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Laura Webb
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Our reference:
Your reference:
Date: Monday, 4 February 2019

To all Members of the Cabinet

Dear Councillor

A Meeting of the Cabinet will be held on Tuesday, 12 February 2019 at 7.00 pm in the Council Chamber Area B, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Sull'.

Sanjit Sull
Monitoring Officer

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Meeting held on Tuesday 11 December 2018 (Pages 1 - 4)
4. Opposition Group Leaders' Questions

To answer questions submitted by Opposition Group Leaders on items on the agenda.

5. Citizens' Questions

To answer questions submitted by citizens on the Council or its services.

1. "Authority to grant outline planning permission for the land South of Clifton was delegated to the Executive Manager (Communities) on 25 January 2018, so the Council's decision to grant permission is now hurtling towards its first birthday. Why has the planning permission not yet been granted? Every delay worsens the prospects for attaining/maintaining the 5-year housing land supply you require and moves more

Rushcliffe Community
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projected completions beyond the current plan period, meaning that additional sites have to be found elsewhere. I understand that a government grant was awarded to help provide roads for the Clifton development – is there a time limit for spending it?”

Ms Carys Thomas

Key Decisions

6. Empty Homes Strategy (Pages 5 - 40)

The report of the Executive Manager – Neighbourhoods is attached.

7. Non-Key Decisions

8. Bingham Leisure Centre - Review of Chapel Lane Site (Pages 41 - 50)

The report of the Executive Manager – Communities is attached.

9. Budget and Financial Strategy 2019/20 (Pages 51 - 162)

The Report of the Executive Manager – Finance and Corporate Services is attached.

10. Revision to the terms of reference of the Economic Prosperity Group (Pages 163 - 178)

The report of the Chief Executive is attached.

11. Discretionary Rate Relief Policy Review (Pages 179 - 206)

The report of the Executive Manager – Finance and Corporate Services is attached.

Membership

Chairman: Councillor S J Robinson

Vice-Chairman: Councillor D Mason

Councillors: A Edyvean, G Moore and R Upton

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**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY, 11 DECEMBER 2018**

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

PRESENT:

Councillors S J Robinson (Chairman), D Mason (Vice-Chairman), A Edyvean,
G Moore and R Upton

OFFICERS IN ATTENDANCE:

D Banks	Executive Manager - Neighbourhoods
A Graham	Chief Executive
P Linfield	Executive Manager - Finance and Corporate Services
S Sull	Borough Solicitor
L Webb	Constitutional Services Officer

APOLOGIES:

There were no apologies.

34 Declarations of Interest

There were no declarations of interest.

35 Minutes of the Meeting held on Tuesday 13 November 2018

The minutes of the meeting held on Tuesday 13 November were declared a true record and were signed by the Chairman.

36 Opposition Group Leaders' Questions

There were no questions.

37 Citizens' Questions

There were no questions.

38 Environmental Health Trading Standards Collaboration

The Portfolio Holder for Community and Leisure presented the report of the Executive Manager – Neighbourhoods which asked for Cabinet's approval for the Council to enter a collaborative partnership with Nottinghamshire County Council Trading Standards to deliver Primary Authority Partnerships associated

business advice. The Portfolio Holder explained that Primary Authority Partnerships were introduced in 2008 and allowed businesses to access assured advice on compliance that must be respected by local authorities. It was noted that there was an opportunity for the Council to respond to the needs of businesses between the Environmental Health service provided by the Borough Council and the Trading Standards provided by Nottingham County Council. The Portfolio Holder stated that a collaboration between the two authorities would create a 'one stop shop' for assured advice and other associated business advice to current and future Primary Authority Partnerships.

In seconding the recommendations Councillor Upton noted that the introduction of a Primary Authority Partnership between Trading Standards would simplify the process for businesses to obtain advice.

Following a question from Councillor Robinson it was noted that if approved by Cabinet the Primary Authority Partnership would be in operation from early 2019.

It was RESOLVED that:

- a) The principle of working in collaboration with Nottinghamshire County Council trading standards to deliver Primary Authority Partnerships and associated business advice be approved and
- b) The Executive Manager – Neighbourhoods be delegated authority to finalise and sign a Memorandum of Understanding which will capture the operational arrangements for the collaboration.

Reason for decisions

It will create a seamless one stop shop for businesses to receive high quality assured advice on regulatory compliance.

39 Revenue and Capital and Budget Monitoring - Q2 2018/19

The Portfolio Holder for Finance presented the report of the Executive Manager – Finance and Corporate Services which highlighted the Council's budget position for revenue and capital as of 30 September 2018. It was noted that the Corporate Governance Group had previously considered the report with no significant issues raised. The Portfolio Holder was pleased to note that the Council's financial position was relatively stable with a net position of £80,000 adverse variance which represented a 0.8% variation against the net expenditure budget. It was also noted that there was favourable revenue variances including income from the submission of planning applications and additional income from car parks within the Borough.

The Portfolio Holder also noted that there was a capital underspend of £12 million due to a slowdown in asset investment and the delay of the relocation of the Depot from Abbey Road, West Bridgford.

In seconding the recommendations Councillor Edyvean was pleased to see a number of investments in local properties. Councillor Robinson was also pleased to see rental income from recent investments of the Council including

the Co-Op in Lady Bay and thanked the Executive Manager – Finance and Corporate Services for providing the Council with a sound financial basis going forward.

It was RESOLVED that

- a) The projected revenue position for the year with a minor 0.8% variation (£80,000) in the revenue position and
- b) The capital underspend of £12.064m as a result of capital scheme rephrasing be noted.

Reasons for decisions

To demonstrate good governance in terms of scrutinising the Council's ongoing financial position and compliance with Council financial regulations.

The meeting closed at 7.10 pm.

CHAIRMAN

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Cabinet

Tuesday, 15 January 2019

Empty Homes Strategy 2019 - 2024

Key Decision

Cabinet Portfolio Holder for Housing, Planning and Waste Management Councillor Roger Upton

Report of the Executive Manager – Neighbourhoods

1. Purpose of report

- 1.1 It is proposed to introduce an Empty Homes Strategy in-line with the majority of other Local Authorities.
- 1.2 Following public consultation and shaping by the Community Development Scrutiny Group a draft strategy has been produced in Appendix 1. This document highlights how resources can best be targeted to address empty homes in Rushcliffe, and to tap into the rewards and positive outcomes, both financial and community based, that this approach brings.

2. Recommendation

It is RECOMMENDED that Cabinet

- a) approve the Empty Homes Strategy 2019 - 2024, and
- b) the Executive Manager - Neighbourhoods be authorised to make minor revisions to the Strategy during its lifespan

3. Reasons for Recommendation

To create a strategic framework and associated action plan which will detail how the Council will seek to target and address empty homes in the borough.

4. Supporting Evidence

- 4.1. There are around 900 empty properties in Rushcliffe, around 375 of these have been empty for more than six months, while nearly 100 of these have been empty for more than two years. It is these longer term empty homes which cause most concern as they are more likely to remain empty for longer

without intervention, and are also more likely to be an increasing source of blight and complaint.

- 4.2. Empty properties can be detrimental to the lives of local residents and communities. Even a single empty property can blight a whole street or community, reducing the values of surrounding properties and causing nuisance to local residents. Empty homes can also attract vandalism, fly-tipping and other criminal activity, ranging from the minor to the extremely serious, but in addition to increasing crime and the fear of crime there is also potential for a wider detrimental impact on the local community. They also represent a risk for the emergency services and put added pressure on various council services such as Environmental Health.
- 4.3. Although the Environmental Health service have over recent years attempted to tackle empty properties with variable success it is clear that to deliver successful outcomes an agreed strategy is necessary to identify the problem, to determine what action is required, and to identify the resource required to successfully deliver the strategy objectives. This will be supported by enhanced cross-departmental working and the formation of external partnerships which are necessary to bring complex properties back into use. Empty Homes are an increasing feature of Central Government policy, which can be seen through both the New Homes Bonus and changes to the Council Tax regime. Leaving homes empty for several years or in some cases decades should not be considered acceptable and a robust and comprehensive strategy will help to bring such properties back into use.
- 4.4. The benefits of a strategy to deal with empty properties can be identified as social, regenerative, financial and strategic. A strategy can:
 - assist in meeting housing need;
 - improve housing conditions;
 - assist with a reduction in crime and the fear of crime;
 - regenerate blighted areas;
 - increase Council Tax collection rates and empty home premiums;
 - generate additional income through the New Homes Bonus (NHB).
- 4.5. Supporting the strategy is an operational action plan which ensures that resources and work is targeted to deliver the strategy in a planned way and to maximise its impact on the homes that are most in need of action. The action plan will be reviewed on an annual basis as part of the operational planning cycle.
- 4.6. The first draft of the strategy was issued for public consultation on 29 October 2018 for a period of five weeks. This was a successful exercise with positive engagement from a range of key stakeholders such as home owners, landlords etc and a total of fifty responses were received. The outcome was overwhelming support for the Council to adopt the strategy and provide appropriate resources to enable the action plan to be delivered. The strategy was also reported to the Community Development Scrutiny Group on 20 November 2018 and again there was unilateral support for the strategy, the

action plan and the Council using all of the powers at its disposal to bring empty homes back into use.

- 4.7. As a result of the consultation exercise, the strategy has been revised with minor amendments which will assist with clarification on the proposed approach of the Council to deal with empty homes.

5. Risks and Uncertainties

- 5.1. Resources - It is considered that an additional resource would be required to fully implement the action plan provided within the strategy. It is considered that initially this could be delivered with a part-time role working 2 to 3 days a week and work is underway to explore if there are existing internal resources that can be redirected to this area of work in the first instance.
- 5.2. Enforcement - When dealing with empty property owners, a voluntary way forward is always preferred. Advice, assistance and incentives reduce demand on Council resources and the need for enforcement action at a later date. In the vast majority of cases this is sufficient, but there are occasions where owners cannot be traced or are unwilling to enter into a voluntary dialogue. In these circumstances, the use of enforcement action needs to be considered. Though used as a last resort, the Council has significant powers, particularly compulsory purchase, but also enforced sale. There is therefore a reputational risk.

6. Implications

6.1 Financial Implications

- 6.1.1 There are costs arising from enforcement action including compulsory purchase (CPOs), enforced sale and works in default however any such costs incurred can be reclaimed through the appropriate legal process. The Council currently has a 'work in default budget' which would be utilised to support this area of work subject to the strategy being adopted.
- 6.1.2 Where the CPO process is used, the ex-owners will be entitled to compensation once the council becomes the owner of the property. If a claim is not settled, or a reference made to the Upper Tribunal (Lands Chamber), within six years, the claim for compensation will be statute barred.
- 6.1.3 However there are also opportunities to maximise income via New Homes Bonus (NHB), debt recovery and unclaimed sales income from CPO's or Enforced Sales.
- 6.1.4 In order to maximise NHB, it is planned to develop a programme of property visits which, when combined with a close working relationship with colleagues in the council tax team, allows the data that is used to calculate NHB award to be as accurate as possible at the time of the data snapshot – usually early October. This ensures that NHB income to the council is maximised each year.

6.1.5. There are several types of debt that can be associated with empty homes, the most common being unpaid council tax, works in default costs and residential care charges for previous occupiers. This strategy will consider utilising the powers of enforced sale to recover unpaid council tax debt and works in default monies associated with empty homes.

6.1.6 Subject to the outcome of the work detailed in paragraph 5.1 any additional part-time role to implement the action plan would cost a maximum of £21k (22.5 hours) which would be an additional cost to the budget.

6.2 Legal Implications

As identified in 5 and 6 above.

6.3 Equalities Implications

The Council has undertaken an Equalities Impact Assessment. The assessment confirms that this strategy has a neutral impact and no further action is required.

6.4 Section 17 of the Crime and Disorder Act 1998 Implications

As identified in 4.4 an effective empty homes strategy can assist with a reduction in crime and the fear of crime.

7. Link to Corporate Priorities

This report links to the following corporate priorities:

Corporate Themes	Empty Homes Strategy Objectives
Deliver economic growth to ensure a sustainable, prosperous and thriving local economy	Objective 5 – Provide advice, assistance and guidance to landlords and property owners
Maintain and enhance our residents' quality of life	Objective 1 – To collect and record relevant, accurate and current information of empty homes in the Borough Objective 2 – To raise awareness of the Empty Homes and promote the Strategy Objective 3 – Reduce the number of empty homes and return empty homes back in to use Objective 5 – Provide advice, assistance and guidance to landlords and property owners

<p>Transform the Council to enable the delivery of efficient high quality services</p>	<p>Objective 1 – To collect and record relevant, accurate and current information of empty homes in the Borough</p> <p>Objective 3 – Reduce the number of empty homes and return empty homes back in to use</p> <p>Objective 4 – To maximise income opportunities including New Homes Bonus and debt recovery</p>
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8. Recommendations

It is RECOMMENDED that Cabinet

- a) approve the Empty Homes Strategy 2019 - 2024, and
- b) the Executive Manager - Neighbourhoods be authorised to make minor revisions to the Strategy during its lifespan

<p>For more information contact:</p>	<p>David Banks Executive Manager - Neighbourhoods Tel: 0115 9148438 dbanks@rushcliffe.gov.uk</p>
<p>Background papers available for Inspection:</p>	<p>Report to Community Development Group 20 November 2018 'Empty Homes Strategy'</p> <p>Empty Homes Strategy Equalities Impact Assessment</p>
<p>List of appendices:</p>	<p>Empty Homes Strategy 2019 – 2024</p>

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Rushcliffe Borough Council Empty Homes Strategy 2019 - 2024



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1 Introduction

- 1.1 This is Rushcliffe Borough Council's first Empty Homes Strategy. This document aims to give an understanding of the issues empty homes can cause and how they impact the local community. It looks at why homes become empty, what advice and assistance is available to empty home owners, and how the Council will use the range of powers available to it to return empty homes to use. Tackling empty homes and bringing them back into use will impact positively on our residents, including people in housing need and the wider community for whom empty homes often cause problems.
- 1.2 In Rushcliffe, according to Council Tax records there are currently around 900 empty homes, of which 425 have been empty for six months or more and around 100 for 2 years or more. However, this information is limited as it is recognised that there are a number of empty homes where full Council Tax is being paid and the property has not been registered as being empty.
- 1.3 Empty homes can be detrimental to the lives of local residents and communities. Even a single empty home can blight a whole street or community, reducing the values of surrounding properties and causing nuisance to local residents. Empty homes can also attract vandalism, fly-tipping and other criminal activity, ranging from the minor to the extremely serious, but all increasing crime and the fear of crime as well as having a detrimental impact on the local community. They also represent a risk for the emergency services and put added pressure on various council departments such as Environmental Health.
- 1.4 The benefits of a strategy to deal with empty homes can be identified as social, regenerative, financial and strategic. A strategy can:
- assist in meeting housing need;
 - improve housing conditions;
 - assist with a reduction in crime and the fear of crime;
 - regenerate blighted areas;
 - increase Council Tax collection rates and empty home premiums;
 - generate additional income through the New Homes Bonus (NHB).
- 1.5 The case for dealing with empty homes is therefore compelling from a community and housing perspective, but there are also financial incentives to not only return existing empty homes to use, but to try to ensure that the number of vacant homes does not then increase.

2 The National Context

2.1 Since 2010 the Government has placed considerable emphasis on the importance of returning empty homes to use. Statistics published by the Ministry of Housing, Communities and Local Government (MHCLG) put the number of empty homes in England in October 2017 at 605,891. Of these, 205,293 were classed as long-term empty homes (empty for longer than six months).

2.2 In 2018 'Empty Homes' a national campaigning charity published a report entitled 'Empty Homes in England'. This report identified an upward trend nationally for empty homes in 2018 after 10 years of a downward trend. It made several recommendations that have also been published in the House of Commons Briefing Paper No. 3012 June 2018, Empty Housing:

- Local authorities should have an empty homes strategy for their area, with the aspiration to reduce the number of long-term empty homes.
- Local authorities and social housing providers should seek funding and allocate resources to buy and refurbish empty properties for people in housing need.
- Local authorities should take a casework approach with owners of long-term empty properties to encourage, advise and support them to bring homes back into housing use. Employing dedicated empty homes staff can ensure that the council is able to act on information about homes, and build up expertise in working with owners, including taking enforcement action where necessary.
- Local authorities with concentrations of long-term empty homes should look at how they can support community-based neighbourhood regeneration approaches.
- Local authorities, particularly in high value areas, should conduct studies to understand the extent and impact of 'buy-to-leave' empty or hardly ever used. Where it is an issue, they should review the measures they could adopt to incentivise people to sell or rent those properties, or not to buy properties in the first place with the intention of leaving them empty or hardly ever used.

2.3 In 2011, the Government confirmed that councils could attract additional funding under the New Homes Bonus scheme for bringing empty homes back into use. Under the scheme, the Government matched the Council Tax raised for each property brought back into use for a period of six years. The number of years over which payments are made was reduced from six to five in 2017/18 and further reduced to four years from 2018/19.

- 2.4 Since April 2013, powers previously held by central government to vary the amount of council tax paid on some empty homes has been devolved to local level. The aim of this policy is to further incentivise the reoccupation of long term empty homes by increasing council tax payable or by removing reductions or exemptions that were previously in place. Local authorities are now able to decide whether to apply a discount for properties empty for up to six months and those properties empty and in need of considerable renovation. There is also the option of imposing an 'empty homes premium' whereby council tax levels for most properties empty for two years or longer are set at 200%.

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3 The Local and Corporate Context

- 3.1 This strategy highlights how resources can best be targeted to address empty homes in Rushcliffe, and to tap into the rewards and positive outcomes, both financial and community based, that this approach brings.
- 3.2 There are around 900 empty homes in Rushcliffe. Many of these are 'transactional vacancies' and are necessary for the normal operation of the housing market, so when used as a headline figure, it needs to be treated with some caution.
- 3.3 However, in Rushcliffe, around 425 homes have been empty for more than six months, while nearly 100 of these have been empty for more than two years. It is these longer term empty homes which cause most concern as they are more likely to remain empty for longer without intervention, and are also more likely to be an increasing source of blight and complaint.
- 3.4 To date the Council Tax database is the only available method to determine the number of empty homes in Rushcliffe. It is, however accepted that this method does not provide a full and accurate account of the number of empty homes in the Borough. The initial phase of the action plan that supports this strategy sets out to deliver a dedicated empty homes database that will take data from all available council sources including Council Tax records, Environmental Health databases, Planning records and customer complaints.
- 3.5 Returning empty homes to use can be the quickest and most cost effective way to increase the supply of housing. While it will not solve the housing problem, it can nevertheless play an important part in maximising existing housing stock for the benefit of the people of Rushcliffe.
- 3.6 This strategy links with a variety of council documents, strategies and plans, as outlined below.

[Rushcliffe's Corporate Strategy 2016 -2020](#)

[Rushcliffe's Housing Delivery Plan 2016 - 2021](#)

[South Nottinghamshire Homelessness Strategy 2017 – 2021](#)

[Rushcliffe Borough Council's Corporate Enforcement Policy](#)

[Rushcliffe Community Strategy: 2009 – 2026](#)

[Rushcliffe 2020 Vision](#)

[Private Sector Housing Enforcement Policy](#)

Table 1 – Objectives matched to the Council’s Corporate Themes

Corporate Themes	Empty Homes Strategy Objectives
Deliver economic growth to ensure a sustainable, prosperous and thriving local economy	Objective 5 - Provide advice, assistance and guidance to landlords and property owners
Maintain and enhance our residents’ quality of life	Objective 1 - To collect and record relevant, accurate and current information of empty homes in the Borough Objective 2 - To raise awareness of the Empty Homes and promote the Strategy Objective 3 - Reduce the number of empty homes and return empty homes back into use Objective 5 - Provide advice, assistance and guidance to landlords and property owners
Transform the Council to enable the delivery of efficient high-quality services	Objective 1 - To collect and record relevant, accurate and current information of empty homes in the Borough Objective 3 - Reduce the number of empty homes and return empty homes back in to use Objective 4 - To maximise income opportunities including New Homes Bonus and debt recovery

Table 2 - Links to the Housing Delivery Plan 2016-21

Supply: delivering housing growth including affordable housing to meet the needs of our diverse communities	
Strategic tasks	Reduce the number of long term empty homes
Community outcomes	Effective working with property owners to bring long term empty homes back into use
Responsible officer	Sarah Cairns, Protection and Safety Manager
Key partners	Private Landlords; Empty Property Forum
Linkages to other policies/strategies	N/A
Measure and targets	A continued reduction in the number of properties with are vacant and unfurnished over 6 months (Baseline 1 April 2015 = 474)

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4 Background to Empty Homes

4.1 What is an Empty Home?

- 4.1.1 A dwelling is considered to be a long term empty home if it has been unoccupied for 6 months or longer. Privately owned long term empty homes are the focus of this strategy, but concerns will be highlighted to Public Bodies and Housing Associations (Registered Providers) where an empty home they own requires attention.
- 4.1.2 Not all empty homes are located in run-down areas, nor are they necessarily semi-derelict, boarded up or causing a problem. There are a large number of homes which naturally become empty for periods of time, perhaps due to the buying and selling process, being between tenants or when an owner passes away and the probate process delays moving the property on.
- 4.1.3 When a dwelling remains empty for a significant period of time, or is attracting unwanted attention, then it would be considered a high priority case in line with the rating system attached as Appendix B.

4.2 Why are homes empty?

4.2.1 There are a number of reasons why properties become empty, including:

- The property is difficult to sell or let due to its physical state;
- It is being renovated;
- The owner does not have the capacity/finances/time/skills to manage the property;
- The property has been or is being repossessed;
- Probate issues - Where there is an issue of unresolved ownership, often as a result of the previous owners' death;
- Resolving ownership can be a lengthy legal process, during which time the property may remain empty;
- The owner is being cared for elsewhere/is in hospital;
- The property has been abandoned by the owner and the owner is untraceable;
- Property holding, when a property is left empty due to speculative investment, through acquiring a property through inheritance or where partners co-habit leaving the second property empty. Or where the property is adjoined to a business and the owner does not wish to let or sell it;
- Due to an ageing population, older property owners may move into alternative older person's accommodation for care or support needs. They may choose not to sell the property which may result in it remaining empty for the short or long term.

It is important that the Council understands why individual properties become and/or remain empty so we can work with the owners in the most appropriate way.

4.3 Challenges Presented by Empty Homes

- 4.3.1 Dealing with an empty home is not always straightforward. A property may be used as a second home, and so not occupied on a permanent basis, but is in use. It may be that non-residential space such as that often found above shops is being used for storage or other business related matters and although not immediately obvious it is in use.
- 4.3.2 There may be properties awaiting planning permissions and work is unable to commence whilst this is being sought. A number of these may include specialist permissions if they are a Listed Building or located in a Conservation Area.
- 4.3.3 Ownership Issues: A property may be owned by a number of different people or companies. The property may be subject to legal proceedings such as probate, divorce settlements or proceeds of crime restrictions.
- 4.3.4 Land Registry Issues: Although it is now compulsory in England to register any property which changes ownership or has a mortgage taken out against it for the first time, properties which have not changed ownership since that time may not be registered with the Land Registry and information regarding the property will not be available from this source.
- 4.3.5 Absentee Owner: It may not be immediately evident who the owner of a property is or where they are, as they may have moved away with little information available to trace them.
- 4.3.6 Intentional Empties: Some properties are deliberately kept empty by the owner for specific reasons such as for their children when they leave home or elderly relatives who are in care. Some are kept empty until the owner feels the housing market is suitable to sell the property at the price they want. Some owners are reluctant to engage with the Council and believe that as the property is privately owned the Council do not have the right to require action to return it to use. They may be unaware, or have no concern for, the affect the property has on the local area and surrounding properties. These are properties which are likely to be left empty for many years and fall into disrepair.

4.4 Why do Empty Homes Matter?

- 4.4.1 The Council has to deal with complaints about empty homes from local people who rightly object to unsightly disused properties. There are implications for the Council's Environmental Health team that have to use staff time and resources to intervene to deal with pests, dilapidation, overgrown gardens, damage to neighbouring properties, anti-social behaviour and other issues.
- 4.4.2 For owners leaving a property standing empty can become costly and be a source of unnecessary anxiety.
- 4.4.3 There is an increased risk of vandalism and crime and the property can be difficult to insure, which could result in high repair costs or even mean a complete loss of asset.

- 4.4.4 Even the general deterioration of an unlive in property will result in costs, due to works necessary to enable the property to be brought back up to current Housing Standards.
- 4.4.5 By renting or selling the property not only are the above issues resolved but there is the added advantage of gaining regular rental income or the capital from the sale of the property.
- 4.4.6 For the local community empty homes can have a direct impact on adjoining properties through issues such as damp and structural problems. Alongside this, unsightly properties can have a detrimental effect on neighbouring house prices and can also result in a lack of pride in the area. The possibility of empty homes attracting unwanted attention can also cause anxiety and concern for local residents. The neighbours and those people living nearby find empty properties unsightly; deteriorating empty homes can be a real blight on a street or area. They undermine the communities' confidence in the area; they attract crime, vandalism and anti-social behaviour. Empty properties may also be vandalised and broken into, resulting in problems for neighbouring properties.
- 4.4.7 There is an environmental impact of leaving homes empty: It has been estimated that it would take the equivalent of 12 football pitches of land to build 800 homes. This could be greenfield sites of open land that local people value. It would be much more efficient and sustainable to make best use of the homes that we already have.
- 4.4.8 The emergency services, the police and fire service deal with complaints and call outs to empty homes, wasting the finite time and money of these vital services.
- 4.4.9 Returning empty homes to use can help eliminate these issues and ensure that house prices in the neighbourhood are protected from preventable reductions. Improving an area can also encourage investment in the local economy and a return of any lost pride in the community created by empty homes.
- 4.4.10 Empty homes returned to use as domestic dwellings increase the availability of homes, including potentially affordable homes. Instead of being a source of concern these homes can be transformed from a wasted resource into a home for an individual or family in housing need. There are many individuals and families in housing need and the utilisation of empty homes could prevent some of these people from facing issues such as homelessness and overcrowding, or provide a first home for a local person.

5 Aims and Objectives Including our Approach to Tackle Empty Homes

5.1 Aims and Objectives

5.1.1 The starting point of action on an empty home will be to work with the property owner where possible. Each empty home is different and there are many reasons why they become empty. These reasons can be sensitive and it is important to be understanding of all different situations. However, it is also important to be committed to the principles of the strategy and recognise that an empty home is a blight on the community and a wasted resource. Owners should know that whilst the Council would prefer to work with them, non-action is not an option. By owning a property they have a responsibility for it and must act accordingly.

5.1.2 The Action Plan for working towards the overall aims is included at Appendix A. This identifies 5 key aims and objectives:

- To collect and record relevant, accurate and current information of empty homes in the Borough;
- To raise awareness of empty homes and promote the strategy;
- To reduce the number of empty homes and return empty homes back into use;
- To maximise income opportunities including NHB and debt recovery;
- To provide advice, assistance and guidance to landlords and property owners.

5.2 Gathering relevant, accurate and current information

5.2.1 Although the Borough holds records of properties considered 'vacant' through Council Tax information it does not currently have any form of dedicated empty homes database. The implementation of this strategy will commence with the development of a new database that will hold the key information on all empty homes in the Borough including its 'risk rating' and prioritisation in terms of action. (See section 1.1 and 1.2 of Appendix A and Appendix B).

5.2.2 The current Council Tax database will assist in identifying the bulk of empty homes in the Borough. As well as these properties, those empty homes that are a source of complaint that have been reported to us will be added. Other homes may also come to light when identified by other departments, key partners or other Council officers as being of imminent danger or concern.

5.2.3 The Empty Homes pages of the Council's website will be updated and enhanced to provide an overview of our activities and give the public the opportunity to report an empty home. This can be submitted anonymously.

- 5.2.4 Once the database is built and the addresses added they will be prioritised for further investigation and action, based on a scoring matrix (Appendix B) taking into account such factors as length of time empty, nuisance caused, condition of the building and land. (Although the matrix score will be the principal guide to the order in which properties are dealt with, there may be exceptions based on local circumstances).
- 5.2.5 We will explore further opportunities to work more closely with Council Tax colleagues. This may include 'empty homes' verification visits and information gathering throughout the year to ensure data accuracy. This will occur at the time of the CTB1 snapshot, usually taken in early October, which dictates NHB award.

5.3 Raising Awareness of the Empty Homes Issue

- 5.3.1 Empty homes have been high on the national political agenda for some while now; recent television programmes highlighting the waste and blight associated with empty homes have proven popular. In a time of high housing demand, the issue is even more relevant.
- 5.3.2 The Council will raise the profile of the issue by participating in the National Empty Homes week of action each year and using this as a platform to increase awareness both internally and of the residents of Rushcliffe. Social media, local press and the Council's Rushcliffe Reports publication will publish information on the progress of this strategy and also highlight good news stories when available.
- 5.3.3 The public and our partners will be encouraged to report all empty homes and will be given advice on the tell-tale signs to look out for.
- 5.3.4 The Council will update and enhance its web-presence in relation to empty homes and publish statistics news updates.

