. To assist the Council it was proposed to appoint Arlingclose, the Council's current Treasury Management Advisors, to support and advise officers in relation to establishing an on-going strategic investment portfolio. It was also proposed to appoint Lunson Mitchenall to pursue and submit proposals for consideration in conjunction with the existing Strategy. Councillor Robinson informed Councillors that it was also proposed for the Council to continue to work with public sector partners including local authorities and registered social landlords.

In conclusion, he stated that it had been very difficult to make significant headway over the past twelve months due to the economic climate and that it was important that the Council's assets were efficiently utilised as there was a need to make revenue income to support the budget and the Medium Term Financial Strategy.

Councillors Cottee and Upton agreed that it was important to have expert advice, which had been highlighted by the Council's recent experiences in pursuing properties for sale.

RESOLVED that Cabinet approve:

a) the appointment of Arlingclose as strategic Investment Advisors on terms to be approved by the Section 151 Officer in consultation with the Portfolio Holder Finance. These are to be reviewed annually.

b) that Lunson Mitchenall are invited to bring forward retail asset investment opportunities to deliver an on-going return in accordance with the parameters of the Asset Investment Strategy 2015 - 2020 (Appendix 1).

c) that an on-going dialogue is maintained with Pubic Sector Partnerships and key strategic partners to establish a future pipeline of capital investment projects designed to support the objectives of the Corporate Strategy and Medium Term Financial Strategy.

36. **Review and Future of YouNG**

Councillor Cottee presented a report which outlined the work undertaken to establish the future of YouNG as a community interest company and how the initiative had progressed since consideration by Cabinet in September 2015. He stated that the project had attracted European funding for three years to expand the entrepreneurial development of the market concept of the initiative. Also in partnership with Nottingham Trent University two interns had been secured for the project until September 2017.

Councillors were informed that the Council, working with the D2N2 LEP, had led on the establishment of a new company to address the urgent requirement for a change in respect of workability skills and careers advice and to improve the connection between businesses, schools and young people. To assist the Council in determining its future commitment and involvement an independent report had been commissioned. Councillor Cottee stated that it was important for this evidence to be subject to scrutiny and therefore it was proposed that the Community Development Group should consider the findings before a further report was presented to Cabinet.

In support of the proposal, Councillor Butler stated that the project had been a success and that young people had gained a vast amount of experience. However, it was now at a point where the way ahead was complex and challenging. He agreed that the Community Development Group should be asked to evaluate the evidence. He remarked that the branding of the project had been inspired.

Councillor Clarke agreed that the report should be scrutinised and requested that Councillor Cottee, as the portfolio holder, should be involved and contribute to the debate. Councillor Cottee stated that he had discussed this with the Chief Executive and would be assisting the Community Development Group.

RESOLVED that Cabinet:

a) requests that the Community Development Group evaluate and scrutinise the findings contained in the report received from Internet Guru.

b) upon completion of the work by the Community Development Group, receives a further report detailing the future plan for the continuation, or otherwise, of YouNG.

Before the next item the Chief Executive and the Deputy Monitoring Officer left the meeting for the duration of the debate.

37. **Streetwise Environmental Ltd – New Corporate Structure**

Councillor Upton presented a report which outlined a new governance structure that would enable the Streetwise Environmental Ltd company to expand to deliver the future growth aspirations required to deliver an increasing return to the company and the Borough Council. The report also outlined a framework for the establishment of other companies that could assist the Borough Council to deliver its objectives.

He reminded Councillors that the company had been established in September 2014 as a Teckal compliant company, which had reduced the costs to the Council. However, the turnover had increased and the Teckal limit of 20% of external contracts would soon be reached and therefore the profitability of the company was being held back.

Councillor Upton outlined the proposed new structure and governance arrangements including the establishment of a Joint Strategic Board that would enable other local authorities to be involved. He pointed out that the Borough Council would establish a new Enterprise Holding Company to oversee all Streetwise companies, including a new Streetwise trading company, and other companies established by the Borough Council, for example a property company. He informed Councillors that the new Streetwise trading company would be limited by shares and owned by the holding company, however, it would be able to tender for new contracts above the Teckal limit. Councillor Upton stated that the Borough Council would be the major shareholder and that the Streetwise brand was owned by the Authority.

In conclusion, he highlighted Appendix A which gave a diagrammatical view of the new structure showing how other companies could be created and how local authorities could be included on the Strategic Board.

Councillor Butler stated that the Streetwise brand was becoming well known by the public and the Council's partners.

Councillor Clarke supported the proposal and stated that it was vital that the company was allowed to grow and develop beyond the Teckal exemption. He agreed that the company's reputation had increased. He felt that this step was a natural progression of the company maturing.

RESOLVED that Cabinet:

a) approves the revised company structure and governance arrangements as set out in paragraph 4.4 and Appendix A;

b) that external legal advice is sought for the drafting of the Articles of Association and business agreement documents to support the company structure.

38. **Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012**

It is RESOLVED that the public be excluded from the meeting for consideration of the following item of business pursuant to Regulation 4 (2) of the above Regulations on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

39. **Civic Centre Marketing Options**

Councillor Clarke presented a report which outlined the response from the market regarding the sale of the Civic Centre, offers made and the result of extensive consideration by officers.

RESOLVED that:

a) The Chief Executive is delegated to make immediate arrangements to finalise negotiations and arrange for the exchange of contracts by 31 January 2017 with bidder 2 to achieve completion and vacant possession of the Council-occupied parts of the building without further delay and as soon as practicable.

b) The Leader and Portfolio Holder for Finance and Economy are delegated authority to agree any recommendations of the Chief Executive to secure the sale to Investor 2.

c) Should the sale to Investor 2 not proceed to completion for any reason, the Chief Executive be authorised to action a contract race open to all other shortlisted bidders to secure the sale of the property.

The meeting closed at 7.35 pm.

CHAIRMAN

Rushcliffe Borough Council	**Cabinet** **14 February 2017** **2017/18 Budget and Financial Strategy**	**4**

Report of the Executive Manager - Finance and Corporate Services

Cabinet Portfolio Holder Councillor S J Robinson

1. Summary

1.1 This report presents the detail of the 2017/18 budget, the 5 year Medium Term Financial Strategy (MTFS) from 2017/18 to 2021/22 which includes the revenue budget, the proposed capital programme, the Transformation Strategy and Programme and Treasury Management Strategy. The Transformation Strategy is the Council's Efficiency Statement (See Section 7 of the MTFS) which we are required to produce to accord with the requirements of the four year financial settlement with the Government. Cabinet are asked to consider the attached budget and strategies and to make recommendations to Full Council.

2. Recommendation

It is RECOMMENDED that Cabinet recommends that Council:

a) adopts the budget setting report and associated financial strategies 2017/18 to 2021/22 (attached **Annex**) including the Transformation Strategy and Efficiency Statement (**Appendix 3**) to deliver efficiencies over the five year period.

b) adopts the Capital Programme as set out in **Appendix 4**.

c) adopts the Treasury Management Strategy at **Appendix 5**.

d) sets Rushcliffe's 2017/18 Council Tax for a Band D property at £127.89 (increase from 2016/17 of £4.95 or 4.03%).

e) sets the Special Expenses for West Bridgford, Ruddington and Keyworth, **Appendix 1**, resulting in the following Band D Council tax levels for the Special Expense Areas:

i) West Bridgford £52.35 (£52.92 in 2016/17)

ii) Keyworth £1.45 (£1.48 in 2016/17)

iii) Ruddington £3.50 (£3.53 in 2016/17)

3. Reasons for Recommendation

3.1. To comply with the Local Government Finance Act (1972) and ensuring the budget enables corporate objectives to be achieved. The Council is required to set a balanced budget and that it has adequate funds and reserves to address its risks.

4. Supporting Information

The Budget and Associated Strategies

4.1 The attached report and appendices detail the following:

a. The anticipated changes in funding over the five year period;

b. The financial settlement for 2017/18 and the significant budget pressures the Council must address over the Medium Term;

c. The budget assumptions that have been used in developing the 2017/18 budget and MTFS;

d. The detailed budget proposals for 2017/18 including the Transformation Programme to deliver the anticipated efficiency and savings requirement;

e. The recommended levels of Council Tax for Band D properties for the Council and its special expense areas of West Bridgford, Ruddington and Keyworth;

f. The projected position with the Council's reserves over the medium term;

g. Risks associated with the budget and the MTFS;

h. The proposed capital programme; and

i. The proposed Treasury Management Strategy.

4.2 The salient points within the MTFS are as follows (MTFS report (**Annex**) references in parenthesis):

a. It is proposed that Council Tax for 2017/18 will increase by £4.95 to £127.89 (4.03%). This still means that Rushcliffe's Council Tax remains the lowest in Nottinghamshire and amongst the lowest in the country (Section 3.4);

b. Special expenses around £731k whilst more than last year (£717k) the Band D charge for each of the special expense areas have reduced as their tax bases have increased (Section 3.5);

c. The Council's Revenue Support grant has reduced by 100% by 2019/20 and since 2013/14 will have reduced by £3.25m. As reportedly last year because Rushcliffe collects more Council Tax proportionately to other councils it is anticipated Rushcliffe will pay a tariff to central Government of £0.25m from 2019/20 (Section 3.6);

d. Taking into account resource predictions, spending plans and savings already identified there is a savings requirement of around £1m until 2020/21 (section 7);

e. The Transformation Strategy continues to roll forward with an updated Programme to ensure the savings required can be achieved (**Appendix 3**). This also forms the Council's four year Efficiency Statement;

f. The Council has a number of earmarked reserves, their balance rising over 5 years from £7.5m to £6m (Section 6). The reserves are reducing as a result of the diminishing Council resources as a result of falling Revenue Support Grant and New Homes Bonus;

g. The key risks to the MTFS are highlighted, including the potential impact of central government policy changes on Revenue Support Grant and New Homes Bonus and the volatility caused by the localisation of 100% business rates. The latter creates particular uncertainty in terms of the last 2 years of the MTFS. The Council will look to seize opportunities to innovate, looking to reduce costs and becoming more self-sufficient through, for example, property income streams (Section 8); and

h. The capital programme demonstrates the Council's commitment to deliver more efficient services, improve its leisure facilities and facilitate economic development. Spend over the 5 years is estimated at £26.6m, a corollary of this is that the Council's capital resources are estimated to diminish to £5.7m by 2021/22(Section 9).

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

5. Other Options Considered

5.1 There are other options in terms of increasing Council Tax by a lesser amount but this would put severe pressure on already stretched Council resources (see Section 11 of the Annex).

6. Risk and Uncertainties

6.1 Section 8 of the Annex covers key risks that may impact upon the MTFS. Given there are two major reviews of the financial system and how local government is funded (ie the Fairer Funding and 100% Business Rates

Retention reviews) and the impact of these will not be known until at least the 2019/20 budget round, longer term forecasting is subject to even more uncertainty.

7. Implications

7.1. Finance

These are detailed in the attached budget report (Annex). The Council is required to set a balanced budget for the 2017/18 financial year and the proposals presented represent a balanced budget.

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

7.2. Legal

None

7.3. Corporate Priorities

The budget resources the Corporate Plan to enable corporate objectives to be met.

7.4. Other Implications

None

For more information contact:	Name; Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 email plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Department for Communities and Local Government (DCLG) website, 2017/18 Financial settlement papers
List of Annexes and Appendices (if any):	**Annex** to the Budget Report **Appendix 1** Special Expenses **Appendix 2** Revenue Budget Service Summary **Appendix 3** Transformation Strategy (Efficiency Statement) and Programme 2017/18 – 2021/22 **Appendix 4** Capital Programme **Appendix 5** Treasury Management Strategy 2017/2018 to 2021/22 **Appendix 6** Use of Earmarked Reserves 2017/18 to 2021/22 **Appendix 7** Letters to DCLG and MPs Regarding the New homes Bonus

ANNEX

RUSHCLIFFE BOROUGH COUNCIL

DRAFT BUDGET SETTING REPORT AND ASSOCIATED FINANCIAL STRATEGIES 2017/18-2021/22

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1. EXECUTIVE SUMMARY AND INTRODUCTION

1.1 Introduction

Times continue to be tough for Councils across the country, as they play their part in assisting the national spending situation as the Government continues to reduce the overall budget deficit. The impact of the punitive reductions in Revenue Support Grant of around £3m (from 2013/14 to 2019/20) has meant the Council has to find significant efficiencies, maximise its income streams and be increasingly innovative. The Transformation Programme which strongly links medium term financial planning to the Authority's Corporate and Transformation Policies and Strategies, has identified £1m in efficiencies are required by 2020/21 with a net draw on reserves over this period of £0.190m (the benefits of prudent financial management in previous years has gven the Council this flexibility). This budget and the associated financial strategies continue the progress made in recent years to ensure that the Council's financial plans are robust and deliverable.

Along with the majority of other authorities, the Council has taken advantage of the Government's four-year Settlement announcement in order to provide some certainty on the scale and pace of continuing reductions in funding over the next few years, within the wider plans to reduce the national budget deficit. However, there remain a number of significant areas of uncertainty for the Council in the coming years, including the impact of the result of the European Referendum and Brexit, the 2017 Business Rate revaluation outcomes locally, and the details of the announcement for the full localisation of 100% business rates from 2020. The Council's risk management processes are robust, and alongside the annual budget, the quarterly performance reporting process will update on the likely future impact as things become clearer. The localisation of Business Rates makes financial planning beyond 2020 difficult and the Council still has business rates appeals risks concerning Radcliffe-on-Soar Power Station and the likelihood of it being de-commissioned. We will continue to campaign to ensure that Rushcliffe does benefit from the proposed repatriation of 100% of business rates from central to local government, which will be subject to future consultation.

In developing the Council's budget proposals for 2017/18, it has managed inflationary pressures on its operational costs and pressures on some areas of income collection. Pensions' liabilities and the results of the triennial review continue to remain a risk in order to deliver a balanced budget beyond 2017/18. In developing proposals for a secure medium term financial position the Council will maintain progress and focus on the budget reductions and efficiency savings necessary to deliver balanced budgets annually.

Whilst funding is reducing it is important the Borough continues to grow. Business rates, Council Tax and New Homes Bonus income streams will increase as we grow, although in the case of New Homes Bonus given the change in the allocation mechanisms, not as much as we would like. At the same time we have to meet the cost pressures that arise from growth. For example with more houses more refuse collections are required. The Council is well placed to take advantage of such opportunities and remains committed to attracting businesses to the borough and enabling housing growth, encouraging both inward and outward investment. The Council has recently been successful in leveraging external funding for Bridgford Hall and Growth Deal funding for employment and housing sites alongside the A46 allied to significant Council investment for Cotgrave. This is indicative of the Council's commitment to support housing and business growth. It continues to improve its Leisure facilities the embodiment of this being the new Arena leisure and office facility. This also reduces service costs as well as providing contractual savings with £0.332m anticipated from the Transformation Programme in 2017/18. The Councils' reserves have been drawn upon and this places increasing pressure on both addressing revenue risks and future capital funding. It is therefore imperative that the Council continues to look at alternative methods in delivering services and attaining alternative income streams, via its Transfromation Strategy.

In line with the Government's referendum principles, the budget for 2017/18 proposes an increase in Council Tax of 4.03% to £127.89 (the Council has the option of increasing Council Tax by up to £5, or 2%, whichever is the higher, with the recommended increase being £4.95). This will give an average band D Council Tax increase of 9 pence per week, ensuring Rushcliffe's Council Tax remains amongst the lowest in the country (and the lowest in Nottinghamshire).This budget is designed to meet the Council's challenges 'head-on' and ensure that the best possible services continue to be provided to the residents of Rushcliffe.

1.2 *Executive Summary*

This report outlines the Council's Medium Term Financial Strategy (MTFS) through to 2021/22 including the revenue and capital budgets, supported by a number of key associated financial policies alongside details of significant changes to fees and charges.

	2016/17	2017/18
RBC Precept	**£5,036k**	**£5,343k**
Council Tax Band D	**£122.94**	**£127.89**
Council Tax Increase	**4.2%**	**4.0%**
Revenue Support Grant	**£1,064k**	**£504k**
Retained Business Rates	**£2,072k**	**£2,561k**
New Homes Bonus	**£2,067k**	**£1,800k**
Reserves (at 31 March)	**£7,502k**	**£4,393k**
Capital Programme	**£18,742k**	**£15,128k**

Special Expenses		
Total Special Expense Precept	**£717k**	**£731k**
West Bridgford	**£52.92**	**£52.35**
Keyworth	**£1.48**	**£1.45**
Ruddington	**£3.53**	**£3.50**

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

2. BUDGET ASSUMPTIONS

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

Assumption	Note	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Budgeted inflation	1	0%	0%	0%	0%	0%	0%
Pay costs increase		1%	1%	1%	1%	1%	1%
Employer's pension contribution rate	2	13.0%	14.6%	14.6%	14.6%	14.6%	14.6%
Return on cash investments	3	0.89%	0.35%	0.50%	0.75%	1.0%	1.25%
Tax base increase	4	2.6%	2.0%	2.0%	2.0%	2.0%	2.0%

Notes to Assumptions

a) Whilst inflation does impact on services, the Council's managers are expected to deliver services within cash limited budgets which require them to absorb the cost of inflation. As such, the net effect of inflation is reduced to zero within the estimates.

b) The latest Pension Triennial Valuation has indicated that the pension contribution rate relating to the future service of employees will increase by 1.6% in 2017/18. In addition the Council is required to allocate funding to address the estimated deficit position on the Pension Fund arising from the difference between historic contributions and projected future liabilities. The 'upfront payment' option has been chosen with £3.492m paid in a lump sum. Such costs are expected to amount to £1.164m in each year from 2017/18 (2016/17 £638k) to 2019/20 and as they relate to existing liabilities, are unavoidable. Other options were considered such as a 'stepped-up' payment mechanism and paying less in 2017/18 but more in the next 3 years. Adopting this option would cost the Council a further £286k i.e. £3.778m rather than £3.492m over the period and has therefore not been pursued (the upfront payment option gives a 7.6% saving).

c) Cash investrment returns are based on projections consistent with the Council's Treasury Management Strategy.

d) Tax base increases reflect the anticipated growth in housing within the Borough in future years.

3. FINANCIAL RESOURCES

3.1 When setting its annual budget the Council has, traditionally, had certainty about the majority of resources it would receive each year. However the introduction of retained business rates from 1 April 2013 has exposed the Council to a greater level of variation in its income and, along with an anticipated continued decline in resources, has made the forecasting of spending plans more challenging. The Government has included this year a ‘four year offer’ which helps with certainty, that said the funding streams are variable and linked to levels of relative business and housing growth.

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

3.3 Business Rates

The forecast position on business rates is shown below.

Table 2 Business Rates

£’000	2017/18	2018/19	2019/20	2020/21	2021/22
Retained Business Rates	2,561	2,631	2,701	2,755	2,810
Increase / (reduction)	489	70	70	54	55
Increase / (reduction) (%)	23.6	2.7%	2.7%	2%	2%

Business Rate assumptions reflect: experience to date with regard to the award of additional reliefs; successful ratings appeals and government expectation regarding the Council’s ‘safety net’ position; a minimum amount protected under guidance (after 2019/20 an increase of 2% has been assumed); and decisions limiting future increases to the capped limit of 2%. Due to the levels of Business Rate volatility, the MTFS does not at this stage include any projected growth from 2017/18 onwards. In March 2016, the Government announced it would make the exempting of small businesses from business rates permanent. With 100% relief maintained, £500k is assumed each year for this relief.

