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Our reference:
Your reference:
Date: Wednesday, 26 February 2025

To all Members of the Council

Dear Councillor

AGENDA SUPPLEMENT

Please note the attached documents below for the meeting of the Council to be held on Thursday, 6 March 2025, the agenda for which has already been published.

Yours sincerely



Sara Pregon
Monitoring Officer

AGENDA

10. 2025/26 Budget and Financial Strategy

Labour Motion to Amend the Proposed Council Budget 2025-26 is attached.

Membership

Chairman: Councillor A Brown

Vice-Chairman: Councillor J Cottee

Councillors: M Barney, J Billin, T Birch, R Bird, A Brennan, R Butler, S Calvert, J Chaplain, K Chewings, N Clarke, T Combellack, S Dellar, A Edyvean, S Ellis, G Fletcher, M Gaunt, E Georgiou, P Gowland, C Grocock, R Inglis, R Mallender, S Mallender, D Mason, P Matthews, H Om, H Parekh, A Phillips, L Plant, D Polenta, N Regan, D Simms, D Soloman, C Thomas, R Upton, D Viridi, J Walker, R Walker, L Way, T Wells, G Wheeler, J Wheeler and G Williams

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MOTION TO AMEND THE PROPOSED COUNCIL BUDGET 2025/26

Proposed by: Cllr Jen Walker, Leader of the Labour Group

Seconded by:

This motion is to amend the Rushcliffe Borough Council 2025/26 budget to include the addition of:

1. Increase the Disabled Facilities Grant (DFG) budget to the level of annual demand and restore the discretionary element of DFG provision
2. Community Governance Review for West Bridgford to have a Town Council

PROPOSAL 1 – Disabled Facility Grants

1. BACKGROUND INFORMATION

1.1 In 2022 the Council put an additional £500k capital into the provision of Disabled Facilities Grants (DFGs) in the borough spread over two years (2022/23 and 2023/24). During 2024/25 the Council also earmarked £200k of in-year efficiencies to top up the provision for DFG in 2024/25. These are grants to support residents to stay in their properties by undertaking capital works to the premises when the resident has additional needs due to a disability. The grants are means tested unless they are for the needs of a disabled child in which case they are not means tested. Grants are for up to £30k of works (mandatory grants) with the discretionary element of the grant (additional funding for adaptations exceeding the £30k mandatory grant) were stopped and funding moved to mandatory grants due to the insufficient budget allocation. Previously this budget had been £100k, capped at £20k per grant.

1.2 In 2024/25 the budget for DFGs are projected to be underspent due to additional in year govt funding, complexity of grant works and length of build projects, contractors availability to undertake the work and officer capacity with two FTE DFG officers. £695k has been allocated to RBC annually by the Better Care Fund administered by Nottinghamshire County Council. This is based on a government formula. Rushcliffe is allocated less funds than any other district in the county. The Council has been actively lobbying the Government for more equitable funding. It was recently announced that the Government were allocating £86m of additional funding for DFGs for 2024/25 with RBCs share £113,594. From 25/26 onwards, the Council's total annual allocation is increased to £840k (including the additional allocation) per annum (plus the additional £200k from efficiencies in 2024/25). The projected position over the next 4 years at current staffing levels allows mandatory demand to be met.

1.3 It has also recently been agreed that the Nottinghamshire districts will pool uncommitted DFG funds and distribute to districts where demand outstrips budget resources. The Government are also looking into the national funding formula for DFGs (as part of the wider finance review) which may result in increases in funding for Rushcliffe.

- 1.4 The proposal in this amendment to the budget is that the Council include an annual budget increase equal to the resources required to deliver the demand for DFG adaptations and reinstate the discretionary top up grant.

AMENDMENT 1

The Labour Group would like this council to agree to identify 'uncommitted budgets in year' and consider an injection of RBC resources to match local demand in the short, medium and long-term, and to fund the restoration of the discretionary grant to support those without their own private financial resources to match fund the DFG. We believe that by not restoring the discretionary fund at a time when the costs have increased exponentially beyond the original framework for the DFG in 2011, Rushcliffe is operating a two-tier system for accessibility housing adaptations. It is making a political choice to not give residents on lower incomes the means to make the accessibility housing adaptations they need. It is in effect, a part-privatisation of the system: those that can afford it can make the adaptations, those without the financial means, cannot, and thus will suffer a detrimental impact to their personal independence and quality of life that the council is choosing to not address.