5.4 Specific measures for bringing empty homes back into use

Support

- 5.4.1 In the first instance, we aim to provide help and advice to the owners of empty homes. Advice may be given with refurbishment, sales, legal and other aspects of lettings, finding tenants, health and safety and energy efficiency.
- 5.4.2 Template letters will be developed to encourage owners of empty homes to return their properties to use and to inform them of the benefits. These communications will escalate in seriousness from the first informal advice letter to a final warning actively presenting the possibility of enforcement action being undertaken to ensure the property is returned to use.

- 5.4.3 Template letters are quick to print and send, allowing us to deal with a large volume of empty home owners. In many cases it is anticipated they will be successful, prompting a response from the property owner that leads to assistance that is tailored to suit their requirements. The investigating Officer will organise this aspect of the work and build solid relationships with the empty home owners to secure voluntary reoccupation.
- 5.4.4 If template letters are unsuccessful then visits will be carried out in an attempt to engage with property owners and provide bespoke support. Due to its nature, this work is detailed and can be time consuming, but its successes reduce the need for further enforcement action. If this approach fails to produce the desired outcome, it provides the groundwork and justification for legal action.

Council Tax Premiums on Empty Homes

- 5.4.5 Since April 2018 the Council has implemented the Council Tax 'Empty Homes Premium' of 150% of the normal rate for properties that have been left empty for 2 years or longer. From April 2019 it is intended to increase this premium to 200% in line with central government policy.

Enforcement

- 5.4.6 A voluntary way forward to renovation and re-occupation is the preferred option, and officers will endeavour to encourage and persuade such progress. However, where owners cannot be traced, where informal approaches fail, or a there is a detrimental effect on the community, the Council may consider proceeding with legal action. The Council has significant powers, and will use the powers listed in Appendix C including compulsory purchase and enforced sale where appropriate and as a last resort.
- 5.4.7 Due regard will be given to the Council's Enforcement Policy before any action is taken.

Empty Dwelling Management Orders (EDMO)

- 5.4.8 Available under section 133 of the Housing Act 2004, an EDMO can be made where an owner leaves a property empty and has no intention of securing its voluntary reoccupation. The Council and a partner Housing Association or ALMO undertake the management of a property for a set period of time, up to seven years, with the EDMO reviewed after that time.
- 5.4.9 There are currently only very limited EDMO's in the country, with only 17 reported to have been secured in 2014. EDMO's are open to appeal at any stage and can be administratively burdensome. The end result is the possible return of the property into the same ownership as that which left it vacant and neglected in the first instance.

Enforced Sale

- 5.4.10 The Law of Property Act 1925 allows local authorities to recover charges through the sale of the property. This option can only be utilised where there is a debt to the local authority registered as a charge on the property. Council tax debts or works in default can be charged to the property in many cases, allowing the enforced sale process to begin.

Compulsory Purchase Order (CPO)

- 5.4.11 Nationally compulsory purchase actions on empty homes have been successful, and the outcomes have proven popular with the general public - not least because, in addition to enhancing housing availability, the anti-social and criminal activities which empty buildings can so often attract are also addressed as a consequence of the enforcement.
- 5.4.12 CPO's can play a pivotal role in bringing properties back into use, providing the final sanction to ultimately facilitate the renovation and reoccupation of the most problematic empty homes. CPO's provide the 'teeth' to the empty homes process and strengthen every aspect of this work.
- 5.4.13 CPO's can be made under S17 of the Housing Act 1985 or under S226 (as amended by Planning and Compulsory Purchase Act 2004) of the Town & Country Planning Act 1990, for the provision of housing accommodation or to make a quantitative or qualitative improvement to existing housing.

Additional Statutory Powers

- 5.4.14 Where an empty home is causing a specific problem to a neighbourhood or is dangerous or ruinous for example, a range of enforcement powers are available. The timing and extent of the action taken will be dependent upon the individual circumstances encountered at the property. A detailed list of these measures is attached as Appendix C to this strategy.

5.5 Maximise income opportunities

- 5.5.1 There are three potential income streams associated with bringing empty homes back into use: New Homes Bonus, debt recovery and unclaimed sales income from CPO's or Enforced Sales. The aim is to recover the costs in delivering this strategy to ensure that it is financially viable and that finance is available to invest to bring additional homes back into use.

New Homes Bonus (NHB)

- 5.5.2 In order to maximise NHB, it is planned to develop a programme of property visits which, when combined with a close working relationship with colleagues in the Council Tax team, allows the data that is used to calculate NHB award to be as accurate as possible at the time of the data snapshot – usually early October. This ensures that NHB income to the Council is maximised each year.
- 5.5.3 New Homes Bonus can overshadow other positive outcomes associated with dealing with empty homes. However, it is important to ensure that strategies and policies do not become overly reliant on this initiative to the detriment of other positive outcomes.

Debt Recovery

- 5.5.4 All efforts to resolve debts associated with empty homes should be taken to recover public money from this wasted resource and redirect it to the services that the Council provides for the people of Rushcliffe.
- 5.5.5 There are several types of debt that can be associated with empty homes, the most common being unpaid council tax (including the empty homes premiums), works in default costs and care charges relating to previous occupiers. The pressures on local government finances continue and we therefore seek to maximise all debt recovery opportunities. Rushcliffe will consider utilising the powers of enforced sale to recover unpaid debts and its costs in dealing with empty homes.

Unclaimed CPO / Enforced Sale Money

5.5.6 Where a property has been sold using the enforced sale process the following can be deducted from the sale proceeds:

- the original works in default costs,
- the legal costs in undertaking the enforced sale procedure,
- conveyancing costs in connection with the sale,
- auctioneer's or other marketing costs,
- other officer time in relation to the enforced sale process,
- any other debts owed to the council.

The balance would then be paid to the former owner of the property subject to any other charges or mortgages on the property. If the identity of the owner is not known, the money will be retained by the council.

5.5.7. Where the CPO process is used, the ex-owners will be entitled to compensation once the council becomes the owner of the property. If a claim is not settled, or a reference made to the Upper Tribunal (Lands Chamber), within six years, the claim for compensation will be statute barred.

5.6 Provide advice, assistance and guidance to landlords and property owners

5.6.1 Whatever the situation, the Council will contact the owner, talking to them directly where possible, and outlining the options for their empty home, providing information that may assist them in deciding what to do.

5.6.2 The options for owners are to rent the property out, sell the property or to live in it themselves. How quickly they are able to do any of this will generally depend on the condition of the property, as well as the desire on their part. The Council will advise and forward relevant information.

Certain questions may need to be answered at this stage:

- Does the property require any building work to make it habitable? If so, does the owner intend to fund it directly or are they seeking finance privately?
- If the owner wants to rent the property out, do they intend to do so privately or through a Leasing Scheme? What schemes are available?
- Are they aware of the current VAT rates for developing an empty home? The Council will send a VAT information sheet outlining reduced VAT rates for works to empty homes and provide a statement that the property has been empty to Customs & Excise if needed.
- Is the property a flat over a shop? The Council will send details of the Flat Conversion Allowance – a tax allowance introduced by the Inland Revenue in 2001 and designed to encourage people to develop empty space above shops to rent out.
- Do they want to sell the property? The Council can offer guidance on looking for estate and letting agents locally, details of auctions and dealing with any legal matters.
- Has the property been the subject of any complaints? It may be necessary to take action against an owner if there are issues such as build-up of rubbish, vermin, 'nuisance' to adjoining properties or if the condition of the property is affecting local amenity.
- Is the owner an established landlord? Are they interested in joining an approved accreditation scheme?

6.0 Performance Monitoring and Review

6.1 The purpose of this strategy is to explain the current situation with regard to empty homes both on a national and local basis and to set out the Council's future plans. It is essential that the effectiveness of action delivered by the implementation of the strategy is closely monitored and reviewed. In order to develop a good system of performance management it is proposed to undertake the following actions: -

- Monitor the number of empty homes back into use
- Develop up-to-date knowledge of best practice through research and liaison
- Monitor and review delivery of actions within the Implementation Plan.

6.2 It is proposed to review and update the Implementation Plan on an annual basis.

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Appendix A – Action Plan

Objective 1 - To collect and record relevant, accurate and current information of empty homes in the Borough						
Sub Reference	Action	Success Criteria & Outcomes	High, Medium or Low Priority	Start Date	Finish Date	Resource implications
1.1	Develop and maintain an empty home database containing information provided by Council Tax and collected through investigations, complaints and surveys	A managed database providing a prioritised list of empty homes for action	H	Feb 2019	Database available and populated by April 2019 and then on-going to maintain	Low: Initial officer time to set up and populate (3 days) then within existing caseload to maintain
1.2	To risk assess known empty homes and identify homes for proactive enforcement	A managed, risk assessed empty home database that generates a prioritised list of empty homes for action	H	Feb 2019	Prioritised list available by May 2019 and then maintained on-going	Low-Medium: 1 day to complete this task for known active cases, and 3-5 days for all long term empty homes (>2yrs) on the Council Tax database

Objective 2 - To raise awareness of Empty Homes and promote the Strategy

Sub Reference	Action	Success Criteria & Outcomes	High, Medium or Low Priority	Start Date	Finish Date	Resource implications
2.1	To promote the Strategy within the Authority to other departments and elected members	Presentation / distribution of information to elected members and managers	L	March 2019	April 2019	Low: Within existing resources (1 day)
2.2	To promote the strategy within the community	One publicity event or local press article publicising action on empty homes each year (to coincide with the national Empty Homes Action Week)	L	April 2019	On-going each year	Low: within existing resources (1/2 day)
2.3	To develop a web page specific to empty homes and publish this strategy	Members of the public are able to obtain information on the Empty Homes Strategy and report problem empty homes on-line	M	March 2019	April 2019	Low: within existing resources (1/2 day)

Objective 3 - Reduce the number of empty homes and return empty homes back in to use						
Sub Reference	Action	Success Criteria & Outcomes	High, Medium or Low Priority	Start Date	Finish Date	Resource implications
3.1	Design and produce an empty homes procedure with standard template letters	All properties identified on the database are able to be investigated and actioned	H	Mar 2019	April 2019	Low: within existing resources (1-2 days)
3.2	Investigate the use of and review enforcement options for the enforced sale of empty homes	Enforced sale action is able to be taken in relation to empty homes	M	April 2019	July 2019	Low: within existing resources (1-2 days)
3.3	Investigate the use of and review enforcement options for Compulsory Purchase Orders and Empty Dwelling Management Orders	Able to use CPO or management orders to return empty homes back to occupation	M	April 2019	July 2019	Low: within existing resources (1-2 days)
3.4	Develop agreements with local housing associations with a view to them leasing / purchasing empty homes for use as social housing	Agreement in place with at least one RSL to lease or purchase empty homes	L	July 2019	Sept 2019	Low: within existing resources (1-3 days)
3.5	Implement this strategy to tackle individual empty homes	Full enforcement action, including works in default, taken with support from relevant service areas within the Council Bring 10 empty homes back into use annually	H	Jan 2019	On-going	0.6 FTE Empty Homes Officer 0.2 FTE Principal Officer (EP)

Objective 4 - To maximise income opportunities including New Homes Bonus and debt recovery

Sub Reference	Action	Success Criteria & Outcomes	High, Medium or Low Priority	Start Date	Finish Date	Resource implications
4.1	Maximise debt recovery opportunities through both enforcement and informal methods	Identify all opportunities for debt recovery Pursue all suitable cases in conjunction with colleagues in Legal Services Use of Enforced Sale powers	M	April 2019	On-going	Within exiting Council resources and the proposed 0.6 FTE Empty Homes Officer
4.2	Maximise income through New Homes Bonus through focused visits to relevant empty homes	Develop and refine existing best practice. Ensure all cases are accurately recorded by Council Tax prior to closing Complete all necessary visits to allow accuracy in CTB1 return that dictates NHB Further develop and refine already strong relationship with Council Tax colleagues to ensure information is suitably recorded	M	April 2019	On-going	Within exiting Council resources and the proposed 0.6 FTE Empty Homes Officer

Objective 5 - Provide advice, assistance and guidance to landlords and property owners						
Sub Reference	Action	Success Criteria & Outcomes	High, Medium or Low Priority	Start Date	Finish Date	Resource implications
5.1	To produce an empty property guide for owners of empty homes and members of the public	Empty Home guide sent to owners of empty homes	L	June 2019	August 2019	Low: within existing resources
5.2	To develop specific web pages for owners of empty homes and assistance available	Full information for the owners/landlords on options for addressing empty homes on the Council's website	L	April 2019	June 2019	Low: within existing resources

Appendix B Empty Homes Scoring and Rating System

Each empty home identified will be assessed using a scoring sheet which considers various criteria. The result of this assessment is that the property will be placed in a category which determines the priority level it is given and the subsequent course of action taken.

Properties will be reassessed when necessary / new information is obtained to ensure they remain situated in the correct categories and the correct level of priority is given.

The categories will be classified as follows:

RED – (scores 50 or over)

Cases which fall into this category will be prioritised. All avenues will be explored with the owner to return their property to use in a way that suits their own needs, the needs of the community and the Council. Where assistance is refused and the owner is unwilling to cooperate, all enforcement options will be considered to establish the most appropriate course of action.

AMBER - (scores 25 - 49)

Cases which fall into this category will be considered a lower priority than those in the Red category. Resources will still be invested in these cases and officers will work with owners in an attempt to prevent empty homes from deteriorating and being reassessed to a higher category. Where necessary, enforcement options will be employed if considered the most appropriate course of action. Cases in this category will be monitored on a more frequent basis than those properties which fall within the Green category and will be reassessed where necessary.

GREEN - (scores less than 25)

Cases which fall into this category will be given a lower priority for action, but owners will be contacted and offered any assistance they may need to return their property back into use. These properties will be monitored for any change and reassessed where necessary.

Empty Homes Assessment Scoring Sheet

Criteria	Classification	Score
Time Empty	< 1 year 1-2 years 2-5 years 5-10 years > 10 years	0 5 10 15 20
Location	Extremely isolated with no access Isolated property with access Rural residential area Urban residential neighbourhood Prominent position	0 5 10 15 20
Special Interest	Listed Building Located in a Conservation Area	10 5
General Condition	Well maintained Acceptable for surrounding area Noticeably empty/unattractive Extremely unsightly/detrimental to the area	0 5 10 20
Unwanted attention	Attracting criminal activity such as graffiti, fly tipping, vandalism, anti-social behaviour	20
Debts Owed to Rushcliffe Borough Council	No outstanding monies owed < £500 £500 - £2000 £2000 - £5000 >£5000	0 5 10 15 20
Owner Interaction	High level of cooperation Average level of contact & efforts made Minimal contact & little efforts made No contact/untraceable/no efforts made	0 5 10 20
Total Score	Red / Amber / Green	

Appendix C Main Statutory Enforcement Options

Town & Country Planning Act 1990, Section 215: Where the condition of an empty home is detrimental to the amenity of the area.

Building Act 1984, Sections 77-79: Where an empty home is in such a condition to be dangerous or is seriously detrimental to the amenity or of the neighbourhood.

Building Act 1984, Section 59: Where the condition of the drainage to a building is prejudicial to health or a nuisance.

Environmental Protection Act 1990, Section 80: Where a statutory nuisance exists, is likely to occur or recur at the property.

Prevention of Damage by Pests Act 1949, Section 4: Applied where the condition of the property is such that it is providing or likely to provide harbourage to rodents.

Local Government (Miscellaneous Provisions) Act 1982, Section 29: Allows the Council to act if a property is open to unauthorised access and is a risk to public health.

Housing and Planning Act 2016, Part 7: Allows authorisation to be given for officers to enter land (and property on that land) in connection with a proposal to acquire a compulsory interest in that land (and property on that land).

Local Government (Miscellaneous Provisions) Act 1976, Section 16; and Town & Country Planning Act 1990, section 330 – A notice may be served to establish information regarding property ownership or interests in land.

Housing Act 1985 Section 17 and the Acquisition of Land Act 1981: Forms the basis for the compulsory purchase of land/buildings for the provision of housing accommodation.

Housing Act 2004 Part 4: Grants powers to take over the management of a property using Empty Dwelling Management Orders (EDMO).

Law of Property Act 1925, Part III: The basis for enforced sale where certain debts are owed to the Local Authority.

The Anti-Social Behaviour, Crime and Policing Act 2014, Part 4: Allows for enforcement of matters considered to be detrimental to the quality of life to those in the locality.

Public Health Act 1961 Section 34: Deals with the removal of waste from property or land.

Public Health Act 1936 Section 83: Deals with the cleansing of filthy or verminous premises.

Housing Act 2004 Part 1: Housing conditions, improvements and enforcement.

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EQUALITY IMPACT ASSESSMENT FORM

Name and brief description of proposal/project / policy / service being assessed: **Draft Empty Homes Strategy 2019- 2024**

Information used to analyse the effects of equality: Formal consultation with the following:
Parish Councils, Housing Associations, Police and Crime Commissioner, variety of landlord and tenant based consultees also including the Residential Landlords Association.

	Could particular benefit (X)	May adversely impact (X)	How different groups could be affected: Summary of impacts	Details of actions to reduce negative or increase positive impact (or why action not possible)
People from different ethnic groups			Neutral impact. All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of race	All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of race
Men, women (including maternity/pregnancy impact), transgender people			Neutral impact. All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of sex.	None identified
Disabled people or carers		x	Generally a neutral impact. All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of disability	Mitigating circumstances may potentially need to be managed in the case of a bereavement where someone may be suffering from mental health issues and require signposting to additional support. However, there is seen to be no adverse impact in administering the premium.
People from different faith groups			Neutral impact. All property owners will be assessed by the same criteria standard for	None identified.

			empty homes with no predicted adverse impact upon the protected characteristic of religion or belief	
Lesbian, gay or bisexual			Neutral impact. All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of sexual orientation.	None identified
Older or younger people			Neutral impact. All property owners will be assessed by the same criteria standard for empty homes with no predicted adverse impact upon the protected characteristic of age.	None identified
Other (marriage/civil partnership. Looked after children, cohesion/good relations, vulnerable children/adults)			Neutral impact. All property owners will be assessed by the same criteria standard for empty homes.	None identified

OUTCOME(S) OF EQUALITY IMPACT ASSESSMENT: *(delete as appropriate)*

No major change need

Names of officers who conducted EIA and date

Geoff Carpenter 29/10/18

Approved by:
(manager signature)



Date: 31/10/18



Cabinet

Tuesday, 12 February 2019

Bingham Leisure Centre - Review of Chapel Lane Site

Report of the Executive Manager – Communities

Cabinet Portfolio Holder for Community and Leisure Councillor Debbie Mason

1. Purpose of report

- 1.1. The Leisure Facilities Strategy 2017-2027 sets the Council's vision for leisure which is: *'to provide high quality, financially sustainable leisure facilities to support Rushcliffe residents to enjoy healthy, active lives'*. The strategy identifies Bingham Leisure Centre as a priority for major improvement or replacement.
- 1.2. In response to this strategic objective, specialist leisure consultancy Knight Kavanagh and Page (KKP) were appointed by the Council in November 2017 to undertake a feasibility study and options appraisal of potential locations for a new leisure centre on the existing Toot Hill School site. This concluded that building on the school site was costly and technically problematic and that an off-site location should be considered.
- 1.3. As a result, Cabinet on 10 July 2018 approved detailed investigations into the feasibility of constructing a new leisure centre at Chapel Lane, Bingham on land owned by the Council as part of a wider commercial development of the site. Cabinet requested a further report before April 2019.
- 1.4. This report provides a summary of the detailed review undertaken by consultants Gleeds into appropriate commercial opportunities that would support the aspirations within the Bingham Masterplan that could be accommodated on the Chapel Lane site alongside a new leisure centre.
- 1.5. The study identified a preferred option of developing offices in a stand-alone building adjacent to a new leisure centre at an estimated total capital cost for the whole development of £20m including all fees. Subject to enabling works (such as appointment of professional team, planning permission, construction tendering) commencing in spring 2019 works could commence in summer 2020 and be complete by December 2021.
- 1.6. Cabinet is requested to decide whether they wish to proceed to enter into a competitive procurement process for the appointment of a professional team.

2. Recommendation

It is RECOMMENDED that Cabinet

- a) Acknowledges the outcome of the options appraisal and approves the preferred option of a new leisure centre (with community hall) and stand-alone offices;
- b) Authorises the procurement of a professional team to proceed to the next stage of design, planning approval and tender development;
- c) Form a Cabinet led Member Group to oversee the leisure aspects of this report;
- d) Notes the financial implications identified within the report and approves the inclusion of £20m in the Council's Capital Programme together with the funding and resource implications associated with this development in the Council's Medium Term Financial Strategy, to be presented to Full Council;
- e) Receives a further report once successful planning permission has been achieved with pre-tender estimates and any revised funding consequences.

3. Reasons for Recommendation

- 3.1. Development of a new leisure centre alongside stand-alone serviced offices responds to market requirements combined with intelligence indicating good levels of local demand for offices at competitive rents. Although this option does not provide the Council with the highest return on investment it complements the wider masterplan for Bingham by creating an attractive gateway to and from the new housing development within the north of the town as well as providing employment and economic regeneration benefits.

4. Supporting Information

- 4.1. Following competitive procurement, Gleeds Advisory Ltd were appointed by the Council on 4 October 2018 to undertake a study into the business case for a mixed leisure and commercial development at Chapel lane. Gleeds established a consortium of specialists to deliver the commission including commercial agency Innes England and architects CPMG.
- 4.2. The scope of study included a review of potential returns on investment as well as consideration of how the commercial mix could complement the vision within the recently published Bingham Masterplan. The study also included estimating costs for a new leisure centre (indoor facilities only including swimming pool, fitness gym, group exercise studios and spin studio) and community hall and undertaking a due diligence review of the previous KKP study, but with optional costs for a moveable pool floor, additional spectator seating and learner pool. The outdoor sports pitches, athletics track and sports hall would remain at Toot Hill School.

- 4.3. Innes England reviewed local knowledge and third party data to analyse demand of the different sectors within Bingham and the immediate area. This produced a longlist of potential types of development such as car showroom, neighbourhood retail, industrial and public house/food and beverage. A subsequent review against the constraints of the site, financial projections and the wider Bingham Masterplan resulted in a shortlist of options and potential site layouts. The options appraisal summary is shown in **Appendix 1**.
- 4.4. The preferred option includes a new leisure centre and community hall, re-letting the existing council owned industrial unit on the site and provision of a stand-alone office (around 10,000 ft²).
- 4.5. As part of the consultants commission CPMG produced some illustrative concept plans of the potential development, which are detailed in **Appendix 2**. The designs do not preclude a potential future relocation of the existing Bingham railway station to this location, which is consistent with the longer-term aspirations in the Bingham Master Plan.
- 4.6. A development including office accommodation was identified as the preferred option despite not providing the highest direct return on the Council's investment. The study reported good indicators of demand for offices at competitive rents but with insufficient financial returns for commercial office developers. Therefore, by investing in offices the Council would respond to the perceived local demand resulting in the creation of around 90 FTE jobs.
- 4.7. There are a number of external funding sources currently available that present an opportunity to put together a package of funding that could contribute to the costs for the scheme. It must however be emphasised that none of this funding is guaranteed and the amount from each source may be lower than estimated. Potential external funding includes:
 - 4.7.1. D2N2 Local Enterprise Partnership funding of £750,000 which is provisionally allocated to this site however timescales and required outputs for this may be challenging.
 - 4.7.2. N2 Town Centres Programme which has approx. £900,000 available to bid for with a requirement to deliver job outputs. A bid could be submitted to contribute towards the office development.
 - 4.7.3. Sustainable Urban Development Funding which is European Regional Development Funding. There is approx. £2.8m available to bid for. This could be matched against the above pot as a contribution towards the office costs.
 - 4.7.4. Future High Streets Fund has recently been announced by Government. It is not clear if this scheme would be eligible for funding and whether it would fit into the planned wider bid for Bingham town centre work as set out in the Bingham Masterplan.
 - 4.7.5. Sport England Strategic Facilities funding ranges from £500k to £2m and is targeted towards building new financially sustainable leisure centres.

- 4.8. In addition to the external funding sources, there is a potential to release Developer Contributions of approximately £1.85m held under S106 Planning Agreements for Community Facilities, Swimming and Sports Hall provision in Bingham. This would be subject to due process for commitment of sums held and, with regard to Community Facilities, by consultation, negotiation, and agreement with the Town Council.
- 4.9. The following draft timeline provides an indication of the individual activities required to complete this development based on the recent experiences when developing the Rushcliffe Arena. This gives an indicative completion date for the project of December 2021.

Appoint design team	Spring 2019
Stakeholder consultations	Summer 2019
Finalise design and pre-tender estimates	Autumn 2019
Submit planning application	Late 2019
Procure construction team	Spring 2020
Start on site	Summer 2020
Completion of works and opening	December 2021

5. Alternative options considered and reasons for rejection

- 5.1. The Council could develop a different mix of commercial activities such as industrial or neighbourhood retail to seek greater financial returns on investment. This is not recommended as it would not realise the ambition within the Bingham Masterplan for a new gateway hub nor would it add as much public value as the development of new office accommodation. For example, the area is already well provided for with industrial premises with more to be built in the adjacent housing development. A new neighbourhood retail site could present high risk in the current turbulent retail market and could (depending on tenants) adversely affect existing retailers in the town centre.
- 5.2. A decision could be taken not to develop the Chapel Lane site advertise it for sale and retain leisure on the Toot Hill School site. This is not recommended as the site was purchased as a strategic acquisition and sale would reduce the Council's influence over this important site which is a gateway between the new housing development and the existing town. Furthermore the previous leisure options appraisal failed to identify a suitable new location on the school site meaning that costly refurbishment of the existing leisure centre would be the only remaining option. This would not address the existing problems of poor design and infrastructure.

6. Risks and Uncertainties

- 6.1. The Brexit process presents a high degree of uncertainty within the market resulting in the potential for significant change in short-term economic conditions. This could affect the demand for serviced offices and the build cost estimates upon which the financial model was developed. If the decision is taken to proceed to the next stage of appointing a professional team a further gateway decision would be presented to Cabinet to consider designs and costs prior to any appointment of a construction contractor.

- 6.2. There is a degree of uncertainty regarding the strength of the serviced office market within Bingham as there is limited existing provision of office accommodation within the town. However Innes England as part of the feasibility study approached potential serviced office providers to understand their views with generally positive results. There is a perceived demand at competitive rents. Furthermore there was a very strong preference from office providers for a stand-alone facility rather than joined to the leisure centre like the Rushcliffe Arena. This is therefore, recommended as the preferred option within this report.
- 6.3. Developing the leisure centre off the school site will require negotiations between the Council, Nova Education Trust and the leisure management provider (Lex Leisure) to agree exit terms from the current agreement and community access to the sports hall and outdoor facilities that would remain on the school site. Initial discussions with the Education Trust have been held and there is a willingness to work together towards ongoing community access and an agreed solution.

7. Implications

7.1. Financial Implications

7.1.1. The draft capital programme contains a provision of £20m for the development of Bingham Hub. There is an assumption that the Council may need to borrow up to £10m over 40 years. This will give rise to interest charges of £285,000 per annum. The Council will also need to make a Minimum Revenue Provision for the borrowing of £250,000 per annum. Utilisation of Council's resources to balance the required funding will give rise to an opportunity cost in the form of lost interest. This could be up to £80,000 per annum.

7.1.2. Financial modelling assumptions have been made about income projections and cost efficiencies from the new facilities. These are subject to further work and due diligence when the Council undertakes commercial dialogue with relevant third parties. Projections will be revised and reported to Cabinet in future updates (as per recommendation e).

7.2. Legal Implications

7.2.1. There are no legal implications from this report. If the scheme is progressed there will be various procurement and planning implications to consider as well as the renegotiation of the leisure contract.

7.3. Equalities Implications

7.3.1. By providing a new leisure facility in Bingham, the Council will be able to sustain the existing provision whilst it is being built and have no adverse effects on specific groups. The Council will also be able to ensure that it meets the requirements in relation to accessibility and equalities legislation including accessible equipment and concessions to disadvantaged groups.

7.4. Section 17 of the Crime and Disorder Act 1998 Implications

7.4.1. The Department for Culture Media and Sport has studied published evidence on the varied benefits of sport. Key findings are that underachieving young people who take part in sport see a 29% increase in numeracy skills and a 12 to 16% rise in other transferable skills. Investment in sports programmes for at-risk youth are estimated at £7.35 of social benefit for every £1 spent – through financial savings to police, the criminal justice system and the community.

8. Link to Corporate Priorities

8.1. Provision of a modern leisure centre would contribute directly to all three corporate priorities, namely; Maintaining and enhancing our residents' quality of life; Supporting economic growth to ensure a sustainable, prosperous and thriving local economy and Transforming the Council to enable the delivery of efficient high quality services. By providing a leisure and community hub close to the existing market square and shopping area, the scheme will also enhance the economic prosperity of Bingham and the surrounding areas.