Whilst the Council anticipates business growth, the volatility caused by the power station and other larger businesses such as supermarkets (via rating appeals) has resulted in a prudent approach with future years’ figures remaining constant and budgeting at the anticipated ‘Safety Net’ level. No increase is currently assumed as a result of the 100% repatriation of business rates from central government to local government (announced with the Comprehensive Spending Review 2015). Further consultation by the

Government is anticipated on what this may entail, for example how much will district councils receive as opposed to unitary or county councils?

The impact in 2017/18 from the pooling of business rates within Nottinghamshire will be calculated once forecasts from the relevant authorities have been produced and assimilated into the pooling model.

3.4 Council Tax

As identified at Table 1 Rushcliffe's Council Tax base is estimated to increase by 2% each year as housing growth is anticipated in the borough.

As a result of reductions in funding in other income streams such as Revenue Support Grant, the Government has assumed in future funding that for a Council Tax Band D that Councils will take up the offer of increasing their Council Tax by the higher of 2% or £5. Given both funding and cost pressures the Council faces it is prudent to increase Council Tax by the higher amount of £4.95, the impact of not taking this offer is covered in Section 11. Based on the principle the Council is looking to stay in the lower quartile Council tax charges we have assumed a £4.95 increase for each of the next 2 years and thereafter a 2% increase.

The movement in Council Tax, the tax base, precept and use in Council Tax Collection Fund surplus are shown in Table 3.

Table 3. Council Tax

	2016/17	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**
Council Tax Base (a)	40,960	**41,777**	42,610	43,460	44,327	45,211
Council Tax £:p (b)	£122.94	**£127.89**	£132.84	£135.50	£138.21	£140.97
£ Annual Increase	£4.95	**£4.95**	£4.95	£2.66	£2.71	£2.76
% increase	4.20%	**4.03%**	3.87%	2%	2%	2%
Gross Council Tax collected (a x b)	£5,035,572	**£5,342,822**	£5,660,327	£5,888,850	£6,126,454	£6,373,455
Increase in Precept	£325,045	**£307,250**	£317,505	£228,523	£237,604	£247,001
Collection Fund Surplus	£79,000	**£18,000**	0	0	0	0

3.5 Special Expenses

The Council sets a special expense to cover any expenditure it incurs in a part of the borough which elsewhere is undertaken by a town or parish council. These costs are then levied on the taxpayers of that area. As with 2016/17, special expenses will be levied in West Bridgford, Ruddington and Keyworth.

Appendix 1, summarised at Table 4, details the Band D element of the precepts for the special expense areas. Special expense Band D tax amounts have slightly fallen mainly because of larger tax bases.

Table 4 Special Expenses

	2016/17		**2017/18**		
	Cost	**Band D**	**Cost**	**Band D**	**Band D**
	£	£	**£**	**£**	**% change**
West Bridgford	704,540	52.92	718,400	52.35	-1.08
Ruddington	9,070	3.53	9,070	3.50	-0.80
Keyworth	3,800	1.48	3,800	1.45	-1.90
Total	717,410		**731,270**		

3.6 Revenue Support Grant (RSG)

As part of the ‘four year offer’ the Council has now been provided with the profile of RSG reductions until 2019/20. This is more punitive than we anticipated and currently no ‘offset’ is assumed in terms of increased business rates (see Section 3.3). The table below shows that RSG will not only cease (since 2013/14 reducing by £3.25m), but because Rushcliffe collects more Council Tax income relative to many authorities the Government have proposed the introduction of a tariff (or negative RSG) of £0.25m. We have assumed this remains up until 2021/22. The Council last year lobbied the Government regarding these and other changes; and as part of the final settlement transitional grant amounting to £34k per annum, to help address the size of the reductions in RSG in 2016/17 and 2017/18, has been provided (included in the RSG amounts below).

Table 5 Revenue Support Grant

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Revenue Support Grant (figures in brackets = a tariff payment to Government)	1,679	1,064	**504**	130	(250)*	(250)	(250)
Reduction from previous year £'000	698	615	**560**	374	380	0	0
Reduction from previous year (%)	29%	37%	**53%**	74%	292%	0	0
Reduction from 2013/14 (%)	46%	66%	**84%**	96%	100%	100	100

* 2019/20 £250k levy is rounded – proposed amount from 2016/17 final settlement is £253k. It may well change in future years.

3.7 New Homes Bonus

The New Homes Bonus (NHB) was introduced in order to provide a clear incentive to local authorities to encourage housing growth in their areas. The Government then published a consultation paper in December 2015 "New Homes Bonus: Sharpening the Incentive" in order to make changes to the scheme from a system with no controls to one that is cash-limited each year. Key changes introduced from 2017/18 are as follows:

- A move to 5-year payments for both existing and future NHB allocations in 2017/18 and then to 4 years from 2018/19.
- Introduction of a national baseline of 0.4% of housing growth, for 2017/18, below which allocations will not be made.
- Government will also retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.
- Allocations will continue to be an un-ringfenced grant.

This is more punitive than expected. For example in the original consultation on NHB, the national baseline that was expected was 0.25% for housing growth, below which no funding would be given. The Council has written to DCLG with a view to at least introduce transitional measures to offset the loss of NHB to the Council in the short term. A copy of the DCLG letter and accompanying letters to Rushcliffe MPs are attached (Appendix 7). Commitments regarding the use of NHB include £1m per annum over 10 years to fund the Leisure Strategy. The Council was successful with securing £6.25m of Growth Deal funding (which includes £2.5m for infrastructure work in relation to Land North of Bingham, £3m for Cotgrave and £0.75m for RAF Newton). This has given rise to a

£2.5m call on the NHB Reserve. The projections below are subject to change dependent on what housing growth materialises within the Borough in future years and how this compares to housing growth nationally.

Table 6 – New Homes Bonus

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
New Homes Bonus Received in Year	2,067	**1,800**	1,400	1,300	1,300	1,300

3.8 Fees, Charges and Rents

The Council is dependent on direct payment for many of its services. This income, from various fees, charges and rents, is a key element in recovering the costs of providing services which, in turn, assists in keeping the Council Tax at its current low level. This income is shown in Table 7.

Table 7 - Fees, Charges and Rental Income

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Car Parks	770	770	770	770	770
Licences	241	241	241	241	241
Non Sporting Facility Hire	195	195	195	195	195
Other Fees & Charges	767	767	767	767	767
Planning Fees	938	938	938	938	938
Rents	1,065	1,151	1,186	1,186	1,186
Green waste income	1,148	1,148	1,148	1,254	1,254
Service Charges	360	360	360	360	360
Total	**5,484**	**5,570**	**5,605**	**5,711**	**5,711**

Income assumptions are determined by a number of factors including current performance, decisions taken already and known risks. Examples of such adjustments include increases in charges for green waste, changes in investment property rents based on our knowledge of asset use, and additional planning income as new businesses and housing sites come to fruition.

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

3.9 Other income

In addition to fees and charges the Council also receives a range of other forms of income, the majority of which relates to Housing Benefit Subsidy (£17.3m) which is used to meet the costs of the national housing benefit scheme. These are shown in Table 8.

Table 8 – Other income

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Costs Recovered	121	121	121	121	121
Housing Benefit Admin Grants	268	268	268	268	268
Interest on Investments	272	252	261	273	290
OLA's Contribution	183	184	185	185	185
Other Income	277	257	257	257	257
Recycling credits	130	130	130	130	130
Other Government Grants	129	129	129	129	129
Sub Total	**1,380**	**1,341**	**1,351**	**1,363**	**1,380**
Housing Benefit Subsidy	17,373	17,373	17,373	17,373	17,373
TOTAL	**18,753**	**18,714**	**18,724**	**18,736**	**18,753**

3.10. Summary

Table 9 – All sources of income

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Retained Business Rates and SBRR	2,561	2,631	2,701	2,755	2,810
Revenue Support Grant	504	130	(250)	(250)	(250)
Total Funding Excluding NHB	**3,065**	**2,761**	**2,451**	**2,505**	**2,560**
New Homes Bonus[1]	1,800	1,400	1,300	1,300	1,300
Total Funding Including NHB	**4,865**	**4,161**	**3,751**	**3,805**	**3,860**
Council Tax (RBC)	5,343	5,660	5,889	6,127	6,374
Council Tax (Special Expenses)	731	746	761	776	792
Collection Fund Surplus	18	-	-	-	-
Fees, charges and rental income	5,484	5,570	5,605	5,711	5,711
Other income	18,753	18,714	18,724	18,736	18,753
Net Transfer from Reserves[2]	57	-	-	-	-
Total Budget Funding	**35,252**	**34,851**	**34,730**	**35,155**	**35,490**

[1] NHB is transferred to reserves and is contained in the spending plan analysis of expenditure (section 4)
[2] Transfer 'to' reserves is within the expenditure analysis

4. 2017/18 SPENDING PLANS

4.1 The Council's spending plans for the next five years are shown in Table 10 and take into account the assumptions in Section 2. Going forward, as Transformation Programme savings are delivered (such as in relation to the Leisure Strategy and West Bridgford Hall) the spending profile will change.

Table 10 – Spending Plans

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Employees	9,520	9,908	10,025	10,187	10,472	10,597
Premises	1,370	1,151	1,153	1,155	1,155	1,155
Transport	1,285	1,256	1,241	1,245	1,245	1,245
Supplies & Services	5,626	5,752	5,659	5,708	5,608	5,492
Transfer Payments[3]	17,365	17,369	17,369	17,369	17,369	17,369
Capital Charges	1,726	1,587	1,587	1,587	1,587	1,587
Third Party	2,407	2,267	2,202	2,172	2,172	2,172
Net recharges	(5,105)	(5,196)	(5,195)	(5,198)	(5,198)	(5,198)
Gross Service Expenditure	**34,194**	**34,094**	**34,041**	**34,225**	**34,410**	**34,419**
Change from Previous Year	**74**	**-100**	**-53**	**184**	**185**	**9**
Net Contribution to Reserves[4]	1,200	0	184	350	647	310
Minimum Revenue Provision	0	1,000	1,000	1,000	1,000	1,000
Revenue Contribution to Capital	159	158	129	139	139	139
Overall Expenditure	**35,553**	**35,252**	**35,354**	**35,714**	**36,196**	**35,868**

[3] Includes Housing Benefit Payments

[4] The net contribution to reserves is significantly influenced by the receipt and retention of New Homes Bonus. Without the New Homes Bonus the Council would see a net transfer from reserves, i.e. reserves being utilised to support expenditure, for each of the years in the MTFS. The reduction in NHB in later years is reflected in the downward trend.

4.2 Explanations for some of the main variances above are:

- Employee costs increase 2017/18 due to the increase in the pension deficit as a result of the triennial review (covered in Section 2.1, note 2);
- Premises costs have decreased as a result of efficiency savings achieved from the new office accommodation at the Arena, with £0.332m estimated in the Transformation Programme for both contract and premises related savings; and
- MRP (Minimum Revenue Provision) – this is to cover the internal borrowing costs for the Arena and is to be funded by New Homes Bonus (hence the planned transfers to reserves reduces after 2016/17). MRP is also referenced in the Treasury Management Strategy (Appendix 5, paragraph 31).

5 BUDGET REQUIREMENT

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

Table 11 – Budget Requirement

	2016/17 Estimate £'000	**2017/18 Estimate £'000**	**2018/19 Estimate £'000**	**2019/20 Estimate £'000**	**2020/21 Estimate £'000**	**2021/22 Estimate £'000**
Retained Business Rates	2,072	**2,561**	2,631	2,701	2,755	2,810
Revenue Support Grant	1,064	**504**	130	(250)	(250)	(250)
New Homes Bonus	2,067	**1,800**	1,400	1,300	1,300	1,300
Council Tax (RBC)	5,036	**5,343**	5,660	5,889	6,127	6,374
Council Tax (Special Expenses)	717	**732**	746	761	776	792
Collection Fund Surplus	79	**18**	**-**	**-**	**-**	**-**
Fees, charges and rental income	5,369	**5,484**	5,570	5,605	5,711	5,711
Other income	19,012	**18,753**	18,714	18,724	18,736	18,754
Net Transfer from Reserves	-	**57**	-	-	-	-
Total Income	35,416	**35,252**	**34,851**	**34,730**	**35,155**	**35,491**
Gross Expenditure	35,553	**35,252**	35,354	35,714	36,196	35,868
New Savings Required (assumed on-going)	137	**0**	503	984	1,041	377
In Year Savings over the MTFS period	12	**0**	503	481	57	(664)

5.2 Section 8 covers the Transformation Programme - including the use of reserves, balancing the budget for 2017/18 and future financial pressures.

6. RESERVES

6.1 In order to comply with the requirements of the Local Government Act 2003, a review has been undertaken of the Council's reserves, including a review of current and future risks. This has included an assessment of risk registers, pressures upon services, inflation and interest rates. In previous budgets, the Council has supported the controlled release of reserves to support service delivery. It is proposed that in 2017/18 £0.61m and in 2018/19 £0.15m is transferred from the Organisation Stabilisation reserve to manage the impact of the increase of the pension deficit payments following the pension triennial review. There will then be a transfer back to reserves in 2019/20 of £0.15m and in 2020/21 of £0.42m so the resulting balance on the Organisation Stabilisation Reserve in 2021/22 will be £0.647m. The Council's strong financial management peteenables reserves to be used flexibly in this way.

6.2 Table 12 details the estimated balances on each of the council's specific reserves over the 5 year MTFS. **Appendix 6** details the movement in reserves for 2017/18 which also includes capital commitments. It should be noted that Corporate Reserves have reduced as a result of the Leisure Strategy. Investment Reserves increase as they act as a 'sinking fund' to protect assets such as The Point. All of the above reserves have specifically identified uses including some of which are held primarily for capital purposes namely the Council Assets and Service Delivery; Invest to Save; and Regeneration and Community Projects reserves.

6.3 Whilst we have mentioned that New Homes Bonus (NHB) will reduce the NHB Reserve will still be called upon in future years as major infrastructure projects come to bear as part of the Council's Asset Investment Strategy and the potential for investment in economic development through arrangements such as the 'Growth Deal'. The projections also reflect the allocation of £1m per annum from the New Homes Bonus Reserve towards the cost of the Arena redevelopment. Further details on current commitments from the New Homes Bonus Reserve are discussed at section 3.7.

6.4 It should be noted, in the professional opinion of the Council's Section 151 Officer, the General Fund Reserve position of £2.6m is adequate given the financial and operational challenges (and opportunities) the Council faces.

Table 12 – Specific Reserves

£000	Balance 31.03.17	Balance 31.03.18	Balance 31.03.19	Balance 31.03.20	Balance 31.03.21	Balance 31.03.22
Investment Reserves:						
Regeneration and Community Projects	1,341	1,394	1,336	1,413	1,490	1,567
Cotgrave Regeneration	429	0	0	0	0	0
The Point Enhancements	60	65	95	125	155	185
Council Assets and Service Delivery	274	274	274	274	274	274
Local Area Agreement	122	122	122	122	122	122
Invest to Save	150	150	150	150	150	150
Corporate Reserves:						
Organisation Stabilisation	1,333	545	269	309	647	647
Risk and Insurance	100	100	100	100	100	100
Planning Appeals	350	350	350	350	350	350
Elections	153	153	203	203	203	203
Operating Reserves:						
Planning	187	107	107	107	107	107
Former Council lottery scheme	55	55	55	55	55	55
Planned Maintenance	100	100	100	100	100	100
Total Excluding NHB Reserve	**4,654**	**3,415**	**3,161**	**3,308**	**3,753**	**3,860**
New Homes Bonus	2,848	978	1,358	1,638	1,918	2,198
Total Earmarked Reserves	**7,502**	**4,393**	**4,519**	**4,946**	**5,671**	**6,058**
General Fund Balance	2,604	2,604	2,604	2,604	2,604	2,604
TOTAL	**10,106**	**6,997**	**7,123**	**7,550**	**8,275**	**8,662**

7. THE TRANSFORMATION STRATEGY AND EFFICIENCY PLAN

7.1 For the past 2 years the Council has successfully introduced a Transformation Strategy and supporting Transformation Programme This successfully drives change and efficiency activity and is a vehicle to deal with the scale of the financial challenges the Council faces. An updated Transformation Strategy and Programme are provided in **Appendix 3**. Alongside this work the Executive Management Team has undertaken a review of all Council budgets resulting in savings which have been fed into the MTFS. The Transformation Strategy focuses on the following themes:

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

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

<u>Table 13 – Savings targets</u>

	2017/18 £'000	**2018/19 £'000**	**2019/20 £'000**	**2020/21 £'000**	**2021/22 £'000**	**Total £'000**
Gross Budget Deficit excluding Transformation Plan	1,338	1,560	1,814	1,706	1,462	
Cumulative Savings in Transformation Plan	728	907	981	1,085	1,085	
Gross Budget Deficit/(Surplus)	610	653	833	621	377	
Transfer to/(from) reserve	(610)	(150)	150	420	0	(190)
Cumulative Transformation Target (Appendix 2)	**0**	**503**	**983**	**1,041**	**377**	**2,904**

7.3 In order to deliver a balanced budget for 2017/18 the Council has looked to constrain Council spend and increase income (particularly as it encourages growth). The Council continues to review how it delivers its services, (for example, further collaboration with partners such as the Building Control partnership with South Kesteven and creating social enterprises such as Streetwise), to identify innovative ways of delivering its services more economically, efficiently and effectively.

7.4 Moving forward, this momentum must continue and the Council's key transformation projects need to be reviewed on an on-going annual basis. While the Council has identified a range of projects that can be used to deliver the anticipated savings required, this will still be a challenging exercise. As can be seen at Table 13 a further £1m is to be identified by 2020/21. The current transformation projects which will be worked upon for delivery from 2017/18 are given at **Appendix 3**. Some of the more significant projects include:

- Bridgford Hall development;
- Leisure and accommodation strategy;
- Edwalton Golf Course;
- Creating a property development company with a view to both providing more housing in the Borough and an income stream;
- Cyclical reviews of all service areas; and
- Reviewing fees and charges.

7.5 It should be noted there is guidance on the capitalisation of transformation costs where an income stream is generated. It relates to set-up and implementation costs not on-going savings. These should be reported through the Efficiency Strategy (for Rushcliffe this is the Transformation Strategy). The Efficiency Strategy can be revised at any time by Full Council and as part of our Treasury Strategy reporting we must show the impact on our prudential indicators.

8. RISK AND SENSITIVITY

8.1 The following table shows the key risks and how we intend to treat them through our risk management practices. Further commentary on the higher level risks is given below the table.