Much of the difficulty we have faced keeping up-to-speed with the need in the borough is because when a Council is a stock holding authority, the Housing Revenue Account (HRA) is used for DFG adaptations in council owned properties and where the Council is non-stock holding, the DFG allocation has to pay for all DFG adaptations, including those of Registered Providers, which make up over 40% of DFG applications in Rushcliffe, so we would also like to see proposals to rebuild Rushcliffe's own housing stock, reconsidered in light of this new information.

2. MANAGEMENT COMMENTS

There is a small team that manages and administers the Disabled Facilities Grants for the borough. An increase in the budget equivalent to demand for disabled facilities adaptations would require an additional staff resource equivalent to one FTE in order to process the applications. This would cost approximately £50k per annum which would be capitalised. Whilst allocating additional Council resources may help to accommodate the number of applications, there are limitations on the number of adaptations that can physically be completed due to the small pool of contractors used and the time to undertake the building works which are often complex in nature. There is also a careful balance to be struck between having a pipeline of committed budget when grants are approved and full payment of the grant when work is completed as otherwise an overspend can occur.

Regarding the setting-up of a Housing Revenue Account or acquiring social housing this would be a significant piece of work and place significant operational and financial risk upon the Council. The issues that were pertinent last year still remain and for ease of reference these are included at Appendix A. Irrespective of the delivery vehicle the full costs of DFGs would still have to be met.

3. LEGAL COMMENTS

The delivery of Disabled Facilities Grants is a statutory function pursuant to the Housing Grants, Construction and Regeneration Act 1996 and the Council continues to deliver its statutory duties within the budget allocated albeit waiting times may be lengthened with the current budget provided. The Council has the discretion to provide financial assistance from its own budgets to those who do not qualify for home adaptations funding under the statutory duty or to top up government funding.

4. FINANCIAL COMMENTS (S151)

a. The increase in mandatory DFG budget to match the average annual value of referrals (£1.481m) would require an increase to the Capital budget of £640k per annum or £3.2m over the 5-year period. The additional cost of officer resources would be approximately £50k per annum or £250k over the 5-year period. A total increase in capital budget of £3.45m.

b. The reinstatement of the DFG discretionary budget would cost £400k per annum (10 cases required additional funding of £40k (£70k total cost) or £2m over the MTFs. In terms of sensitivity the amount of budget required depends upon how many of the grants go above the £30k ceiling and by how much.

c. The Council's focus should be still on attaining more resource from central government or Nottinghamshire authorities rather than using existing scarce RBC capital resource (around £3.4m remaining by 2029/30). The Council's capital resources are not sufficient to fund the proposals above and therefore the outcome is that by using the Council's Capital Resources we would need to either externally borrow earlier (also incurring costs of borrowing) or reduce other capital schemes or re-appropriate ear marked reserves (use of earmarked reserves would also require a change to Appendix 4 and Table 14).

d. In terms of the MTFs (Table 17) over 5 years this would amount to an additional £5.45m of resource requirements. Amendments would be required to Tables 17 and Appendix 3 in relation to the Capital Programme.

PROPOSAL 2 – West Bridgford Town Council

1. BACKGROUND INFORMATION

- 1.1. Special expenses are applied when the Council provides a service in a parish or unparished area which is provided in other parishes by a town or parish council. The cost of providing such services has to be met by the council taxpayers of the area or areas where the Council is providing that service, so a special expense is charged to the council taxpayers of that area or those areas.
- 1.2. The concept of 'special expenses' dates back to the Local Government Act (LGA) 1933 and further provision was made in the LGA 1972. The current provisions are set out in S35 of the Local Government Finance Act 1992 which lists limited categories of expense which may be treated by a billing authority as 'special expenses'.
- 1.3. The categories of special expense provided for in S35 of the 1992 Act are:
 - a. The expenses of meeting a levy or special levy issued to the billing authority;
 - b. Relate to expenses arising in respect of property held in trust for part of the area;
 - c. Any expenses incurred by the billing authority in performing in part of its area a function performed elsewhere in its area by a parish council;
 - d. Any expenses incurred in performing in part of its area a function performed elsewhere in its area by a body with a power to issue a levy or special levy to it.
- 1.4. In March 2020 the West Bridgford Special Expenses and Community Infrastructure Levy (CIL) Advisory Group was established. The group meets to review in-year budget progress, discuss the upcoming budget proposals to be included in the budget for approval by Full Council and to agree CIL projects within the West Bridgford area.