9. Recommendations

It is RECOMMENDED that Cabinet

- a) Acknowledges the outcome of the options appraisal and approves the preferred option of a new leisure centre (with community hall) and stand-alone offices;
- b) Authorises the procurement of a professional team to proceed to the next stage of design, planning and tender development;
- c) Form a Cabinet led Member Group to oversee the leisure aspects of this report;
- d) Notes the financial implications identified within the report and approves the inclusion of £20m in the Council's Capital Programme together with the funding and resource implications associated with this development in the Council's Medium Term Financial Strategy, to be presented to Full Council;
- e) Receives a further report once successful planning permission has been achieved with pre-tender estimates and any revised funding consequences.

For more information contact:	Dave Mitchell Executive Manager - Communities Tel: 0115 9148267 dmitchell@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Cabinet 13 June 2017 'Leisure Facilities Strategy'

	Report to Cabinet 10 July 2018 'Bingham Leisure Centre'
List of appendices:	Appendix 1 – Options Appraisal Appendix 2 – Illustrative concept visuals

Options Appraisal



Car Showroom

Care Home

Roadside

Retail

Retail

Public House

Public House

Trade Counter

Trade Counter

Office

Office

Office (Various)

Serviced / Joint

General / Joint

Serviced / Separate → Serviced / Separate

General / Separate

Industrial

Industrial

Industrial (Existing)

Industrial (Existing)

Industrial (Existing)

*Leisure centre / community hall present in all options

Illustrative Concept Visuals



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Cabinet

Tuesday, 12 February 2019

2019/20 Budget and Financial Strategy

Report of the Executive Manager - Finance and Corporate Services

Cabinet Portfolio Holder for Finance Councillor Gordon Moore

1. Summary

- 1.1 This report presents the detail of the 2019/20 budget, the 5 year Medium Term Financial Strategy (MTFS) from 2019/20 to 2023/24 which includes the revenue budget, the proposed capital programme, the Transformation Strategy and Programme and the Capital and Investment 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.
- 1.2 It should be noted that this report, and subsequent recommendations for Full Council, incorporates the final Local Government Finance Settlement.

2. Recommendation

Cabinet RECOMMENDS to Council that it:

- a) adopts the budget setting report and associated financial strategies 2019/20 to 2023/24 (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 Capital and Investment Strategy at **Appendix 5**.
- c) sets Rushcliffe's 2019/20 Council Tax for a Band D property at £137.39 (increase from 2018/19 of £4.95 or 3.73%).
- d) 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 £48.51 (£48.51 in 2018/19)
 - ii) Keyworth £1.60 (£1.46 in 2018/19)
 - iii) Ruddington £3.37 (£3.40 in 2018/19)

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 2019/20 and the significant budget pressures the Council must address over the Medium Term;
 - c. The budget assumptions that have been used in developing the 2019/20 budget and MTFS;
 - d. The detailed budget proposals for 2019/20 including the Transformation Strategy (and associated 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;
 - i. The proposed Capital and Investment Strategy; and
 - j. The Pay Policy Statement.
- 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 2019/20 will increase by £4.95 to £137.79 (3.73%). 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 increasing slightly £696k (£685k 2018/19) although taking into effect tax base changes, this results in Band D charges for West Bridgford staying the same as 2018/19 (£48.51), Keyworth increasing slightly from £1.46 to £1.60 and Ruddington reducing from £3.40 to £3.37(Section 3.5);

- c. Business Rates (Section 3.3) are still subject to significant uncertainty given the national review of the localisation of business rates and the volatility created by the likely closure of Radcliffe-on-Soar power station in 2025. Compounded by the national revaluation of business rates from April 2017, subsequent appeals and changes to small business rates makes budgeting for this area particularly challenging. The Council is anticipating £3.767m in retained business rates in 2019/20 and a reduction thereafter, as a result of the anticipated 100% reset of business rates and the new system of 75% business rates retention being introduced from 2020/21;
- d. The Council's Revenue Support grant has reduced by 100% by 2019/20 to zero. Since 2013/14 this will have reduced by £3.25m. Positively the tariff of £0.25m the Council expected to pay (commonly referred to as negative Revenue Support Grant) will not be levied by the government (Section 3.6). **Importantly the Council is self-sufficient;**
- e. Last year the Council agreed to support the optimal use of housing, the long term empty homes premium from, 1st April 2018, was increased to 150% of standard council tax. Legislation now permits further increases and these are detailed in this budget (Section 3.4). From April 2021 properties empty for 10 years will have to pay 300% in Council Tax. This action supports the Council's Empty Homes Strategy;
- f. Taking into account resource predictions, spending plans and savings already identified there is a Transformation Plan requirement of around £0.254m in 2019/20 rising to £1.34m by 2023/24. (Section 7);
- g. 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 (a requirement in accepting the four year settlement), albeit this is the last year of the four years;
- h. A crucial component in having a balanced budget and ensuring services are delivered is the Council's commitment to commercial investments and the derived income. Such income is expected to rise to £2.45m by 2023/24 accounting for 29.5% of fees and charges income. This is continually managed and proportionate given the risks and opportunities associated with such investments (Appendix 5. Table 13).
- i. The Council has a number of earmarked reserves, their balance rising over 5 years from £5.7m to £6.3m (Section 6). Retaining sufficient reserves is essential given the volatile financial environment we currently operate in (see risks highlighted below) along with the need to effectively deliver significant projects such as the Bingham Leisure Hub, the Crematorium and Fairham Pastures.
- j. Key risks to the MTFs are highlighted, including the potential impact of central government policy changes on the funding system ('Fair Funding') and New Homes Bonus and the volatility caused by the aforementioned various business rates issues (Section 8); and

k. The capital programme demonstrates the Council's commitment to deliver more efficient services, improve its leisure facilities, and to facilitate both economic development and housing growth. Spend over the 5 years is estimated at £47.75m. Capital resources are projected to increase over the 5 year period as a result of the expected capital receipts in relation to Sharphill. By 2023/24 such resources is estimated to be at £6.1m (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 Strategy (and associated 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, with the Council aiming to meet its corporate priorities.

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). For example comparing the difference from no increase to a £4.95 increase in council tax, in 2023/24 the council tax income foregone is £1.157m and over the 5 year period amounts to £3.381m.

6 Risk and Uncertainties

6.1 Section 8 of the Annex covers key risks that may impact upon the MTFs. There is the Spending Review 2019 on the horizon and there are also two major reviews of the financial system and how local government is funded (ie the Fairer Funding and 100% Business Rates Retention reviews) which will have a direct impact on the income streams for the Council. The impact of these will not be known until late into 2019 making longer term forecasting 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 2019/20 financial year and the proposals present 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

Compliance with the Local government Finance Act 1972.

7.3 Equalities Implications

None.

7.4 Corporate Priorities

The recommendations of this report and will contribute to the Corporate Strategy key themes of:

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy
- Maintaining and enhancing our residents' quality of life
- Transforming the Council to enable the delivery of efficient high quality services

Other Implications

None.

8. Recommendation

Cabinet RECOMMENDS to Council that it:

- a) adopts the budget setting report and associated financial strategies 2019/20 to 2023/24 (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 Capital and Investment Strategy at **Appendix 5**.
- c) sets Rushcliffe's 2019/20 Council Tax for a Band D property at £137.39 (increase from 2018/19 of £4.95 or 3.73%).
- d) 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 £48.51 (£48.51 in 2018/19)
 - ii) Keyworth £1.60 (£1.46 in 2018/19)
 - iii) Ruddington £3.37 (£3.40 in 2018/19)

For more information contact:	Peter Linfield Executive Manager - Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Department for Communities and Local Government (DCLG) website, 2018/19 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 and Efficiency Plan 2019/20 – 2023/24 Appendix 4 Capital Programme 2019/20 – 2023/24 (including appraisals) Appendix 5 Capital and Investment Strategy 2019/20 to 2023/24 Appendix 6 Use of Earmarked Reserves 2019/20 Appendix 7 Pay Policy Statement

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RUSHCLIFFE BOROUGH COUNCIL

**BUDGET SETTING REPORT
AND ASSOCIATED FINANCIAL STRATEGIES
2019/20-2023/24**

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1. EXECUTIVE SUMMARY AND INTRODUCTION

1.1 Introduction

The Council's budget strategy over the next five years remains committed to delivering growth and prosperity, continuing to support the most vulnerable within the Borough, promoting health and wellbeing within the community and protecting the environment. This is set against a backdrop of unprecedented uncertainty in terms of national funding particularly given we are now in the final year of the Government's four year financial settlement.

The impact of the punitive reductions in Revenue Support Grant of around £3.25m (from 2013/14 to 2019/20) has meant the Council has had to find significant efficiencies, maximise its income streams and be increasingly innovative and commercial. The Transformation Programme over the period of this Medium Term Financial Strategy (MTFS) should deliver approximately £4.8m in efficiencies and the Council remains committed to continuing its strong track record of maximising its income and being efficient. The future challenge for the Council is ensuring it has sufficient resources to deliver its housing and economic development priorities in a volatile environment. A combination of prudent investment and financial management means the Council has a balanced budget for 2019/20 from what was a projected £0.690m deficit last year. **The Council is self-sufficient** and not reliant upon Revenue Support Grant. The Council in the medium term still has to deliver its Transformation Programme subject to managing the risks associated with significant projects in the programme.

As part of the Local Government Finance Settlement in 2018/19 the Government announced that Business Rates retention will move from 50% to 75% in 2020/21. This coupled with the Spending Review 2019 (encompassing the Fair Funding Review), which aims to establish a new distribution formula by creating new 'baselines', means there is significant uncertainty for the Council's budget from 2020/21 onwards. Such uncertainty is exacerbated by Business Rates appeals risks, the major one being the Ratcliffe-on-Soar Power Station given its likely de-commissioning by 2025. The future of New Homes Bonus (NHB) also remains in doubt. This funding stream not only rewards the Borough for acting as a catalyst for growth but also enables the Borough to help meet the impact of growth (for example more refuse collection rounds). The Council is well placed to take advantage of growth opportunities and remains committed to attracting businesses to the Borough and enabling housing growth, encouraging both inward and outward investment. It is important that the Council continues to look at alternative methods in delivering services and attaining alternative income streams, via its Transformation Strategy.

We will continue to campaign to ensure that Rushcliffe does benefit from the proposed further repatriation of Business Rates from central to local government, to minimise the impact of the anticipated power station closure, and that NHB if it either remains or if it is replaced delivers the required funding for Rushcliffe. Positively, the Council in 2019/20 is forecasting an increase in Business Rates

but prudently thereafter we are anticipating such funding to be reduced as the Business Rates system changes. In terms of the Council's reserves the most sensible and prudent financial strategy for the Council is to at least maintain its level of reserves, therefore insulating the Council against downside risks (particularly the vagaries of Business Rates). Over the period of the MTFS reserves (excluding NHB, given its future uncertainty) are projected to rise moderately from £5.7m to £6.3m.

In developing the Council's budget proposals for 2019/20, it continues to manage inflationary pressures on its operational costs (including pay inflation) and pressures on some areas of income collection. A combination of capital demands and opportunities within the Borough has meant the Council has strategically decided to rein in its spend on the Asset Investment Strategy as significant resources are required for investment in the Bingham Leisure Hub, a potential crematorium and housing and employment at Fairham Pastures. Whilst the capital programme will be substantial over the next five years (£47.7m) it demonstrates the Borough's commitment in particular to economic growth, meeting challenging housing targets and improving both leisure facilities and the environment. Importantly resources have to be sufficient to deliver core services and this budget enables this objective to be met. There are various economic regeneration capital projects in and around the Borough covering for example Bingham, Cotgrave and Clifton both resulting in a balanced budget and also an inclusive budget. You will be aware last year that to support the optimal use of housing, the long term empty homes premium from 1st April 2018, was increased to 150% of standard council tax. Legislation now permits further increases and these are detailed in this budget. From April 2021 properties empty for 10 years will have to pay 300% in Council Tax. This action supports the Council's Empty Homes Strategy.

In line with the Government's referendum principles, the budget for 2019/20 proposes an increase in Council Tax of 3.73% to £137.79 (the Council has the option of increasing Council Tax by up to £5, or 3%, whichever is the higher, with the recommended increase being £4.95). This will give an average band D Council Tax increase of less than 10p per week, ensuring Rushcliffe's Council Tax remains amongst the lowest in the country (and the lowest in Nottinghamshire). This enables the best possible services to continue to be delivered to Rushcliffe residents, that resources remain sufficient to meet both current and future needs, and importantly projected funding levels and reserves are sustainable to protect the Council. This is essential given the risks and uncertainty that prevails in the current financial environment, particularly with regards to Business Rates and New Homes Bonus. This budget and the associated financial strategies continue the progress made in recent years to ensure that the Council's financial plans are both robust, affordable and deliverable.

1.2 **Executive Summary**

This report outlines the Council's Medium Term Financial Strategy (MTFS) through to 2023/24 including the revenue and capital budgets, supported by a number of key associated financial policies alongside details of significant changes to fees and charges. Some of the key figures are as follows:

	2018/19	2019/20
RBC Precept	£5,660k	£5,950k
Council Tax Band D	£132.84	£137.79
Council Tax Increase	3.87%	3.73%
Revenue Support Grant	£130k	£0
Retained Business Rates	£2,990k	£3,767k
New Homes Bonus	£1,364k	£1,621k
Reserves (at 31 March)	£12,174k	£12,682
Capital Programme	£11,906k	£16,506

Special Expenses	2018/19	2019/20
Total Special Expense Precept	£685k	£696k
West Bridgford	£48.51	£48.51
Keyworth	£1.46	£1.60
Ruddington	£3.40	£3.37

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	2019/20	2020/21	2021/22	2022/23	2023/24
Budgeted inflation	a	0%	0%	0%	0%	0%
Pay costs increase		2%	2%	2%	2%	2%
Employer's pension contribution rate	b	14.6%	14.6%	14.6%	14.6%	14.6%
Return on cash investments	c	0.75%	0.75%	1.0%	1.0%	1.25%
Tax base increase	d	1.69%	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 which is the equivalent of an estimated £270k saving in the 2019/20 budget. Adjustments are made for contract inflation and areas of high risk such as utilities (£23k).
- b) In 2017/18 the Council opted to make an 'upfront payment' in settlement of the deficit position on pensions. This payment amounts to £1.164m in each year from 2017/18 to 2019/20 (compared to £638k in 2016/17) and as it relates to existing liabilities, is unavoidable. The upfront payment has saved the Council £286k over the three years (7.6%).
- c) Cash investment returns are based on projections consistent with the Council's Capital and Investment Strategy.
- d) Tax base increases reflect the anticipated growth in housing within the Borough in future years and are prudent given the difficulties in achieving housing development.

3. FINANCIAL RESOURCES

3.1 Beyond 2019/20 there is uncertainty surrounding future Government funding levels exacerbated by both the Fairer Funding Review and further Business Rate Retention proposals being considered by the sector.

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

Business Rate assumptions reflect experience to date with regard to the award of additional reliefs, successful ratings appeals and government policy changes. In the provisional settlement the Government has proposed that 75% of Business Rates will be retained by Councils by 2020, with proposals for a new funding system to be in place from 2020/21. Three yearly revaluation periods are likely to be introduced from 2020 to minimise the risk of significant property valuation fluctuation for the business community.

In March 2016, the Government announced it would make the exempting of small businesses from Business Rates permanent and the thresholds have continued to be increased (more recently to help address the economic challenges high streets are facing across the country) with an estimated 1,246 business properties receiving small business rate relief. To offset this loss of income councils will receive a higher level of S31 grant. In the November 2017 budget the Government also announced that increases in Business Rates would be indexed to CPI instead of the higher RPI. Again, this loss of income to councils is offset by S31 grant.

The 2019/20 Business Rates forecast is based on the level of baseline funding assumed for 19/20 along with the additional grant for policy changes. There is a slight increase in the forecast rates due to expected higher grant income to offset additional reliefs. However due to the reduction in the actual surplus for 2018/19 from the original estimated position of £1,426k, the Council is forecasting a Business Rates deficit of £200k. The Business Rates tax base is volatile given the impact of a small number of businesses on the tax base overall e.g. the power station. However the Government is making further changes regarding resetting the system in 2020/21 and existing risks remain, in particular successful appeals and changes affecting the power station. Due to this the level of grant and the amount of Business Rates the Council can retain after 2019/20 could change (and such swings can be significant). The Organisational Stabilisation Reserve helps mitigate against risks including Business Rates uncertainty.

The volatility detailed above has resulted in a prudent approach with 2020/21 Business Rates estimated assuming a '100% reset' removing the benefit of Business Rates growth and thereafter a 2% increase.

The impact in 2019/20 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. From 2020/21 onwards with the new system of Business Rates in place a new pooling agreement is likely to be required to determine, for example, the relevant tier split between districts and Nottinghamshire County Council.

The forecast position on Business Rates is shown below.

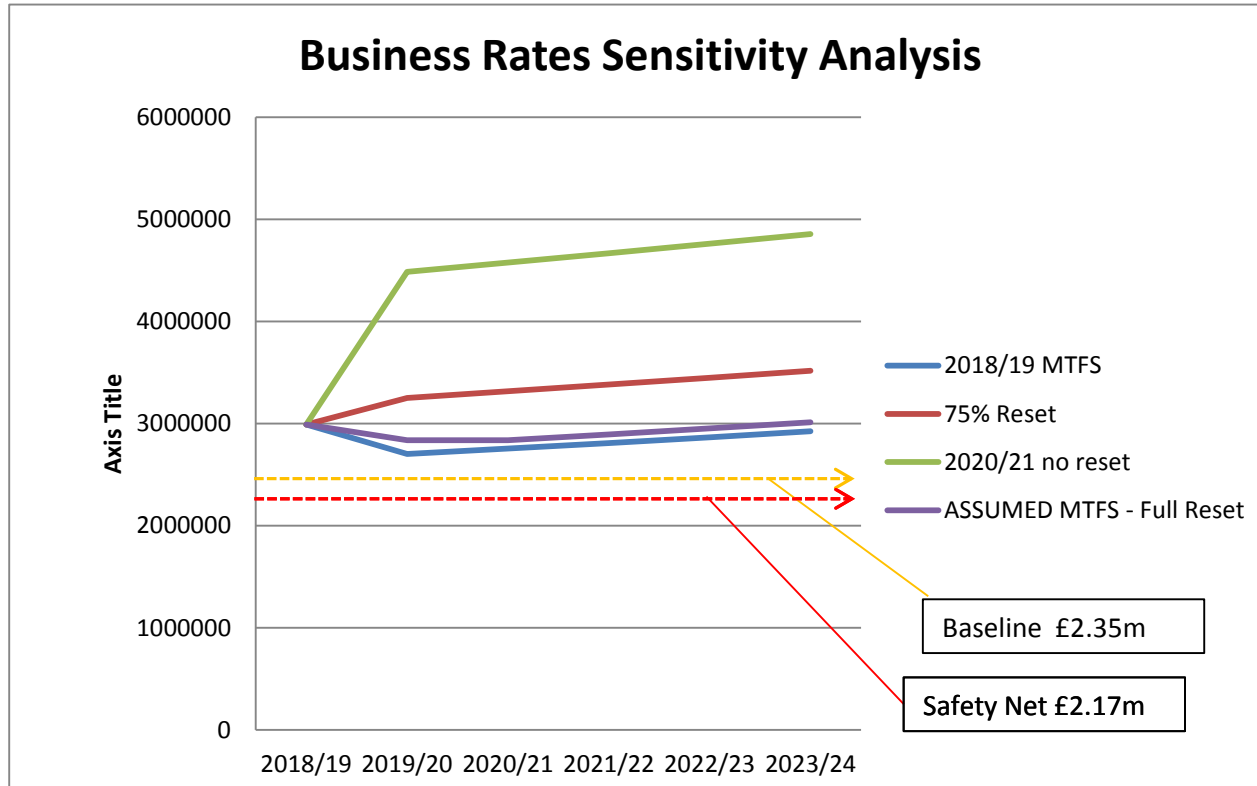
Table 2 Business Rates

£'000	2019/20	2020/21	2021/22	2022/23	2023/24
Retained Business Rates	3,767	2,838	2,895	2,953	3,012
Increase/(reduction)	777	(929)	57	58	59
Increase/(reduction)	26%	(25%)	2%	2%	2%
Forecast Business Rates Surplus/(deficit)	(200)	0	0	0	0

Sensitivity Analysis

The uncertainty surrounding Business Rates from 2020/21 gives a range of scenarios. The graph below summarises potential differences, from a best case scenario of the Council continuing to benefit from existing growth to a worst case scenario of a 'full reset' removing Business Rates growth. The amount we can budget for in 2020/21 ranges from £2.8m to £4.6m. The impact of a significant Business Rates appeal can push the Council into the 'Safety Net' position; see Graph 1 – which is £2.17m.

Graph 1: Business Rates Planning Scenario



3.4 Council Tax

As a result of reductions in funding in other income streams such as Revenue Support Grant, the Government has assumed in future funding projections that Councils will take up the offer of increasing their Council Tax by the higher of 3% or £5 for a Council Tax Band D. The overriding principle is that the Council aims to stay in the lower quartile for Council tax. The Council has assumed an increase in Council Tax of £4.95 (3.73%) and thereafter £4.95 each year for the duration of this MTFs. Setting Council Tax to 2.99% would reduce Council Tax income by £42,200 in 2019/20, (decreasing to 2% and zero would give respective reductions of £99,000 and £213,700).

We have also reviewed the appropriateness of the existing tax base and for 2019/20 and this has resulted in an increase of 1.69% to 43,179. Thereafter we have assumed a 2% increase per annum. This will be reviewed as the Council looks to deliver its housing growth targets.

Last year we reported on the likely increase in the Long Term Empty Homes Premium for properties that have been empty for at least 2 years rising from 50% to 100% subject to legislative approval (amendment to the Local Government Finance Act 2012). The overall charge therefore being up to 200% of standard Council Tax for the relevant Council Tax Band. Whilst this was supported, subsequently the legislation has been amended and the Council therefore proposes to increase the premiums in line with the legislation as follows:

- From April 2020 if the property has been empty up to 5 years 100% premium and for a property empty for more than 5 years 200% premium;
- From April 2021 if the property has been empty up to 5 years 100% premium, for a property 5 to 10 years a 200% premium and for anything over 10 years a 300% premium.

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

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Council Tax Base (a)	42,460.1	43,178.5	44,042.1	44,922.9	45,821.4	46,737.8
Council Tax £:p (b)	£132.84	£137.79	£142.74	£147.69	£152.64	£157.59
£ Annual Increase	£4.95	£4.95	£4.95	£4.95	£4.95	£4.95
% increase	3.87%	3.73%	3.59%	3.47%	3.35%	3.24%
Gross Council Tax collected (a x b)	£5,660,325	£5,949,566	£6,286,565	£6,634,665	£6,994,174	£7,365,409
Increase in Precept	£317,503	£289,241	£336,999	£348,100	£359,509	£371,235
Council Tax Surplus/(Deficit)	(£37,400)	(100,900)	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 2018/19, special expenses will be levied in West Bridgford, Ruddington and Keyworth.

Appendix 1, summarised in Table 4, details the Band D element of the precepts for the special expense areas. Special expense Band D tax amounts have slightly fallen in Ruddington mainly because of a larger tax base. The Band D amount for Keyworth has increased by 14p (9.59%) per annum to cover maintenance costs of Keyworth Cemetery.

Table 4 Special Expenses

	2018/19		2019/20		
	Cost	Band D	Cost	Band D	Band D
	£	£	£	£	% change
West Bridgford	672,600	48.51	683,000	48.51	0
Keyworth	3,800	1.46	4,200	1.60	9.59
Ruddington	9.100	3.40	9,100	3.37	(0.88)
Total	685,500		696,300		1.58

3.6 Revenue Support Grant (RSG)

As part of the settlement the Government announced that Councils will not be subject to a tariff (or negative RSG). Since 2013/14 RSG has reduced by £3.25m and the Council has to make good this figure largely through its Transformation Strategy and Efficiency plan.

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 were:

- 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, which can be amended each year (but so far has not been) including the proposal for 2019/20.
- Allocations will continue to be an un-ringfenced grant.

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. The scheme has not altered further in 2019/20 but could change in the future as a result of the planned reviews of local government finance. We have taken a prudent view and capped any potential increase with the likelihood that the local government district council funding envelope will not get any bigger.

Table 5 – New Homes Bonus

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
New Homes Bonus Received in Year	(1,364)	(1,621)	(1,621)	(1,621)	(1,621)	(1,621)

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 6.

Table 6 – Fees, Charges and Rental Income

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Car Parks	(773)	(793)	(793)	(793)	(793)	(793)
Licences	(260)	(287)	(287)	(287)	(287)	(287)
Non Sporting Facility Hire	(195)	(188)	(188)	(188)	(188)	(188)
Other Fees & Charges	(683)	(633)	(890)	(935)	(982)	(1,031)
Planning Fees	(938)	(1,038)	(1,038)	(1,038)	(1,038)	(1,038)
Rents	(1,740)	(1,617)	(1,638)	(2,138)	(2,198)	(2,198)
Green waste income	(1,236)	(1,239)	(1,345)	(1,345)	(1,345)	(1,345)
Service Charges	(359)	(305)	(256)	(256)	(256)	(256)
Total	(6,095)	(6,100)	(6,435)	(6,980)	(7,087)	(7,136)

Income assumptions are determined by a number of factors including current performance, decisions already taken and known risks. Examples of such adjustments include increases in Car Parking income from tariff changes and rebasing. Increases in Licensing income, additional Land Charges and Planning income are in part attributed to growth as new businesses and housing sites come to fruition. There is also the benefit of income accrued from newly acquired investment properties included within the Transformation Plan and additional income on existing properties. Reductions in rental income and service charges in 2019/20 and 2020/21 are due to the loss of income at the depot following relocation.

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 which is consistent the treatment of expenditure. This could be an option for addressing future budget gaps. Anticipated income from commercial property investment forms part of the Council's Transformation Strategy and Efficiency Plan.

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 (£14.8m) which is used to meet the costs of the national housing benefit scheme. This has reduced by £2.6m from the 2018/19 estimate (£17.4m) due to the anticipated reduction in payments as a result of the introduction of Universal Credit. Other income is shown in Table 7.

Table 7 – Other Income

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Rechargeable Costs (e.g. Fuel)	(248)	(178)	(178)	(178)	(178)	(178)
Housing Benefit Admin Grants	(257)	(238)	(222)	(206)	(192)	(192)
Interest on Investments	(271)	(285)	(267)	(291)	(306)	(363)
OLAs Contribution	(184)	(193)	(138)	(138)	(138)	(138)
Other Income	(283)	(341)	(363)	(364)	(361)	(36)
Recycling Credits	(130)	(140)	(140)	(140)	(140)	(140)
Other Government Grants	(160)	(161)	(109)	(109)	(109)	(109)
Sub Total	(1,533)	(1,536)	(1,417)	(1,426)	(1,424)	(1,424)
Housing Benefit Subsidy	(17,373)	(14,833)	(14,833)	(14,833)	(14,833)	(14,833)
Total Other Income	(18,906)	(16,369)	(16,250)	(16,259)	(16,257)	(16,314)

3.10. Summary

Table 8 – All sources of income

	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Retained Business Rates	(2,990)	(3,767)	(2,838)	(2,895)	(2,953)	(3,012)
Revenue Support Grant	(130)	0	0	0	0	0
Other Grant Income*	(139)	(314)	(78)	(79)	(81)	(82)
New Homes Bonus	(1,364)	(1,621)	(1,621)	(1,621)	(1,621)	(1,621)
Council Tax (RBC)	(5,660)	(5,950)	(6,287)	(6,635)	(6,994)	(7,365)
Council Tax (Special Expenses)	(685)	(696)	(696)	(696)	(696)	(696)
Collection Fund (Surplus -)/deficit	(1,389)	301	0	0	0	0
Fees, Charges and Rental Income	(6,095)	(6,100)	(6,435)	(6,980)	(7,087)	(7,136)
Other income	(18,906)	(16,369)	(16,250)	(16,259)	(16,257)	(16,314)
Total Income	(37,358)	-34,516	(34,205)	(35,165)	(35,689)	(36,226)

***Other grants commentary**

New burdens funding relates to:–

- Flexible Homelessness Support Grant £110k – to enable authorities to meet the new duties contained within the Homelessness Reduction Act with an increased focus on prevention and wider duties to provide personalised housing plans to anyone threatened with homelessness regardless of priority need.
- Self-Build £15k
- Neighbourhood Planning £40k
- Compensation for Under Indexing Business Rates £76k
- Return of surplus from the Business Rates Levy £36k

- DHP admin and Benefit Cap £19k
- £18k Brexit contingency funding (£18k is also due to be received in 2018/19).

4. 2019/20 SPENDING PLANS

4.1 The Council's spending plans for the next five years are shown in Table 9 and take into account the assumptions in Section 2. Going forward, as Transformation Programme Savings/Growth projects are delivered (e.g. from relocation of the Depot and Asset Investment projects) the spending profile will change.