Table 14 - Key Risks

Risk	Likelihood	Impact	Action
Fluctuation in business rates linked to appeals and in particular the power station	High	High	Growth plans and accurate monitoring; lobbying central government
Central Government policy changes e.g. changes to NHB and 100% Business Rates to local government	High	High	Engagement in consultation in policy creation and communicating to senior management and members the financial impact of changes via the MTFS.
Implications of devolution and a Combined Authority still need to be understood	Low	High	Engagement in consultation in policy creation
The Council does not achieve Council Tax income levels as projected in the MTFS and linked to Government referendum limits	Low	High	Continue to monitor Government Policy and lobbying. Budget workshops for members so they are clearly informed regarding the impact of alternative decisions.
Reductions in Government Funding	High	High	Lobbying and service transformation and budget planning
Inadequate capital resources	Medium	High	Proportionate spending and sale of surplus assets, maximising pooled funding opportunities e.g. DFGs; external funding such as for the Hall and Growth Deal Funding; managing the impact of reducing NHB.
Fee income volatility, for example number and size of planning applications	Medium	High	Engagement in consultation in policy creation. Ensure future changes are built into the MTFS.
Inflationary pressures, particularly utility costs	Medium	low	Budget reporting processes

Pensions triennial revaluation and the potential increase to pension contributions.	High	High	To be aware of actuaries report and implications. Risks affected by local demographics and the impact on interest rates and share prices of international economic conditions. Also the ability to influence central government policy on the Local Government scheme.
Increased demand for services particularly as housing and business growth develops in the Borough	Medium	Medium	A robust performance management framework
Failure to deliver the required Transformation Strategy and in particular projected savings/costs from larger projects such as the Arena	Low	High	Effective programme and project management
The impact of wider economic conditions on interest rates, impacting on investments and any future borrowing	Medium	High	Advice from the Council's treasury advisors, and more investment diversification with a wider range of institutions and considering property investments. Monitoring borrowing rates.
The disposal of the Civic Centre creates risks surrounding investment property income	Medium	Medium	On-going landlord review of income and looking at alternative avenues for returns on investments (e.g. Property Development Company).

8.2 The changing environment of local authority finance means that the Council is facing increasing risks and uncertainty in respect of available resources. While predicting and controlling the level of external funding resources remains a challenge, wherever possible the Council uses its budget management processes, reserves and general balances to mitigate these risks. Such pressures will also be mitigated through changes in service delivery and the use of assets. For example, the purchase of The Point not only delivers a rental income in excess of that available to the Council through treasury management investments, is an appreciating asset and, also facilitates economic growth in the borough.

8.3 Whilst the MTFS presents a balanced budget for the fiive years from 2017/18 to 2021/22 it must be noted that this is based upon achieving challenging transformation strategy targets. It is also set against a background of an unprecedented level of funding uncertainty. In this regard it should be noted that particular risks exist with regards to:

- Revenue Support Grant whilst we have stated we now know the profile for RSG reductions the planned benefits from Business Rates repatriation to local government (i.e. 100% to local government) to help provide a buffer for these reductions is still unknown.
- Business Rates has a number of significant risks and is a highly volatile tax base. The likely de-commissioning of the power station, given it accounts for around one quarter of Business Rate income, undermines any benefits the Council may gain in business rates from business growth. Similarly any other large rated properties add to the volatility. Whilst both enhanced forecasting models and the Nottinghamshire Pooling arrangements continue to mitigate such risks, the Council cannot eliminate the short to medium term impact of unexpected significant changes to one or more of these premises. Furthermore businesses have been revalued in 2017 which is likely to lead to a number of appeals and changes the business rates base. The upshot of this is that the business rate baseline need may be reviewed by central government; and
- New Homes Bonus. As identified at 3.7 and as stated last year the risk that the incoming government would replace or reform the current funding mechanism reducing allocations to the Council has materialised. This impacts on the Council's capacity to make discretionary investment in specific projects which will deliver social and economic benefits to the Borough. Contingency plans for the financing of the Arena redevelopment will be considered such as the Council extending the repayment period from the planned ten years and/or accessing Public Works Loan Board funding to finance the project.

9. CAPITAL PROGRAMME

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

Table 15.1 – Five year capital programme, funding and resource implications

	2017/18 Indicative Estimate	2018/19 Indicative Estimate	2019/20 Indicative Estimate	2020/21 Indicative Estimate	2021/22 Indicative Estimate	Total
	£000	**£000**	**£000**			**£000**
Transformation	8,860	2,710	396	308	300	12,574
Neighbourhoods	755	1,065	1,300	1,235	645	5,000
Communities	243	268	98	98	98	805
Finance and Corporate Services	5,270	2,489	247	155	110	8,271
Total	**15,128**	**6,532**	**2,041**	**1,796**	**1,153**	**26,650**
FUNDED BY						
Usable Capital Receipts	(3,772)	(4,170)	(1,449)	(1,365)	(811)	(11,567)
Disabled Facilities Grants	(292)	(292)	(292)	(292)	(292)	(1,460)
Use of Reserves	(1,754)	(270)	(50)	(50)	(50)	(2,174)
Grants and Contributions	(3,950)	0	0	0	0	(3,950)
Section 106 Monies	(400)	0	(250)	(89)	0	(739)
Internal Borrowing	(4,960)	(1,800)	0	0	0	(6,760)
Total	**(15,128)**	**(6,532)**	**(2,041)**	**(1,796)**	**(1,153)**	**(26,650)**
Capital Resources at start of year*	7,386	10,114	8,712	7,357	6,203	
Additions	12,951	3,465	686	642	646	
Used (-)	(10,223)	(4,867)	(2,041)	(1,796)	(1,153)	
Capital Resources at end of year[5]	**10,114**	**8,712**	**7,357**	**6,203**	**5,696**	

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

9.2 The Council's five year capital programme shows the Council's commitment to deliver more efficient services, improve its leisure facilities and enable economic development. The Programme is approved for the 5 year period and allows flexibility of investment between years as long as the value of the five year programme is not exceeded for each scheme. In any case the programme reviewed by Full Council as part of the budget setting process. The major projects in the 2017/18 Programme include:

- Cotgrave Regeneration (£2.9m of a total investment of £8.5m, funded by Growth Deal Funding £3m, other grants and contributions £1.5m, capital receipts and reserves £1.5m and the balance £2.5m from Prudential Borrowing);
- Land North of Bingham for necessary infrastructure (flood mitigation) to facilitate the development of over 1,000 new homes and 15.6 hectares (potentially 17.6) of employment land (Total costs estimated at £5.6m including £0.6m for land acquisition/access road. Financed from £2.5m Growth Deal Funding, £2.5m New Homes Bonus and £0.6m Capital Receipts);
- Highways England Footbridge A46 £1.7m cost of works. This scheme is linked to the RAF Newton housing scheme and involves funding to be secured from Highways England to fully cover the cost of the works.
- RAF Newton £0.75m new scheme wholly met by Growth Deal Funding.
- Arena Car Park Improvements £0.5m to remodel and extend the parking provision to meet operational and customer expectations.
- Information Systems Strategy (£0.165m plus a four year rolling programme);
- On-going vehicle replacement programme (£1.8m over the next four years);
- Support for Registered Housing Providers (£0.25m and a further £0.7m over the next four years);
- Disabled Facilities Grants a provision of £0.375m has been provided each year but this is subject to change when the formal Better Care Funding allocations are approved.
- Nottinghamshire County Cricket Club loan £1.4m of the total approved £2.7m.
- Asset Investment Strategy £3m of total unallocated sum of £5.3m to support emergent investment opportunities following detailed appraisal of business case(s) that come forward.
- A Contingency sum of £0.19m has been included in 2017/18 to give flexibility to delivery of the programme.

9.3 After 2017/18, there is a continued focus on rolling provisions for Capital investment: Information Systems Strategy, vehicle replacement, Disabled Facilities Grants, Investment in Social Housing plus annual support for Improvements to Play Areas (Special Expense) and Capital Grant Funding to third parties. The Council is committed to exploring the setting-up of a property development company and, to this end, the Social Housing allocation maybe revisited. The programme contains a provision of £2.5m in 2018/19 to support the relocation/provision of a new Depot. This scheme is still subject to detailed options appraisal and it is anticipated that this will be funded from a capital receipt from the disposal of the Abbey Road site. £1.8m of the Asset Investment Strategy provision is factored in to 2018/19, application of which will be dependent upon on assessed business cases. Works to improve lighting and surfacing in West Bridgford car parks is also planned.

9.4 As Table 15.1 demonstrates the Council's capital resources are diminishing. The Council's currently identified capital resources will have reduced to £6m over the five year life of the Programme. This position must be viewed in the context of funding the recently completed Leisure Strategy project. This scheme was part funded by use of the Council's reserves and the remainder through internal borrowing. It is planned to repay this 'internal debt' from the future income stream provided by the New Homes Bonus, subject to the risks highlighted in Sections 3.7 and 8.3. Going forwards, if all expenditure in the proposed programme is achieved, including full commitment of the Asset Investment Strategy provisions, the Council may move into a position of taking out external borrowing. This would be done through loans from the Public Works Loan Board benefitting from a certainty rate of interest.

9.5 The Council has allocated £10.5m to the Asset Investment Strategy, to date £2.7m has been agreed for the new loan to Nottinghamshire County Cricket Club and £2.5m has been earmarked for Cotgrave Regeneration leaving a balance of £5.3m which will be allocated when schemes are identified.

9.6 The Capital Programme including Asset Investment Strategy sums are set out below:-

<u>Table 15.2 – Impact on the Capital Programme of the Asset Investment Strategy</u>

Commentary	**£'000**
Total identified expenditure	21,350
Unallocated investment Strategy	5,300
Total Programme	**26,650**
Funding:	
External Borrowing	6,760
Other Funding	19,890
Total Funding	**26,650**

10. TREASURY MANAGEMENT

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

Table 16 – Treasury Assumptions

	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Average Interest rate %	0.35	0.50	0.75	1.0	1.25
Expected interest from investments (£)	171,500	122,500	138,300	155,000	177,500
Other interest (£)	100,400	129,200	123,100	118,000	112,600
Total Interest (£)	**271,900**	**251,700**	**261,400**	**273,000**	**290,100**

As the MTFS forecasts that the Council will still have £5.7m of useable capital resources available to it at 31 March 2022 the Treasury Strategy gives the potential option for future external borrowing if necessary in order to fund the Asset Investment Strategy outlined at 9.5 and 9.6. However investments are expected to reduce significantly in 2017/18 as the Authority makes provision to 'internally borrow' (using investment balances) to fund the Leisure project at the Arena.

11. OPTIONS

11.1 As part of its consideration of the budget, the Council is encouraged to consider the strategic aims contained within the Corporate Strategy and, in this context, to what extent they wish to maintain existing services, how services will be prioritised, and how future budget shortfalls will be addressed.

11.2 Instead of increasing its Council Tax by the higher of 2% or up to £5 the Council could freeze its Council Tax. Table 17 provides details of the impact on budgets of a tax freeze compared to a 1.99% increase and a £4.95 increase on a 2017/18 Band D Council Tax (the latter being the recommended option).

Table 17: Alternate Council Tax Levels

£'000	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Band D £122.94 Freeze in 2017/18						
Total CT Income	5,136	5,238	5,343	5,450	5,558	
Total for 1.99% increase (Band D £125.40)	5,239	5,450	5,670	5,899	6,137	
Total for £4.95 increase then 2%(Band D £127.89) – recommended option	5,343	5,660	5,889	6,127	6,374	
Difference (£'000)						**Total**
Freeze vs £4.95	-207	-422	-546	-677	-816	-2,668
1.99% vs £4.95	-104	-210	-219	-228	-237	-998

11.3 The above figures indicate that an increase of £4.95 would result in either an additional £104k of income or £207k of income respectively against either a 1.99% increase or a tax freeze. Assuming a Council Tax increase of 1.99% each year this gap increases to £237k by 2021/22 when compared to an increase of £4.95 (in both 2017/18 and 2018/19 and a 1.99% increase thereafter). Over the five years if the 1.99% option is chosen this would mean the Council would have to find another £0.998m.

11.4 Other than the above options for Council Tax increases there are no alternate proposals concerning the Budget, Medium Term Financial Strategy or Transformation Strategy.

Appendix 1

Funding Analysis for Special Expense Areas

	2016/17 (£)	2017/18 (£)	% Change
West Bridgford			
Allotments	1,000	1,000	
Parks and Playing Fields	386,000	399,500	
West Bridgford Town Centre	38,400	46,800	
Community Halls	102,800	87,400	
Seats & Bins	300	300	
Contingency	17,594	25,000	
Previous Year Deficit	0	0	
Annuity Charges	108,446	108,400	
Revenue Contributions Capital	50,000	50,000	
Total	**704,540**	**718,400**	
Tax Base	**13,314**	**13,724**	
Special Expense Tax	**£52.92**	**£52.35**	**-1.08%**
Keyworth			
Cemetery & Annuity Charges	3,800	3,800	
Total	**3,800**	**3,800**	
Tax Base	**2,571**	**2,622**	
Special Expense Tax	**£1.48**	**£1.45**	**-1.90%**
Ruddington			
Cemetery & Annuity Charges	9,070	9,070	
Total	**9,070**	**9,070**	
Tax Base	**2,570**	**2,594**	
Special Expense Tax	**£3.53**	**£3.50**	**-0.80%**
TOTAL SPECIAL EXPENSES	**717,410**	**731,270**	

REVENUE BUDGET SERVICE SUMMARY

APPENDIX 2

	2016/17 ESTIMATE £	2017/18 ESTIMATE £	2018/19 ESTIMATE £	2019/20 ESTIMATE £	2020/21 ESTIMATE £	2021/22 ESTIMATE £
Communities	2,737,900	2,763,800	2,691,300	2,751,600	2,746,600	2,647,600
Finance and Corporate Services	3,681,700	3,732,400	3,767,300	3,852,400	3,994,700	4,048,300
Neighbourhoods	4,709,300	4,705,000	4,750,000	4,790,100	4,720,700	4,757,200
Transformation and Operations	139,000	242,800	135,500	87,800	87,200	87,200
Net Service Expenditure	**11,267,900**	**11,444,000**	**11,344,100**	**11,481,900**	**11,549,200**	**11,540,300**
Capital Accounting Adjustments	(1,591,400)	(1,586,80)	(1,586,800)	(1,586,800)	(1,586,800)	(1,586,800)
Revenue Contribution to Capital	158,500	158,400	129,100	139,400	139,400	139,400
Transfer to/(from) Reserves	1,200,000	(57,400)	184,000	350,000	647,100	310,000
Total Net Service Expenditure	**11,035,000**	**10,958,200**	**11,070,400**	**11,384,500**	**11,748,900**	**11,402,900**
Funding						
Central Government Grant	(1,064,000)	(504,000)	(130,000)	250,000	250,000	250,000
Localised Business Rates, includes SBRR	(2,072,000)	(2,561,000)	(2,631,000)	(2,701,000)	(2,755,000)	(2,810,100)
Collection Fund Surplus	(79,000)	(18,000)	0	0	0	0
Council Tax Income						
- Rushcliffe	(5,035,600)	(5,342,800)	(5,660,300)	(5,888,900)	(6,126,500)	(6,373,500)
- Special Expenses Areas	(717,400)	(731,300)	(746,300)	(761,200)	(776,400)	(791,900)
New Homes Bonus	(2,067,000)	(1,800,000)	(1,400,000)	(1,300,000)	(1,300,000)	(1,300,000)
Total Funding	**(11,035,000)**	**(10,957,100)**	**(10,567,600)**	**(10,401,100)**	**(10,707,900)**	**(11,025,500)**
Gross Budget Deficit / (surplus)	0	0	502,800)	983,400	1,041,000	377,400
Additional Transformation Plan Savings	0	0	(502,800)	(983,400)	(1,041,000)	(377,400)
Net Budget Deficit	**0**	**0**	**0**	**0**	**0**	**0**
Annual (Savings) / Deficit	0	0	502,800	480,600	57,600	(663,600)

Appendix 3

Rushcliffe Borough Council

Transformation Strategy and Efficiency Plan 2017/18 – 2021/22

Introduction

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

The 4 Year Plan and Transformation Programme have successfully supported the delivery of over £3m in efficiencies. In making our savings, services to residents in some cases have been changed from universally free services towards chargeable choice based services. Other services have been streamlined, to be even more efficient and leaner. Costs have been reduced through rationalisation of assets and staff, with the sharing of both posts and key services (for example the Council’s Monitoring Officer). Concurrently we have made it easier for customers to transact their business with us at a time and in a way that suits them. We have done all of this without significantly impacting on service quality or resident satisfaction. Our latest resident polling data shows us that 76% of residents are satisfied with the way the Council operates and 65% believe the Council provides value for money (2015).

This revised Transformation Strategy sets out the Council’s approach to making further savings between now and 2021/22. It also explains our approach to identifying and working with partners, recognising and maximising opportunities, and leading the way in delivering high quality services that match the needs of residents. It is clear that as the organisation becomes leaner, it will become increasingly challenging to find further savings. Achieving the increased targets requires a bolder and more strategically focussed way of thinking.

Addressing the funding gap

While the Council has achieved significant savings via the 4 year plan and the first two years of the Transformation Programme, further savings are required to address the estimated funding gap. This revised Transformation Programme will form the basis of how the Council meets the financial challenge summarised in the table below.

Savings targets

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
Gross Budget Deficit excluding Transformation Plan	1,338	1,560	1,814	1,706	1,462	
Cumulative Savings in Transformation Plan	728	907	981	1,085	1,085	
Gross Budget Deficit/(Surplus)	610	653	833	621	377	
Transfer to/(from) reserve	(610)	(150)	150	420	0	(190)
Cumulative Transformation Target	0	503	983	1,041	377	2,904

In order to deliver a balanced budget for 2017/18 the Council has looked to constrain Council spend and increase income (particularly as it encourages growth). The Council continues to review how it delivers its services, (for example, our collaboration agreement with both Newark and Sherwood and Gedling councils. Other arrangements exist with neighbouring authorities such as the Building Control partnership with South Kesteven and creating social enterprises such as Streetwise). The Council continues to identify innovative ways of delivering its services more economically, efficiently and effectively.

Moving forward, this momentum must continue and the Council's key transformation projects need to be reviewed on an on-going annual basis. While the Council has identified a range of projects that can be used to deliver the anticipated savings required, this will still be a challenging exercise. As can be seen in the table above a further £1m is to be identified by 2020/21. The current transformation projects which will be worked upon for delivery from 2017/18 are given at **Appendix B**. Some of the more significant projects include:

- Bridgford Hall development;
- Leisure and accommodation strategy;
- Edwalton Golf Course;
- Development of a Property Investment Strategy and potential companies with a view to both providing more housing in the Borough and an income stream for the Council. The Council has an Asset Investment Strategy and Investment Fund of £10.5m to develop schemes that will deliver a return;
- Cyclical reviews of all service areas; and
- Reviewing fees and charges.

It should be noted there is statutory guidance on the capitalisation of transformation costs where an income stream is generated. It relates to set-up and implementation costs not on-going savings. These should be reported through the Efficiency Strategy (for Rushcliffe this is the Transformation Strategy). The Efficiency Strategy can be revised at any time by Full Council and as part of our Treasury Strategy reporting we must show the impact on our prudential indicators. No such capitalisation is currently planned.