Amendment 2

The Labour Group recommends a Community Governance Review to establish a West Bridgford Town Council to be included in the 2025/26 budget at a cost of £70-90k. This level of funding would include two rounds of mailing to all West Bridgford residents.

The Labour Group acknowledges the existence of the West Bridgford Special Expenses and Community Infrastructure Levy (CIL) Advisory Group but it is no substitute for a democratically elected Town Council for the only unparished area in the Borough of Rushcliffe.

Since the 1974 Local Government Reorganisation, when West Bridgford lost its Urban District Council, it has not had any formal status as a Parish or Town Council.

This is not acceptable. There is strong support to address this anomaly for several reasons such as

- Many very local issues about the future of the area are ultimately made by elected representatives from outside the area.
- The West Bridgford Local Area Forum was established in 1996. It comprises elected West Bridgford County and Borough Councillors, representatives of other public sector organisations, local community groups, local voluntary organisations and local businesses. It has been able to function successfully in an advisory capacity but has no decision-making responsibilities.
- Borough Council consultation with residents, businesses and stakeholders would be improved by having a town council closer to the community.
- The scale and scope of the West Bridgford Special Expenses Precept is ultimately decided by the Borough Council with very limited local Consultation.

There is an additional and urgent need to address this anomaly which arises from the current Local Government Reorganisation. It is likely that West Bridgford will no longer be under the control of a Borough Council with a population of around 120,000 but a more remote Unitary authority of around 500,000 people. It is proposed that parish and town councils will continue to look after local matters and probably an enhanced role. This could leave residents and businesses in West Bridgford with an even greater democratic deficit.

The Labour Group acknowledges that there will be costs involved in establishing a new Town Council for West Bridgford and will work with the Borough Council to keep these to a minimum. However, we think the Borough Council is honour bound to put right the fact that, for over 50 years, one third of its population has been denied what two thirds of its population have benefitted from... a Parish or Town Council which provides them with a democratic voice and a structure for taking community action.

The Labour Group implores the Borough Council to immediately commence a Community Governance Review to establish a Town Council for West Bridgford and not let it be "hung out to dry" because of further procrastination. Early consideration needs to be given to the precise boundaries for a new Council. We need to ensure that the voice and identity of West Bridgford is not submerged even further. Now is the time to consider how our residents will be represented at the most local level.

2. MANAGEMENT COMMENTS

2.1. The increase on the West Bridgford Special Expense for 25/26 is 9.04% and the average Parish increase is 9.5%.

2.2. The pedestrianisation of Central Avenue has not yet been consulted upon as there has not been any schemes put forward. As and when schemes are put forward these will be consulted on.

2.3. Given Local Government Reorganisation the timing of a CGR for West Bridgford and the likely resources required will make this challenging for the Council to undertake (ie there is the potential for more additional resource to undertake this process and increasing the Special Expense charge further for West Bridgford). There is also likely to be consultation on LGR and to undertake this over a similar time period risks confusion for the public.

3. LEGAL COMMENTS

3.1. Under the Local Government and Public Involvement in Health Act 2007, the Council may carry out a Community Governance Review (CGR) of the whole or part of the borough. It is under a duty to carry out a CGR on receipt of a valid petition specifying one or more recommendations, which the petitioners wish a review to consider making. The CGR must ensure that community governance reflects the identities and interests of the community in that area and is effective and convenient and be undertaken in accordance with the statutory process. Should this proposal be approved, Council will need to consider the need for a CGR and, if supported, agree it's Terms of Reference.