Table 9 – Spending Plans

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Employees	10,201	10,649	10,735	10,932	11,142	11,428
Premises	1,257	1,468	1,389	1,396	1,404	1,404
Transport	1,696	1,624	1,627	1,633	1,640	1,649
Supplies & Services	5,920	6,341	6,334	6,387	6,402	6,525
Transfer Payments	17,299	14,668	14,678	14,688	14,698	14,708
Capital Charges	2,234	2,333	2,333	2,333	2,333	2,333
Third Party	2,265	2,531	2,556	2,621	2,672	2,672
Net recharges	(3,989)	(4,323)	(4,322)	(4,322)	(4,322)	(4,322)
Gross Service Expenditure	36,883	35,291	35,330	35,668	35,969	36,397
Reversal of Capital Charges	(2,234)	(2,333)	(2,333)	(2,333)	(2,333)	(2,333)
Net Contribution to Reserves	1,775	426	631	602	494	303
Minimum Revenue Provision	1,000	1,000	1,000	1,074	1,309	1,309
Revenue Contribution to Capital	129	132	132	139	158	158
Overall Expenditure	37,553	34,516	34,760	35,150	35,597	35,834

4.2 Explanations for some of the main variances above are:

- Employee costs increase due to the inflationary increase in salary of 2%.
- Supplies and services increases due to elections in May 2019 and anticipated interest payments on borrowing.
- Transfer payments reductions due to the forecasted decline in rent allowance payments as a result of Universal Credit.
- The reduction in the net contribution to reserves from last year is due to the deficit position on the collection fund.
- Minimum Revenue Provision increases in later years as a result of increased borrowing in relation to capital challenges (see Section 9)

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 10 – Budget Requirement

	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Retained Business Rates	(2,990)	(3,767)	(2,838)	(2,895)	(2,953)	(3,012)
Revenue Support Grant	(130)	0	0	0	0	0
Other Grant Income	(139)	(314)	(78)	(79)	(81)	(82)
New Homes Bonus	(1,364)	(1,621)	(1,621)	(1,621)	(1,621)	(1,621)
Council Tax (RBC)	(5,660)	(5,950)	(6,287)	(6,635)	(6,994)	(7,365)
Council Tax (Special Expenses)	(685)	(696)	(696)	(696)	(696)	(696)
Collection Fund (Surplus)/Deficit	(1,389)	301	0	0	0	0
Fees, Charges and Rental Income	(6,095)	(6,100)	(6,435)	(6,980)	(7,087)	(7,136)
Other Income	(18,906)	(16,369)	(16,249)	(16,257)	(16,257)	(16,314)
Additional Transfer (From)/ To Reserves (from NHB)	0	0	(556)	13	92	392
Total Income	(37,358)	(34,516)	(34,760)	(35,150)	(35,597)	(35,834)
Gross Expenditure	37,553	34,516	34,760	35,150	35,597	35,834
Net Budget Position	195	0	0	0	0	0
Budget Position excluding Transformation Savings	195	254	434	520	97	39
Transformation Savings (see section 7)	(195)	(254)	(434)	(520)	(97)	(39)
Net Budget Position	0	0	0	0	0	0

- 5.2 The above shows a deficit position of £556k in 2020/21 and the proposed use of New Homes Bonus to support the budget, then surpluses accrue in later years largely offsetting the use of this reserve and a broadly balanced position over the MTFs period.
- 5.3 Section 7 covers the Transformation Programme - including the use of reserves, balancing the budget for 2019/20 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 anticipated that at the end of 2018/19 a net £2.09m will be transferred to the Organisation Stabilisation reserve to manage the impact of reduced government funding, future changes to the Business Rates Retention scheme and ongoing service stability. This will bring the balance on the reserve to £2.685m. Whilst projections indicate the reserve will have a balance of £2.394m by 2023/24 the prevailing uncertainty in relation to both large Council projects and future funding means that this level of reserve is necessary. The Council's strong financial management enables reserves to be used flexibly to manage risk.
- 6.2 Table 11 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 2019/20 which also includes capital commitments. Reserve levels have increased reflecting the necessity to manage future risks. The projections are based on current understanding regarding New Homes Bonus receipts. All of the 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 (to meet special expense capital commitments) reserve. The release of reserves will be constantly reviewed in order to balance funding requirements and the potential need to externally borrow to support the Capital Programme.
- 6.3 Whilst part of the annual allocations of New Homes Bonus (NHB) will be used to offset the MRP requirements arising from internal borrowing, the remaining 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 reflect the allocation of £1m per annum from the New Homes Bonus Reserve to offset the Minimum Revenue Provision (MRP) arising from internal borrowing. As there is more spend on capital the requirement to fund MRP and utilise reserves will increase or funding will be required from the revenue budget, hence the increase in MRP in the last 3 years of this strategy. The NHB reserve increase is predicated on the assumptions made on NHB in Section 3.7.
- 6.4 It should be noted that 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 11 – Specific Reserves

£000	Balance 31.03.19	Balance 31.03.20	Balance 31.03.21	Balance 31.03.22	Balance 31.03.23	Balance 31.03.24
<i>Investment Reserves:</i>						
Regeneration and Community Projects	1,352	1,434	1,516	1,605	1,713	1,821
Sinking Fund – Investment Properties	115	169	285	438	598	759
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
<i>Corporate Reserves:</i>						
Organisation Stabilisation	2,685	2,608	2,453	2,402	2,394	2,394
Risk and Insurance	100	100	100	100	100	100
Planning Appeals	350	350	350	350	350	350
Elections	203	51	101	151	201	51
<i>Operating Reserves:</i>						
Planning	106	106	106	28	28	28
Leisure Centre Maintenance	116	116	116	116	116	116
Planned Maintenance	100	100	100	100	100	100
Total Excluding NHB Reserve	5,673	5,580	5,673	5,836	6,146	6,265
New Homes Bonus	6,501	7,102	7,703	8,230	8,522	8,815
Total Earmarked Reserves	12,174	12,682	13,376	14,066	14,668	15,080
<i>General Fund Balance</i>	2,604	2,604	2,604	2,604	2,604	2,604
TOTAL	14,778	15,286	15,980	16,670	17,272	17,684

7. THE TRANSFORMATION STRATEGY AND EFFICIENCY PLAN

7.1 For the past 3 years the Council has successfully implemented a Transformation Strategy and supporting Transformation Programme (this is also the Council's efficiency strategy). This 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**, this also includes an Appendix on the Council's approach to commercialism. 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 12.

Table 12 – Savings targets

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Gross Budget Deficit excluding Transformation Plan	3,740	4,788	4,732	4,707	4,438
Cumulative Savings in Transformation Plan	3,486	3,740	4,174	4,694	4,791
Gross Budget Deficit/(Surplus)	254	1048	558	13	(353)
Additional Transformation Plan savings	(254)	(434)	(520)	(97)	(39)
Cumulative Transformation Target (Appendix 3)	(254)	(688)	(1,208)	(1,305)	(1,344)

- 7.3 In order to deliver a balanced budget for 2019/20 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, to identify innovative ways of delivering its services more economically, efficiently and effectively. There are several significant asset investment projects particularly the development of a Crematorium and the Bingham Leisure Hub which will deliver both socio-economic and financial benefits. These are also subject to their own project risks.
- 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 12 over the five year period £1.34m of expected efficiencies have been identified. The current transformation projects which will be worked upon for delivery from 2019/20 are given at **Appendix 3**.
- 7.5 A further pipeline of schemes is also highlighted including the review of community assets such as Lutterell Hall and outcomes from the West Bridgford Commissioners report such as the potential development of Tudor Square. Such schemes are also reliant upon the leveraging of resources from partners.

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 13 - 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, potential alternative use of the site
Central Government policy changes e.g. Fairer funding, changes to NHB and 75% Business Rates transfer to local government leading to reduced revenue. Environmental policy changes with regards to waste will create future financial pressures	High	High	Engagement in consultation in policy creation and communicating to senior management and members the financial impact of changes via the MTFS. Budget at safety net position.
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.
Inadequate capital resources	Medium	High	Proportionate spending and sale of surplus assets, maximising pooled funding opportunities e.g. DFGs, external funding such as LEP funding, managing the impact of reducing NHB and reporting of new schemes that may come to fruition. The need to revisit the Council Tax strategy to meet the cost of capital, along with cost efficiencies and raising income.
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, the property market, 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 property investment diversification. Monitoring borrowing rates.
The impact of changes to accounting standards upon Council investments	High	Low	Monitor the impact of IFRS9 on council budgets and consider provision for default on investment debts.

- 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, our commercial property acquisitions not only delivers a rental income in excess of that available to the Council through treasury management investments, but also we aim for appreciating asset values and generating economic growth. The Council has increased the number of property investments by diversifying, in terms of geographical location and asset use, which mitigates potential downside risk. A combination of capital demands and risks surrounding the property market means the Council's direction has changed with a focus on projects in the Borough. This results in a longer lead-in time to accrue income from such investment as opposed to commercial property acquisition.

8.3 The MTF5 presents a balanced budget for 2019/20 and a deficit position for 2020/21 funded by the use of reserves. The reserves are planned to be replenished with projected surpluses in the later years. Reserves are necessary to protect the Council from risks in relation to uncertainty concerning government funding and the Business Rates system and delivering the Council's Transformation Programme. There is a current climate 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 the profile for RSG reductions is known the planned benefits from Business Rates repatriation to local government (i.e. 75% to local government) to help provide a buffer for these reductions is still unknown. For example we do not know what the tier split is between the County and district councils and whether the Nottinghamshire Pool will continue.
- Business Rates - has a number of significant risks and is a highly volatile tax base. The planned de-commissioning of the power station in 2025, given it accounts for around one quarter of Business Rate income, potentially undermines any benefits the Council may gain in Business Rates from business growth.
- Businesses - were revalued in 2017 and there were a number of statutory changes to the reliefs given then and also in 2018. The upshot of this is that the business rate baseline has been reviewed and it makes it difficult to monitor this area of the budget.
- New Homes Bonus - as identified at 3.7 and as stated last year the funding mechanism changes to NHB reducing allocations to the Council has materialised. Currently there is sufficient funding to cover payments with regards to the Arena project. In the future it may impact upon 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 are in place such as the Council extending the repayment period and/or accessing Public Works Loan Board funding to finance the project. The Council will continue to lobby Government to ensure it is both rewarded for growth and to ensure there is funding in relation to the consequences of growth.

9. CAPITAL PROGRAMME

- 9.1 Officers are asked to submit schemes to be included in a draft Capital Programme, which also includes on-going provisions to support Disabled Facilities Grants, investment in Social Housing, and Partnership Grants. This draft programme was then discussed by EMT along with supporting information and business cases where appropriate. Following these discussion the draft Capital Programme was further refined and supported by detailed appraisals as set out in the Council's Financial Regulations. These detailed appraisals are included at **Appendix 4.** along with the proposed five year capital programme and are summarised below.

Table 14 – Five year capital programme, funding and resource implications

CAPITAL PROGRAMME 2019/20

	2019/20	2020/21	2021/22	2022/23	2023/24	
	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	TOTAL
	£000	£000	£000	£000	£000	£000
EXPENDITURE SUMMARY						
Transformation	14,810	17,715	5,430	230	230	38,415
Neighbourhoods	1,158	1,775	1,770	1,115	1,533	7,351
Communities	438	239	574	129	104	1,484
Finance and Corporate	100	100	100	100	100	500
Total	16,506	19,829	7,874	1,574	1,967	47,750
FUNDED BY						
Usable Capital Receipts	(4,414)	(12,004)	(5,506)	(947)	(1,340)	(24,211)
Better Care Funding	(577)	(577)	(577)	(577)	(577)	(2,885)
Use of Reserves	(50)	(70)	(50)	(50)	(50)	(270)
Grants and Contributions	(1,862)	(1,250)	0	0	0	(3,112)
Section 106 Monies	0	(705)	(1,000)	0	0	(1,705)
Internal Borrowing and Borrowing	(9,603)	(5,223)	(741)	0	0	(15,567)
Total	(16,506)	(19,829)	(7,874)	(1,574)	(1,967)	(47,750)
RESOURCES MOVEMENT						
Opening Balances:	4,181	2,400	2,597	2,840	4,670	
Projected Receipts:	5,122	14,803	7,376	3,404	3,409	
Use of Resources:	(6,903)	(14,606)	(7,133)	(1,574)	(1,967)	
Balance Carried Forward:	2,400	2,597	2,840	4,670	6,113	

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 enhance service delivery, provide widened economic development to maximise business and employment opportunities, and for investment to go between years as long as the value of the five year programme is not exceeded for each scheme. The programme is reviewed by Full Council as part of the budget setting process. The major focus of the Capital Programme is on the Transformation platform to expand and generate revenue income streams in order to help balance the Council's MTFS. Significant projects in the 2019/20 and future Capital Programme include:

- A provision of £5m has been included in the programme for the commencement of development of Bingham Hub. The vision here is for the provision a mix of new leisure facilities and office units to replace the existing Bingham Leisure Centre and also to expand business and employment opportunities. Details and options for this scheme are under assessment. The overall investment total is estimated to be £20m.
- £2.5m has been included to provide an upfront loan for development of infrastructure which will support the roll out of future industrial units and increase business and employment opportunities on the Fairham Pastures site. The actual build costs for the industrial units are spread over 2019/20 and 2020/21 and total £3.65m.
- £1.9m is for the completion of the regeneration of Cotgrave Phase II to provide 1 large and 3 smaller retail units capable of generating approximately £100k in revenue income.
- £1.7m has been included as part of a total provision of £6.5m to provide a new Crematorium in the Borough.
- £1.75m has been allocated from the Asset Investment Strategy to develop industrial units at Moorbridge in Bingham to further add to the Council's investment property portfolio and secure future revenue income streams.
- Information Systems Strategy (£0.16m plus a four year rolling programme to give a total of £1.235m);
- On-going vehicle replacement programme (£2.5m over the next five years).
- Support for Registered Housing Providers (£0.25m and a further £0.210m in 2019/20.) This sum will be further enhanced by the underspend from 2018/19.
- Disabled Facilities Grants a provision of £0.454m has been provided each year but this is subject to change when the formal Better Care Funding allocations are approved.
- Funds for the new initiative to replace/enhance existing skate parks in the Borough. A grant fund of £0.5m was been established with £0.25m of this in the 2019/20 programme. This is time limited and is to enable the Council to support the owners of existing skate parks and facilitate their redevelopment.
- Smaller sums have been included to ensure that our land and buildings and investment property portfolios are able to be enhanced. In addition, regular provisions have been made for wheeled bins for new development across the Borough.
- A Contingency sum of £0.1m has been included in 2019/20 to give flexibility to delivery of the programme.

- 9.3 The Council has previously allocated £20m to the Asset Investment Strategy within its Capital Programme. This has now all been earmarked for investment opportunities and acquisitions, development of industrial units, and the provision of a Crematorium in the Borough. Significant schemes include the making of a loan to Nottinghamshire County Cricket Club for £2.7m; £2.5m for the first phase of redevelopment at Cotgrave and a further £1.9m for Phase II; £6.7m to enhance business and employment opportunities through investment in industrial units; £2.8m in other retail units; the balance of £3.4m is effectively being utilised for the Crematorium project.
- 9.4 The Council's capital resources are slowly being replenished as potential receipts from the overage agreement for land at Sharphill are recognised. The Council's currently identified capital resources will be in the region of £6.1m at the end of the five year life of the Programme. This comprises: £2.7m Capital Receipts; £3.3m Earmarked Capital Reserves; and £0.1m minor capital contributions. It is likely that all of the Council's Usable Capital Receipts will be exhausted by the end of 2019/20 but will slowly build back up from 2022/23 as income from Sharphill is received. This position must be viewed in the context of funding the completed redevelopment of The Arena Site. 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 New Homes Bonus, subject to the risks highlighted in Sections 3.7 and 8.3. Going forward, there is an underlying assumption that the Council may need to externally borrow up to £10m to support delivery of the proposed Capital Programme; primarily this borrowing will be linked to the development of Bingham Hub and delivery of commitments in the Leisure Strategy. This is likely to be done through loans from the Public Works Loan Board benefitting from a certainty rate of interest. Formal funding decisions are taken at the end of each financial year when the level of capital expenditure is assessed in line with the capital resources and usable reserves available.
- 9.5 The following significant capital grants and contributions will be used to support the funding of the proposed capital programme:
- £2.5m funding from the LEP to support development work at Fairham Pastures;
 - The potential to release up to £1.7m from Developer Contributions to support works associated with Bingham Hub and the activation of the Leisure Strategy;
 - An estimated £577k from the Better Care Fund to deliver Disabled Facilities Grants, Discretionary Top-up Grants and Assistive Technology;
 - Application of a land release grant of £300k for housing development on the existing Depot Site.

10. TREASURY MANAGEMENT

10.1 Attached at **Appendix 5** is the Capital and Investment Strategy (CIS) which integrates capital investment decisions with cash flow information and revenue budgets. The key assumptions in the CIS are summarised in the following table:

Table 15 – Treasury Assumptions

	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Average Interest rate %	0.75	0.75	1.00	1.00	1.25
Expected interest from investments (£)	(201,300)	(186,700)	(214,800)	(232,400)	(292,200)
Other interest (£)	(83,700)	(80,000)	(77,000)	(74,000)	(71,000)
Total Interest (£)	(285,000)	(266,700)	(291,800)	(306,400)	(363,200)

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10.2 The CIPFA Treasury Code has been updated to include assets held for financial returns. The CIS at paragraphs 64-77 covers the Council's approach and risk management with regards to such assets. It documents the spreading of risk across the size of individual investments and diversification in totality across different sectors. The Council's Asset Investment Strategy (which governs the Council's approach to Asset Investment) is also appended to the CIS.

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 3% or up to £5 the Council could freeze its Council Tax. Table 16 provides details of the impact on budgets of the recommended option of a £4.95 increase against the 3 scenarios of a tax freeze, a 2.99% increase or a 2% increase. From no increase to a £4.95 increase by 2023/24 the Council Tax income foregone is £1.157m and over the period £3.381m.

Table 16: Alternate Council Tax Levels

£'000	2019/20	2020/21	2021/22	2022/23	2023/24	
Band D £137.79 in 2019/20 Increase at £4.95 each year – Recommended Option						
Total CT Income	(5,950)	(6,287)	(6,635)	(6,994)	(7,365)	
Total for Freeze (Band D £132.84)	(5,736)	(5,851)	(5,968)	(6,087)	(6,209)	
Total for 2.99% increase (Band D £136.81)	(5,907)	(6,206)	(6,519)	(6,848)	(7,194)	
Total for £2% each year (Band D £135.50)	(5,851)	(6,087)	(6,333)	(6,589)	(6,855)	
Difference (£'000)	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Freeze vs £4.95	(214)	(436)	(667)	(907)	(1,157)	(3,381)
2.99% vs £4.95	(42)	(81)	(116)	(146)	(171)	(556)
2% vs £4.95	(99)	(200)	(302)	(406)	(511)	(1,518)

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.

Funding Analysis for Special Expense Areas

	2018/19 (£)	2019/20 (£)	% Change
West Bridgford			
Allotments	1,000	0	
Parks and Playing Fields	390,900	390,100	
West Bridgford Town Centre	46,800	46,800	
Community Halls	81,800	99,300	
Seats & Bins	300	300	
Contingency	0	14,700	
Annuity Charges	76,800	81,800	
Revenue Contributions to Capital	75,000	50,000	
Total	672,600	683,000	
Tax Base	13,865	14,078.3	
Special Expense Tax	48.51	48.51	0%
Keyworth			
Cemetery & Annuity Charges	3,800	4,200	
Total	3,800	4,200	
Tax Base	2,604	2617.5	
Special Expense Tax	1.46	1.60	9.59%
Ruddington			
Cemetery & Annuity Charges	9,100	9,100	
Total	9,100	9,100	
Tax Base	2,680	2701.7	
Special Expense Tax	3.40	3.37	-0.88%
TOTAL SPECIAL EXPENSES	685,500	696,300	1.58%

REVENUE BUDGET SERVICE SUMMARY

Appendix 2

	2018/19 ESTIMATE £	2019/20 ESTIMATE £	2020/21 ESTIMATE £	2021/22 ESTIMATE £	2022/23 ESTIMATE £	2023/24 ESTIMATE £
Communities	2,751,600	2,751,900	2,795,500	2,819,100	2,872,500	2,915,000
Finance and Corporate Services	3,188,100	3,393,700	3,464,800	3,603,400	3,680,800	3,894,600
Neighbourhoods	5,959,900	6,504,500	6,300,800	6,369,700	6,442,900	6,460,400
Transformation and Operations	(18,300)	173,700	84,200	(360,500)	(370,300)	(322,500)
Net Service Expenditure	11,881,300	12,823,800	12,645,300	12,431,700	12,625,900	12,947,500
Capital Accounting Adjustments	(2,233,600)	(2,333,100)	(2,333,100)	(2,333,100)	(2,333,100)	(2,333,100)
Minimum Revenue Provision	1,000,000	1,000,000	1,000,000	1,074,000	1,309,000	1,309,000
Revenue Contribution to Capital	129,100	131,800	131,800	139,200	158,100	158,100
Transfer to/(from) Reserves	(1,775,100)	426,100	631,400	601,600	493,800	303,100
Total Net Service Expenditure	12,551,900	12,048,600	12,075,400	11,913,400	12,253,700	12,384,600
Funding						
Central Government Grant	(130,000)	0	0	0	0	
Other Grant Income	(138,700)	(314,300)	(77,500)	(79,100)	(80,700)	(82,300)
Localised Business Rates, includes SBRR	(2,989,800)	(3,767,000)	(2,838,300)	(2,895,100)	(2,953,000)	(3,012,100)
Collection Fund (Surplus)/Deficit	(1,388,600)	299,600	0	0	0	0
Council Tax Income						
- Rushcliffe	(5,660,300)	(5,949,600)	(6,286,600)	(6,634,700)	(6,994,200)	(7,365,400)
- Special Expenses Areas	(685,500)	(696,300)	(696,300)	(696,300)	(696,300)	(696,300)
New Homes Bonus	(1,364,000)	(1,621,000)	(1,621,000)	(1,621,000)	(1,621,000)	(1,621,000)
Total Funding	(12,356,900)	(12,048,600)	(11,519,700)	(11,926,200)	(12,345,200)	(12,777,100)
Net Budget (Surplus)/Deficit (Funded from Reserves)	195,000	0	555,700	(12,800)	(91,500)	(392,500)
<i>Memorandum</i>						
Transformation Savings Included in the budget	195,000	253,800	434,300	520,000	97,000	39,000
Cumulative savings	195,000	448,800	883,100	1,403,100	1,500,100	1,539,100

Rushcliffe Borough Council

Transformation Strategy and Efficiency Plan 2019/20 – 2023/24

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 Corporate Strategy subtitled 'Proactively Preparing for the Future'.

The original 4 Year Plan and Transformation Programme have successfully supported the delivery of over £7.2m 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. The Council also absorbs inflation increases across many areas except where there is contractual inflation or areas of higher risk. For 2019/20 this is estimated at £270k. 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 83% of residents are satisfied with Rushcliffe as a place to live and 63% of residents are satisfied with the way the Council runs its services. (2018).

This revised Transformation Strategy sets out the Council's approach to making further savings between now and 2023/24. 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

Whilst the Council has achieved significant savings via the 4 year plan and the first four 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

	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000
Gross Budget Deficit excluding Transformation Plan	3,740	4,788	4,732	4,707	4,438
Cumulative Savings in Transformation Plan	3,486	3,740	4,174	4,694	4,791
Gross Budget Deficit/(Surplus)	254	1048	558	13	-353
Additional Transformation Plan savings¹	-254	-434	-520	-97	-39
Cumulative Transformation Target (Appendix 2)	-254	-688	-1,208	-1,305	-1,344

In order to deliver a balanced budget for 2019/20 the Council has looked to constrain Council spend and increase income (particularly through commercialism and growth). The Council continues to review how it delivers its services and meet the funding gap. Other arrangements exist with neighbouring authorities such as the Building Control partnership with South Kesteven and Newark & Sherwood, and creating companies, such as Streetwise and looking to expand its company base through Rushcliffe Enterprises Ltd. The Council continues to identify innovative ways of delivering its services more economically, efficiently and effectively, including collaboration where a business case supports such an initiative.

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 remains a challenging exercise. The current transformation projects which will be worked upon for delivery from 2019/20 are given at [Appendix B](#). Some of the more significant projects include:

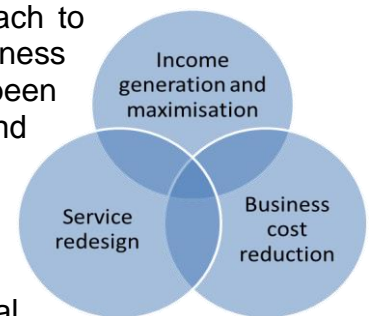
- The Asset Investment Strategy;
- the potential development of a crematorium;
- The relocation of the Council Depot;
- The continued activation of the Leisure Strategy focusing on the options for leisure provision in Bingham and surrounding area;
- Commercialisation – including joint ventures and site specific property companies with a view to both providing more housing in the Borough and an income stream for the Council;
- Cyclical reviews of all service areas; and

- Reviewing fees and charges.

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 this document. The Efficiency Strategy can be revised at any time by Full Council and as part of our Treasury Management Strategy reporting we must show the impact on our prudential indicators.

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.

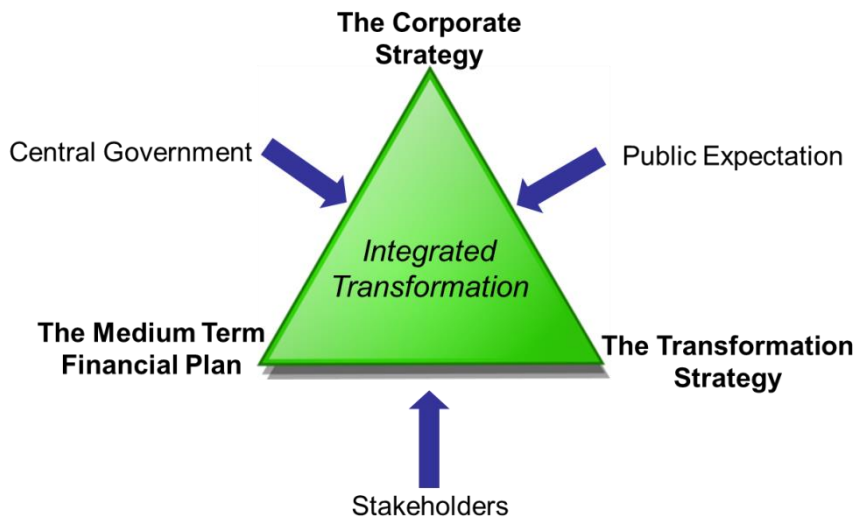


The Transformation Strategy is an evolving document and although it essentially covers the next five years it should not be bound by time or scope. To this end and within the emerging complex environment, three partnership models have been identified to provide a framework to generate further efficiencies. 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 five years to deliver over £4.8m 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. As the Transformation Strategy evolves Commercialism is emerging as cross cutting strategy, detailed in [Appendix C](#), to support the sustained delivery of the financial targets.



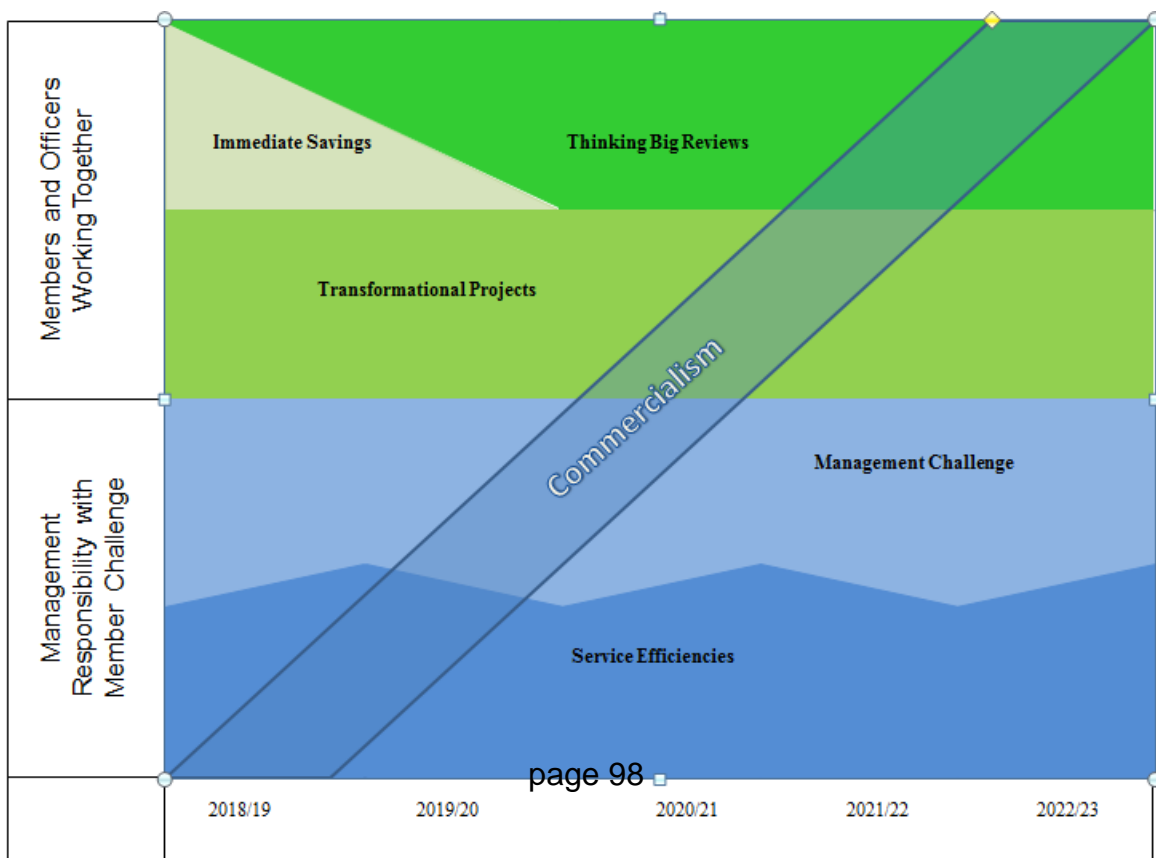
Rushcliffe's Integrated Approach to Transformation

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. Underpinning the work streams is our approach to Commercialism as documented at [Appendix C](#).