Rushcliffe's core operating principles

Rushcliffe has three core principles which underpin its approach to transformation – income generation and maximisation, business cost reduction and service redesign. Transformation has been achieved to date by focusing on a 'one' Council approach and great teamwork between Members and officers to limit the impact upon residents. However, we recognise to be successful in bridging the remaining funding gap it will be necessary to consider and implement large scale transformational change which can generate a large fiscal impact.

The Transformation Strategy is an evolving document and although it essentially covers the next five years it should not be bound by time or scope. To this end and within the emerging complex environment, three partnership models have been identified to provide a framework to generate further efficiencies. These are covered in more detail in **Appendix A**.

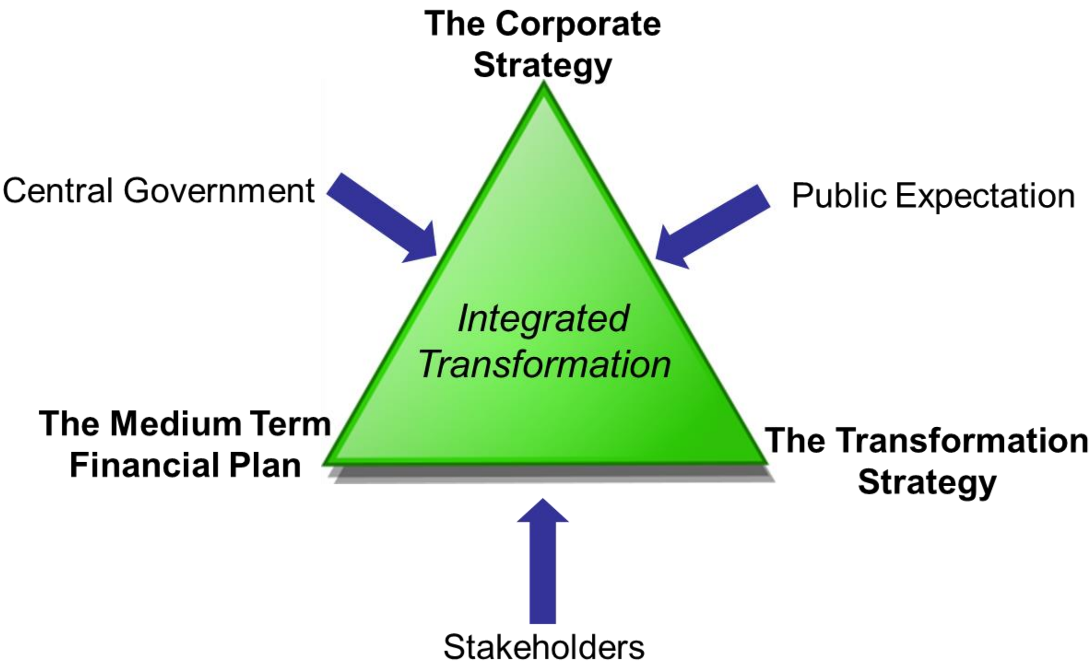
An Integrated Approach to Transformation

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

- The Council's Corporate Strategy – which provides the overall direction of the Council, its core values and its three key priorities,

- The Medium Term Financial Plan – a defined plan of how the authority will work towards a balanced budget and maintain viability,

- The Transformation Strategy – a document providing direction in respect of the strategically focussed streams of work to meet the financial targets whilst fulfilling the Council's corporate priorities.

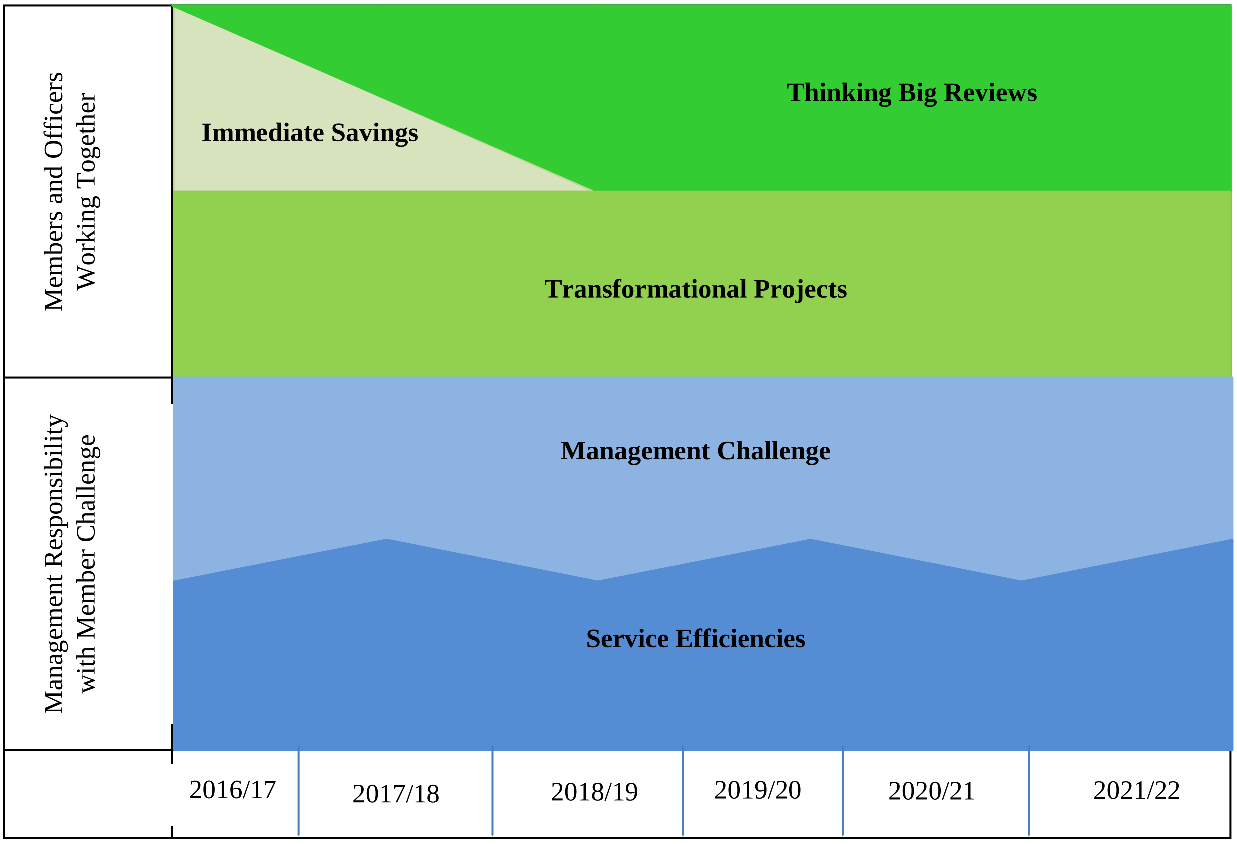


Rushcliffe's Integrated Approach to Transformation

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

The Transformation Strategy

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



Management Responsibility with Member Challenge

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

Service Efficiencies

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

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

Management Challenge

The Service Efficiencies are strengthened by on-going management of the services through regular performance clinics and a management challenge as part of the annual budget setting process – each Executive Manager is charged with scrutinising their budget to identify and remove any additional savings or unused budget. Again, top level targets have been identified for each area of the Council and these are illustrated in the table at **Appendix B**.

Members and Officers Working Together

The upper area of the diagram above focuses on activities where Members and officers work together to identify further savings and different ways of working. These aspects of the Strategy have been arrived at through our budget proposals which have continued to be radical and challenging as we look at ways of bridging the financial gap by 2021/22. Budget workshops, incorporating Members from all political groups, have looked at what has been achieved so far, policy changes that can be made immediately to save money in the coming year, different ways of delivering services in the future, and more long-term at a set of 'Thinking Big' options that could significantly change the face of the Council and the services it delivers.

Immediate savings

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

P

Thinking big reviews

As part of the budget setting process for 2017/18, Members discussed a number of potential 'Thinking Big' reviews. These will primarily focus on gathering information upon which Members can base decisions which could potentially change the face of the Borough in the future. These are the ideas that previously would not have been considered necessary and, therefore, would have been unlikely to have reached formal discussion. Members have indicated that they wish to fully establish the options with regard to a small number of selected key projects in an attempt to preserve the highly valued services our residents need. These 'Thinking Big' ideas have the potential to contribute significantly to bridging the funding gap we are experiencing without reducing frontline services but they are not decisions to be taken lightly which is why further investigations will be undertaken. Examples include the Edwalton Golf Course strategic review and projects to relocate the Depot.

Transformational Projects 2017-2022

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

Leisure Strategy Activation

Since 2006, the Council's Leisure Strategy has highlighted the authority's ambition to rationalise leisure facilities in West Bridgford to one site – Rushcliffe Arena. In October 2013 Cabinet supported the development of formal proposals for a new leisure centre at the Arena. In January 2017 this decision came to fruition with the opening of the new civic offices and Arena leisure centre and the closure of Rushcliffe leisure centre. The successful completion of this phase of the Leisure Strategy will generate significant revenue savings for the Council.

Collaboration

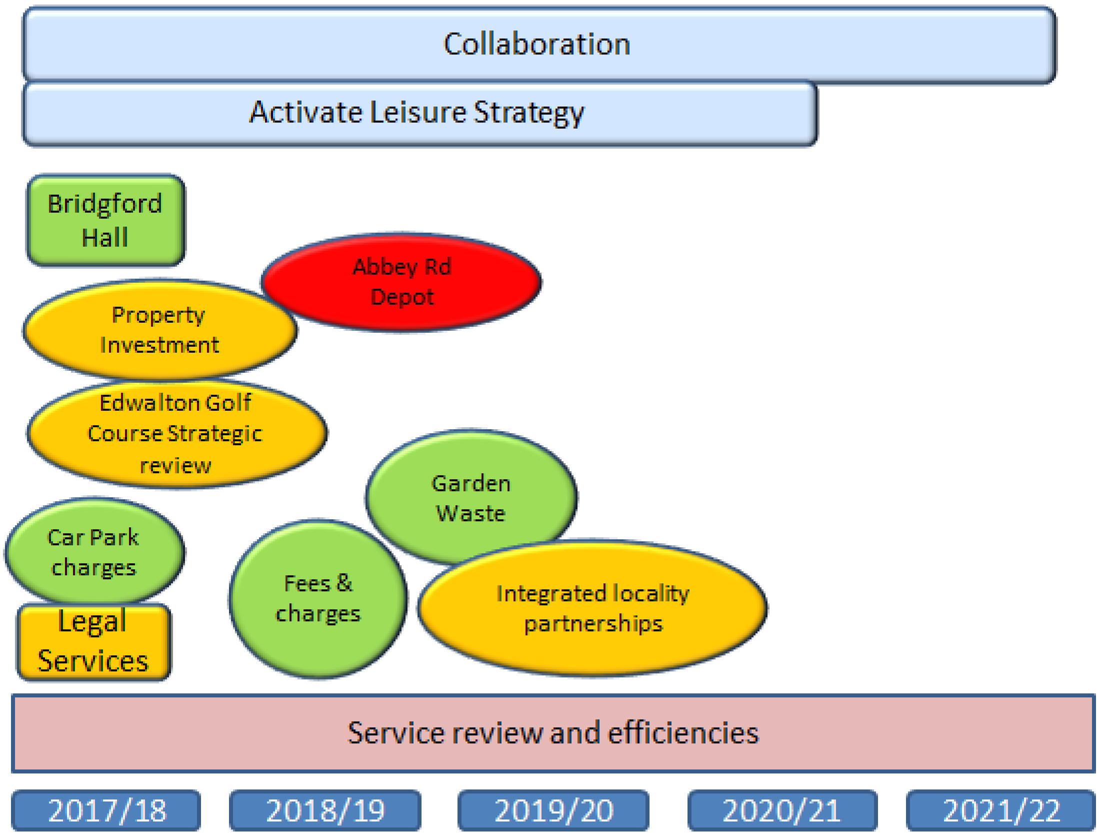
In December 2013, the Cabinet supported the Collaboration Agreement between Rushcliffe, Gedling Borough Council and Newark and Sherwood District Council. The Agreement sets out the benefits of a preferred partner approach and how the three councils plan to work together to save money, protect service standards and take advantage of future sharing opportunities. They determine the priorities in collaboration with each of the Chief Executives, who take responsibility for deciding the methods of delivery and for monitoring the work plan. This is not an exclusive arrangement and partnerships with other councils will continue where they provide synergy. For example, in December 2015, the Cabinet supported the recommendation into a collaboration partnership with Broxtowe Borough Council in relation to the sharing of the Monitoring Officer post and to investigate the feasibility of shared service arrangements for legal services, elections, constitutional services and human resources.

Transforming the way we work

The activation of the leisure strategy has also provided another opportunity. The Council has for some years been looking to vacate the Civic Centre on Pavilion Road. Changing staff numbers and different ways of working mean the Council needs less physical space to run its services. In December 2014, Cabinet supported the business case to locate office space within the updated Rushcliffe Arena with the view of vacating the Civic Centre in December 2016. This frees up the Civic Centre to be disposed raising valuable income for the Council. It also provides an opportunity for the Council to fully review the way it works, including introducing more electronic solutions, more flexible working patterns, and a better work life balance for our staff. A new building will also mean lower energy costs.

Summary of the Transformation Strategy Work Programme

The diagram below summarises the Transformation Strategy Work Programme for the next five years and provides a framework within which the required efficiencies will be delivered. The traffic light system below signifies progress against the various projects (green being more progress/complete).



Governance

The original version of this strategy (2013) established a framework and time frame for the individual projects within the programme. While in general these have been achieved, arrangements have been flexible to allow for unforeseen circumstances and to redirect resources to maximise opportunities has they have arisen. It is anticipated that these same principles of agile working will apply to the 2017-2022 rolling Transformation programme.

Each project within the programme has appropriate governance arrangements depending on the size, complexity and risk. Overall, monitoring of the Strategy will take place quarterly by the Chief Executive and his Executive Management Team. Where it is required by individual projects, consultation and engagement with members of the public will take place.

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

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

Conclusion

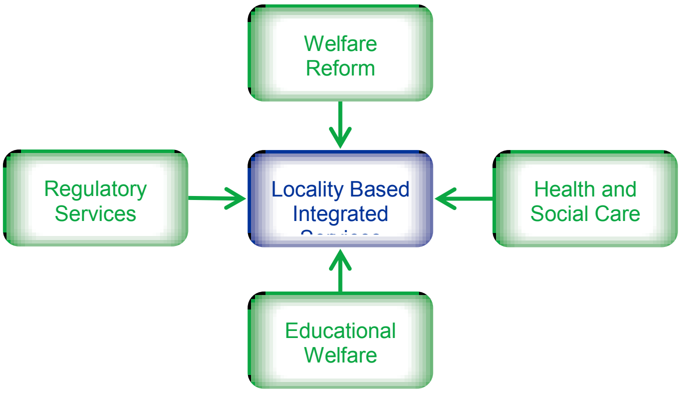
The above sets out Rushcliffe's plans over the next four years and the Council's commitment towards delivering these plans. This plan supports the Council's MTFS and is the vehicle upon which the Council will achieve a balanced budget.

Appendix A

Rushcliffe's Accepted Models of Partnership Working

1. Localised Integrated Working Partnerships

These types of integrated delivery partnerships involve working with other agencies and organisations whose services are delivered to Rushcliffe borough residents. These partnerships are aimed at improving the connectivity of public services, public regulation, reducing the need to cross-refer people and issues.
The Government has recognised and begun to embrace the value of partnerships of scope and is increasingly looking to realise both financial and customer benefits from these. Central Government policies around community safety, health outcomes, welfare reform and community budget pilots, all demonstrate recognition of the importance of different agencies working together in a single locality to benefit their residents.



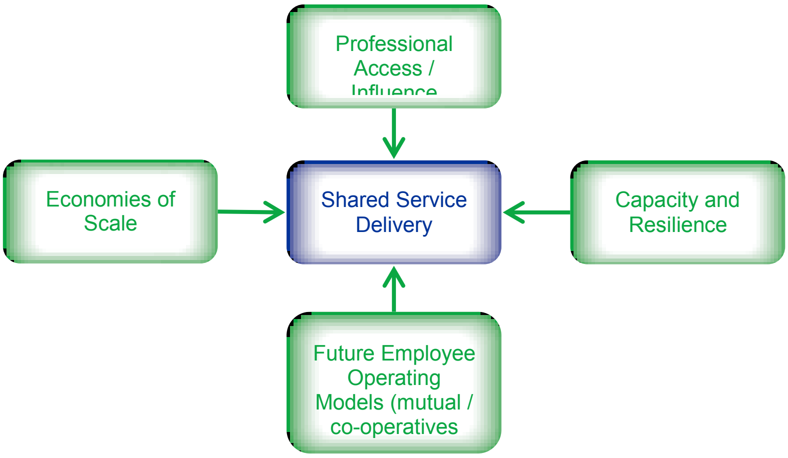
Rushcliffe is a pioneer in this area. The successful development of the Rushcliffe Community Contact Centre bringing together joint customer services for the Police, Job Centre plus, voluntary sector, South Nottinghamshire College and other services has been recognised nationally. This approach has been supported by our ability to work in other locations on a remote access basis. The service has recently been expanded into Bingham where an integrated delivery service model has been deployed and is being delivered from the new Health Centre.
There are also a range of projects underway involving our locality partners, which embed these principles and take services out into the community, including Positive Futures, Rush for Health, Lark in the Park and Business Partnership events.

2. Partnerships of Scale

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

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

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

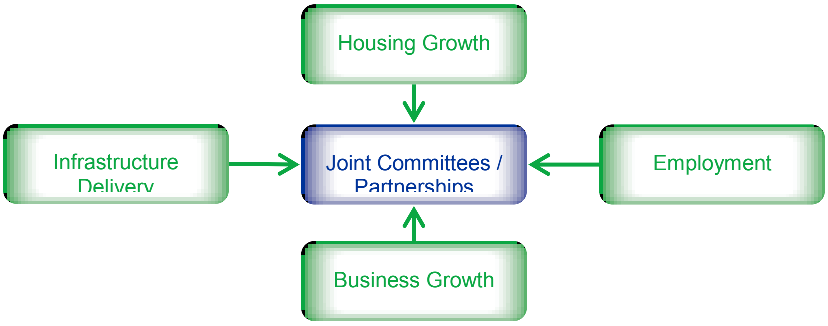


Following continued encouragement from Central Government, there has been an increased willingness and determination from the Leaders within Nottinghamshire to forge closer partnerships of scale (Waste Collection and Management). In addition, the leadership of Gedling and Newark and Sherwood Councils have indicated they would be willing to develop a close working relationship across a broad range of services with Rushcliffe building upon a history of working proactively and positively together. This was formalised following the Cabinet decision on 3 December 2013 and the publication of a Collaboration Agreement in which all three authorities have agreed to work together using a preferred partner approach to maximise capacity, reliance and efficiency where it makes business sense. Closer working between these authorities could both exploit the partnership of scale opportunities whilst also contributing to meeting all three Councils' future aspirations.

3. Partnerships for Governance

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

However, the emergence and growth of other forums has restricted the representation and influencing role of individual districts. The Health and Wellbeing Boards and Local Enterprise Partnerships are prime examples where representation is restricted to one district or borough council.