4. FINANCIAL COMMENTS (S151)

4.1. Two rounds of mailing to all residents would cost approximately £80k, this would be an additional £5.23 on a Band D property for West Bridgford residents.

4.2. Should a CGR be held and results in a new town council being established, there would be additional costs of change including setting up and transfer of bank accounts, suppliers and customers. The Town Council would also need to find suitable premises and appoint a Clerk. The assets currently held would need to be valued and transferred and these would need to be insured, and provision made in the budget to replace and maintain the assets, including those with contractual obligations on grant conditions.

4.3. New financial and other systems would be required and the TUPE'ing of employees. Any immediate significant capital spend would need to be funded by either a loan from the Council or the PWLB. There would be a loss of economies of scale that the Council passes to the WBSE such as insurance, facilities management and support services (including Finance and ICT) and the new Town Council would need to ensure appropriate accountancy and legal advice is sought as there would be a requirement to publish annual accounts and budgets and ensure compliance with legislation. The Town Council would also need to agree ongoing expenses and set a precept.

4.4. Costs of other Rushcliffe Town Councils grossed up are approximately £1.6-£1.7m (compared to circa £1m for the WBSE 25/26 budget) which would see the Band D equivalent charge increase from £64.84 to £111.22 (72% increase). The average annual increase of the WBSE over the last 9 years is 2.65%.

4.5. The Community Governance Review process can take between 18 months to 2 years after the process has commenced (Stage 1 consult community, Stage 2 consult on recommendations of the task and finish group – approx. 1 year followed

by recommendations to Council necessary legal steps to create the Town Council which would take effect from 1st April – up to 1 year).

5. Can the S151 Officer and Monitoring Officer confirm that the proposed amendments, if adopted, would result in a legally balance budget?

Yes – the impact of both proposals is given above, with the increase in the capital either balanced by borrowing, reducing capital spend on other projects or utilise revenue reserves in the case of DFGs. This level of spending is not sustainable as inevitably the Council will have to fund external borrowing as capital resources are eroded. If LGR is implemented in 3 years, the total impact would be £3.27m (which absorbs a significant amount of the Capital Resources available in the MTFs).

HRA Comments Budget Amendment Proposal Extract 2024/25

MANAGEMENT COMMENTS

Rushcliffe Borough Council does not currently have in-house expertise in operating and managing a portfolio of council housing. All staff with that knowledge were transferred to Rushcliffe Homes in 2003. If the council were to decide to start owning and managing council housing again, careful consideration would need to be given as to how best to achieve that, potentially working with a strategic partner to provide the management services as otherwise the economies of scale in operating a small number of houses would not translate into good value for money for the council or tenants.

LEGAL COMMENTS

Rushcliffe Borough Council can legally own and manage council housing as long as it has obtained a direction from the Secretary of State. There is a threshold as to how much stock the council can own and operate before it needs to set up a Housing Revenue Account (199).

Right to Buy Legislation would be relevant to any new council housing stock where the council is the landlord.

FINANCIAL COMMENTS (\$151)

The budget proposed (£20k) is to undertake a detailed feasibility study and business case including options appraisals to inform any future proposals for the Council to own and operate council housing.

If the Council operates council housing in the future it will have to borrow to purchase/develop the housing or alternatively utilise £4.7m accumulated from Planning Agreement monies currently earmarked to support Registered Housing Providers (this would impact on any existing plans). The Council doesn't have any suitable land of its own to develop. It could bid for S106 allocations alongside existing Registered Providers. The Council is currently debt free so would be taking on debt linked to the housing and in the future if the numbers increased above 199 it would need to set up a Housing Revenue Account. There are currently many councils struggling within the HRA model as rents are capped but costs and liabilities are rising. In addition, the present economic climate has made construction more expensive. No amendment has been made to the capital programme at this stage for future investment in council housing. It is anticipated that to borrow and deliver affordable housing in the current market would leave the council at a deficit of around £12,000 per unit per year due to the costs of borrowing and construction which are not covered by average social rental incomes. This potential budget deficit would have to be met from savings elsewhere as well as the additional risks outlined above.