Management Responsibility with Member Challenge



Each year, officers undertake an internal programme of investigations looking specifically at improving efficiency through different ways of working. We also challenge our budgets every year to drive out further savings whilst minimising the impact of front line services. We have a strong leadership focused on corporate priorities using regular 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 inefficiency 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 2023/24. 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 ‘Thinking Big’ options that could significantly change the face of the Council and the services it delivers.

Immediate savings

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

Thinking big reviews

As part of the budget setting process for 2019/20, 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 robust investigations are undertaken. Over the last year (2018/19) there have been several "Big Thinking" initiatives focusing on Fairham Pastures and the development of housing and employment land, a new crematorium, the development of the Abbey Road Depot site and potential development of the Bingham Leisure Hub. The Asset Investment Strategy continues to pay dividends with some modest investment planned as the Council changes direction from purchasing commercial property to developing assets and services within the Borough's boundaries.

Transformational Projects 2019-2024

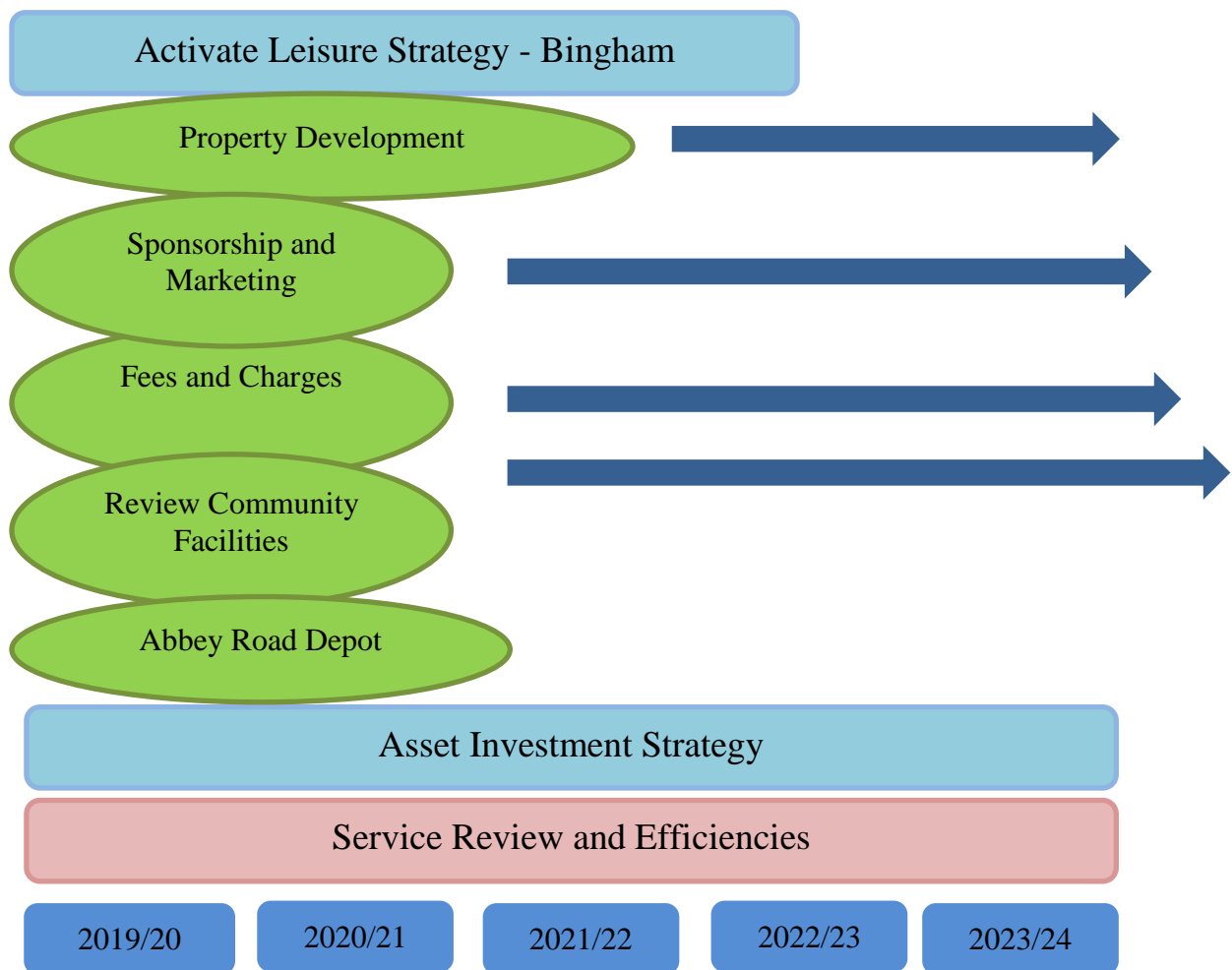
As has already been mentioned above, this Strategy is a continuation of the Council's original Transformation Programme and as a consequence a number of key projects which influence service delivery and finances over the next few years are already in progress. Good progress has been made with these legacy Transformational Projects with the completion of the new Civic Centre in December 2016 and the disposal of the old Civic Centre in May 2017.

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 and to consider the options for built leisure provision in the Bingham area. The new Arena leisure centre and Rushcliffe Borough Council's new offices successfully opened in January 2017. The next phase of the Leisure Strategy is to consider the options for Bingham leisure centre. External consultants have been commissioned to prepare an options appraisal which is anticipated to be completed in March 2019 and will inform the future delivery of the service.

Summary of the Transformation Strategy Work Programme

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



Governance

The original version of this strategy (2013) established a framework and timeframe 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 as they have arisen. It is anticipated that these same principles of agile working will apply to the 2019-2024 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 five 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.

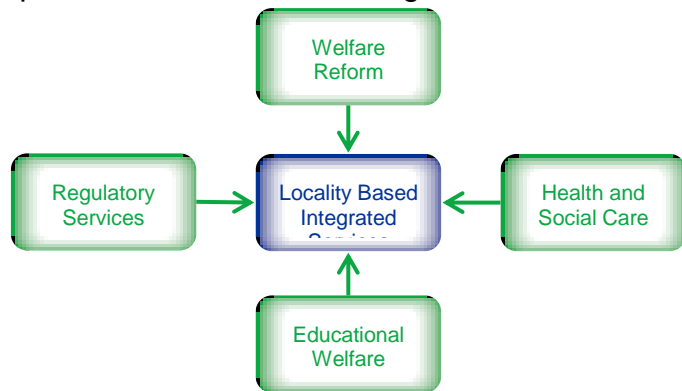
Rushcliffe’s Accepted Models of Partnership Working

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, Sunday Funday, Lark in the Park and Business Partnership events.

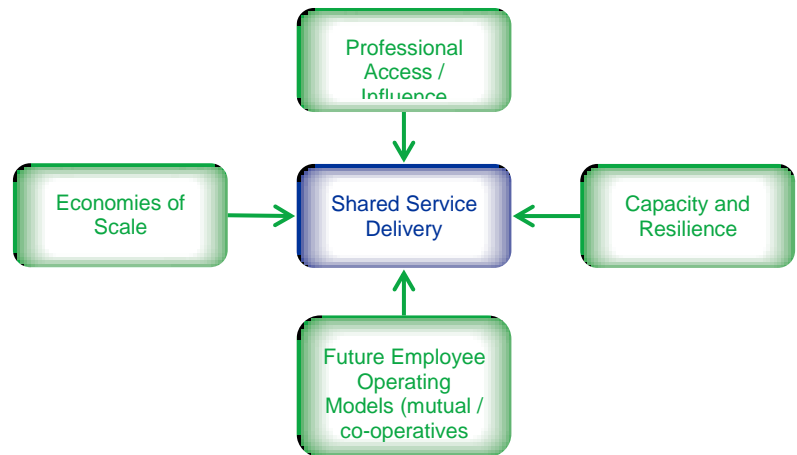
2. Partnerships of Scale

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, Newark & Sherwood), procurement (Gedling), homelessness (Gedling) and emergency planning (Nottinghamshire County Council).

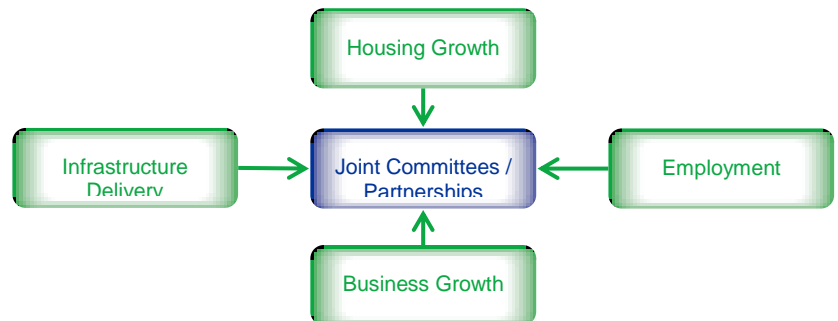
Following continued encouragement from Central Government, there has been an increased willingness and determination from the Leaders within Nottinghamshire to forge closer partnerships of scale (Waste Collection and Management).



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.

Transformation Programme 2019/20 - 2023/24					
Savings (£'000)	2019/20	2020/21	2021/22	2022/23	2023/24
Service Efficiencies & Management Challenge	1,777	1,802	1,792	1,782	1,772
<u>Thematic Reviews - With Potential Savings</u>					
Bridgford Hall	108	108	108	108	108
Council Publications and Promotion	9	9	9	9	9
Grants and Support	50	50	50	50	50
Leisure Strategy	424	424	424	424	424
Travel costs	56	56	56	56	56
Burial Provision	22.7	22.7	22.7	22.7	22.7
Printing for Member Meetings	5	5	5	5	5
Asset Investment Strategy	437	437	437	437	437
Total Thematic Reviews - With Potential Savings	1111.5	1111.5	1111.5	1111.5	1111.5
<u>Income Reviews</u>					
Wheeled bin charges for new houses	10	10	10	10	10
Fees and charges Generally	104	104	104	104	104
Street Trading Licences	5	5	5	5	5
Car Park - Increase charges	174	174	174	174	174
RCP - compulsory charging	20	20	20	20	20
Increase charging on Green Bin	276	382	382	382	382
Planning pre-application Advice	30	30	30	30	30
Total Additional Income	583	689	689	689	689

Transformation Programme 2019/20 - 2023/24	2019/20	2020/21	2021/22	2022/23	2023/24
Additional Growth/(Savings)					
Planning Income	100	100	100	100	100
Room Hire	7	7	7	7	7
Net impact of relocation to Eastcroft	(232)	(273)	(273)	(273)	(273)
Leisure Community Interest Company	99	120	120	120	120
Procurement	50	50	50	50	50
Green Waste – increase in demand	9	9	9	9	9
Event Sponsorship Income	67	67	67	67	67
Finch Close	69	69	69	69	69
Co-op	0	0	100	100	100
Units at Moorbridge	0	0	100	100	100
Cotgrave Phase 2	0	0	100	100	100
Asset Investment Projects	65	387	717	824	873
Total Additional Growth/(Savings)	233	536	1,066	1,173	1,222
Overall Total	3,740	4,174	4,694	4,791	4,830
In Year TP savings	254	434	520	97	39
<u>Potential Schemes - feasibility to be determined</u>					
Review of Community Facilities					
West Bridgford Commissioners report outcomes					
Green Waste Expansion					
Maximise income from services					
Collaboration opportunities					
Customer Service System Replacement					
Further company expansion through Rushcliffe Enterprises LTD (REL)					

**Commercialisation of Rushcliffe -
A balanced investment in our future**

With reduction in and eventual removal of Government grants to Local Authorities there is a need for Rushcliffe Borough Council, like other authorities, to consider new opportunities to help ensure the sustainability of the services delivered. Merely cutting costs will, in the long term, not be sufficient to fill the funding black hole. Local Authorities need to explore options to operate in a more commercial manner than would be traditionally expected of them.

This does not mean taking unnecessary risks with public money. It means, in these challenging financial times, the opportunity to continue to deliver the excellent services that our residents depend upon and expect.

Commercialisation for Rushcliffe informs and is integral to the Transformation Plan and Efficiency Strategy. This document should be viewed alongside:

- Corporate Strategy
- Asset Investment Strategy
- Medium Term Financial Plan

Core principles

Commercialisation contributes towards the aims of the medium term financial strategy and the following strategic goals, contained with the Council's Corporate Strategy 2016-2020:

1. Supporting economic growth to ensure a sustainable, prosperous and thriving local economy
2. Maintaining and enhancing our residents' quality of life
3. Transforming the Council to enable the delivery of efficient, high quality services.

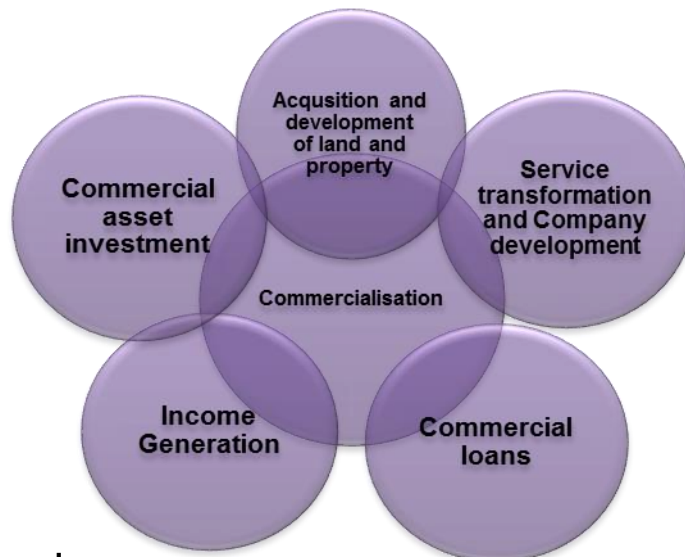
All decisions are considered against and aligned with these strategic goals as well as some core principles to ensure the Council is protecting the interests of our communities. Rushcliffe's core principles for commercialisation are:

- **Values** – commercial opportunities will align with the Council's values and enable the Borough Council to continue to deliver the vital services our communities rely on.
- **Broad/mixed approach** - It is not solely focused on income generation. It also focuses on deployment of resources and doing things differently.
- **Responsive** - be bold and opportunistic and prepared to think outside our comfort zone. This includes an acceptance that not all schemes will succeed but it is the value of the commercial programme as a whole that is critical.
- **Culture** – a strong organisational culture supported by a clear vision and good communication. Rushcliffe ensures that staff have the skills to deliver and where this is not possible external professional advice is sought.

- **Risk** - understand risk, this includes reputational risk, and be risk aware not risk adverse; the risk of doing nothing can sometimes be greater.

The Rushcliffe approach

Rushcliffe has embraced opportunities to operate in more commercial ways and has developed a strong programme of work across 5 key areas of commercialisation:



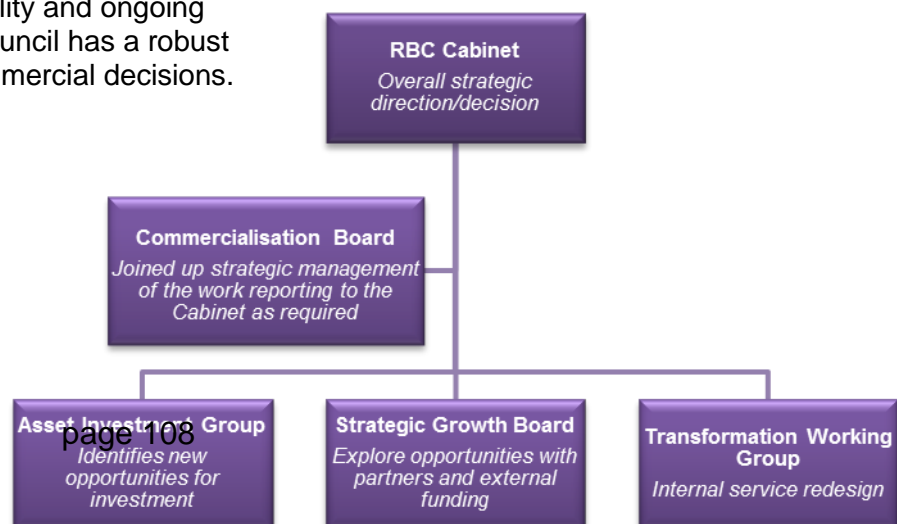
What we have already achieved

- Extending our property portfolio with the construction of 15 new industrial units in Cotgrave.
- Purchase of the Point office complex in the main town centre in the Borough
- Purchase of commercial land for development – Chapel Lane and Moorbridge Road
- Office move to the Arena which has meant the development of new more flexible ways of working and a digital transformation, with the council being a more responsive and leaner organisation.
- Acquisition of commercial property in the East Midlands region.
- Loan to Nottinghamshire County Cricket Club to secure the future of big sporting events including the Ashes in the Borough.
- Significant reviews of a range of services including collaboration in areas like Building Control and the creation of Streetwise Trading Company.
- Significant income generation for example through green waste.

Governance and monitoring

To ensure transparency, accountability and ongoing monitoring and management the Council has a robust structure in place to oversee all commercial decisions.

This work is led by a newly established Commercialisation Board empowering senior officers provide strategic leadership to the commercialisation agenda:



CAPITAL PROGRAMME 2019/20

Ref	Scheme	2019/20	2020/21	2021/22	2022/23	2023/24
		Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate	Indicative Estimate
		£000	£000	£000	£000	£000
Transformation						
	Cotgrave Regeneration PH II	1,900	0	0	0	0
	Crematorium	1,700	4,800	0	0	0
	Industrial Units Moorbridge	1,750	0	0	0	0
	Fairham Pastures Loan	2,500	0	0	0	0
	Fairham Pastures Industrial Units	1,150	2,500	0	0	0
1	The Point Car Park Security Gate	0	20	0	0	0
	Depot Groundworks	300	0	0	0	0
2	Manvers Business Park Roof Refurb.	100	0	0	0	0
	Bingham Leisure Hub	5,000	10,000	5,000	0	0
3	Compton Acres Water Course	0	60	150	0	0
4	Manvers Business Park - Roller Shutters	100	0	0	0	0
5	Manvers Business Park - Car Park	60	0	0	0	0
6	Colliers BP - Car Park	30	0	0	0	0
7	Bridgford Park - Toilets Refurb.	25	0	0	0	0
8	Bingham Mkt place - Lighting/Trees	35	0	0	0	0
9	Information Systems Strategy	160	335	280	230	230
	Sub total	14,810	17,715	5,430	230	230
Neighbourhoods						
10	Wheeled Bins	160	160	160	160	160
11	Vehicle Replacement	200	612	612	282	850
	Support for Registered Housing Providers	250	210	0	0	0
12	Hound Lodge - Access Control System	25	0	0	0	0
13	Hound Lodge – Annexe Patio Doors	0	35	0	0	0
	Hound Lodge - Roof Refurbishment	0	0	0	150	0
	Assistive Technology	12	12	12	12	12

	Discretionary Top Ups	57	57	57	57	57
	Disabled Facilities Grants	454	454	454	454	454
	Bowls Centre Reception and Corridor Floor	0	0	75	0	0
14	Bowls Hall Replacement Furniture	0	15	0	0	0
	CLC - Changing Village Refurb.	0	0	150	0	0
	CLC - Sports Hall Roof/ Pool Hall Roof	0	0	100	0	0
	KLC - Refurb Pool Hall & Changing Village	0	0	150	0	0
15	KLC - Roof Areas	0	220	0	0	0
	Sub total	1,158	1,775	1,770	1,115	1,533
	Communities					
	Capital Grant Funding	24	0	0	0	0
16	Play Areas - Special Expense	50	50	50	50	50
	West Park Julien Cahn Pavilion	0	0	75	0	0
	Gresham Pavilion	0	0	100	25	0
17	Gresham Pavilion - 3G Pitch Lighting	0	25	0	0	0
18	Rushcliffe CP – Buildings Enhancements	45	0	0	0	0
19	Rushcliffe CP - Vehicle Access Controls to site	15	0	0	0	0
20	Rushcliffe CP - Footpath Imps	0	15	0	0	0
	Lutterell Hall	0	50	225	0	0
	Skateboard Parks	250	0	0	0	0
	Gamston Community Centre	0	45	70	0	0
	Warm Homes on Prescription	54	54	54	54	54
	Sub total	438	239	574	129	104
	Finance and Corporate Services					
	Contingency	100	100	100	100	100
	Sub total	100	100	100	100	100
	PROGRAMME TOTAL	16,506	19,829	7,874	1,574	1,967

PROJECT APPRAISAL FORM

Project Name: The Point – Car Park Security Gate		Cost Centre: 0359	Ref: 1
Detailed Description: Upgrade to under-croft car park security gate. The existing car park security gate is 10+ yrs old and is showing signs of deterioration; in the event of substantial failure, economic repair is unlikely. This gate provides security to the under-croft car park and is actuated numerous times each day. To ensure tenants continue to enjoy uninterrupted access to the car park and the feeling of safety, it is essential that the gate is upgraded.			
Location: The Point WB		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> Transforming the Council to enable the delivery of efficient high quality services Strategic Tasks: <ul style="list-style-type: none"> Continue to develop the Council's Property Portfolio to enhance the Council's financial position and deliver Community Outcomes. 			
Community Outcomes: <ul style="list-style-type: none"> Property owned by the Council is utilised to its full potential or used to generate income for the Council enabling it to keep the Council Tax as low as possible. 			
Other Options Rejected and Why: Doing nothing would see progressive deterioration of the equipment giving rise to breakdowns and an increase in revenue repair costs; safety in use could also be put at risk. Effective maintenance and replacement is essential to uphold property asset values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£20,000	£0	£20,000	
Capital Cost (Breakdown) £:			
Works £18,500	Equipment	Other	Fees £1,500
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Investment Property Reserve	
Useful Economic Life (years): 10		New/Replacement: Replacement	
Depreciation per annum: N/A Investment Property		Capital Financing Costs: £150 p.a.	
Residual Value: N/A		Category of Asset: Investment Property	

PROJECT APPRAISAL FORM

Project Name: Manvers Business Park – Roof Refurbishment (early phases)		Cost Centre: 0315	Ref: 2
Detailed Description: Existing roof coverings, fascias and rainwater goods to phase one are in excess of 20 yrs old and showing signs of deterioration. Proposal is to refurbish roof coverings to extend life by application of accredited/warranted liquid roofing compounds and upgrade fascias and rainwater goods. A capital provision of £100,000 was included in the 2018/19 Capital Programme for this work and this will be carried forward to 2019/20. It is proposed to extend the works to include areas of phase 2 at an additional cost of £100,000 bringing the total spend proposal in 19/20 to £200,000.			
Location: Manvers Business Park		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance tenant/customer experience and 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. Effective maintenance and replacement is essential to uphold property asset values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	18/19 (Prev)	Year 1: 19/20	Year 2: 20/21
£200,000	£100,000	£100,000	
Capital Cost (Breakdown) £:			
Works £185,000	Equipment	Other	Fees £15,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: N/A Investment Property		Capital Financing Costs: £1,500 p.a.	
Residual Value: N/A		Category of Asset: Investment Property	

PROJECT APPRAISAL FORM

Project Name: Compton Acres Watercourse Improvements		Cost Centre: 0358	Ref: 3
Detailed Description: The proposal is for the installation/replacement of safety fencing/barriers to key areas of the watercourse and its balancing ponds to maintain public safety. It is also for the undertaking of works and installation of physical measures to restore bankside stability and to maintain the performance of the watercourse which drains surface water from across the Compton Acres housing development including areas to the west of the tramline in Wilford.			
Location: Compton Acres WB		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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: Undertaking the works will maintain public safety around key areas of the watercourse and help to ensure that risks due to flooding in the area are minimised.			
Other Options Rejected and Why: Not carrying out the improvement works would potentially lower public perception, increase risk to public safety and also elevate risks associated with flooding. It would also increase the likelihood of need to carry out ad hoc emergency repairs/attendance to address emergent issues, activity of this type carries a relatively high revenue spend tariff.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	Year 3: 21/22
£210,000		£60,000	£150,000
Capital Cost (Breakdown) £:			
Works £190,000	Equipment	Other	Fees £20,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 20		New/Replacement: Replacement and New	
Depreciation per annum: £10,500		Capital Financing Costs: £1,575 p.a.	
Residual Value: N/A		Category of Asset: Infrastructure	

PROJECT APPRAISAL FORM

Project Name: Manvers Business Park – Roller Shutters (early phase)		Cost Centre: 0328	Ref: 4
Detailed Description: The roller shutter/entrance doors to the older business units are 20+ years old and beyond economic repair. Replacement is proposed which will secure 10-15 years of predictable performance.			
Location: Manvers Business Park		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance tenant and 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: Doing nothing is likely to result in increasing operational issues, maintain costs and potential for health & safety and security issues. Older mechanisms become obsolete and beyond economical repair. Effective maintenance and replacement is essential to uphold property asset values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1: 19/20	Year 2: 20/21	
£100,000	£100,000		
Capital Cost (Breakdown) £:			
Works	Equipment £95,0000	Other	Fees £5,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21	
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24	
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 10 - 15		New/Replacement: Replacement	
Depreciation per annum: N/A Investment Property		Capital Financing Costs: £750 p.a.	
Residual Value: N/A		Category of Asset: Investment Property	

PROJECT APPRAISAL FORM

Project Name: Manvers Business Park – Car Park Surface and Drainage		Cost Centre: 0206	Ref: 5
Detailed Description: Open channel/slot drains to the Car Park have become defective causing destabilisation of adjacent paving. Proposal is to replace the defective drainage sections and to relay the disturbed areas of paving.			
Location: Manvers Business Park		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance tenant and 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: Doing nothing will result in continuing deterioration of the drainage equipment and adjacent surfacing giving rise to pedestrian/vehicle safety issues. Effective maintenance and replacement is essential to uphold property asset values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£60,000	£60,000		
Capital Cost (Breakdown) £:			
Works £57,000	Equipment	Other	Fees £3,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: N/A Investment Property		Capital Financing Costs: £450 p.a.	
Residual Value: N/A		Category of Asset: Investment Property	

PROJECT APPRAISAL FORM

Project Name: Colliers Business Park – Car Park Surface and Drainage		Cost Centre: 0210	Ref: 6
Detailed Description: Open channel/slot drains to the Car Park have become defective causing destabilisation of adjacent paving. Proposal is to replace the defective drainage sections and to relay the disturbed areas of paving.			
Location: Colliers Business Park		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance tenant and 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: Doing nothing will result in continuing deterioration of the drainage equipment and adjacent surfacing giving rise to pedestrian/vehicle safety issues. Effective maintenance and replacement is essential to uphold property asset values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£30,000	£30,000		
Capital Cost (Breakdown) £:			
Works £28,000	Equipment	Other	Fees £2,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: N/A Investment Property		Capital Financing Costs: £225 p.a.	
Residual Value: N/A		Category of Asset: Investment Property	

PROJECT APPRAISAL FORM

Project Name: Bridgford Park Toilets Partial Refurbishment		Cost Centre: 0355	Ref: 7
Detailed Description: The creation of the replacement public toilets back in 2010 represented a significant investment for the Council coupled as they are with the attached retail kiosk. They are generally well regarded by users who have to pay to use them; the income derived has helped to offset their operational cost. However, certain finishes and equipment are approaching the end of their useful life and require replacement to maintain the operational standards and performance.			
Location: Bridgford Park		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance customer experience/perception and minimise short term maintenance costs. 			
Other Options Rejected and Why: Doing nothing would put at risk the operational performance and efficiency of the facility, reducing customer experience/satisfaction and, in turn, reduce revenue income. A more substantial refurbishment could be carried out, but this is not warranted at this time as many features/components have not reached the end of their useful life.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£25,000	£25,000		
Capital Cost (Breakdown) £:			
Works £22,500	Equipment	Other	Fees £2,500
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21	
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24	
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 10		New/Replacement: Replacement	
Depreciation per annum: £2,500		Capital Financing Costs: £190 p.a.	
Residual Value: N/A		Category of Asset: Operational Land and Buildings	

PROJECT APPRAISAL FORM

Project Name: Bingham Market Place – Lighting and Landscaping		Cost Centre: 0379	Ref: 8
Detailed Description: In 2015 the Council carried out some urgent tree replacement and paving refurbishment works to the market place to address Health and Safety (H&S) issues created by the roots to poorly planted trees lifting paved surfaces. This work was successful, but intentionally not comprehensive. Now that the trees planted in 2015 are well established, it is proposed to replace the 3 remaining poorly planted trees and adjacent paving. In addition, the existing column mounted decorative lantern lighting to the market place is at the end of its life useful life and it is proposed to replace with a low energy LED equivalent in matching style.			
Location: Bingham Market Place		Executive Manager: Transformation	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Improvement works will enhance customer experience/perception and minimise short term maintenance costs. 			
Other Options Rejected and Why: Doing nothing in respect of the defective trees would give rise to ongoing disturbance to paved areas and H&S issues due to trips and falls. Doing nothing in respect of the lighting equipment would give rise to increased outages/maintenance, issues which become more challenging as components become redundant. Replacement LED lighting is more efficient using less energy and having 3 times lamp life.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£35,000	£35,000		
Capital Cost (Breakdown) £:			
Works £31,000	Equipment	Other	Fees £4,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21	
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24	
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: £2,300		Capital Financing Costs: £260 p.a.	
Residual Value: N/A		Category of Asset: Infrastructure	

PROJECT APPRAISAL FORM

Project Name: Information Systems Strategy	Cost Centre: 0596	Ref: 9
<p>Detailed Description: The ICT Strategy 2017 to 2021 agreed on 12th September 2017 is 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. While the strategy contains broad strategic objectives along with the rationale behind those objectives, including the benefits and deliverables that will be achieved it does not set out to provide a strict formula or action plan dictating the approach. An emerging strategy will therefore exist enabling an agile approach to operational delivery, taking advantage of new proven developments and partnership opportunities. The ICT Technical Delivery Plan details all technical projects, and the schedule for implementation, during the lifetime of the ICT Strategy.</p>		
Location: Rushcliffe Arena	Executive Manager: Transformation	
<p>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.</p>		
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • Enabling Efficiency <ul style="list-style-type: none"> ○ Using Digital by Design principles to enabling the Council to redesign processes/services to be more accessible and efficient, producing better, quicker and more consistent outcomes for customers. • Responding flexibly and with agility to customer needs <ul style="list-style-type: none"> ○ To facilitate channel shift where appropriate by creating digital service that our customers view as their access channel of choice moving transactions away from face to face and telephony towards self-service facilities via Internet, automated telephony and kiosk technologies. • Increase our ability to work in effective partnerships <ul style="list-style-type: none"> ○ To continue the work to facilitate common policies, standards, systems and infrastructure to drive out cost and create opportunities for greater resilience, efficiencies and savings. • Modern architecture supporting efficient and agile working culture <ul style="list-style-type: none"> ○ Enabling the greater flexibility and agility of both employees and members through the deployment of appropriate technology including effective collaboration systems and tools. • Robust arrangements for business continuity, information management and governance and security <ul style="list-style-type: none"> ○ Safeguarding the Council's data by ensuring compliance with all relevant legislative, financial and central government security standards. Improving maturity of the management and governance of information assets and delivering appropriate arrangements to ensure compliance with such as the General Data Protection Regulation (GDPR). 		