Therefore, to combat this, it is likely there will be an increase in the number of joint committee arrangements. These will be focused upon agreeing joint objectives, allocating resources and monitoring outcomes which impact regionally and nationally. For example, in January 2014, the Cabinet supported the establishment of the City of Nottingham and Nottinghamshire Economic Prosperity Committee to drive future investment in growth and jobs in the City and County.

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

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

Appendix B

Transformation Programme 2016/17 - 2021/22	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Service Efficiencies & Management Challenge	**1,528**	**1,721**	**1,722**	**1,753**	**1,751**	**1,751**
Thematic Reviews - With Potential Savings						
Bridgford Hall	0	53	108	108	108	108
Council Publications and Promotion	9	9	9	9	9	9
Grants and Support	50	50	50	50	50	50
Leisure Strategy	145	332	424	457	457	457
Travel costs	50	35	56	56	56	56
Burial Provision	23	23	23	23	23	23
Printing for Member Meetings		5	5	5	5	5
Total Thematic Reviews	**277**	**507**	**675**	**708**	**708**	**708**
Income Reviews						
Wheeled bin charges for new houses	10	10	10	10	10	10
Fees and charges Generally	94	160	170	180	180	180
Street Trading Licences	5	5	5	5	5	5
Car Park – Increase Charges	87	174	174	174	174	174
RCP – Compulsory Charging	20	20	20	20	20	20
Increase Charging on Green Bins		152	152	152	258	258
Planning Pre-Application Advice	30	30	30	30	30	30
Total Additional Income	**246**	**551**	**561**	**571**	**677**	**677**
Total Savings	**2,051**	**2,779**	**2,957**	**3,032**	**3,136**	**3,136**

Appendix B

Transformation Programme 2016/17 - 2021/22	**2016/17 £'000**	**2017/18 £'000**	**2018/19 £'000**	**2019/20 £'000**	**2020/21 £'000**	**2021/22 £'000**
Difference to previous year		*728*	*178*	*74*	*104*	*0*
Cumulative Difference		*728*	*907*	*981*	*1,085*	*1,085*
Gross budget deficit excluding Transformation Plan		1,338	1,560	1,814	1,706	1,462
Cumulative Savings in Transformation Plan		728	907	981	1,085	1,085
Gross Budget Deficit/(Surplus) as per Appendix 2		610	653	883	621	377
Transfer (to)/from reserve		(610)	(150)	150	420	0
Cumulative Transformation Target		0	503	983	1,041	377

Potential Schemes - Savings to be determined

Integrated Locality Working

Property Development and Investment

Review Rushcliffe Community Contact Centre

Review Business Support Unit

Review Depot Location

Review and Expansion of Garden Waste Service

Edwalton Golf Course

Review of Community Halls

Review of Community Events

Collaboration - Legal, Constitutional Services, HR

CAPITAL PROGRAMME 2017/18

Ref	Scheme	2016/17 Original Estimate	2016/17 Latest Estimate	2017/18 Indicative Estimate	2018/19 Indicative Estimate	2019/20 Indicative Estimate	2020/21 Indicative Estimate	2021/22 Indicative Estimate
		£000	£000	£000	£000	£000	£000	£000
	Transformation							
	Civic Centre Enhancements	0	50	0	0	0	0	0
	Colliers Way Industrial Units	0	20	0	0	0	0	0
	Bridgford Hall Refurbishment	1,410	2,192	0	0	0	0	0
1	Cotgrave Regeneration & MSC	5,200	2,913	2,920	0	0	0	0
	Cotgrave Employment Land	0	2,642	0	0	0	0	0
2	Land North of Bingham	2,800	2,800	2,800	0	0	0	0
3	Highways England Footbridge A46	0	0	1,700	0	0	0	0
	Eaton Place Toilet Improvements	33	33	0	0	0	0	0
4	RAF Newton	0	0	750	0	0	0	0
5	The Point	0	0	25	0	0	0	0
	Nottinghamshire Broadband	83	83	0	0	0	0	0
6	Arena Car Park Enhancements	0	0	500	0	0	0	0
7	New Depot	0	0	0	2,500	0	0	0
8	Manvers Business Park	0	0	0	100	0	0	0
9	Information Systems Strategy	107	301	165	110	396	308	300
	Sub total	**9,633**	**11,034**	**8,860**	**2,710**	**396**	**308**	**300**
	Neighbourhoods							
10	Wheeled Bins	60	60	70	60	60	60	60
11	Vehicle Replacement	981	553	20	380	615	600	210
	Support for Registered Housing Providers	250	659	250	250	250	200	0
12	Hound Lodge Enhancements	0	0	40	0	0	0	0
	Assistive Technology	0	12	0	0	0	0	0
	Discretionary Top Up Grants	0	130	0	0	0	0	0
	Disabled Facilities Grants	521	475	375	375	375	375	375
	Sub total	**1,812**	**1,889**	**755**	**1,065**	**1,300**	**1,235**	**645**

Appendix 4

CAPITAL PROGRAMME 2017/18

Ref	Scheme	2016/17		2017/18	2018/19	2019/20	2020/21	2021/22
		Original Estimate	Latest Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
		£000	£000	£000	£000	£000	£000	£000
	Communities							
	Capital Grant Funding	48	128	48	48	48	48	48
	Nottinghamshire Cricket Club Grant	90	90	0	0	0	0	0
13	Play Areas - Special Expense	50	50	50	50	50	50	50
	West Park Fencing and Drainage	34	34	0	0	0	0	0
14	West Park Car Park, Access Road, MUGA	0	0	25	0	0	0	0
15	West Park Public Toilet Upgrade	0	0	0	20	0	0	0
16	West Park Sports Pavilion	0	0	0	40	0	0	0
17	West Park Julien Cahn Pavilion	0	0	0	40	0	0	0
18	Gresham Pavilion	0	0	0	35	0	0	0
19	Lutterell Hall	0	0	0	35	0	0	0
20	RCP – Car Park	0	0	90	0	0	0	0
21	Gamston Community Centre	0	0	30	0	0	0	0
	Community Partnership Reward Grants	0	25	0	0	0	0	0
	Sub total	**222**	**327**	**243**	**268**	**98**	**98**	**98**
	Finance and Corporate Services							
	Rushcliffe School Contribution	90	90	0	0	0	0	0
	NCCC Loan	0	1,300	1,400	0	0	0	0
22	BLC Improvements	165	215	130	159	147	55	10
23	CLC Pool Handling Ventilation System	0	0	0	100	0	0	0
	EGC Upgrade Facilities	0	75	0	0	0	0	0
	Asset Investment Strategy	0	500	3,000	1,800	0	0	0
	Arena Car Park Enhancements	55	55	0	0	0	0	0
	Arena Redevelopment	6,555	10,865	500	0	100	0	0
	Car Park Machines	60	60	0	0	0	0	0
24	West Bridgford Car Park Lighting	0	0	50	0	0	0	0

25	Car Park Lighting Upgrade 18/19	0	0	0	110	0	0	0
26	Bridgford Road/Car Park Resurfacing	0	0	0	220	0	0	0
	Contingency	150	240	190	100	100	100	100
	Sub total	**7,075**	**13,400**	**5,270**	**2,489**	**247**	**155**	**110**

PROGRAMME TOTAL	**18,742**	**26,650**	**15,128**	**6,532**	**2,041**	**1,796**	**1,153**

PROJECT APPRAISAL FORM

Project Name: Cotgrave Regeneration	**Cost Centre: 0303**	**Ref: 1**

Detailed Description:
Cabinet report: Cotgrave Regeneration Scheme 8 December 2015 refers. This sets out the continued development of an extensive social and economic regeneration programme. It has been agreed to demolish properties on Scotland Bank and build a new multi-service centre to house health, police, library, RBC Contact Point and Cotgrave Town Council (subject to Town Council approval). Associated works will see the comprehensive refurbishment of the back row of shops, the conversion of the upstairs flats into a business centre and creation of new and improved public realm and landscaping. In addition, up to 15 new industrial units will be provided on the Colliery Site adjacent to the Council's existing stock at Colliers Way.

Location: Cotgrave	**Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Themes:
- Support economic growth to ensure a sustainable, prosperous and thriving local community.
- Maintaining and enhancing our residents' quality of life.
- Transforming the Council to enable the delivery of efficient high quality services. Supporting economic growth.

Strategic Task:
Support the regeneration of Cotgrave including new housing, employment opportunities and a vibrant town centre.

Community Outcomes:
Quality of life for residents in Cotgrave is improved through increased local employment opportunities, an enhanced local environment and excellent local shopping and social facilities.

Other Options Rejected and Why:
Doing nothing would fail to meet the aspirations and commitments of the Borough Council as set out in the Corporate Strategy leading to a demise of the local area.
Full demolition of the shopping centre has been discounted due to the financial, commercial and timescale risks involved: significantly more investment would be required and there is a greater risk of income targets not being met should businesses leave the area leading to low take up of the new units.

Start Date: April 2016	**Completion Date:** March 2018

Capital Cost (Total) :	**Prior Year**	**Year 1: 17/18**	
£5,833,000	£2,913,000	£2,920,000	

Capital Cost (Breakdown): to be determined

Works	**Equipment**	**Other**	**Fees**

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20	**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding

External:	**Internal**
Growth Deal Funding £1,200,000 S106 deposits £950,000 NCC Economic Development £250,000 Prudential Borrowing £1,658,000 Town Council Contribution £300,000	Capital Receipts £1,036,000 Precinct profit reserve £439,000

Useful Economic Life (years): to be determined	**New/Replacement:** New/Replacement
Depreciation per annum: to be determined plus MRP on the borrowing	**Capital Financing Costs:** £5,160
Residual Value: N/A	**Category of Asset:** to be determined: potentially Operational Land and Buildings/Investment Properties/Infrastructure

PROJECT APPRAISAL FORM

Project Name: Land North of Bingham	Cost Centre: 0306	Ref: 2

Detailed Description:
Growth Deal Funding has been secured for the Carr Dyke Flood mitigation scheme and electricity servicing at the land north of Bingham to facilitate the delivery and development of 1,050 new homes and 15.6 (potentially 17.6) hectares of employment land. This will be subject to a detailed appraisal submitted to and approved by the Local Enterprise Partnership. A sum of £201,600 (plus fees) has also been included to support land acquisition for the land at Moorbridge Lane, plus a sum of £300,000 to build an access road to this site which links to the town council owned land.

Location: Bingham	**Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Themes:
- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy – enabling the development of employment units in the Borough which will provide new jobs
- Maintaining and enhancing our residents' quality of life – supporting a sensitively planned and designed new housing development
- Transforming the Council to enable the delivery of efficient high quality services

Strategic Tasks:
- Deliver the housing targets in the Local Plan
- Undertake an economic assessment of the Borough's potential for business growth
- Support the local economy

Community Outcomes:
- Appropriate housing and supporting infrastructure is built following the adoption of the Rushcliffe Local Plan
- The Borough is a more prosperous area with improved employment opportunities and thriving local businesses
- There is employment land available to sell to local businesses which want to expand. This will produce a capital receipt which will be allocated 60 percent to Bingham Leisure and Wellbeing, and 40 percent to the Council, reflecting the purchase price of the 2 hectares of land (1.2 hectares being a peppercorn and 0.8 hectares being at market value).

Other Options Rejected and Why:
- Do not provide the funding from the LEP/New Homes Bonus to support the necessary infrastructure to enable the site to be delivered.
- Planning permission has been previously granted but the scheme has been delayed due to infrastructure issues. The Growth Deal money and NHB has been allocated to support the infrastructure requirements to enable development to progress.

Start Date: September 2016	**Completion Date:** September 2018

Capital Cost (Total):	Prior Year	Year 1: 17/18	
£5,600,000	£220k (land acquisitions)	£5,280,000	

Capital Cost (Breakdown) £: to be determined

Works	Equipment	Other	Fees

Revenue cost per annum:	Year 1: 17/18	Year 2: 18/19
Year 3: 19/20	**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding

External: £2.5m Growth Deal funding	**Internal:** £2.5m New Homes Bonus £0.6m Capital Receipts

Useful Economic Life (years): 40	**New/Replacement:** New
Depreciation per annum: £125,000	**Capital Financing Costs:** £2,100
Residual Value: N/A	**Category of Asset:** Infrastructure/land

PROJECT APPRAISAL FORM

Project Name: **Highways England Footbridge A46 Newton/Bingham 17/18**	**Cost Centre: 0330**	**Ref: 3**

Detailed Description:
Delivery of footbridge across the A46 dual carriageway at Bingham/Newton. This is linked to the RAF Newton housing scheme and involves funding to be secured from **Highways England**, Growth Deal (separate appraisal) and the Landowner/Developer (not included).

Location: A46 dual carriageway at Bingham/Newton	**Executive Manager: Kath Marriott**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintaining and improving our resident's quality of life.
- Economic growth and development

Strategic Tasks:
- Examine the future viability of all Council owned assets including property and equipment.
- Delivering strategic land allocations – the bridge is identified in the Council's core strategy.

Community Outcomes:
The RAF Newton and Bingham are situated in close proximity yet are dissected by the recently dualed A46, a major trunk road running from south west to north east. There is a 2.2 mile walk between the centre of the two sites, and this involves walking along busy link roads for the A46 and A52. Currently one of these roads (Chapel Lane) does not even have a public footpath so, in effect, there is no safe pedestrian access between the two sites as existing.

The proposed link bridge between the two sites would provide direct pedestrian and cycle access from one development to the other and further to all the associated facilities and amenities of Bingham. This means the residents of the RAF Newton settlement would have sustainable access to a wide range of retail and commercial amenities on offer in Bingham

Other Options Rejected and Why:
Do not pursue Highways England funding for the bridge. Securing external funding for this infrastructure would potentially enable the delivery of a higher quantum of affordable housing on the RAF Newton site.

Start Date: 2017/2018 – to be confirmed	**Completion Date: 2017/2018**

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£1.7m (Highways England) (and a further contribution to the commuted sum for maintenance of £0.6m - HE)	£1.7m (Highways England)		

Capital Cost (Breakdown) £:

Works £1.7m	**Equipment**	**Other £**0.6m commuted sum	**Fees**

Revenue cost per annum:	**Year 1: 17/18** **No cost as this is 100 percent external grant funding**	

Proposed Funding	
External: £1.7m & £0.6m	**Internal:**

Useful Economic Life (years): 50 years	**New/Replacement:** New
Depreciation per annum: £N/A	**Capital Financing Costs:** N/A
Residual Value: £0	**Category of Asset:** Bridge – will be owned and maintained by Highways England post construction

PROJECT APPRAISAL FORM

Project Name: RAF Newton	**Cost Centre: 0342**	**Ref: 4**

Detailed Description:
Growth Deal Funding has been secured for an access road at RAF Newton to facilitate the delivery and development of 550 new homes and employment land. This will be subject to a detailed appraisal submitted to and approved by the Local Enterprise Partnership.

Location: RAF Newton	**Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Themes:
- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy – enabling the development of employment units in the Borough which will provide new jobs
- Maintaining and enhancing our residents' quality of life – supporting a sensitively planned and designed new housing development
- Transforming the Council to enable the delivery of efficient high quality services

Strategic Tasks:
- Deliver the housing targets in the Local Plan
- Undertake an economic assessment of the Borough's potential for business growth
- Support the local economy

Community Outcomes:
- Appropriate housing and supporting infrastructure is built following the adoption of the Rushcliffe Local Plan
- The Borough is a more prosperous area with improved employment opportunities and thriving local businesses

Other Options Rejected and Why:
- Do not provide the funding from the LEP to support the necessary infrastructure to enable the site to be delivered.
- Planning permission has been previously granted but the scheme has been delayed due to viability issues. The Growth Deal money has been allocated to support the infrastructure requirements to enable development to progress.

Start Date: Jan 2018		**Completion Date:** September 2018	
Capital Cost (Total) :	**Prior Year**	**Year 1: 17/18**	
£750,000		£750,000	
Capital Cost (Breakdown) £: to be determined			
Works	**Equipment**	**Other**	**Fees**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20		**Year 4: 20/21**	**Year 5: 21/22**
Proposed Funding			
External: £750k Growth Deal funding		**Internal:**	

Useful Economic Life (years): 40	**New/Replacement:** New
Depreciation per annum: N/A	**Capital Financing Costs: N/A**
Residual Value: N/A	**Category of Asset:** Infrastructure/land

PROJECT APPRAISAL FORM

Project Name: **The Point – Building Services Upgrade**	**Cost Centre: 0360**	**Ref: 5**	
Detailed Description: Upgrade to under-croft car park lighting; lightning protection system in respect of fixed electrical installation. Existing car park lighting is approx. 10yrs old and low quality/low efficiency and requires regular maintenance attention. Lightning protection system requires improvement to fully protect fixed electrical installations in the vent of a strike.			
Location: The Point	**Executive Manager: Kath Marriott**		
Contribution to the Council's aims and objectives: **Corporate Themes:** • Transforming the Council to enable the delivery of high efficient high quality services. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.			
Community Outcomes: Upgrade works will enhance the efficiency of the facility, improving comfort for users and help to maximise use of resources.			
Other Options Rejected and Why: Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], negatively impact customer comfort and safety and fail to minimise operational costs.			
Start Date: June 2017	**Completion Date: Sept 2017**		
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£25,000	£25,000		
Capital Cost (Breakdown) £:			
Works £23,000	**Equipment**	**Other**	**Fees** £2,000
Revenue cost per annum:		**Year 1: 17/18** Not quantifiable at this stage, but should see revenue spend on electricity and repairs reduce	**Year 2: 18/19** As for 17/18
Year 3: 19/20 As for 17/18		**Year 4: 20/21** As for 17/18	**Year 5: 21/22** As for 17/18
Proposed Funding			
External:		**Internal:** £25,000	

Useful Economic Life (years): 15 -20 years	**New/Replacement:** New
Depreciation per annum: £1,667	**Capital Financing Costs:** £100
Residual Value: Nil	**Category of Asset:** Investment Property

PROJECT APPRAISAL FORM

Project Name: Arena Car park Enhancements	**Cost Centre: 0336**	**Ref: 6**

Detailed Description:
The new civic centre and leisure centre was developed in 2014-2016 and opened to the public in January 2017.
The plans included the existing car parking with a grasscrete extension at the rear of the building. From opening, it has become apparent that at certain times of day (mid-morning, evenings and weekends) the current car parking capacity is not sufficient for the combination of office, leisure and council (civic) users. In the future, if events or conferences are held onsite, these would lead to additional pressures. The result is inconsiderate parking and hazards onsite, and the potential of inconsiderate parking offsite in the immediate locality.
This appraisal is to construct car parking behind the arena [1350sqm] and to replace existing permeable concrete paving system [in both areas] with macadam system [1000sqm]. A barrier will be erected at the rear of the building in order to retain the ability to reserve a section of the car park for Council use.

Location: West Bridgford	**Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Themes:
- Supporting economic growth to ensure a sustainable, prosperous and thriving local economy – supporting the smooth running of the new leisure centre
- Maintaining and enhancing our residents' quality of life – supporting the smooth running of the new leisure centre
- Transforming the Council to enable the delivery of efficient high quality services – supporting the smooth running of the new leisure centre

Strategic Tasks:
- Deliver the Arena

Community Outcomes:
- Appropriate parking is provided for the new Rushcliffe Arena.

Other Options Rejected and Why:
- Do not increase the parking provision and quality – rejected on the grounds that as a good neighbour and service provider, the Council should ensure that its premises are accessible.

Start Date: April 2017		**Completion Date:** Jun 2017	
Capital Cost (Total) :	**Prior Year**	**Year 1: 17/18**	
£500,000			
Capital Cost (Breakdown) £: to be determined			
Works	**Equipment**	**Other**	**Fees**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20		**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding

External	**Internal:** £500k capital receipt from the sale of the Civic Centre, Bridgford House
Useful Economic Life (years): 40	**New/Replacement:** New
Depreciation per annum: £0	**Capital Financing Costs:** £1,750
Residual Value: N/A	**Category of Asset:** Infrastructure/land

PROJECT APPRAISAL FORM

Project Name: New Depot	**Cost Centre: 0312**	**Ref: 7**

Detailed Description:
The Council's Corporate Strategy 2016-2020 identifies the relocation of the Abbey Road Depot as a strategic task in order to 'develop the property portfolio to enhance the Council's financial position and deliver community outcomes'

The milestones within the strategic task are for the 'preferred site to be identified and the business case prepared by March 2018' and for 'the depot to be relocated by March 2020'.

Location: New location still to be determined	**Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Theme: Transforming the Council to enable the delivery of efficient high quality services
Strategic Task: Continue to develop the Council's Property Portfolio to enhance the Council's financial position and deliver community outcomes, including: Relocate the Abbey Road Depot

Community Outcomes:
The current depot is located within a built up residential area. The functions of the depot are not in keeping with being a good neighbour and travel journeys of large refuse vehicles through busy relatively narrow residential streets.

Relocation would enable more suitable development of this site.

Other Options Rejected and Why:

a) Remain at the existing site – This has been discounted due to the incompatibility of the location within the local environment. Furthermore it would not enable a more appropriate use of the site or financially sustainable operating model to be developed.

Start Date: Construction April 2019	**Completion Date:** January 2020

Capital Cost (Total) :	**Year 1:**	**Year 2:**	
		£2.5m **(note at time of writing a full cost estimate has not been undertaken)**	

Capital Cost (Breakdown) £2.5m to be determined

Works £	**Equipment** £	**Other**	**Fees**

Revenue cost per annum: To be determined	**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20	**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding

External:	**Internal:** £2.5m capital receipts

Useful Economic Life (years):	**New/Replacement:** New
Depreciation per annum: to be determined	**Capital Financing Costs:** £8,750
Residual Value:	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **Manvers Business Park – roof refurb to PH 1&2**	**Cost Centre: 0315**	**Ref: 8**

Detailed Description:
Existing roof coverings and rainwater goods are in excess of 20 yrs old and showing signs of aging. Proposal is to refurbish coverings and rainwater goods to extend life by application of accredited/warranted liquid roofing compounds.

Location: Manvers Business Park	**Executive Manager: Kath Marriott**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Deliver economic growth to ensure a sustainable, prosperous and thriving local economy.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:
- Maintain commercial viability of existing business units and protect income stream.
- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
- Improvement works will enhance customer experience/perception and minimise short term maintenance costs. The Borough is a more prosperous if business units are well maintained helping to sustain on-going employment opportunities and protect thriving local businesses

Other Options Rejected and Why:
Do not carry out refurb works – this would result in further deterioration of the fabric and shortening of the life span of the roof covering to a point where wholesale replacement would become necessary. Visual impact of poorly maintained assets would reflect poorly on tenant/customer perception and ultimately rental yields.

Start Date: June 2018	**Completion Date: Sept 2018**

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£100,000		£100,000	

Capital Cost (Breakdown) £:

Works £90,000	**Equipment**	**Other**	**Fees** £10,000

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20	**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding

External:	**Internal:** £100,000

Useful Economic Life (years): **15 years**	**New/Replacement:** Replacement
Depreciation per annum: £6,666	**Capital Financing Costs:** £350
Residual Value: Nil	**Category of Asset:** Investment Properties

PROJECT APPRAISAL FORM

Project Name: Information Systems Strategy | **Cost Centre: 0596** | **Ref: 9**

Detailed Description:
Currently the organisation has an emerging ICT Strategy that embraces the wider ICT partnership established in July 2011 between Rushcliffe Borough Council, Broxtowe Borough Council and Newark and Sherwood District Council and includes the technical platforms and solutions designed and implemented to support the Fit for the Future programme at Rushcliffe Borough Council and the Moving Ahead programme at Newark and Sherwood District Council. The new ICT Strategy is being developed along with a Technical Delivery Plan.

Location: Civic Centre/Arena | **Executive Manager:** Transformation

Contribution to the Council's aims and objectives:
Corporate Theme: Transforming the Council to enable the delivery of efficient high quality services.
Strategic Task: Develop the use of technology to improve customer access and reduce costs.

Community Outcomes:
Residents are able to readily access Council services and information from any location and at a time by using a method that suits them.

The ICT Strategy is closely aligned to the Council's "Four Year Plan" reviews and ICT will be instrumental in delivering the outcomes identified during these reviews. The Strategy will deliver:

- the implementation of tools to improve integration between front and back office systems
- IT solutions offering a wider choice of access channels that support improved standards of service for customers
- an improved ICT infrastructure that will deliver cost savings and reductions in energy usage
- improved information and support for Members through electronic channels
- efficiency savings, alignment of policies and technologies and a more resilient service through working in partnership with other authorities
- an agile approach in order to be responsive to emerging technologies
- a secure environment for customers data

Other Options Rejected and Why:
Every project is the subject of a business case to be presented to, and approved by, the Executive Management Team (EMT) in order to ensure that the most appropriate IT solution is chosen, having due regard to the alignment of technologies across the partnership, value for money and resilience. The option of not doing so would lead to out dated or incompatible technology which would result in lower performance, higher maintenance costs and hinder the drive for greater efficiencies.

Start Date: On-going | **Completion Date:** On-going

Capital Cost (Total) :	**Year 1: 17/18**	**Year 2: 18/19**	
£275,000 (2 years)	£165,000	£110,000	

Capital Cost (Breakdown):

Works	**Equipment** £100,000	**Other** £150,000	**Fees** £22,000
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20		**Year 4: 20/21**	**Year 5: 21/22**

Proposed Funding		
External: N/A	**Internal:** Capital Receipts	

Useful Economic Life (years): 3 years	**New/Replacement:** New and Replacement
Depreciation per annum: To be determined	**Capital Financing Costs:** £963
Residual Value: Nil	**Category of Asset:** to be determined

PROJECT APPRAISAL FORM

Project Name: Wheeled Bins	**Cost Centre: 0310**	**Ref: 10**

Detailed Description:
This funding is used to facilitate the provision and replacement programme for domestic wheeled bins for all residents across the Borough. It is acknowledged that with the predicted property growth expenditure on the provision of wheeled bins may increase. All wheeled bins are fixed assets which have a finite lifespan and it is important that the Council maintains a programme which also deals with bins that become defective through accidental damage or loss.

Location: Central Works Depot/Borough	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Theme: Transforming the Council to enable the delivery of efficient high quality services.
Strategic Task: Examine the future viability of all Council owned property including equipment.

Community Outcomes:
Residents of the Borough continue to receive the council services they require.

Residents provided with wheeled bins that are in good repair and condition resulting in high standards of customer satisfaction.

Compliance with health and safety legislation as it is important that operatives do not empty bins that are damaged or defective.

Other Options Rejected and Why:
Failure to invest in new wheeled bins could give rise to health and safety issues for residents and staff. Customer satisfaction may be affected giving rise to additional complaints to the Council.

Start Date: Ongoing	**Completion Date:** Ongoing	

Capital Cost (Total) :	**Year 1: 17/18**	**Year 2: 18/19**	
£130,000 (2 years)	£70,000	£60,000	

Capital Cost (Breakdown)

Works	**Equipment**	**Other**	**Fees**
£0	£120,000	£0	£0

Revenue cost per annum:	**Year 1: 17/18** £0	**Year 2: 18/19** £0
Year 3: 19/20 £0	**Year 4: 20/21** £0	**Year 5: 21/22** £0

Proposed Funding

External: N/A	**Internal:** Capital Receipts

Useful Economic Life (years): 10	**New/Replacement:** New/Replacement
Depreciation per annum: £6,000 p.a.	**Capital Financing Costs:** £450 p.a.
Residual Value: N/A	**Category of Asset:** Equipment

PROJECT APPRAISAL FORM

Project Name: Vehicle Replacement	Cost Centre: 0680	Ref: 11

Detailed Description:
The authority owns vehicles ranging from large refuse freighters to small vans and items of mechanical plant. As these vehicles and plant age and become uneconomic to maintain and run, they are replaced on a new for old basis. Although there is a programme for replacements for the next ten years, each vehicle or machine is assessed annually and the programme continually adjusted to take into account actual performance. This provision will be used to acquire new vehicles and plant, undertake refurbishments to extend vehicle life and value and to purchase second hand vehicles and plant as and when appropriate.

Location: Central Works Depot	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Theme: Transforming the Council to enable the delivery of efficient high quality services.
Strategic Task: Examine the future viability of all Council owned property including vehicles and plant to maximise the potential of the Council's portfolio. To work in close alignment with the Council's Transformation Programme in order to deliver services more efficiently.

To reduce waste and increasingly reuse and recycle to protect the environment for the future.

The replacement of vehicles is critical to the performance of the front line services. Regular vehicle and plant replacement with new updated engines helps to meet climate change and national indicator targets for emissions and helps maintain a cleaner air quality within the Borough.

Community Outcomes:
Property owned by the Council is utilised to its full potential.
The introduction of new euro standard engines will lower emissions. The new vehicles will also reduce maintenance costs on the vehicles they replace however it should be noted that the remainder of the fleet ages and therefore the fleet profile and maintenance costs overall remain stable.

Other Options Rejected and Why:
In 2004, the authority considered the leasing and hiring in of vehicles. Due to the level of capital resources it was concluded that it was uneconomical to do either of these two options but as resources reduce these options will be reconsidered. It is likely that this will be re-visited in 2017/108. However, there are also distinct advantages in direct purchase:-
a) The authority has control over the maintenance of the vehicles.
b) It is difficult to change the terms and conditions of a lease.
c) High performing vehicles can have their lifespan lengthened.
d) Poor performing vehicles can have their lifespan shortened.
Not being tied in to lengthy lease/hire contracts means the service can react and adapt to change quickly.

The Council now actively looks at the possible purchase of 2nd hand vehicles and will refurbish vehicles to extend their life and value.

Start Date: Ongoing		**Completion Date:**	
Capital Cost (Total) :	**Year 1: 17/18**	**Year 2: 18/19**	
£400,000 (2 years)	£20,000	£380,000	

Capital Cost (Breakdown)

Works	**Equipment**	**Other**	**Fees**
£0	£400,000	£0	£0

Revenue cost per annum :	**Year 1: 17/18** £0	**Year 2: 18/19** £0
Year 3: 19/20 £0	**Year 4: 20/21** £0	**Year 5: 21/22** £0

As each vehicle replaces an existing vehicle there is no increase in the overall, as whilst newer vehicles can lead to less expenditure on breakdown and repair, the overall fleet profile remains relatively constant and, therefore, service budgets remain the same.	
Proposed Funding:	
External: N/A	**Internal:** Capital Receipts
Useful Economic Life (years): Various	**New/Replacements:** New and Replacements
Depreciation per annum: Various	**Capital Financing Costs:** £1,400
Residual Value: Various	**Category of Asset:** Vehicle and Plant

PROJECT APPRAISAL FORM

Project Name: **Hound Lodge – Building Services Upgrade**	**Cost Centre: 0308**	**Ref: 12**

Detailed Description:
Upgrade to heating and domestic hot and cold water systems to include replacement boiler, calorifiers and cold water storage tanks, inclusive of associated controls and equipment. Existing GF boiler and calorifiers are approx 20 yrs old, are inefficient and becoming problematic causing operation difficulties. Cold water storage arrangements need to be rationalised to maintain water safety.

Location: Hound Lodge	**Executive Manager: Dave Banks**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:
- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance the efficiency of the facility, improving comfort for users and help to maximise use of resources.

Other Options Rejected and Why:
Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], negatively impact customer comfort and safety and fail to minimise operational costs.

Start Date: June 2017	**Completion Date: Sept 2017**

Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**	
£40,000	£40,000		

Capital Cost (Breakdown) £:

Works	**Equipment**	**Other**	**Fees**
£36,000			£4,000

Revenue cost per annum:	**Year 1: 17/18** Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce	**Year 2: 18/19** As for 17/18
Year 3: 19/20 As for 17/18	**Year 4: 20/21** As for 17/18	**Year 5: 21/22** As for 17/18

Proposed Funding

External:	**Internal:** £40,000

Useful Economic Life (years): 15 -20 years	**New/Replacement:** New
Depreciation per annum: £2,667	**Capital Financing Costs:** £140
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: Play Areas (Special Expense Area)	**Cost Centre: 0664**	**Ref: 13**

Detailed Description:
In 2017/18 the focus will be on undertaking consultation with users of the Boundary Road wooden cycle track to establish whether to remove and replace with grass or replace with a small gravel cycle track.

Subject to the scope of these works some remedial works to Greythorne Drive children's play area may be possible within the £50k budget allocation.

Location: Boundary Road, West Bridgford	**Executive Manager:** Communities

Contribution to the Council's aims and objectives:
Corporate Theme: Maintaining and enhancing our residents' quality of life.
Strategic Task: a) Facilitate activities for Children and Young People to enable them to reach their potential.
b) Activate the Leisure Strategy to best provide leisure facilities and activities

Community Outcomes:
Residents continue to be able to access a wide range of leisure facilities and activities supporting them to lead healthy and active lifestyles.
Young people living in the Borough are healthy, active, confident, and engaged in the communities they live in.

Other Options Rejected and Why:
Doing nothing would result in the continued deterioration of the facilities, adversely affecting the reputation of the Council and leading to potential health and safety liability if accidents result from the condition of equipment.

Start Date: Consultation April 2017	**Completion Date: March 2018**

Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**	
	£50,000	£50,000	

Capital Cost (Breakdown) £:

Works £45,000	**Equipment**	**Other**	**Fees** £5,000

Revenue cost per annum:	**Year 1: 17/18** £0	**Year 2: 18/19** £0
Year 3: 19/20 £0	**Year 4: 20/21** £0	**Year 5: 21/22** £0

Proposed Funding

External:	**Internal:** Regeneration and Community Projects Reserve (Special Expense)

Useful Economic Life (years): 15	**New/Replacement:** Replacement
Depreciation per annum: £3,330	**Capital Financing Costs:** £350 p.a.
Residual Value: Nil	**Category of Asset:** Infrastructure/equipment

PROJECT APPRAISAL FORM

Project Name: **West Park car park lighting upgrade**	**Cost Centre: 0676**	**Ref: 14**

Detailed Description:
Upgrade of existing car park lighting to LED. Existing car park lighting is approx. 12-15yrs old and of low performance/efficiency by current standards. Proposal is to upgrade by replacing existing discharge type lighting units with modern LED type, reducing maintenance frequencies, improving light distribution and reducing overall electricity consumption/cost.

Location: West Park Sports Ground	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:

- Transforming the Council to enable the delivery of high efficient high quality services.
- Maintaining and improving our resident's quality of life.

Strategic Tasks:

- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance the efficiency of the lighting to the car parks; enhance user's experience of the facility, also their perceived feeling of safety and help to maximise use of resources.

Other Options Rejected and Why:
Do not upgrade the lighting equipment – this would fail to enhance users perceived feeling of safety, their experience of the facility and fail to capitalise on operational cost savings derived from reduced power consumption and maintenance visits.

Start Date: June 2017	**Completion Date: Sept 2017**

Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**	
£25,000	£25,000		

Capital Cost (Breakdown) £:

Works £22,500	**Equipment**	**Other**	**Fees** £2,500

Revenue cost per annum:	**Year 1: 17/18** Not quantifiable at this stage, but should see revenue spend on electricity and repairs reduce	**Year 2: 18/19** As for 17/18
Year 3: 19/20 As for 17/18	**Year 4: 20/21** As for 17/18	**Year 5: 21/22** As for 17/18

Proposed Funding

External:	**Internal:** £25,000 Capital Receipts

Useful Economic Life (years): 15 -20 years	**New/Replacement:** New
Depreciation per annum: £3,333	**Capital Financing Costs:** £90
Residual Value: Nil	**Category of Asset:** VPE

PROJECT APPRAISAL FORM

Project Name: West Park Sports Pavilion – Public Toilet Refurbishment	**Cost Centre: 0322**	**Ref: 15**

Detailed Description:
Upgrade to existing public toilet facility. Replacement of sanitary ware, fixtures, fittings and finishes. Existing facilities are approx. 15 yrs old and in need of upgrading to maintain good standard and minimise water and power consumption.

Location: West Park Sports Pavilion	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:
- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance customer experience and improve efficiency of the facility.

Other Options Rejected and Why:
Do not upgrade the toilet facilities – this would result in lower customer experience/perceptions of the facility and miss an opportunity to minimise operational costs.

Start Date: June 2018	**Completion Date: Sept 2018**

Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**	
£20,000		**£20,000**	

Capital Cost (Breakdown) £:

Works £17,500	**Equipment**	**Other**	**Fees £2,500**

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce
Year 3: 19/20 As for 18/19	**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19

Proposed Funding

External:	**Internal:** £20,000 Capital Receipts

Useful Economic Life (years): 15 years	**New/Replacement: Replacement**
Depreciation per annum: £1,333	**Capital Financing Costs:** £70
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **West Park Sports Pavilion – Building Services Upgrade**	**Cost Centre: 0321**	**Ref: 16**

Detailed Description:
Upgrade to heating and domestic hot and cold water systems to include replacement boiler, calorifiers and cold water storage tanks, inclusive of associated controls and equipment. Existing LPG boiler and calorifiers are approx 15 yrs old, are inefficient and becoming problematic causing operation difficulties. Cold water storage arrangements need to be rationalised to maintain water safety.

Location: West Park Sports Pavilion	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:
- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance the efficiency of the facility and enhance reliability of the plant whilst helping to minimise on-going maintenance and utility costs.

Other Options Rejected and Why:
Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], potentially negatively impact water safety and customer experience whilst missing an opportunity to minimise operational costs.

Start Date: June 2018		**Completion Date: Sept 2018**	
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£40,000		**£40,000**	

Capital Cost (Breakdown) £:

Works £36,000	**Equipment**	**Other**	**Fees £4,000**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce
Year 3: 19/20 As for 18/19		**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19

Proposed Funding

External:	**Internal:** £40,000 Capital Receipts

Useful Economic Life (years): 15 years	**New/Replacement:** New

Depreciation per annum: £2,666	**Capital Financing Costs:** £140
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **West Park - Julien Cahn Pavilion refurbish toilets/bar and replace bay windows**	**Cost Centre: 0320**	**Ref: 17**

Detailed Description:
Upgrade to existing toilets and bar area, including replacement of timber bay windows. Works to include replacement of sanitary ware, fixtures, fittings and finishes. Existing facilities and bay windows are approx. 15 yrs old and in need of upgrading to maintain good standard and minimise water and power consumption.