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 1:19/20	Year 2: 20/21	
£495,000 (2 years)	£160,000	£335,000	
Capital Cost (Breakdown): To be determined			
Works	Equipment	Other	Fees
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Proposed Funding			
External: N/A		Internal: Capital Receipts	

Useful Economic Life (years): 3	New/Replacement: New and Replacement
Depreciation per annum: £53,300 year 1	Capital Financing Costs: £1,200 year 1
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: 19/20	Year 2: 20/21		
£320,000 (2 years)		£160,000	£160,000		
Capital Cost (Breakdown)					
Works £0	Equipment £320,000	Other £0		Fees £0	
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20 £0		Year 2: 20/21 £0		
Year 3: 21/22 £0	Year 4: 22/23 £0		Year 5: 23/24 £0		
Proposed Funding					
External: N/A			Internal: Capital Receipts		
Useful Economic Life (years): 10			New/Replacement: New/Replacement		
Depreciation per annum: £16,000			Capital Financing Costs: £1,200 p.a.		
Residual Value: N/A			Category of Asset: Equipment		

PROJECT APPRAISAL FORM

Project Name: Vehicle Replacement	Cost Centre: 0680	Ref: 11
<p>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.</p>		
Location: Central Works Depot	Executive Manager: Neighbourhoods	
<p>Contribution to the Council's aims and objectives:</p> <p>Corporate Theme: Transforming the Council to enable the delivery of efficient high quality services.</p> <p>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.</p> <p>To reduce waste and increasingly reuse and recycle to protect the environment for the future.</p> <p>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.</p>		
<p>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.</p>		
<p>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 again. However, there are also distinct advantages in direct purchase:-</p> <ul style="list-style-type: none"> 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. <p>Not being tied in to lengthy lease/hire contracts means the service can react and adapt to change quickly.</p> <p>The Council now actively looks at the possible purchase of 2nd hand vehicles and will refurbish vehicles to extend their life and value.</p>		
Start Date: Ongoing	Completion Date:	

Capital Cost (Total) :	Year 1: 19/20	Year 2: 20/21	
£812,000 (2 years)	£200,000	£612,000	
Capital Cost (Breakdown)			
Works £0	Equipment £812,000	Other £0	Fees £0
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20 £0	Year 2: 20/21 £0	
Year 3: 21/22 £0	Year 4: 22/23 £0	Year 5: 23/24 £0	
As each vehicle replaces an existing vehicle there is no increase in the overall revenue costs. Whilst newer vehicles can lead to less expenditure on breakdown and repair, older vehicles will cost more. 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: £1,500 year 1	
Residual Value: Various		Category of Asset: Vehicle and Plant	

PROJECT APPRAISAL FORM

Project Name: Hound Lodge – Replace Access Control System		Cost Centre: 0338	Ref: 12
Detailed Description: Hound Lodge hostel is used to accommodate families who have applied to the Council as homeless and where the Council has a statutory duty to provide suitable temporary accommodation. The access control system controls access to the whole building providing security to the residents' accommodation and communal garden. It is important that the Council undertakes a programme which maintains the fixtures and fittings of the premises when they become defective through wear and tear or accidental damage. The existing access control system is 15 years old, out-moded and increasingly unreliable and, as such, uneconomic to service and maintain.			
Location: Hound Lodge		Executive Manager: Neighbourhoods	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintain and enhance our residents' quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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: The Council fulfils its statutory duties for the provision of suitable temporary accommodation and avoids the need to use B&B accommodation at an additional cost. Residents of the Borough continue to receive the council services they require. Residents are provided with temporary accommodation that is in good repair and condition resulting in high standards of customer satisfaction. Compliance with health and safety legislation as the Council has a duty to ensure the building meets safety and security standards and residents and staff are safe.			
Other Options Rejected and Why: Numerous repairs have been carried out to the access control system over a number of years at a significant cost to the Council. It is considered to be more cost effect to replace the current system which is now very old and prone to failure resulting in additional stand by payments for officers to attend the premises out of hours. Failure to invest in the building's fixtures and fittings 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:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£25,000	£25,000		
Capital Cost (Breakdown) £:			
Works	Equipment £23,000	Other	Fees £2,000

Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24
Proposed Funding		
External:	Internal: Capital Receipts	

Useful Economic Life (years): 10	New/Replacement: Replacement
Depreciation per annum: £2,500	Capital Financing Costs: £90 p.a.
Residual Value: N/A	Category of Asset: Equipment

PROJECT APPRAISAL FORM

Project Name: Hound Lodge – Replace Annexe Patio Doors		Cost Centre: 0340	Ref: 13
Detailed Description: Hound Lodge hostel is used to accommodate families who have applied to the Council as homeless and where the Council has a statutory duty to provide suitable temporary accommodation. The accommodation is located on the ground floor with the patio doors providing security to the residents' bedrooms and access to the communal garden. It is important that the Council undertakes a programme which maintains the fixtures and fittings of the premises when they become defective through wear and tear or accidental damage. The existing doors are 20+ years old, obsolete and at the end of their useful/serviceable life.			
Location: Hound Lodge		Executive Manager: Neighbourhoods	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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: The Council fulfils its statutory duties for the provision of suitable temporary accommodation and avoids the need to use B&B accommodation at an additional cost. Residents of the Borough continue to receive the council services they require. Residents are provided with temporary accommodation that is in good repair and condition resulting in high standards of customer satisfaction. Compliance with health and safety legislation as the Council has a duty to ensure the building meets safety and security standards and residents and staff are safe.			
Other Options Rejected and Why: Numerous repairs have been carried out to the patio doors over a number of years at a significant cost to the Council. It is considered to be more cost effect to replace the patio doors as repair and maintenance to the existing patio doors will not resolve the current issues on a permanent basis. Failure to invest in the building's fixtures and fittings 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:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£35,000		£35,000	
Capital Cost (Breakdown) £:			
Works £33,000	Equipment	Other	Fees £2'000
Additional Revenue cost/	Year 1: 19/20		Year 2: 20/21

(saving) per annum:		
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24
Proposed Funding		
External:	Internal: Capital Receipts	

Useful Economic Life (years): 20	New/Replacement: Replacement
Depreciation per annum: £1,750	Capital Financing Costs: £260 p.a.
Residual Value: N/A	Category of Asset: Operational Land & Buildings

PROJECT APPRAISAL FORM

Project Name: Bowls Centre Replacement Furniture		Cost Centre: 0352	Ref: 14
Detailed Description: Replacement of dated and end of life furniture in the Bowls Hall. Café tables and chairs, storage cupboards, not including lockers which were new Dec 2016.			
Location: The Arena		Executive Manager: Neighbourhoods	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintaining and enhancing the residents' quality of life Strategic Tasks: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Residents continue to enjoy quality leisure facilities and ensure furniture in the Bowls Hall is consistent with other areas of the arena. 			
Other Options Rejected and Why: Don't replace: Old furniture will continue to deteriorate and may become dangerous Remove all furniture: Users of the bowls facility will have nowhere to sit during the game which can be 2 hours in duration.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£15,000		£15,000	
Capital Cost (Breakdown) £:			
Works	Equipment £15,000	Other	Fees
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21	
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24	
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 10		New/Replacement: Replacement	
Depreciation per annum: £1,500		Capital Financing Costs: £110 p.a.	
Residual Value: N/A		Category of Asset: Equipment	

PROJECT APPRAISAL FORM

Project Name: KLC Refurbish Pitched/Flat Roof Areas		Cost Centre: 0600	Ref: 15
Detailed Description: Existing roof coverings are 25+ years old and giving rise to water ingress in a number of areas which are difficult to resolve as a repair. The plan is to resolve these inherent detailing weaknesses, generally refurbish the roof coverings and improve rainwater drainage.			
Location: Keyworth Leisure Centre		Executive Manager: Neighbourhoods	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintaining and enhancing the residents quality of life Strategic Tasks: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Rushcliffe residents continue to be able to access facilities helping them to maintain healthy and active lifestyles. • Young people living in the Borough continue to have access to sport enabling them to become healthy, active, confident and engaged within the communities they live in. 			
Other Options Rejected and Why: Don't upgrade or don't contribute to the cost. Water ingress problems are becoming more common place and wide spread; the ingress causes damage to internal finishes and affecting repair is increasingly difficult. Not addressing this issue will result in increased revenue spend on repairs and potential reduction in customer perception/satisfaction due to reduced visual appeal. Also, failing to contribute risks contravening the lease agreement with Nottinghamshire County Council which requires the building to be maintained in a good state of repair.			
Risk Rating High (H)/Medium (M)/ Low (L):			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£220,000		£220,000	
Capital Cost (Breakdown) £:			
Works £208,000	Equipment	Other	Fees £12,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal:	
Useful Economic Life (years): 20		New/Replacement:	
Depreciation per annum: N/A		Capital Financing Costs: £1,650 p.a	
Residual Value: N/A		Category of Asset: Revenue Expenditure funded from Capital Under Statute	

PROJECT APPRAISAL FORM

Project Name: Play Areas (Special Expense)		Cost Centre: 0664	Ref: 16
Detailed Description: The priority projects for 2019/20 will be subject to a condition survey across the council's play area sites. This will include a review of the potential replacement of existing wooden cycle ramps at Boundary Road, West Bridgford.			
Location: West Bridgford		Executive Manager: Communities	
Contribution to the Council's aims and objectives: Corporate Theme: <ul style="list-style-type: none"> Maintaining and enhancing our residents' quality of life. Strategic Task: <ul style="list-style-type: none"> Facilitate activities for Children and Young People to enable them to reach their potential. Leisure Strategy vision is to provide high quality, cost effective leisure facilities to support Rushcliffe residents to enjoy healthy, active lives 			
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 – this would result in increased maintenance costs for ageing equipment, reduced appeal of the play areas leading to lower levels of use and be inconsistent with the vision of high quality parks and leisure facilities. A lack of replacement programme would over time lead to an increased health and safety risk.			
Start Date: November 2019		Completion Date: March 2020	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
	£50,000	£50,000	
Capital Cost (Breakdown) £:50,000 to be determined			
Works	Equipment	Other	Fees
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20 £0	Year 2: 20/21 £0	
Year 3: 21/22 £0	Year 4: 22/23 £0	Year 5: 23/24 £0	
Proposed Funding			
External:		Internal: Regeneration and Community Projects Reserve (Special Expense)	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: £3,300		Capital Financing Costs: £380 p.a.	
Residual Value: Nil		Category of Asset: Infrastructure/equipment	

PROJECT APPRAISAL FORM

Project Name: Gresham Pavilion - Upgrade 3G Pitch Lighting		Cost Centre: 0324	Ref: 17
Detailed Description: The existing pitch lighting is 10 years old and the light fittings and control gear are becoming increasingly unreliable and are expensive to maintain. It is proposed to replace this equipment with modern LED lighting units which will ensure that required lighting levels/performance are achieved whilst reducing energy consumption.			
Location: Gresham		Executive Manager: Communities	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintain and enhance our resident's quality of life. • Transforming the Council to enable the delivery of high efficient high quality services. Strategic Tasks: <ul style="list-style-type: none"> • 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 and reliability of the lighting provision and helping to ensure good customer perception and utilisation.			
Other Options Rejected and Why: Do not upgrade the lighting systems – this would potentially put at risk operational performance of the facility, increase maintenance costs, reduce customer perception/satisfaction and miss an opportunity to reduce year on year revenue running costs.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£25,000		£25,000	
Capital Cost (Breakdown) £:			
Works	Equipment £24,000	Other	Fees £1,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21 Not quantifiable at this stage, but should see revenue spend on electricity consumption and reactive repair work reduce.	
Year 3: 21/22 As 20/21	Year 4: 22/23 As 20/21	Year 5: 23/24 As 20/21	
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: £1,600		Capital Financing Costs: £190 p.a.	
Residual Value: N/A		Category of Asset: Plant/Equipment	

PROJECT APPRAISAL FORM

Project Name: RCP Toilet Block Refurbishment and Improvements to Education Building Reception Area		Cost Centre: 0650	Ref: 18
Detailed Description: The Public toilets are located adjacent the main car park and are well used but are in need of refurbishment. Proposal is to replace sanitary ware, fixtures, fittings and finishes to maintain good standard and minimise water and power consumption. Reception area improvements: to increase usefulness of this open space within the education building, it is proposed that an area is partitioned off to create a small meeting room for use by customers and the park staff.			
Location: Rushcliffe Country Park		Executive Manager: Communities	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintaining and enhancing our residents' quality of life • Transforming the Council to enable the delivery of efficient high quality services Strategic Tasks: <ul style="list-style-type: none"> • Activate the Leisure Strategy to best provide leisure facilities and activities • Continue to develop the Council's Property Portfolio to enhance the Council's financial position and deliver community outcomes • 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: <ul style="list-style-type: none"> • Property owned by the Council is utilised to its full potential and/or used to help support generation of income for the Council. • 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. Do not improve the reception area – this would likely result in lower customer experience/perceptions of the facility and miss an opportunity to add value.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£45,000	£45,000		
Capital Cost (Breakdown) £:			
Works £42,000	Equipment	Other	Fees £3,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: £3,000		Capital Financing Costs: £340 p.a.	
Residual Value: N/A		Category of Asset: Operational Land & Buildings	

PROJECT APPRAISAL FORM

Project Name: RCP Vehicle Access Controls to Site	Cost Centre: 0652	Ref: 19
Detailed Description: The main vehicle approach to the park for staff and visitors is off Mere Way. At present insufficient physical measures exist to control access to the site by larger vehicles, vans, and caravans. To address this issue and provide control over unauthorised entry, it is proposed to install new height barriers and gates for security.		
Location: Rushcliffe Country Park	Executive Manager: Communities	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintaining and enhancing our residents' quality of life • Transforming the Council to enable the delivery of efficient high quality services Strategic Tasks: <ul style="list-style-type: none"> • Activate the Leisure Strategy to best provide leisure facilities and activities • Continue to develop the Council's Property Portfolio to enhance the Council's financial position and deliver community outcomes 		
Community Outcomes: <ul style="list-style-type: none"> • Property owned by the Council is utilised to its full potential or used to generate income for the Council enabling it to keep the Council Tax as low as possible. 		
Other Options Rejected and Why: Doing nothing – this would leave the site/car park vulnerable to unauthorised access by larger vehicles and the associated impact arising from such, including operational difficulties, reduced customer experience/satisfaction and reduction in revenue income.		
Start Date:		Completion Date:
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21
£15,000	£15,000	
Capital Cost (Breakdown) £:		
Works	Equipment £14,000	Fees £1,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20	Year 2: 20/21
Year 3: 21/22	Year 4: 22/23	Year 5: 23/24
Proposed Funding		
External:		Internal: Capital Receipts
Useful Economic Life (years): 15		New/Replacement: Replacements
Depreciation per annum: £1,000		Capital Financing Costs: £110 p.a.
Residual Value: N/A		Category of Asset: Plant/Equipment

PROJECT APPRAISAL FORM

Project Name: RCP Front Footpath Improvements		Cost Centre: 0503	Ref: 20
Detailed Description: The main approach footpath for pedestrians to the Park from Mere Way is block paved and has become uneven over time and soft verges have encroached reducing effective width. The proposal is to replace this section of path with macadam finish to restore ease of use.			
Location: Rushcliffe Country Park		Executive Manager: Communities	
Contribution to the Council's aims and objectives: Corporate Themes: <ul style="list-style-type: none"> • Maintaining and enhancing our residents' quality of life • Transforming the Council to enable the delivery of efficient high quality services Strategic Tasks: <ul style="list-style-type: none"> • Activate the Leisure Strategy to best provide leisure facilities and activities • Continue to develop the Council's Property Portfolio to enhance the Council's financial position and deliver community outcomes 			
Community Outcomes: Property owned by the Council is utilised to its full potential or used to generate income for the Council enabling it to keep the Council Tax as low as possible.			
Other Options Rejected and Why: Doing nothing will result in continuing deterioration of the pathway, increasing the likelihood of pedestrian injury and associated claims for damage. Customer perception/experience of the park facility is also likely to be diminished also. Effective maintenance and replacement of assets is essential to uphold property values and ensure high levels of occupation/income.			
Start Date:		Completion Date:	
Capital Cost (Total) :	Year 1:19/20	Year 2: 20/21	
£15,000		£15,000	
Capital Cost (Breakdown) £:			
Works £14,000	Equipment	Other	Fees £1,000
Additional Revenue cost/ (saving) per annum:	Year 1: 19/20		Year 2: 20/21
Year 3: 21/22	Year 4: 22/23		Year 5: 23/24
Proposed Funding			
External:		Internal: Capital Receipts	
Useful Economic Life (years): 15		New/Replacement: Replacement	
Depreciation per annum: £1,000		Capital Financing Costs: £110 p.a.	
Residual Value: N/A		Category of Asset: Infrastructure	

CAPITAL AND INVESTMENT STRATEGY 2019/20 – 2023/24

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 Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in February last year that requires the Council to approve an investment strategy before the start of each financial year.
3. This revised guidance, which is effective for financial years commencing on or after 1 April 2018, focuses on:
 - a) MRP and restrictions relating to its calculation
 - b) Assets held by the organisation primarily for financial returns, such as investment property portfolios
4. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the MHCLG Guidance.

The Capital Strategy

5. 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)
6. Each year the Council will produce a Capital Programme to be approved by Full Council in March as part of the Council Tax setting.
7. Each scheme is supported by a detailed appraisal, as set out in the Council's Financial Regulations. The capital appraisals will address the following:
 - a) A detailed description of the project;
 - b) How the project contributes to the Council's aims and objectives;
 - c) Anticipated outcomes;
 - d) A consideration of alternative solutions;
 - e) An estimate of the capital costs and sources of funding;

- f) An estimate of the revenue implications, including any savings and/or future income generation potential;
- g) Any other aspects relevant to the appraisal of the scheme as the S151 Officer may determine.

The appraisal requirement applies to all schemes except where there is regular grant support and if commercial negotiations are due to take place and further reporting to Cabinet or Full Council is therefore required.

- 8. From time to time unforeseen opportunities may arise, or new priorities may emerge, which will require swift action and inclusion in the Capital Programme. These schemes are still subject to the appraisal process and the Capital Programme will contain a contingency sum to allow such schemes to progress without disrupting other planned capital activity.

Capital Prudential Indicators

a) Capital Expenditure Estimates

- 9. 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 and Financing

	2018/19 Estimate £'000	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Capital Expenditure	11,906	16,258	16,506	19,829	7,874	1,574	1,967
Less Financed by:							
Capital Receipts	5,995	9,789	4,414	12,004	5,506	947	1,340
Capital Grants/ Contributions	1,009	2,845	2,439	2,532	1,577	577	577
Reserves	370	600	50	70	50	50	50
Underlying need to Borrow	4,532	3,024	9,603	5,223	741	-	-

- 10. 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.

b) The Council's Underlying Need to Borrow and Investment position

11. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital expenditure. This underlying need to borrow will increase the CFR (i.e. the use of internal borrowing, which reduces our investment balance). This increase is offset by MRP raised through Council Tax, as a result of financing requirements in relation to the Arena development, and in later years Bingham Leisure Hub.
12. The Council also holds usable reserves and working capital which represent the underlying resources available for investment. The Council's current strategy is to use these resources to avoid borrowing, sometimes known as internal borrowing.
13. The table below summarises the overall position with regard to borrowing and available investments:

Table 2: CFR and Investment Resources

	2018/19 Estimate £'000	2019/20 Forecast £'000	2020/21 Forecast £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000
Opening CFR	9,300	11,324	19,927	24,150	23,817	22,508
CFR in year	3,024	9,603	5,223	741	-	-
Less: MRP etc.	(1,000)	(1,000)	(1,000)	(1,074)	(1,309)	(1,309)
Closing CFR	11,324	19,927	24,150	23,817	22,508	21,199
Less: External Borrowing	-	-5,000	-9,793	-9,586	-9,171	-8,756
Internal Borrowing	11,324	14,927	14,357	14,231	13,337	12,443
Less:						
Usable Reserves	-16,830	-15,421	-16,114	-16,805	-18,970	-20,555
Working Capital	-12,000	-12,000	-12,000	-12,000	-12,000	-12,000
Available for Investment(-)	-17,506	-12,494	-13,757	-14,574	-17,633	-20,112

The Council is currently debt free although there is an underlying assumption in the capital expenditure plans that the Council may need to externally borrow £5 million in both 2019-20 and 2020-21. Available resources (Usable reserves and working capital) are forecast to fall initially, as usable reserves are used to finance both capital and revenue expenditure over time.

The total amount borrowed will not exceed the authorised borrowing limit of £25m. The maximum period between borrowing and expenditure is expected to be 2 years, although the Authority is not required to link particular loans with particular items of expenditure.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 2 shows that the Authority expects to comply with this recommendation.

Minimum Revenue Provision Policy

19. Revised 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 29-35). A variety of options are provided to Councils, so long as there is prudent provision. The Council has chosen the Asset Life Method (Option 3 within the Guidance) with the following recommended MRP Statement:

- *MRP will be based on the estimated life of the assets, in accordance with Option 3 of the regulations. Estimated life periods within this limit will be determined under delegated powers, subject to any statutory override. (DCLG revised guidance states maximum asset lives of 40 and 50 years for property and land respectively)*

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.

Treasury Management Strategy 2019/20 to 2023/24

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.

The code also covers non-cash investments which is covered at paragraph 65 below.

21. 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.

22. This Strategy Statement includes those indicators that relate to the treasury management functions and help ensure that the Council's capital investment plans are affordable, prudent and sustainable, while giving priority to the security and liquidity of those investments.

The Current Economic Climate and Prospects for Interest Rates.

23. The major external influence on the Authority's treasury management strategy for 2019/20 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy remains relatively robust, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years.
24. Economic growth is projected to remain modest at 1.4% in 2018 and 1.3% in 2019, owing to high uncertainties about the outcome of Brexit negotiations. There is little slack in the economy following years of strong growth, and unemployment is projected to remain below 5%.
25. The Bank of England base rate informs the rates than can be obtained on investments. On 2nd August 2018 the Monetary Policy Committee increased the Bank rate by 0.25% to 0.75%. Arlingclose (the Council's Treasury Management advisors) expect the Bank rate to increase to 1.25% over the coming year, but point out that negotiations on exiting the EU continues to cast a shadow over monetary policy decisions.
26. The table below shows the assumed average interest (which reflects a prudent approach) that will be made over the next five years for budget setting purposes.

Table 3: Budgetary Impact of Assumed Interest Rate Going Forward

	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Anticipated Interest Rate (%)	0.75	0.75	1.00	1.00	1.25
Expected interest from investments (£)	201,300	186,700	213,800	232,400	292,200
Other interest (£)	83,700	80,000	77,000	74,000	71,000
Total Interest (£)	285,000	266,700	290,800	306,400	363,200

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.

Borrowing Strategy 2019/20 to 2023/24

Prudential Indicators for External Debt

29. Table 2 above identifies that the Council may need to externally borrow over the MTFS if it is not possible to internally borrow. This would result in borrowing costs. Possible levels of external borrowing are reflected in the figures.
30. 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
 - UK public and private sector pension funds
 - Commercial banks
 - Building Societies in the UK
 - Money markets
 - Leasing
 - Capital market bond investors
 - Special purpose companies created to enable local authority bond issue

a) Authorised Limit for External Debt

31. 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.

Table 4: The Authorised Limit

	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Authorised Limit	25,000	25,000	25,000	25,000	25,000	25,000

b) Operational Boundary for External Debt

32. 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 Operational Limit has been set at £20,000 as the Council is expected to borrow over the period of the MTFS.

Table 5: The Operational Boundary

	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Operational Boundary	0	20,000	20,000	20,000	20,000	20,000

Prudential Indicators for Affordability

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

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

34. 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, the Asset Investment Strategy and our other capital commitments; as will the Council's net budget.

Table 6: Proportion of Financing Costs to Net Revenue Stream

	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
General Fund	6.89%	6.88%	8.52%	9.83%	11.35%	11.00%

Investment Strategy 2018/19 to 2022/23

35. The movement in investments per Table 2 above are as follows:

Table 7: Investment Projections

£'000	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Investments at 31 March	17,506	12,494	13,757	14,574	17,633	20,112

36. 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. Accordingly, the Council ensures that robust due diligence procedures cover all external investment.
37. The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole of the Council's inflation exposures.
38. The Council will invest its surplus funds with approved counterparties. Where appropriate, the Council is registered as a professional client (under "MIFID II") with the counterparty limits shown below in Table 8 and counterparties included at Appendix A:

Table 8: Counterparty Details

Credit Rating	Banks* Unsecured	Banks* Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 Years	n/a	n/a
AAA	£3.0m 5 years	£5.0m 20 years	£5.0m 50 years	£3.0m 20 years	£3.0m 20 years
AA+	£3.0m 5 years	£5.0m 10 years	£5.0m 25 years	£3.0m 10 years	£3.0m 10 years
AA	£3.0m 4 years	£5.0m 5 years	£5.0m 15 years	£3.0m 5 years	£3.0m 10 years
AA-	£3.0m 3 years	£5.0m 4 years	£5.0m 10 years	£3.0m 4 years	£3.0m 10 years
A+	£3.0m 2 years	£5.0m 3 years	£5.0m 5 years	£3.0m 3 years	£3.0m 5 years
A	£3.0m 13 months	£5.0m 2 years	£5.0m 5 years	£3.0m 2 years	£3.0m 5 years
A-	£3.0m 6 months	£5.0m 13 months	£5.0m 5 years	£3.0m 2 years	£3.0m 5 years
None	£1.0m 6 months	n/a	£5.0m 25 years	£3.0m 5 years	£3.0m 5 years
Pooled Funds**	£5m per fund				

*Banks includes Banks and Building Societies.