Location: West Park – Julien Cahn Pavilion	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:

- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:

- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance customer experience and improve efficiency of the facility.

Other Options Rejected and Why:
Do not upgrade the toilet facilities – this would result in lower customer experience/perceptions of the facility and miss an opportunity to minimise operational costs.

Start Date: June 2018	**Completion Date: Sept 2018**	

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£40,000		**£40,000**	

Capital Cost (Breakdown) £:

Works £36,000	**Equipment**	**Other**	**Fees £4,000**

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on electricity and repairs reduce
Year 3: 19/20 As for 18/19	**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19

Proposed Funding

External:	**Internal:** £40,000 Capital Receipts

Useful Economic Life (years): **15 years**	**New/Replacement: Replacement**
Depreciation per annum: £2,666	**Capital Financing Costs:** £140

Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **Gresham Sports Pavilion – Building Services Upgrade**	**Cost Centre: 0324**	**Ref: 18**
Detailed Description: Upgrade to domestic hot water heating system including associated circulation pumps and controls. Existing GF boilers are approx. 10 yrs old and are becoming inefficient and problematic resulting in operation difficulties. Repairs to the existing boilers will be expensive. Given the history of water safety problems with this site, it is essential that water temps are maintained.		
Location: Gresham Sports Pavilion	**Executive Manager: Dave Mitchell**	
Contribution to the Council's aims and objectives: **Corporate Themes:** • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.		
Community Outcomes: Upgrade works will enhance the efficiency of the facility and enhance reliability of the plant whilst helping to reduce on-going maintenance costs.		
Other Options Rejected and Why: Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], potentially negatively impact water safety and customer experience whilst missing an opportunity to minimise operational costs.		

Start Date: June 2018		**Completion Date: Sept 2018**		
Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**		
£35,000		**£35,000**		
Capital Cost (Breakdown) £:				
Works £31,500	**Equipment**	**Other**	**Fees £3,500**	
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce	
Year 3: 19/20 As for 18/19		**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19	
Proposed Funding				
External:		**Internal:** £35,000 Capital Receipts		

Useful Economic Life (years): 15 years	**New/Replacement:** New

Depreciation per annum: £2,333	**Capital Financing Costs:** £120k
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **Lutterell Hall – Building Services Upgrade**	**Cost Centre: 0326**	**Ref: 19**

Detailed Description:
Upgrade to heating boiler, flue and associated circulation pumps and controls. Existing Hoval GF boiler is approx. 15-20 yrs old and is inefficient and becoming problematic resulting in operation difficulties. Repairs to the existing boiler will be expensive.

Location: Lutterell Hall	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:

- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:

- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.

Community Outcomes:
Upgrade works will enhance the efficiency of the facility and enhance reliability of the plant whilst helping to minimise on-going maintenance and utility costs.

Other Options Rejected and Why:
Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], potentially negatively impact water safety and customer experience whilst missing an opportunity to minimise operational costs.

Start Date: June 2018	**Completion Date: Sept 2018**

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£35,000		**£35,000**	

Capital Cost (Breakdown) £:

Works £31,500	**Equipment**	**Other**	**Fees** £3,500

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce
Year 3: 19/20 As for 18/19	**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19

Proposed Funding

External:	**Internal:** £35,000 Capital Receipts

Useful Economic Life (years): 15 years	**New/Replacement: New**
Depreciation per annum: £2,333	**Capital Financing Costs:** £120
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: Rushcliffe Country Park – car park improvements	**Cost Centre: 0316**	**Ref: 20**

Detailed Description:
To increase the capacity of the car park at Rushcliffe Country Park in line with the December 2016 Cabinet report regarding the introduction of a car parking order at this location.

Capacity will be increased by converting existing areas of grass into car park spaces, removing selected walkway gaps between existing parking bays and introducing delineation within parking bays to ensure closer parking.

Location: Rushcliffe Country Park – visitor centre car park	**Executive Manager:** Communities

Contribution to the Council's aims and objectives:
Corporate Theme: Maintaining and enhancing our residents' quality of life.
Strategic Task: b) Activate the Leisure Strategy to best provide leisure facilities and activities

Community Outcomes:
Residents continue to be able to access a wide range of leisure facilities and activities supporting them to lead healthy and active lifestyles.

Increased capacity to enable more visitors to park safely when visiting Rushcliffe country Park

Other Options Rejected and Why:

a) Reduce the scale of the works and phase over a period of years – this has been rejected as greater efficiencies will be achieved undertaking the works in one project.

b) Not to undertake any car park improvements – this has been rejected as it is acknowledged that increased capacity is required at this site. Furthermore the works are referenced within the cabinet December 2016 Cabinet report on the introduction of a car parking order at this site. The physical improvements at the site will be visible demonstration of the council's re-investment of funding at this site. Not undertaking the works would be more likely to result in negative feedback from visitors.

Start Date: April 2017	**Completion Date: June 2017**

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£90,000	£90,000		

Capital Cost (Breakdown) £:

Works	**Equipment**	**Other**	**Fees**
£82,000			£8,000

Revenue cost per annum:	**Year 1: 17/18** £0	**Year 2: 18/19** £0
Year 3: 19/20 £0	**Year 4: 20/21** £0	**Year 5: 21/22** £0

Proposed Funding

External:	**Internal:** £90,000 Capital Receipts

Useful Economic Life (years): 20	**New/Replacement:** Replacement
Depreciation per annum: £	**Capital Financing Costs:** £315
Residual Value: Nil	**Category of Asset:** Infrastructure

PROJECT APPRAISAL FORM

Project Name: Gamston Community Centre – Building Services Upgrade	**Cost Centre: 0317**	**Ref: 21**

Detailed Description:
Upgrade to heating and domestic hot and cold water systems to include replacement boiler, calorifier and cold water storage tank, inclusive of associated controls and equipment. Existing GF boiler and calorifier are approx 20 yrs old, are inefficient and becoming problematic causing operation difficulties. Cold water storage arrangements need to be rationalised to maintain water safety.

Location: Gamston Community Centre	**Executive Manager: Dave Mitchell**

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintain and enhance our resident's quality of life.
- Transforming the Council to enable the delivery of high efficient high quality services.

Strategic Tasks:
- Examine the future viability of all Council owned assets including property and equipment.
- Improve efficiency and reliability of service and reduce operating costs.
-

Community Outcomes:
Upgrade works will enhance the efficiency of the facility, improving comfort for users and help to maximise use of resources.

Other Options Rejected and Why:
Do not upgrade the building systems – this would put at risk operational certainty for the facility [increased likelihood of breakdowns], negatively impact customer comfort and safety and fail to minimise operational costs.

Start Date: June 2017	**Completion Date: Sept 2017**

Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£30,000	£30,000		

Capital Cost (Breakdown) £:

Works	**Equipment**	**Other**	**Fees**
£27,000			£3,000

Revenue cost per annum:	**Year 1: 17/18**	**Year 2: 18/19**
	Not quantifiable at this stage, but should see revenue spend on gas and repairs reduce	As for 17/18
Year 3: 19/20 As for 17/18	**Year 4: 20/21** As for 17/18	**Year 5: 21/22** As for 17/18

Proposed Funding

External:	**Internal:** £30,000 Capital Receipts

Useful Economic Life (years): 15 -20 years	**New/Replacement: New**
Depreciation per annum: £2,000	**Capital Financing Costs**: £105
Residual Value: Nil	**Category of Asset:** Land & Buildings

PROJECT APPRAISAL FORM

Project Name: **Bingham Leisure Centre – Programme Maintenance Works 2017/18/19**	**Cost Centre:**	**Ref:22**
Detailed Description: In order to ensure that the Bingham Leisure Centre building fabric and engineering services are maintained in a safe, compliant and commercially viable condition, the following discrete/localised works are required around the site: roof area re-covering/replacement; replacement rainwater goods; cladding and window replacement; internal/external door replacement; replacement floor coverings; replacement fire protection to structural framing; replacement of pumps and heat exchangers to the domestic water, heating and chemical dosing systems; replacement of AC systems; replacement of fans etc to ventilation systems; refurbishment of main cold water storage tanks; replacement of electrical distribution boards; replacement of light fittings.		
Location: Bingham LC	**Executive Manager: Peter Linfield**	
Contribution to the Council's aims and objectives: **Corporate Themes:** • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.		
Community Outcomes: Completed works will ensure the facility remains safe for public use and operates more efficiently.		
Other Options Rejected and Why: Do not carry out programme works. This would potentially give rise to localised failure of building fabric/plant reducing customer experience and income generation and give rise to safety/security issues.		

Start Date: April 2017		**Completion Date: March 2019**	
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£289,000	**£130,000**	**£159,000**	
Capital Cost (Breakdown) £:			
Works £264,000	**Equipment**	**Other**	**Fees £25,000**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20		**Year 4: 20/21**	**Year 5: 21/22**
Proposed Funding			
External:		**Internal:** £289,000	
Useful Economic Life (years): **15 years**		**New/Replacement: Replacement**	
Depreciation per annum: £19,267		**Capital Financing Costs:** £1,000	
Residual Value: Nil		**Category of Asset:** Land & Buildings	

PROJECT APPRAISAL FORM

Project Name: CLC Pool Handling Ventilation System	**Cost Centre: 0343**	**Ref: 23**
Detailed Description: The current ventilation system is coming to the end of its life and needs replacing. The new units will maintain a better environment for the users; will be more economical with lower running and maintenance costs.		
Location: Cotgrave Leisure Centre	**Executive Manager:** Finance & Corporate	

Contribution to the Council's aims and objectives:
Corporate Themes:
- Maintaining and enhancing our residents' quality of life
- Transforming the Council to enable the delivery of efficient high quality services

Strategic Tasks:
- Activate the Leisure Strategy to best provide leisure facilities and activities as the conditions in the Strategy arise
- Facilitate activities for Children and Young People to enable them to reach their potential

Community Outcomes:
- Rushcliffe residents continue to be able to access a wide range of leisure facilities and activities helping them to maintain healthy and active lifestyles
- Young people living in the Borough are healthy, active, confident, and engaged in the communities they live in

Other Options Rejected and Why:
The internal wall of the filter is corroded due to the atmosphere created by the chemicals used to disinfect the pool. This reduces the thickness of the metal shell of the filters which have had to be repaired externally on a number of occasions already. Not replacing the filters heightens the chance that a filter will spring a leak or in the worst case a large hole will be blown in the filter leading to an unplanned period of closure and potential injury to staff.

Start Date:		**Completion Date:**	
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£100,000		**£100,000**	
Capital Cost (Breakdown):			
Works	**Equipment** £100,000	**Other**	**Fees**
Revenue cost per annum:		**Year 1: 16/17** £0	**Year 2: 17/18** £0
Year 3: 18/19 £0		**Year 4: 19/20** £0	**Year 5: 20/21** £0
Proposed Funding			
External:		**Internal:** Capital Receipts	

Useful Economic Life (years): 20	**New/Replacement:**
Depreciation per annum: £1,000	**Capital Financing Costs:** £350
Residual Value: Nil	**Category of Asset:** Equipment/Plant

PROJECT APPRAISAL FORM

Project Name: **West Bridgford Car Park Lighting Upgrade 17/18**	**Cost Centre: 0318**	**Ref: 24**
Detailed Description: Upgrade of existing car park lighting to LED. Existing car park lighting is approx. 10yrs old and of low performance/efficiency by current standards. Proposal is to upgrade by replacing existing discharge type lighting units with modern LED type, reducing maintenance frequencies, improving light distribution and reducing overall electricity consumption/cost.		
Location: Bridgford Rd, Nursery and Gordon Rd car parks	**Executive Manager: Peter Linfield**	
Contribution to the Council's aims and objectives: **Corporate Themes:** • Transforming the Council to enable the delivery of high efficient high quality services. • Maintaining and improving our resident's quality of life. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.		
Community Outcomes: Upgrade works will enhance the efficiency of the lighting to the car parks; enhance users feeling of safety and help to maximise use of resources.		
Other Options Rejected and Why: Do not upgrade the lighting equipment – this would fail to enhance users perceived feeling of safety; fail to capitalise on operational cost savings derived from reduced power consumption and maintenance visits.		

Start Date: June 2017		**Completion Date: Sept 2017**		
Capital Cost (Total):	**Year 1:17/18**	**Year 2: 18/19**		
£50,000	£50,000			
Capital Cost (Breakdown) £:				
Works £46,000	**Equipment**	**Other**	**Fees £4,000**	
Revenue cost per annum:		**Year 1: 17/18** Not quantifiable at this stage, but should see revenue spend on electricity and repairs reduce	**Year 2: 18/19** As for 17/18	
Year 3: 19/20 As for 17/18		**Year 4: 20/21** As for 17/18	**Year 5: 21/22** As for 17/18	
Proposed Funding				
External:		**Internal:** £50,000 Capital Receipts		

Useful Economic Life (years): **15 -20 years**	**New/Replacement: Replacement**

Depreciation per annum: £3,333	**Capital Financing Costs:** £175
Residual Value: Nil	**Category of Asset:** VPE

PROJECT APPRAISAL FORM

Project Name: **Car Park Lighting Upgrade 18/19**	**Cost Centre: 0323**	**Ref: 25**
Detailed Description: Upgrade of existing car park lighting to LED. Existing car park lighting is approx. 10 -15yrs old and of low performance/efficiency type by current standards. Proposal is to upgrade by replacing existing discharge type lighting units with modern LED type, reducing maintenance frequencies, improving light distribution and reducing overall electricity consumption/cost.		
Location: Bingham, RoT, East Leake and Keyworth car parks	**Executive Manager: Peter Linfield**	
Contribution to the Council's aims and objectives: **Corporate Themes:** • Transforming the Council to enable the delivery of high efficient high quality services. • Maintaining and improving our resident's quality of life. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.		
Community Outcomes: Upgrade works will enhance the efficiency of the lighting to the car parks; enhance users feeling of safety and help to maximise use of resources by minimising spent of maintenance and power consumption.		
Other Options Rejected and Why: Do not upgrade the lighting equipment – this would fail to enhance users perceived feeling of safety; fail to capitalise on operational cost savings derived from reduced power consumption and maintenance visits.		

Start Date: June 2018		**Completion Date: Sept 2018**	
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£110,000		**£110,000**	
Capital Cost (Breakdown) £:			
Works £100,000	**Equipment**	**Other**	**Fees £10,000**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19** Not quantifiable at this stage, but should see revenue spend on electricity and repairs reduce
Year 3: 19/20 As for 18/19		**Year 4: 20/21** As for 18/19	**Year 5: 21/22** As for 18/19
Proposed Funding			
External:		**Internal:** £110,000 Capital Receipts	

Useful Economic Life (years): 15 -20 years	**New/Replacement: Replacement**

Depreciation per annum: £7,333	**Capital Financing Costs:** £385
Residual Value: Nil	**Category of Asset:** VPE

PROJECT APPRAISAL FORM

Project Name: **Bridgford Rd & Gordon Rd – car park resurfacing**	**Cost Centre: 0325**	**Ref: 26**
Detailed Description: Existing tarmacadam surfaces are approx. 15 yrs old and wearing course is failing; various holding repairs have been carried out to extend current life. Proposal is to plane-off and replace macadam finishes including replacement line markings to rejuvenate facilities.		
Location: Bridgford Rd & Gordon Rd car parks	**Executive Manager: Peter Linfield**	
Contribution to the Council's aims and objectives: **Corporate Themes:** • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. **Strategic Tasks:** • Examine the future viability of all Council owned assets including property and equipment. • Improve efficiency and reliability of service and reduce operating costs.		
Community Outcomes: Improvement works will enhance customer experience/perception and minimise short term maintenance costs.		
Other Options Rejected and Why: Do not resurface the car parks – this would result in lower customer experience/perception of the facility and miss an opportunity to minimise operational costs.		

Start Date: Sept 2018		**Completion Date: Feb 2019**	
Capital Cost (Total) :	**Year 1:17/18**	**Year 2: 18/19**	
£220,000		**£220,000**	
Capital Cost (Breakdown) £:			
Works £200,000	**Equipment**	**Other**	**Fees £20,000**
Revenue cost per annum:		**Year 1: 17/18**	**Year 2: 18/19**
Year 3: 19/20		**Year 4: 20/21**	**Year 5: 21/22**
Proposed Funding			
External:		**Internal**: £220,000 Reserves	

Useful Economic Life (years): 15 years	**New/Replacement: Replacement**
Depreciation per annum: £14,667	**Capital Financing Costs:** £770
Residual Value: Nil	**Category of Asset:** Infrastructure

TREASURY MANAGEMENT STRATEGY 2017/18 – 2021/22

Introduction

1. The Local Government Act 2003 requires the Council to comply with the CIPFA Prudential Code for Capital Finance in Local Authorities when carrying out capital and treasury management activities.

2. The CIPFA Prudential Code establishes a framework designed to support local strategic planning, local asset management planning and option appraisal. The objectives of the CIPFA Prudential Code are to ensure that capital investment plans are affordable, prudent and sustainable.

3. The overall prudential framework also has an impact on the Council's treasury management activities as it directly impacts borrowing and investment activity. The Treasury Management Strategy for 2017/18 to 2021/22 is included from paragraph 19.

The Capital Prudential Indicators

4. The Council's capital expenditure plans are summarised below and forms the first of the prudential indicators. Capital expenditure needs to have regard to:

    - Corporate objectives (e.g. strategic planning);
    - Stewardship of assets (e.g. asset management planning);
    - Value for money (e.g. option appraisal);
    - Prudence and sustainability (e.g. implications for external borrowing and whole life costing);
    - Affordability (e.g. implications for council tax); and
    - Practicability (e.g. the achievability of the Corporate Plan)

Capital Expenditure Estimates

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

Table1: Projected Capital Expenditure

£'000	2016/17 Estimate	2016/17 Revised	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Expenditure	18,742	26,650	15,128	6,532	2,041	1,796	1,153
Financed by:							
Capital Receipts	3,228	6,192	3,772	4,170	1,449	1,365	811
Capital Grants/ Contributions	6,985	7,050	4,642	292	542	381	292
Reserves	1,874	2,527	1,754	270	50	50	50
Net Financing Need for the Year (Internal Borrowing)	**6,655**	**10,881**	**4,960**	**1,800**	**0**	**0**	**0**
Total	**18,742**	**26,650**	**15,128**	**6,532**	**2,041**	**1,796**	**1,153**

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

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

7. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital expenditure which has not yet been paid for by either revenue or capital resources. The capital expenditure above which has not been financed will increase the CFR from a negative to a positive position (i.e. the use of internal borrowing, which reduces our investment balance). MRP is as a result of borrowing in relation to the Arena development and the Asset Investment Strategy (see paragraph 33).

Table 2: CFR Projections

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Capital Financing Requirement						
Opening Balance	(505)	10,376	14,336	15,086	14,036	12,986
Movement in CFR	10,881	3,960	750	(1,050)	(1,050)	(1,050)
Closing Balance	10,376	14,336	15,086	14,036	12,986	11,936
Movement in CFR represented by						
Net financing need for the year	10,881	4,960	1,800	0	0	0
Less MRP/VRP and other financing movements	0	(1,000)	(1,050)	(1,050)	(1,050)	(1,050)
Movement in CFR	**10,881**	**3,960**	**750**	**(1,050)**	**(1,050)**	**(1,050)**

8. CLG Regulations have been issued which require the Corporate Governance Group to consider a Minimum Revenue Provision (MRP) Statement in advance of each year. Further commentary regarding financing of the debt is provided within the Treasury Management Strategy Statement (paragraphs 30-33). A variety of options are provided to Councils, so long as there is prudent provision. The following MRP Statement is recommended (taking advice from our Treasury Advisors).

9. Rushcliffe Borough Council has fully financed its capital expenditure incurred before 1 April 2017. In the event of an MRP charge being required the policy for approval is:

- *Option 3 Asset Life Method – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction).*

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

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

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

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

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

Table 3: Expected Investment Position

Year End Resources £'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Expected year-end balances	17,500	12,000	10,700	11,750	12,200	13,000
Expected Average Investments over the year	26,200	14,000	11,500	11,000	12,000	12,600

Prudential Indicators for External Debt

Authorised Limit for External Debt

11. The authorised limit is the "affordable borrowing limit" required by section 3 (1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It shows the maximum amount the Council could afford to borrow in the short term to maximise treasury management opportunities and either cover temporary cash flow shortfalls or use for longer term capital investment. The limit has been increased reflecting the requirement to borrow to finance both the Arena development the Asset Investment Strategy.

Table 4: The Authorised Limit

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Authorised Limit	31,000	25,000	25,000	24,000	23,000	22,000

Operational Boundary for External Debt

12. The operational boundary is the expected borrowing position of the Council during the course of the year. The operational boundary is not a limit and actual borrowing can be either below or above the boundary subject to the authorised limit not being breached. The changes correlate with the Authorised Limit and the reasons stated at paragraph 11.

Table 5: The Operational Boundary

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Operational Boundary	26,000	20,000	20,000	19,000	18,000	17,000

Prudential Indicator for Prudence

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

Gross Borrowing and the Capital Financing Requirement

14. This is a key indicator of prudence. In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council needs to ensure that debt does not, except in the short term, exceed the total capital financing requirement in the preceding year plus the estimates of any additional increases to the CFR for the current and following two financial years.

Table 6: CFR versus Gross External Debt

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Gross Borrowing at 1 April	0	0	0	0	0	0
Other long term liabilities	0	0	0	0	0	0
Gross Borrowing at 31 March	0	0	0	0	0	0
Capital Financing Requirement						
Total CFR	10,376	14,336	15,086	14,036	12,986	11,936

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

Prudential Indicators for Affordability

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

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

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

Table 7: Ratio of Financing Costs to Net Revenue Stream

	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	-2.58%	-2.15%	-2.27%	-2.39%	-2.45%	-2.57%

Incremental Impact of Capital Investment Decisions

18. This is an indicator of affordability that shows the incremental impact of capital investment decisions on Council Tax. The indicator identifies the revenue costs associated with the capital programme for a particular year. A negative figure is indicative of the assumed benefits from the Arena redevelopment and the Asset Investment Strategy.

Table 8: Capital Expenditure – Annual Impact on Council Tax

	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Impact on Council Tax – Band D	(0.38)	(13.50)	(15.91)	(16.22)	(15.84)	(15.50)

Treasury Management Strategy Statement 2017/18 to 2021/22

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

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

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Statutory and Professional Requirements

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

22. The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act, included from section 44); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments, and accords with the CIPFA Treasury Management Code of Practice 2011 ('the Code').

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

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

24. The suggested strategy for 2017/18 in respect of the following aspects of the treasury management function is based upon interest rate forecasts provided by the Council's treasury advisor, Arlingclose, combined with our expected cashflow position.

The Current Economic Climate and Prospects for Interest Rates.

25. There is global economic uncertainty surrounding BREXIT and the prospect of leaving the single market as business confidence has reduced which will weaken economic growth in 2017/18 and the election of Donald Trump as US president.

26. The Bank of England base rate informs the rates than can be obtained on investments, this is expected to remain low which will result in interest rates also remaining low. Base rate is expected to remain at 0.25% throughout 2017/18 and long term interest rates are also expected to remain low. The table below shows the assumed average interest that will be made over the next five years for budget setting purposes.

Table 9: Budgetary Impact of Assumed Interest Rate Going Forward

%	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Anticipated Interest Rate	0.35	0.50	0.75	1.0	1.25
Expected interest from investments	171,500	122,500	138,300	155,000	177,500
Other interest	100,400	129,200	123,100	118,000	112,600
Total Interest	**271,900**	**251,700**	**261,400**	**273,000**	**290,100**

27. As previously reported in the event that a bank suffers a loss the Council could be subject to bail-in to assist with the recovery process. The impact of a bail-in depends on the size of the loss incurred by the bank or building society, the amount of equity capital and junior bonds that can be absorbed first and the proportion of insured deposits, covered bonds and other liabilities that are exempt from bail-in.

28. The Council has managed bail-in risk by both reducing the amount that can be invested with each institution to £5 million and by investment diversification. There are also proposals for EU regulatory reform to Money Market Funds which could result in these funds moving to variable net asset value and losing their credit ratings. Diversification of investments between creditworthy counterparties to mitigate bail-in risk will become even more important with these developments.

External Debt and Investment Projections 2017/18 to 2021/22

Debt Projections

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

Table 10: Debt Projections

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Debt at 1 April	0	0	0	0	0	0
Debt at 31 March	0	0	0	0	0	0
Operational Boundary	26,000	20,000	20,000	19,000	18,000	17,000

30. The capital programme assumes internal borrowing of (see section 33):

- £10,881,000 in 2016/17;
- £4,960,000 in 2017/18; and
- £1,800,000 in 2018/19

31. For the Arena development, amounts of £1,000,000 are planned to be set aside from 2017/18 onwards which will be financed by the New Homes Bonus for the repayment of this debt in accordance with the statutory provisions as detailed in the MRP policy set out in section 9.

Investment projections

32. The following table highlights the expected change in investment balances:

Table 11: Investment Projections

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Investments at 1 April	35,000	17,500	12,000	10,700	11,750	12,200
Expected change in investments	(17,500)	(5,000)	(1,300)	1,050	450	800
Investments at 31 March	17,500	12,000	10,700	11,750	12,200	13,000

Borrowing Strategy 2017/18 to 2021/22

33. The Council will internally borrow a total of £17.6 from 2016/17 to 2018/19 to finance the Arena development and the Asset Investment Strategy. Short-term internal borrowing will also be used to finance the capital programme as short-term interest rates are currently much lower than long-term rates so it is likely to be more cost effective to use internal resources.

34. By doing this, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise.

35. The approved sources of long-term and short-term borrowing are:

- Internal borrowing
- Public Works Loan Board (or the body that will replace the PWLB in the future)
- Local authorities
- Commercial banks
- Money markets
- Leasing
- Special purpose companies created to enable local authority bond issue

Treasury Management limits on activity

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

Upper Limits for Fixed and Variable Rate Exposure

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

Table 12: Interest Rate Exposure

%	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Fixed						
Upper Limit for Fixed Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments over 1 year	25	25	25	25	25	25
Upper Limit for Fixed Interest Rate Exposure on Investments up to I year	100	100	100	100	100	100
Variable						
Upper Limit for Variable Interest Rate Exposure on Debt	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure on Investments	100	100	100	100	100	100

Maturity Structure of Fixed Rate Borrowing

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

Table 13: Maturity structure of Fixed Rate Borrowing

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

39. As the Council does not have existing fixed rate external borrowing, the upper limits have been set at 100% to allow scope for loans to be taken in the appropriate maturity band.

Upper Limit for Total Principal Sums Invested over 1 year

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

Table 14: Principal Sums Invested over 1 year

£'000	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Upper Limit for Total Principal Sums Invested over 364 days	4,375	3,625	3,100	3,050	3,050	3,250

Credit Risk

41. The Council considers security, liquidity and yield, in that order, when making investment decisions. Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Authority's assessment of counterparty credit risk.

42. The Council also considers alternative assessments of credit strength such as information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution
- Sovereign support mechanisms
- Credit default swaps (where quoted)
- Share prices (where available)

- Corporate development, news, articles, market sentiment and momentum
- Subjective overlay

43. The only indicators with prescriptive values are credit ratings. The other indicators of credit worthiness are considered in relative rather than absolute terms.

Investment Strategy 2017/18 to 2021/22

44. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitable low investment income.

45. The Council will ensure that:

    - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring of their security which is set out in the Specified and Non Specified investments sections below.

    - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for funds may prudently be committed. These procedures will also apply to the Council's prudential indicators covering the maximum principal sums invested.

46. The CIPFA Treasury Management Code recommends that organisations should clearly specify the minimum acceptable credit quality of its counterparties; however they should not rely on credit ratings alone and should recognise their limitations. Credit ratings should only be used as a starting point when considering credit risk and organisations should make their investment decisions based on all ratings issued by the main credit rating agencies.

47. Credit rating information is provided by Arlingclose on all active counterparties that comply with the criteria below. A counterparty list will be maintained from this information and any counterparty not meeting the criteria will be removed from the list.

48. Should a body be removed from the Council's counterparty list then any extant investment will normally be retained until the earliest date under the agreement upon which it can be reclaimed. During such a period no further investments will be made with the counterparty.

Current investments

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

Specified investments

50. The CLG guidance defines specified investments as those:

- Denominated in pound sterling,
- Due to be repaid within 12 months of arrangements,
- Not defined as capital expenditure by legislation, and
- Invested with one of:
    - The UK Government
    - A UK local authority, parish council, or community council, or
    - A body or investment scheme of “high credit quality”

51. The Council now defines “high credit quality” organisations as those having a credit rating of A-and above.

Non-specified investments

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

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

Table 15: Counterparty Details

	Rating body (Fitch or equivalent)	Money Limit (maximum)	Time Limit (up to)	Specified	Non-specified
UK domiciled Banks and Building Societies Unsecured	A- and above BBB+	£5m £5m	2 years 6 Months	Y N	Y Y
UK domiciled Banks and Building Societies Secured	BBB+ to AAA	£5m	6 months to 5 years based on rating	Y	Y
Non-UK domiciled Banks	A and above	£5m	1 year	Y	N
Unrated Building Societies	Not rated	£1m	100 days	Y	N
UK Central Government	Government Secure		50 years	Y	Y
UK Local Authorities	Highly Secure Not Rated	£5m	5 years	Y	Y
UK Registered Providers of Social Housing	A-	£5m	5 years	Y	N
Money Market Funds and other pooled funds	Likely to lose credit ratings (para. 29)	£5m	N/A*	Y	Y
Corporate Bonds and bond funds	A-	£5m	5 Years	Y	Y
Funding Circle	N/A	£0.5m	5 years	N	Y
CCLA Property Fund	N/A	£2.5m	N/A**	N	Y

*Pooled funds do not have a defined maturity date. Monies in Money Market Funds can be withdrawn on the same date; monies in other pooled funds can be withdrawn giving the requisite notice, generally between 1 and 7 days.

**Monies in the CCLA Property Fund can be withdrawn on each monthly redemption date, if required; it is the Council's intention to hold its investment over a reasonable time frame for property investments, which is 5 years.

54. Although the above table details the counterparties that the Council could invest funds with it would not invest funds with counterparties against the advice of Arlingclose even if they met the criteria above.

55. Changes to any of the above can be authorised by the Section 151 Officer or the Deputy Section 151 Officer and thereafter will be reported to the Corporate Governance Group.

This is to cover exceptional circumstances so that instant decisions can be made in an environment which is both fluid and subject to high risk.

Treasury Management Advisors

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

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

57. Whilst the treasury management advisors provide support to the internal treasury function, the current market rules and the CIPFA Treasury Management Code confirms that the final decision on treasury management matters rests with the Council. The service provided by the Council's treasury management advisors is subject to regular review.

Member and Officer Training

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

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

APPENDIX 6

Use of Earmarked Reserves in 2017/18	Projected Opening Balance	Projected Income	Projected Expenditure		Net Change in Year	Projected Closing Balance
	£'000	£'000	£'000		£'000	£'000
Investment Reserves						
Regeneration and Community Projects	**1,341**	158	(105)	1	**53**	**1,394**
Cotgrave Regeneration Project	**429**	0	(429)	2	**(429)**	**0**
The Point Enhancements	**60**	30	(25)	3	**5**	**65**
Councils assets and service delivery	**274**	0	0		**0**	**274**
Local Area Agreement	**122**	0	0		**0**	**122**
New Homes Bonus	**2,848**	1,800	(3,670)	4	**(1,870)**	**978**
Invest to Save	**150**	0	0		**0**	**150**
Corporate Reserves						
Organisational Stabilisation	**1,333**	0	(788)	5	**(788)**	**545**
Risk and Insurance	**100**	0	0		**0**	**100**
Planning Appeals	**350**	0	0		**0**	**350**
Elections	**153**	0	0		**0**	**153**
Operating Reserves						
Planning	**187**	0	(80)	6	**(80)**	**107**
Lottery	**55**	0			**0**	**55**
Planned Maintenance	**100**	0			**0**	**100**
	7,502	1,988	(5,097)		**(3,109)**	**4,393**

Notes:

1. Special Expenses £158k to support future spending requirements, £105k planned use in year; 2. £429k Cotgrave Regeneration 3. £30k Contribution to meet future Point liabilities, 17/18 £25k; 4. NHB receipts £1.8m, Land North of Bingham £1.25m, £1.4m NCCC loan, £1m Arena MRP and £20k Members Community Support Grants; 5. £610K to support budget, £110k year 2 Positive futures grant; 6. £80k Local Plan development.

When telephoning, please ask for: Peter Linfield
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Date : 12 January 2017

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Charles Coleman,
Department for Communities and Local Government
2nd Floor, Fry Building
2 Marsham Street
London
SW1P 4DF

Dear Mr Coleman,

Draft Local Government Finance Settlement 2017/18 – Rushcliffe Borough Council Response

This is Rushcliffe Borough Council's response to the 2017/18 draft Finance Settlement. Contextually our comments are set against a background of significant reductions in government funding in terms of Revenue Support Grant (by £2.6m in 2019/20, a 100% reduction). The Council has tackled these pressures with great gusto in terms of identifying significant savings in terms of both efficiencies and generating income, whilst maintaining the delivery of excellent services.

These reductions have now been compounded by the impact of the New Homes Bonus (NHB) proposals and our response focuses upon this and in particular Question 2 of the consultation **Do you think the Government should consider transitional measures to limit the impact of reforms to the New Homes Bonus?**

This Council has been committed to using New Homes Bonus:

- £590,000 investment in social housing units across the borough including the conversion of Leys Court, Ruddington into 21 general needs flats and 30 affordable homes by redeveloping 8 garage sites;
- £2m commitment to support the Growth Deal of £6.3m to lever in £450m of development for the A46 corridor for Cotgrave, Bingham and RAF Newton generating both housing and business growth;
- £100,000 for the Strategic Growth Board to enable further growth throughout the Borough; and
- A £10.2m commitment of NHB over 10 years to fund the Leisure Centre and new office accommodation project. This in itself will create jobs and with a better leisure facility make the area more attractive to both businesses and individuals to locate in the borough. A further effect is that by rationalising of the Council's office accommodation this enables the Civic Centre to be developed as a

mix of either business or housing or both providing more opportunities for growth.

Furthermore the Council in its Local Plan has the challenge of delivering 13,150 new homes between 2011 and 2028, with a 30% target of affordable housing. This latter point is particularly important given the focus on using Band D properties and the impact of the 'deadweight' figure of 0.4% which we discuss below. We are extremely disappointed that the consultation has taken almost a year for any response and this has been exacerbated by the surprise of the 0.4% deadweight, more than the 0.25% quoted in the consultation; and despite the fact that the Government acknowledges in their response to the consultation that most councils are opposed to having any deadweight. We also oppose this and our reasons are outlined below.

As a Borough Council we face many pressures and particularly costs and risks in ensuring housing is delivered, and the pressures our Planning Service faces. NHB, given our wider diminishing resources, and the volatility of the Business Rates income stream, is one area of funding that helps support growth. The reduction in funding goes against Government policy in terms of assisting with housing growth and particularly affordable housing going forward. As authorities look at more Band A to C properties (as affordable housing), there may be substantial growth in the numbers of these, but due to use of the Band D equivalent many authorities will gain little, if any, reward in terms of NHB. We see NHB being essential in supporting both housing and wider economic growth, for example, it can be used to support infrastructure, often a barrier to housing development.

We also question the potential disparity in resources for those areas that will benefit from the creation of new towns and garden villages which we do not believe are factored into the overall settlement; and will make the achievement of 'relative housing growth' even more challenging. We estimate the impact for 2017/18 on the reduction in NHB to be £453,000 (with £233,000 of this due to the introduction of the deadweight and £220,000 due to the movement from 6 years to 5 years of funding, with a further loss of funding when it becomes 4 years in 2018/19). We estimate our loss in potential NHB resources to be around £3.9m up until 2019/20 based on the movement to the new funding mechanism.

We do not wish to see a reduction in NHB, particularly as it is being diverted to fund Adult Social Care and we do not agree with the rationale for this given NHB was intended as a reward for housing growth. Underfunding of local government services remains a major issue nationally, moving funding around the various pots and tiers of authority does not address this. Furthermore we do not understand the rationale of the 0.40% deadweight and its derivation?

Our Recommendation:

Given on-going financial pressures ideally we do not wish to see any changes to the existing mechanism of allocating NHB but as a minimum request, in terms of transitional arrangements, the deadweight figure is capped at 0.25% or another form of transitional funding is introduced which allows ourselves (and others) to manage the loss in funding in a sensible manner.

Hopefully you find our comments constructive and take them into account in the 2017/18 final Local Government finance settlement.

Yours sincerely,

[redacted]

Peter Linfield
Executive Manager – Financial and Corporate Services

When telephoning, please ask for : Allen Graham
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Date: 12 January 2017

Rushcliffe Borough Council

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The Rt. Hon. Kenneth Clarke QC MP
House of Commons
Westminster
London
SW1A 0AA

Dear Ken,

Re: Finance Settlement Consultation Response

I am sure you will be aware of the current consultation regarding the local government finance settlement, and no doubt will have been following the debate very closely regarding the likely local impact of the settlement.

We have clearly been considering our response to ensure that we both protect the local council tax payers' interests, whilst also continuing to pursue the government's growth agenda.

Please find attached a copy of our response, which we believe is balanced and appropriate. It would be helpful if you, as our local MP, could make representations in support of our response. I would be delighted to discuss this further with you if required.

Finally, regarding the changes to the new homes bonus, it is strongly felt that once again, as a low council tax levying authority that has also resisted utilising the new homes bonus to support our revenue position, our positive behaviours are being penalised by a reduction which will undoubtedly inhibit our ability to reward our residents for accommodating increased housing.

Yours sincerely,

[redacted]

Allen Graham
Chief Executive

Encl. Rushcliffe Borough Council Response to Draft Local Government Finance Settlement 2017/18

Cc Cllr Neil Clarke, Leader
Cllr Simon Robinson, Deputy Leader

In person
Monday to Friday
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