**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.

**Pooled funds includes monies in the CCLA Property Fund which 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, subject to cash flow requirements.

39. 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.
40. Changes to any of the above can be authorised by the Section 151 Officer or the Financial Services Manager 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.
41. The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2,000,000 per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
42. Credit rating information is provided by Arlingclose on all active counterparties that comply with the criteria above. A counterparty list will be maintained from this information and any counterparty not meeting the criteria will be removed from the list.
43. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
 - no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
44. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Credit Risk

45. 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. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap

prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantial doubts about its credit quality, even though it may meet the credit rating criteria.

46. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Current investments

47. The Council uses its own processes to monitor cashflow and determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.
48. 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

49. 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"
50. The Council now defines "high credit quality" organisations as those having a credit rating of A-and above.

Non-specified investments

51. 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. Limits on non-specified investments are shown in the following table:

Table 9: Non-specified Investment Limits

	Cash Limit
Total long-term investments	£15m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£3m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£3m
Total non-specified investments	£15m

Investment Limits

52. The Authority's revenue reserves available to cover investment losses in a worst case scenario are forecast to be £12.6 million on 31st March 2020. In order that no more than 40% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5.0 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 10: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£7.5m per manager
Negotiable instruments held in a broker's nominee account	£7.5m per broker
Foreign countries	£3m per country
Registered providers	£7.5m in total

Unsecured investments with any building society	£3m in total
Loans across unrated corporates	£5m in total
Money Market Funds	£25m in total

Treasury Management limits on activity

53. The Council measures and manages its exposures to treasury management risks using the following indicators.

a) Interest Rate Exposures

54. This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the amount of net interest payable will be:

Table 11: Interest Rate Exposure

	2019/20	2020/21	2021/22	2022/23	2023/24
Upper Limit on fixed interest rate exposure	50%	50%	50%	50%	50%
Upper Limit on variable interest rate exposure	100%	100%	100%	100%	100%

55. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Principal Sums Invested over 1 year

56. 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. The limits on the long term principle sum invested to final maturities beyond the period end are set at 50% of the sum available for investment (to the nearest £100k), as follows:

Table 12: Principal Sums Invested over 1 year

	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Limit on Principal invested beyond year end	11,800	6,800	5,100	5,600	7,400	8,800

Policy on the use of financial derivatives

57. Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars

and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

58. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
59. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Treasury Management Advisors

60. 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.
61. 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

62. 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. In general, members training needs are reported through the Member Development Group, however, the Council will also specifically 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;

With regards to officers:

- Attendance at training events, seminars and workshops; and
- Support from the Council's treasury management advisors.

Other Options Considered

63. The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Executive Manager – Finance and Corporate Services, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller

Commercial Investments

64. The definition of investments in CIPFA's definition of treasury management activities above (paragraph 20) covers all financial assets of the organisation as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations. All investments require an appropriate investment management and risk management framework, which is outlined below.
65. The Council is committed to becoming self-sustainable as Central Government funding reduces. This includes ensuring that the Council maximises any income from existing assets and, where there is a business case, invests in assets where there is a commercial return. The Council is holding significant capital funding resources although going forward it may need to undertake borrowing. Current resources are invested with various financial institutions in line with the Treasury Management Strategy. However, other investments represent an opportunity to generate higher returns on these funds.
66. In recent years the Council identified specific sums for its Asset Investment Strategy (AIS) within the Capital Programme which has totalled £20m and includes commercial investment in areas such as investment in property and subsidiaries, or loans that support service outcomes.

67. The Council will maintain a summary of current material investments, subsidiaries, joint ventures and liabilities, including financial guarantees and the organisation's risk exposure. The current summary is included at Appendix B.
68. Individual commercial investment proposals included within the Asset Investment Strategy are subject to specific business appraisals. The governance surrounding such decisions is included in the AIS. As well as considering the Net Present Value, Internal Rate of Return and impact on the General Fund of any commercial investment proposals, the decision to invest also takes into account the following assessment matrix:

ASSESSMENT CRITERIA	Excellent / very good	Good	Satisfactory	Marginal	Uncertain
Tenancy strength	Multiple tenants with strong financial covenant	Single tenant with strong financial covenant	Single or multiple tenants with good financial covenant	Tenants with average financial covenant	Tenants with poor financial covenant strength
Lease length and break (for main tenants/income)	>15 years	11 - 15 years	10 - 8 years (10 year lease)	7 - 5 years (5 year break)	<5 years or vacant (break Dec 2021 &)
Rate of Return - % rent against capital	>8%	7%-8%	5%-7%	3%-5%	<3%
Portfolio mix (asset type is balanced in portfolio - no more than x% of)	<50%	50%-60%	>60%-70%	70%-80%	>80% of portfolio
Property Sector & Risk	Industrial (lower risk)	Office (lower-mid risk)	Warehouse Retail (med risk)	Retail, Leisure (higher risk)	Residential (not part of investment strategy)
Void (after Lease end including marketing, fit out and rent free)	0-9 months	9-12 months	12-18 months	18-24 months	>24 months
Location	Prime	Not prime but in established location	Secondary	Remote from other developments	Isolated, undeveloped area, limited infrastructure links
Tenure	Freehold	Lease >200 years	Lease 100 - 199 years	Lease 75 - 99 years	Lease <75 years
Repairing terms links to Building quality	Full repairing & insuring	Internal repairing 100% recoverable	Internal repairing partially recoverable	Internal repairing non recoverable	Landlord
Building Quality/Age	<10 years	10-20 years	21-30	31-35	>35
Rental Growth	within 1 year	within 2-5 years	within 5-7 years	within 7-10 years	>10 years
Purchase Price	<£2m	Between £2m and £3m	Between £3m and £4m	Between £4m and £7m	>£7m
Proximity to Borough	within Borough	within Nottinghamshire	within East Midlands	within the Midlands	National
Energy Rating (2018 legislation can't let with F/G assessment)	A/B	C	D	E	F/G

69. To be considered for investment 50% of the criteria above must be excellent, good or satisfactory.
70. The matrix above is supplemented by additional contextual information covering resale opportunities (liquidity), location, risks, benefits and economic conditions.
71. The Government has issued revised guidance on Local Government Investments, effective from April 2018. This guidance introduces additional disclosure requirements some of which are specific to investments of a commercial nature. These disclosures and indicators cover items included in the Council's Asset Investment Strategy, as well as pre-existing commercial investments and are detailed below:
- a. **Dependence on commercial income and contribution non-core investments make towards core functions**

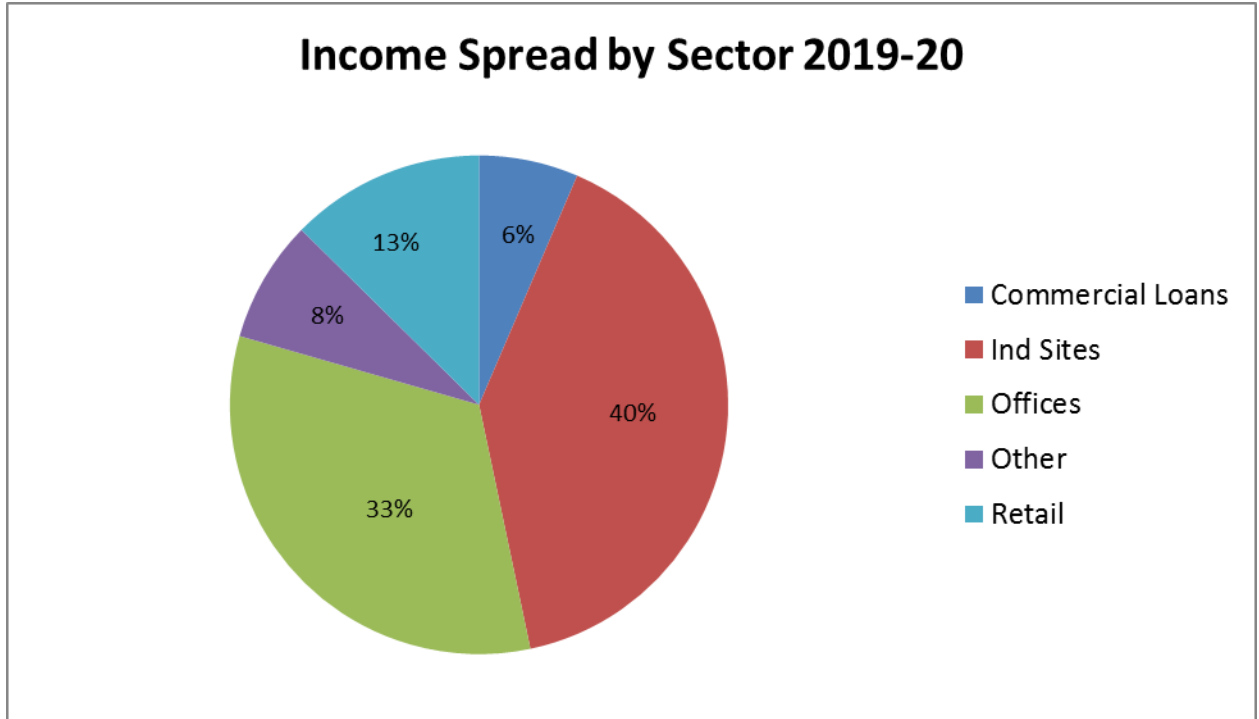
72. The expected contributions from commercial investments included in the Asset Investment Strategy are shown in Table 13. In order to manage the risk to the Council's budget, income from commercial investments should not be a significant proportion of the Council's income. Our objective is that this ratio should not exceed 30%, subject to annual review (as demonstrated below).

Table 13: Commercial Investment income and costs

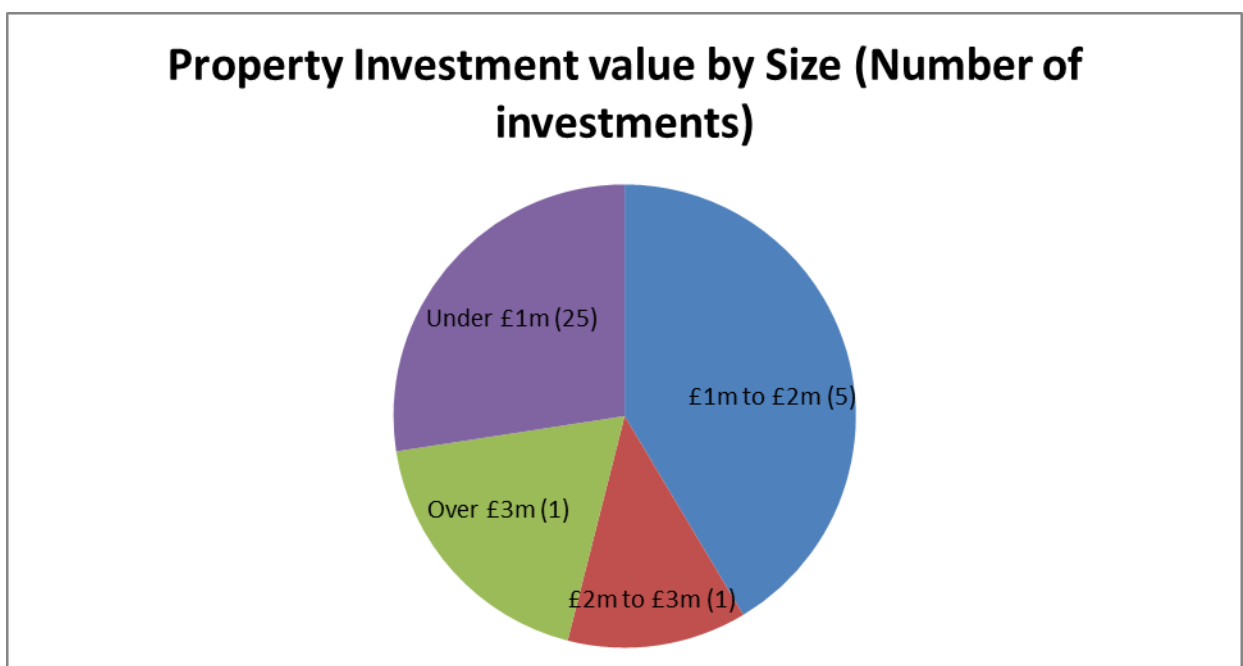
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Commercial Property Income	(1,481)	(1,758)	(2,303)	(2,410)	(2,451)
Running Costs	341	321	321	321	321
Net Contribution to core functions	(1,140)	(1,437)	(1,982)	(2,089)	(2,130)
Interest from Commercial Loans	(84)	(80)	(77)	(74)	(71)
Total Contribution	(1,224)	(1,517)	(2,059)	(2,163)	(2,201)
Sensitivity:					
+/- 10% Commercial Property Income	148	176	230	241	245
Indicator:					
Investment Income as a % of total Council Income	20.4%	23.4%	28.4%	29.3%	29.5%

b) Risk Exposure Indicators

73. The Council can minimise its exposure to risk by spreading investments across sectors and by avoiding single large scale investments. Generally there is a spread of investment across sectors. The Council's commitment to economic regeneration (not purely financial return) has meant that many of its investments have been in industrial units, which have been very successful.



c) Security and Liquidity



74. Commercial investments are held for longer term asset appreciation as well as yield. Investments or sales decisions will normally be planned as part of the consideration of the 5 year capital strategy to maximise the potential return. Nevertheless, the local and national markets are monitored to ensure any gains are maximised or losses minimised.
75. To help ensure asset values are maintained the assets are given quarterly inspections, together with a condition survey every 3 years. Any works required to maintain the value of the property will then form part of Council's spending plans.
76. The liquidity of the assets is also dependent on the condition of the property, the strength of the tenants and the remaining lease lengths. The Council keeps these items under review with a view to maximising the potential liquidity and value of the property wherever possible.
77. The liquidity considerations for commercial investments are intrinsically linked to the level of cash and short term investments, which help manage and mitigate the Council's liquidity risk.

Counterparty Registrations under MIFID II

The Council is registered with the following regulated financial services organisations who may arrange investments with other counterparties with whom they have themselves registered:

- BGC Brokers LP
- Royal London Asset Management
- Tradition UK Ltd
- King & Shaxson
- Aberdeen Asset Management
- Aviva
- Institutional Cash Distributors Ltd
- Federated Investors (UK) LLP
- NEX Treasury
- Invesco Asset Management Ltd
- CCLA
- Goldman Sachs Asset Management
- Black Rock
- HSBC Asset Management

Existing Material Investments

	Book Value £000
The Point Office Accommodation	3.200
Colliers Business Park Phase 2	1.200
Bridgford Hall Aparthotel and Registry Office	1.300
Hollygate Lane, Cotgrave Industrial Units	2.421
Bardon Single Industrial Unit	1.800
Bingham Land off Chapel Lane	1.593
New Offices Cotgrave	1.080
Cotgrave Precinct	1.080
Trent Boulevard	1.445
Finch Close	0.925
TOTAL INVESTMENT PROPERTY*	16.044
Notts County Cricket Club Loan	2.700
TOTAL	18.744

Appendix 6

<u>Use of Earmarked Reserves in 2019/20</u>	Projected Opening Balance	Projected Income	Projected Expenditure	Net Change in Year	REF	Projected Closing Balance
	£'000	£'000	£'000	£'000		£'000
Investment Reserves						
Regeneration and Community Projects	(1,352)	(132)	50	(82)	1	(1,434)
Sinking Fund – Investments	(115)	(54)	0	(54)	2	(169)
Council Assets and Service Delivery	(274)	0	0	0		(274)
Local Area Agreement	(122)	0	0	0		(122)
New Homes Bonus (NHB)	(6,501)	(1,621)	1,020	(601)	3	(7,102)
Invest to Save	(150)	0	0	0		(150)
Corporate Reserves	0	0	0	0		0
Organisation Stabilisation	(2,685)	(48)	125	77	4	(2,608)
Risk and Insurance	(100)	0	0	0		(100)
Planning Appeals	(350)	0	0	0		(350)
Elections	(203)	0	152	152	5	(51)
Operating Reserves	0	0	0	0		0
Planning	(106)	0	0	0		(106)
Leisure Centre Maintenance	(116)	0	0	0		(116)
Planned Maintenance	(100)	0	0	0		(100)
	(12,174)	(1,855)	1,347	(508)		(12,682)

Notes

1. Net £82k to replenish the reserve from Special Expenses Annuity Charges
2. £54k from Investment Property income to support future capital expenditure on Investment properties
3. £1.621m Receipts; £1m release for Arena MRP; £20k release for Members' Community Support Grants
4. £48k Housing Grant for future use; £110k release for Positive Futures Grant; £15k release for Tree Protection
5. £152k to cover additional election expenditure in year.

**Rushcliffe Borough Council
Pay Policy Statement 2019-20**

1. Introduction

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

2. Objectives of this Statement

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

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

3. Senior Officers

3.1 For the purposes of this Statement, Senior Officers are defined as those posts with a salary above £50,000 in line with the Local Government Transparency Code 2014. Using this definition Senior Officers within Rushcliffe currently consists of 11 posts out of an establishment of 259 The posts are as follows:-:

- Chief Executive
- Executive Manager – Finance and Corporate Services (Section 151 Officer)
- Executive Manager - Operations and Transformation
- Executive Manager - Neighbourhoods
- Executive Manager - Communities
- Chief Information Officer ¹
- Service Manager – Finance and Commercial
- Service Manager – Transformation
- Service Manager – Neighbourhoods
- Service Manager – Communities
- Lead Specialist – Communities ²

4 The Policies

4.1 The Council consults when setting pay for all employees. The Council will meet or reimburse authorised travel, accommodation and subsistence costs for attendance at approved business meetings and training events. The Council does not regard such costs as remuneration but as non-pay operational costs.

5. Pay of the Council's Lowest Paid Employees

5.1 The total number of Council employees is presently 259 The Council has defined its lowest paid employees by taking the average salary of five permanent staff (employed on a part-time basis) on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. On this basis the lowest paid full-time equivalent employee of the Council earned £15,915 The Council currently pays £8.25 per hour for its lowest paid employees; this is above the Governments National Living Wage which is currently £7.83 per hour for employees aged 25 or over and exceeds the National minimum wage maximum of £7.38 for employees aged 21-24.

6.2 The Council does not explicitly set the pay of any individual or group of posts by reference to a pay multiple. The Council feels that pay multiples cannot capture the complexity of a dynamic and highly varied workforce in terms of job content, skills and experience required. In simple terms, the Council sets different levels of basic pay to reflect differences in levels of responsibility. Additionally the highest paid employee of the Council's salary does not exceed 10 times that of the lowest paid group of employees.

1. The Chief Information Officer is a shared post and the cost is divided between Broxtowe Borough Council and Newark and Sherwood District Council and Rushcliffe Borough Council. The current post holder has been on Secondment for the 12 months covered by this Pay Policy Statement and his costs have been covered by the Host Authority. The role was covered by an Interim CIO on a lower salary whose costs were covered by the three Councils.

2. This role is usually below the threshold for reporting but has been involved in special projects that mean his salary has been increased to reflect the extra responsibility.

6.3 The Head of paid service, or his delegated representative, will give due regard to the published Pay Policy Statement before the appointment of any Officers. Full Council will have the opportunity to discuss any appointment exceeding £100,000 before an offer of appointment is made, in line with the Council's Officer Employment procedure rules within Part 4 of the Council's Constitution.

Additional Payments Made to Chief Officers – Election Duties

7.1 The Chief Executive is nominated as the Returning Officer. In accordance with the national agreement, the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Returning Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

7.2 The role of Deputy Returning Officer may be applied to any other post and payment may not be made simply because of this designation. Payments to the Returning Officer are governed as follows:

- for national elections, fees are prescribed by legislation;
- for local elections, fees are determined within a local framework used by other district councils within the county. This framework is applied consistently and is reviewed periodically by lead Electoral Services Officers within Nottinghamshire. This includes proposals on fees for all staff employed in connection with elections. These fees are available for perusal on the Council's website.

7.3 As these fees are related to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Senior Officers

Appendix to the Pay Policy Policies on other aspects of pay

Process for setting the pay of Senior Officers

The pay of the Chief Executive is based on an agreed pay scale which is agreed by Council prior to appointment. Changes to this are determined by the Leader, Deputy Leader and Leader of the Opposition, who are advised by an agreed external professional and the Strategic Human Resources Manager.

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

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

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

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

Terms and Conditions – All Employees

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

Local Government Pension Scheme

Every employee is automatically enrolled into the Local Government Pension Scheme. Employer and employee contributions are based on pensionable pay, which is salary plus, for example, shift allowances, bonuses, contractual overtime, statutory sick pay and maternity pay as relevant.

For more comprehensive details of the local government pension scheme see: www.lgps.org.uk and www.nottspf.org.uk

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

Car Allowances

The Council pays mileage rates at HMRC recommended rates.

Pay Increments

Where applicable pay increments for all employees are paid on an annual basis until the maximum of the scale is reached. The Chief Executive, or his nominated representative, has the discretion to award and remove increments of officers' dependant on satisfactory or unsatisfactory performance.

Relocation Allowance

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

Professional fees

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

Returning Officer Payments

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

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

Managing Organisational Change Policy

The original Managing Organisation Change Policy was agreed by Council in March 2007 (revised 2010). The Council's policy on the payment of redundancy payments is set out in this policy. The redundancy payment is based on the length of continuous local government service which is used to determine a multiplier which is then applied to actual pay.

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

Payments on termination

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

Publication of information relating to remuneration of Senior Officers

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

Gender Pay gap reporting

The Council publishes its Gender Pay Gap information annually on the Council's website.

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Cabinet

Tuesday, 12 February 2019

Revision to the terms of reference of the Economic Prosperity Committee

Report of the Chief Executive

Cabinet Portfolio Holder for Strategic and Borough Wide Leadership Councillor Simon Robinson

1. Purpose of report

- 1.1. On the 14 January 2014, Cabinet agreed to the establishment of an Economic Prosperity Committee, a Joint Committee of local authorities in the City of Nottingham and Nottinghamshire, (EPC) to drive future investment in growth and jobs within their areas. It is proposed to amend the terms of reference of the Committee, this report sets out the revised terms of reference and updates Cabinet on the costs associated with membership of the committee.
- 1.2. Cabinet is requested to approve the ongoing membership, the revised terms of reference and the cost of membership of the EPC.

2. Recommendation

It is RECOMMENDED that Cabinet:

- a) Agree the continued membership of the EPC;
- b) Agree the amended Constitution (Terms of Reference, Membership and procedures) of the EPC as set out at **Appendix A**; and
- c) Agree to Nottingham City Council continuing to host the Committee and providing all necessary secretarial, legal and financial support services, (including S151 and Monitoring Officer roles). The annual costs to be agreed by the constituent authorities and to be met in equal shares. The chairing of the committee may transfer to Nottinghamshire County Council in the future as is allowed for in the terms of reference.

3. Reasons for Recommendation

- 3.1 To support this Council's continued membership of the EPC.
- 3.2 To update Cabinet on the amendment to the terms of reference of the EPC.
- 3.3 To note the costs of membership of the EPC.

4. Supporting Information

- 4.1 On the 14 January 2014 this Council agreed to the establishment and membership of the EPC. In accordance with Section 9F of the Local Government Act 2000, this Council agreed to continue with its scrutiny

arrangements to review or scrutinise decisions made in connection with the exercise of functions of the EPC within the Council's existing scrutiny arrangements.

4.2 The terms of reference have been revised to support emerging priorities and economic growth through the LEP by constituent authorities in the County and City region. The unsuccessful combined authority bid presents an opportunity for constituent authorities to explore joint working through the EPC. Meetings shall be at least quarterly with Chairmanship alternating annually between the principal members of the City Of Nottingham and Nottinghamshire County Council.

4.3 The revised terms of reference have been agreed in principal by the chief executives of constituent authorities for adoption by the EPC.

5. Alternative options considered and reasons for rejection

None.

6. Risks and Uncertainties

6.1 The EPC was established as councils across Nottinghamshire recognised an opportunity to strengthen joint working and decision making. The establishment of the EPC continues to be supported as council Leaders across Nottingham and Nottinghamshire made a commitment to work more closely together to drive future investment in growth and jobs. The amendment of the terms of reference further enhances the EPC. Should this Council cease to be a member of the EPC it will lose the significant opportunity to support the drive for future investment, growth and jobs.

7. Implications

7.1. Financial Implications

7.1.1 There is a cost of £3,300 (plus expenses) per annum as a Council contribution towards the cost of servicing the EPC. This is met from existing budgets.

7.2. Legal Implications

7.2.1 Section 101(5) Local Government Act 1972 enables two or more local authorities to discharge any of their functions jointly and arrange for the discharge of those functions by a Joint Committee.

7.2.2 Section 9EB of the 2000 Local Government Act enables the Secretary of State to make Regulations permitting arrangements under Section 101 (5) where any of the functions are the responsibility of the executive of the authority. The relevant regulations are the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019.

7.2.3 In accordance with Section 9F of the Local Government Act 2000, this Council will continue with its scrutiny arrangements to review or scrutinise decisions made in connection with the exercise of functions of the EPC and that the Council's existing scrutiny arrangements will apply.

7.2.4 Regulation 11 makes provision for joint arrangements to involve a joint committee under Section 101(5) of the 1972 Act. As all the functions being delegated to the EPC are executive functions, the Regulations and Council's constitution allow the decision to establish the EPC and determine the number of members to be appointed to the EPC and their terms of office to be made by the Leader or Executive Mayor or other relevant decision maker or body. The regulations also require that the members appointed to the EPC should be members of the Executive.

7.2.5 Regulation 12 covers membership of joint committees and confirms political balance would not apply, whereas in the case of the EPC, all the powers that are being exercised are executive functions, the regulations do not allow for any co-option by the constituent authorities operating under executive arrangements (although that power exists for the constituent authorities where the governance is by committee). A pragmatic approach would therefore be not to permit co-option to the committee. Where it is considered beneficial for non-members, for example a representative of D2N2 to contribute to the proceedings of the EPC, the Chair of the Committee may however invite members of the public to attend and speak.

7.2.6 Any Freedom of Information requests received by the EPC should be directed to the relevant constituent authority for it to be dealt with in the usual way, taking account of the relevant legislation. Where the request relates to information held by two or more constituent authorities, they will liaise with each other before replying to the request. The host authority will co-ordinate responses to ensure that legislative deadlines are met.

7.3. **Equalities Implications**

7.3.1 Continued membership increases economic growth and employment opportunities for all residents of the borough and decisions made would have due regard to the Equality Act 2010.

7.4. **Section 17 of the Crime and Disorder Act 1998 Implications**

7.4.1 Not applicable.

8. **Link to Corporate Priorities**

- Delivering economic growth to ensure a sustainable, prosperous and thriving local economy
- Maintaining and enhancing our residents' quality of life

9. **Recommendations**

It is RECOMMENDED that Cabinet:

- a) Agree the continued membership of the EPC;
- b) Agree the amended Constitution (Terms of Reference, Membership and procedures) of the EPC as set out at **Appendix A**; and
- c) Agree to Nottingham City Council continuing to host the Committee and providing all necessary secretarial, legal and financial support services, (including S151 and Monitoring Officer roles). The annual costs to be

agreed by the constituent authorities and to be met in equal shares. The chairing of the committee may transfer to Nottinghamshire County Council in the future as is allowed for in the terms of reference.

For more information contact:	Allen Graham – Chief Executive Tel: 0115 9148349 agraham@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Cabinet 14 th January 2014 'Establishment of the City of Nottingham And Nottinghamshire Economic Prosperity Committee'
List of appendices:	Appendix A : The Economic Prosperity Committee Terms of Reference (Constitution 2018-2020)

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The City of Nottingham and Nottinghamshire Economic Prosperity Committee

CONSTITUTION 2018- 2020

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<i>Section 17</i>	<i>Amendment of this Constitution</i>

1. Purpose

- 1.1 *To bring together local authorities in Nottingham and Nottinghamshire to agree and promote the key aspects of economic prosperity across the area, with a specific focus on shared priorities and securing investment.*

2. Governance

- 2.1 The Economic Prosperity Committee (“EPC”) will act as a Joint Committee under Section 9EB of the Local Government Act 2000 and pursuant to Regulation 11 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.
- 2.2 The EPC will comprise the local authorities within the Nottinghamshire area: Ashfield District Council, Bassetlaw District Council, Broxtowe Borough Council, Gedling Borough Council, Mansfield District Council, Newark and Sherwood District Council, Nottingham City Council, Nottinghamshire County Council and Rushcliffe Borough Council (“constituent authorities”).

- 2.3 Political Proportionality rules will not apply to the EPC as so constituted.
- 2.4 The EPC will be a legally constituted body with powers delegated to it by the constituent authorities in the following areas:
- a) to prioritise and make decisions on the use of the funding that the EPC may influence or control;
 - b) to review future governance requirements and delivery arrangements and how these can be best achieved in Nottingham and Nottinghamshire;
 - c) to have direct oversight of key economic growth focused projects and initiatives that the EPC has influence over the funding of or contributes to;
 - d) to have strategic oversight of other key growth focused projects and initiatives in Nottingham and Nottinghamshire.

The EPC will not hold funds or monies on behalf of the constituent authorities.

- 2.5 The EPC's work plan and the outcome of any wider review into alternative governance may require a change in the delegated powers and terms of reference of the EPC and any such change would require the approval of all the constituent authorities.
- 2.6 These terms of reference should be reviewed two years after their adoption or after any amendments.

3. Remit

- 3.1 The remit of the EPC will be:
- a) to act as a local public sector decision making body for strategic economic growth;
 - b) to act as a conduit to other sub-regional and regional bodies such as the D2N2 Local Enterprise Partnership and the Midlands Engine;
 - c) to oversee the alignment of relevant local authority plans for economic prosperity;
 - d) to agree shared priorities and bids for funding, where appropriate, to existing and new funding sources such as Local Growth Funds, European Funds (until the end of the Brexit transition period) and the Shared Prosperity Fund (at the end of the Brexit transition period);
 - e) to monitor and evaluate projects and programmes of activity commissioned directly by the EPC;
 - f) to agree, monitor and evaluate spending priorities for the Nottinghamshire Business Rates Pool. (Only those constituent authorities that are members of the Pool would participate in this);
 - g) to communicate and, where unanimously agreed, to align activity across Nottingham and Nottinghamshire on a range of other key public priorities that affect citizens.

4. Membership

- 4.1 One member from each constituent authority (such member to be the Leader/Elected Mayor or other executive member or committee chair from each constituent authority) and for the purposes of these terms of reference this member will be known as the principal member.
- 4.2 Each constituent authority to have a named substitute member who must be an executive member where the authority operates executive governance arrangements. In those constituent authorities where governance is by committee, that alternate member shall be as per that authority's rules of substitution. All constituent authorities must provide no less than twenty four hours' notice to either the Chair or the Secretary where a substitute member will be attending in place of the principal member. Regardless of any such notification, where both the principal member and the substitute member attends a meeting of the EPC the principal member shall be deemed as representing their authority by the Chair or Vice Chair.
- 4.3 In the event of any voting member of the EPC ceasing to be a member of the constituent authority which appointed him/her, the relevant constituent authority shall as soon as reasonably practicable appoint another voting member in their place.
- 4.4 Where a member of the EPC ceases to be a Leader / Elected Mayor of the constituent authority which appointed him/her or ceases to be a member of the Executive or Committee Chair of the constituent authority which appointed him/her, he/she shall also cease to be a member of the EPC and the relevant constituent authority shall as soon as reasonably practicable appoint another voting member in their place.
- 4.5 Each constituent authority may remove its principal member or substitute member and appoint a different member or substitute as per that authority's rules of substitution, and by providing twenty-four hours' notice to the Chair or the Secretary. Co-options onto the Committee are not permitted.
- 4.6 Each constituent authority may individually terminate its membership of the EPC by providing twelve months written notice of its intent to leave the EPC to the Chair or the Secretary. At the end of these twelve months, but not before, the authority will be deemed to no longer be a member of the EPC.
- 4.7 Where an authority has previously terminated its membership of the EPC it may rejoin the EPC with immediate effect on the same terms as existed prior to its departure, where the EPC agrees to that authority rejoining via a majority vote.

5. Quorum

- 5.1 The quorum shall be 5 members. No business will be transacted at a meeting unless a quorum exists at the beginning of a meeting. If at the beginning of any meeting, the Chair or Secretary after counting the members present declares that a quorum is not present, the meeting shall stand adjourned.

6. Chair and Vice Chair

- 6.1 The Chair of the EPC will rotate annually between the principal member of the City of Nottingham and the principal member of Nottinghamshire County Council. The position of Vice Chair shall be filled by the principal member of one of the district/borough council members of the EPC and this role will rotate annually between district/borough councils. The Chair or in their absence the Vice Chair or in their absence the member of the EPC elected for this purpose, shall preside at any meeting of the EPC.
- 6.2 Appointments will be made in May of each year.
- 6.3 Where, at any meeting or part of a meeting of the EPC both the Chair and Vice Chair are either absent or unable to act as Chair or Vice Chair, the EPC shall elect one of the members of the EPC present at the meeting to preside for the balance of that meeting or part of the meeting, as appropriate. For the avoidance of doubt, the role of Chair and Vice Chair vests in the principal member concerned and in their absence the role of Chair or Vice Chair will not automatically fall to the relevant constituent authority's substitute member.

7. Voting

- 7.1 One member, one vote for each constituent authority.
- 7.2 All questions shall be decided by a majority of the votes of the members present, the Chair having the casting vote in addition to their vote as a member of the Committee. Voting at meetings shall be by show of hands.
- 7.3 On the requisition of any two Members, made before the vote is taken, the voting on any matter shall be recorded by the Secretary so as to show how each Member voted and there shall also be recorded the name of any Member present who abstained from voting.

8. Sub-Committees and Advisory Groups

- 8.1 The EPC may appoint sub-committees from its membership as required to enable it to execute its responsibilities effectively and may delegate tasks and powers to the sub-committee as it sees fit.
- 8.2 The EPC may set up advisory groups as required to enable it to execute its responsibilities effectively and may delegate tasks as it sees fit to these bodies, which may be formed of officers or members of the constituent authorities or such third parties as the EPC considers appropriate.

9. Hosting and Administration

- 9.1 The EPC will be hosted by the same authority as the Chair. The Director of

Legal and Democratic Services from that authority shall be Secretary to the Committee (“the Secretary”). The Host Authority will also provide s151 and Monitoring Officer roles and legal advice to the EPC. The administrative costs of supporting the committee will be met equally by the constituent authorities, with each authority being responsible for receiving and paying any travel or subsistence claims from its own members.

9.2 The functions of the Secretary shall be:

- a) to maintain a record of membership of the EPC and any sub-committees or advisory groups appointed;
- b) to publish and notify the proper officers of each constituent authority of any anticipated “key decisions” to be taken by the EPC to enable the requirements as to formal notice of key decisions as given under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 to be met;
- c) to carry out such notification to and consultation with members of any appointing constituent authority as may be necessary to enable the EPC to take urgent “key decisions” in accordance with the requirements of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012;
- d) to summon meetings of the EPC or any sub-committees or advisory groups;
- e) to prepare and send out the agenda for meetings of the EPC or any sub- committees or advisory groups; in consultation with the Chair and the Vice Chair of the Committee (or sub-committee/ advisory group);
- f) to keep a record of the proceedings of the EPC or any sub-committees or advisory groups, including those in attendance, declarations of interests, and to publish the minutes;
- g) to take such administrative action as may be necessary to give effect to decisions of the EPC or any sub-committees or advisory groups;
- h) to perform such other functions as may be determined by the EPC from time to time.

10. Meetings

10.1 The EPC will meet no less than quarterly and meetings will be aligned where necessary with deadlines for decisions on resources and investment plans.

10.2 Meetings will be held at such times, dates and places as may be notified to the members of the EPC by the Secretary, being such time, place and location as the EPC shall from time to time resolve. Meeting papers will be circulated five clear working days in advance of any meeting. The Chair may choose to accept or reject urgent items that are tabled at any meeting.

10.3 Additional ad hoc meetings may be called by the Secretary, in consultation, where practicable, with the Chair and Vice Chair of the Committee, in response to receipt of a request in writing, which request sets out an urgent item of business within the functions of the EPC, addressed to the Secretary:

- (a) from and signed by two members of the EPC, or
- (b) from the Chief Executive of any of the constituent authorities.

10.4 Urgent, virtual meetings facilitated via teleconference, video conferencing or other remote working methodologies may be called by the Secretary, in consultation, where practicable, with the Chair and Vice Chair of the EPC, in response to receipt of a request in writing, which request sets out an urgent item of business within the functions of the EPC, addressed to the Secretary:

- (a) from and signed by two members of the EPC; or
- (b) from the Chief Executive of any of the constituent authorities.

Any such virtual meeting must comply with the access to information provisions and enable public access to proceedings.

10.5 The Secretary shall settle the agenda for any meeting of the EPC after consulting, where practicable, the Chair or in their absence the Vice Chair; and shall incorporate in the agenda any items of business and any reports submitted by:

- (a) the Chief Executive of any of the constituent authorities;
- (b) the Chief Finance Officer to any of the constituent authorities;
- (c) the Monitoring Officer to any of the constituent authorities;
- (d) the officer responsible for economic development at any of the constituent authorities; or
- (e) any two Members of the EPC.

10.6 The EPC shall, unless the person presiding at the meeting or the EPC determines otherwise in respect of that meeting, conduct its business in accordance with the procedure rules set out in paragraph 13 below.

11. Access to Information

11.1 Meetings of the EPC will be held in public except where confidential or exempt information, as defined in the Local Government Act 1972, is being discussed.

11.2 These rules do not affect any more specific rights to information contained elsewhere under the law.

11.3 The Secretary will ensure that the relevant legislation relating to access to information is complied with. Each constituent authority is to co-operate with the Secretary in fulfilling any requirements.

11.4 Any Freedom of Information or Subject Access Requests received by the EPC should be directed to the relevant constituent authority(s) for that authority to deal with in the usual way, taking account of the relevant legislation. Where the request relates to information held by two or more constituent authorities, they will liaise with each other before replying to the request.

12. Attendance at meetings

12.1 The Chair may invite any person, whether a member or officer of one of the constituent authorities or a third party, to attend the meeting and speak on any matter before the EPC.

12.2 Third parties may be invited to attend the EPC on a standing basis following a unanimous vote of those present and voting.

12.3 Where agenda items require independent experts or speakers, the Officer or authority proposing the agenda item should indicate this to the Secretary and provide the Secretary with details of who is required to attend and in what capacity. The participation of independent experts or speakers in EPC meetings will be subject to the discretion of the Chair.

13. Procedure Rules

13.1 Attendance

13.1.1 At every meeting, it shall be the responsibility of each member to enter their name on an attendance record provided by the Secretary from which attendance at the meeting will be recorded.

13.2 Order of Business

13.2.1 Subject to paragraph 13.2.2, the order of business at each meeting of the EPC will be:

- i. Apologies for absence
- ii. Declarations of interests
- iii. Approve as a correct record and sign the minutes of the last meeting
- iv. Matters set out in the agenda for the meeting which will clearly indicate which are key decisions and which are not
- v. Matters on the agenda for the meeting which, in the opinion of the Secretary are likely to be considered in the absence of the press and public

13.2.2 The person presiding at the meeting may vary the order of business at the meeting.

13.3 Disclosable Pecuniary Interests

13.3.1 If a Member is aware that he/she has a disclosable pecuniary interest in any matter to be considered at the meeting, the Member must withdraw from the room where the meeting considering the business is being held:

- (a) in the case where paragraph 13.3.2 below applies, immediately after making representations, answering questions or giving evidence;
- (b) in any other case, wherever it becomes apparent that the business is being considered at that meeting;

- (c) *unless the Member has obtained a dispensation from their own authority's Standards Committee or Monitoring Officer. Such dispensation to be notified to the Secretary prior to the commencement of the meeting.*

13.3.2 Where a member has a disclosable pecuniary interest in any business of the EPC, the Member may attend the meeting (or a sub –committee or advisory group of the committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

13.4 Minutes

13.4.1 *There will be no discussion or motion made in respect of the minutes other than except as to their accuracy. If no such question is raised or if it is raised then as soon as it has been disposed of, the Chair shall sign the minutes.*

13.5 Rules of Debate

13.5.1 Respect for the Chair

A Member wishing to speak shall address the Chair and direct their comments to the question being discussed. The Chair shall decide the order in which to take representations from members wishing to speak and shall decide all questions of order. Their ruling upon all such questions or upon matters arising in debate shall be final and shall not be open to discussion.

13.5.2 Motions / Amendments

A motion or amendment shall not be discussed unless it has been proposed and seconded. When a motion is under debate no other motion shall be moved except the following:

- i. To amend the motion
- ii. To adjourn the meeting
- iii. To adjourn the debate or consideration of the item
- iv. To proceed to the next business
- v. That the question now be put
- vi. That a member be not further heard or do leave the meeting
- vii. To exclude the press and public under Section 100A of the Local Government Act 1972

13.6 Conduct of Members

13.6.1 *Members of the EPC will be subject to their own authority's Code of Conduct.*

14. Application to Sub-Committees

14.1 The procedure rules and also the Access to Information provisions set out at

paragraph 11 shall apply to meetings of any sub-committees of the EPC.

15. Scrutiny of decisions

15.1 Each constituent authority which operates executive arrangements will be able to scrutinise the decisions of the EPC in accordance with that constituent authority's overview and scrutiny arrangements.

16. Winding up of the EPC

16.1 The EPC may be wound up immediately by a unanimous vote of all constituent authorities.

17. Amendment of this Constitution

17.1 This Constitution can only be amended by resolution of each of the constituent authorities.

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Cabinet

12 February 2019

Discretionary Rate Relief 2019/20-2021/22

Report of the Executive Manager - Finance and Corporate Services

Cabinet Portfolio Holder for Finance Councillor Gordon Moore

1. Purpose of report

- 1.1 Charging Authorities have the discretionary power to grant rate relief to eligible National Non Domestic Ratepayers (NNDR) under the provisions contained in Section 47 and 49 of the Local Government Finance Act 1988. Authorities may award relief for all or part of the amount of rates payable, or may “top up” mandatory relief.
- 1.2 The policy for awarding relief was last reviewed by Cabinet on the 13 January 2016, where the current policy was approved to run until the 31 March 2019. This report supports reviewing the policy for a further 3 years until 2021/22 and proposes minor amendments.

2. Recommendation

It is recommended that Cabinet:

- a) Approves the new policy for Discretionary Rates Relief.
- b) The Executive Manager – Finance and Corporate Services has delegated authority to amend the policy within the next 3 years following expected changes to the current business rates scheme in 2020/21.

3. Reasons for Recommendation

- 3.1 To ensure that there is a consistent approach to the award of any discretionary rate relief (DRR).

4. Supporting Information

- 4.1 The current policy expires on the 31 March 2019. Legislation dictates that one years’ notice must be given to all recipients of DRR, this was duly arranged in March 2018 and ratepayers advised that they would be informed of the new scheme in due course.

4.2 The cost of awarding any relief is borne by the following bodies at the following rates;

50%	Central Government
40%	Rushcliffe Borough Council
9%	Nottinghamshire County Council
1%	Combined Fire Authority

Please note that these tier splits are likely to change when 75% of business rates are expected to be transferred to local government in 2020/21.

4.3 The cost of reliefs impacts wholly on the collection fund, not directly on the in-year Council budget. The level and variance of reliefs awarded will impact on the Council's funding level and directly affect council finances in the year after they are awarded.

4.4 The Council carries the risk of volatility in the business rate yield. This includes the effects of successful rating appeals, business closures and new business start-ups or expansion as well as sharing the cost of reliefs with government.

4.5 The Council is currently a member of a Business Rates pool comprising of all Nottinghamshire Shire Districts and Nottinghamshire County Council. Being a member of the pool results in any surpluses gained on the Business Rates yield being shared across the pool. However, any risk is also shared and payments made from the pool to mitigate losses across the yield.

4.6 The policy allows full discretion on the amount to be awarded within budgetary limitations.

4.7 The proposed policy will run for three years, until the 31 March 2022. However, the policy may be reviewed following any changes to Business Rates and how the scheme is funded, with changes expected from the financial year 2020/21.

4.8 The policy is essentially the same as previously, however the award period has been extended up to a maximum of three years (part 7 in the new policy). It has been observed that in practice there are no relevant changes to applicable properties and there was no benefit gained by reviewing these cases more frequently. The Revenues Service will be vigilant to potential changes to circumstances. If anyone is found to have breached the policy then retrospectively recovery of any overpayment will be sought.

5. Alternative options considered and reasons for rejection

5.1 The alternative action is not having a policy. This is not recommended as it leaves the Council open to legal challenge and would increase the financial exposure and risk.

6. Risk and Uncertainties

- 6.1 A large number of agreed applications could lead to greater than expected expenditure, however the policy makes it clear that budget limitations will be a factor in determining awards.
- 6.2 As stated in paragraph 4.2 the business rates system is expected to change and therefore the potential exposure to the Council in awarding Discretionary Rate Relief will also change.

7 Implications

7.1 Finance Implications

There are financial implications (outlined above) in that 40% of the cost of any award of discretionary relief is borne by the Council, subject to the aforementioned risk and the potential change in tier splits away from 40%.

7.2 Legal Implications

- a) A consistent approach and guidelines for considering awards provides consistency and transparency.
- b) Ensure compliance with the provisions contained in the Local Government Finance Act 1998 (sections 47 and 49).

7.3 Equalities Implications

There are no equalities implications arising from this report. Each application will continue to be dealt with on its own merits and in line with the Councils Equality Scheme.

7.4 Section 17 of the Crime and Disorder Act 1998 Implications

There are no Section 17 implications arising from this report.

7.5 Other Implications

There are no other implications arising from this report.

8 Link to Corporate Priorities

The policy should actively contribute to supporting economic growth to ensure a sustainable, prosperous and thriving local economy

9 Recommendations

It is recommended that Cabinet:

- (a) Approves the new policy for Discretionary Rates Relief.
- (b) The Executive Manager – Finance and Corporate Services has delegated authority to amend the policy within the next 3 years following expected changes to the current business rates scheme in 2020/21.

For more information contact:	Peter Linfield Executive Manager (Finance and Corporate Services) 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	None
List of appendices (if any):	Appendix A – Proposed Policy



Discretionary Rate Relief Policy 2019/20 – 2021/22

Version of document: Version 2
Date of document: 03 December 2018
Date due for review: January 2022

Contents

- 1. Background**
- 2. Guidance on Reliefs**
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- 11. Notification**
- 12. Appeals**

Appendices

- A. Full details regarding the range of mandatory and discretionary reliefs available to Business Ratepayers**
- B. Full application for discretionary rate relief**
- C. Renewal application for discretionary rate relief**

1. Background

Sections 47 and 49 of the Local Government Finance Act 1988 empowers Local Authorities to grant Discretionary Rate Relief (DRR) to ratepayers under certain circumstances.

Awards of DRR can be made to various categories of ratepayer. These include:

- Charities;
- Organisations which are not established or conducted for profit whose main objectives are charitable and are either:
 - (i) established for philanthropic or religious purposes; or
 - (ii) concerned with education, social welfare, science, literature or the fine arts; or
 - (iii) occupies the property as a club or society.
- Small businesses in the Rural Settlement Area.

A list of mandatory and discretionary reliefs available to ratepayers can be found at Appendix 1.

The Council has no discretion in awarding mandatory relief. Any qualifying organisation that applies automatically receives the appropriate relief.

The cost of all reliefs is currently shared 50/50 between the local and central share, although some reliefs are funded by government through section 31 grants.

Distribution is broken down as follows;

50%	Central Government
40%	Rushcliffe Borough Council
9%	Nottinghamshire County Council
1%	Combined Fire Authority

2. Guidance on Reliefs

A Practice Note issued by the Department for the Environment and the Welsh Office in 1990 recommends that although Authorities may wish to have readily understood policies for deciding whether or not to grant relief, and for determining the amount of relief to grant, they should not adopt a policy or rule which allows a case to be disposed of without any consideration as to its individual merits. Discretionary relief should not be awarded unless an Authority is satisfied the hereditament is used for purposes which benefit the local community and that it is reasonable to award relief having regard for the interests of its Council Taxpayers.

Guidance issued by the Office of the Deputy Prime Minister in 2002 warns of the possibility of reliefs contravening European state aid rules. EU competition rules generally prohibit Government subsidies to businesses. Relief from rates may

constitute state aid. There are general exemptions from state aid rules where the aid is below a *de minimis* level. This level is set at €200,000 over a period of three years.

3. Reliefs and Rushcliffe Borough Council

The cost of reliefs impacts wholly on the collection fund, not directly on the in-year council budget. The level and variance of reliefs awarded will impact on the council's funding level and directly affect council finances in the year after they are awarded.

The Council carries the risk of volatility in the business rate yield. This includes the effects of successful rating appeals, business closures and new business start-ups or expansion as well as sharing the cost of reliefs with government.

The Council is currently a member of a Business Rates pool comprising of all Nottinghamshire Shire Districts and Nottinghamshire County Council. Being a member of the pool results in any surplus gained on the Business Rates yield being shared across the pool. However any risk is also shared and payments made from the pool to mitigate losses across the yield.

There is inherent conflict with the other pool authorities that may arise in the award of reliefs. For example Rushcliffe may award DRR to a large business to entice it to relocate to Rushcliffe from a neighbouring authority, this may have a detrimental impact on that authority's budget which is not in the spirit of the pool or existing collaborative arrangements. That said it applies equally to the other authorities.

4. Purpose

The purpose of this policy is to specify how this Council will operate the DRR scheme and to indicate the factors that will be considered when deciding whether to make an award. The Council aims to treat all ratepayers fairly and equally when administering the scheme.

5. Objectives

The Council will make awards of DRR to ratepayers who meet the qualifying criteria as specified in this policy, subject to budget limitations and any changes in legislation. The Council will treat all applications on their individual merits, but will seek through the operation of this policy to meet current corporate objectives.

6. Applying for Discretionary Rate Relief

In order to claim DRR, the ratepayer must provide the Council with all of the information necessary to consider the application. The application forms are appended to this Policy document (Appendix 2),

- The Council reserves the right to consider applications from persons/organisations that have provided the necessary information regardless of whether an application form has been submitted.
- Applications may only be made by the ratepayer or, where the ratepayer is a corporate body, by a person authorised to act on behalf of the ratepayer.

- The Council may request any reasonable evidence in support of an application for a DRR. The Council will make such requests in writing. The ratepayer should provide the evidence within one month from the date of request. This may include, but is not limited to: plans, inspections, audited and non-audited accounts, balance sheets, business plans, details of other funding/grants, written constitutions and memorandum and articles/rules of any association.
- If the required evidence is not provided the Council reserves the right to either treat the application as withdrawn or to consider it in the absence of the missing evidence. However, the Council may disregard any unsubstantiated statements or draw its own conclusions from other evidence available.
- The Council may in any circumstances verify any information or evidence provided by the ratepayer by contacting third parties and other organisations.
- All applications must be considered alongside current legislation concerning State Aid. A declaration form must be completed by the person/organisation claiming DRR confirming the totals of monies received over the last three years. Currently the maximum is 200,000 euros in any three year period. Alternatively to this the applicant would need to state why they consider that any award of DRR would be exempt from the current State Aid rules. A copy of the current declaration form is included in Appendix 2.

Any award of DRR will be for a maximum period of three years. Every three years (or earlier for shorter award periods) a recipient of DRR will be required to complete a fresh substantive application form (Appendix 2) which will be issued to the applicant before the previous award expires.

Where applications are not completed in full and received by the Council by the due date, the Council reserves the right to make no award of DRR.

7. Period and amount of award

All awards of DRR will be for a maximum of three financial years. However the Council reserves the right to;

- Backdate the award to the start of the current financial year;
- Backdate the award to some other specific date (i.e. liability start date);
- Commence the award from some specified future date.
- Withdraw any award. In these circumstances the Council will write to the applicant explaining the situation and recover any monies due in relation to any over claim.

The Council reserves the right to make an award of DRR that does not fully remit a ratepayer's liability, if it considers it appropriate to do so under the terms of this policy or to meet its budgetary constraints.

Before an award has expired a new application form will be issued to the applicant.

8. Administering applications and making awards of DRR

A member of the Revenues team will prepare a report detailing the circumstances, costs, risks and benefits of each application for DRR. The Section 151 Officer, in conjunction with the Finance portfolio holder, will decide whether to award DRR and what amount should be granted subject to the parameters of this policy.

Budgetary constraints and legislative changes may influence the amount awarded with the intention that the Council's annual budget for DRR should not be exceeded.

9. Matters to be considered in making awards

When deciding whether to make awards the Council will consider:

In all cases:

- Whether the application satisfies the legal requirements; the Council cannot award relief to any organisation that does not meet the legal requirements of sections 44a, 47 and 49 of the Local Government Finance Act 1988.
- Relief is more likely to be awarded to organisations that can show they are helping the Council to achieve its corporate objectives.
- Whether the ratepayer also receives mandatory relief; the cost to the Council of awarding DRR to an organisation that already qualifies for mandatory relief is 60% of the cost of awarding relief to a body that does not qualify for mandatory relief.
- Whether the ratepayer is in direct competition with other ratepayers in the immediate vicinity, within or without the Borough; the Council would not want to give any organisation a competitive advantage by the award of rate relief.
- The specific benefit the ratepayer brings to the Borough residents. The Council wants to ensure that any award is to the benefit of the wider population of Rushcliffe. It will therefore consider what benefits the ratepayer brings to the residents of the community and of Rushcliffe. Any ratepayer whose customer base comes from largely outside the Borough's boundaries is unlikely to qualify for relief, unless they can show a specific and unequivocal benefit to the residents of the Borough. The impact on unemployment in the event of not awarding relief will also be considered.
- Whether the ratepayer is a local organisation or a local branch of a national organisation. The Council will consider the overall benefit to the community of the organisation and what effect the award of rate relief will have upon the organisation. If the benefit of the relief is kept locally it is more likely to be awarded than if it goes elsewhere or to the national organisation.
- The impact on the ratepayer if the relief was to be refused; the Council is more likely to award relief if the ratepayer can show that the failure to award the relief will have an impact on its service provision and consequently the Council's ability to achieve its own objectives.
- No award will be made that contravenes state aid limits.

- Whether the organisation has received/is eligible for any other funding/grants.
- Whether the organisation has an unnecessarily high level of reserves. Additionally the Council is less likely to award relief to an organisation which has reserves exceeding one year's expenditure (including loan interest and repayments). For this purpose reserves means cash in hand and at the bank, excluding money designated for major works and ring fenced (i.e. legally restricted) funds. Even where an organisation's reserves do not exceed one year's expenditure, the Council is unlikely to award it relief if it has reserves (defined as above) exceeding £200,000.

Applications from Sports Clubs

The Government has issued guidance (2002) on the award of DRR. The guidance includes details on the award of relief to Sports Clubs. The Council has incorporated that guidance into its policy. Therefore, in addition to the above we will also consider:

- Any restrictions on membership that may exist; the Council is more likely to award relief where no restrictions exist. However it recognises that there may be legitimate restrictions based upon ability or safety factors (for instance a diving club is unlikely to accept someone as a member who cannot swim).
- Whether the organisation encourages greater membership, the development of skills and use by the wider community.
- Cost of membership should not be used as a means to restrict membership.
- Whether the organisation actively promotes representation from disadvantaged or under-represented groups in the community.
- Whether the facilities are available to users other than members, (such as schools or casual use by the public) if appropriate and practicable.
- What proportion of the club's members are active sporting members as opposed to 'social members'.
- Whether the club is affiliated to any appropriate national or local sporting organisations or bodies.
- Whether the membership of the club is drawn mainly from Rushcliffe Borough and whether it attracts members from outside the Borough. The cost of the discretionary relief is met in part by the council taxpayers of the Borough. If the membership was drawn mainly from residents of neighbouring authorities, it may be inappropriate for the Council to award DRR.

Applications for Discretionary Rural Rate Relief

Applications for discretionary rural rate relief may be received from small businesses situated in areas designated on the Rural Settlement List. These ratepayers are more likely to be private individuals and commercial organisations (as opposed to charitable or not for profit organisations).

In deciding upon these applications the Council will consider all the general items stated above and:

- In the case of ratepayers who are private individuals, the effect that any award of relief would have on them personally. To do this the Council will need to

have full details of the ratepayer's financial circumstances (including details of the income of anyone else who lives with ratepayer).

- The effect that any award would have on other ratepayers in the vicinity.

Applications for Hardship Relief

That it is the payment of Business Rates is causing hardship and how this has occurred.

Once the above factors have been considered the Section 151 Officer, in conjunction with the Finance portfolio holder shall make a decision as to whether to grant DRR to the ratepayer. If it is decided to make such an award, it shall then be further decided whether the DRR shall be granted in full or in part, and if in part, to what proportion.

10. Change of Circumstances

Any ratepayer who is in receipt of an award who becomes liable for rates on another property during the period of an award shall be required to make a new application for relief on the new property.

11. Notification

The Council will inform ratepayers of the outcome of the application within 14 days of making a decision about their application for DRR. The Council will notify those whose application is unsuccessful with:

- The reasons why the Council have decided not to grant an award.
- The appeals process.

The Council will notify those whose application is successful:

- The amount of rate relief awarded and their revised liability.
- The period of the award.
- A summary of the reasons for the award.
- Any requirement to notify the Council of changes in circumstances that could affect the award.
- The appeals process.

The Council will notify those whose application is successful in part:

- Why they are only partly successful.
- The amount of rate relief awarded and their revised liability.
- The period of the award.
- Any requirement to notify the Council of changes in circumstances that could affect the award.

- The appeals process.

12. Appeals

Any ratepayer who is aggrieved by a decision about his/her application for DRR may appeal against it to another Executive Manager. Any such appeal must be:

- In writing; and
- Specify the reasons why the ratepayer feels the decision is wrong; and
- Be made within four weeks of the ratepayer being notified of the Council's decision.

The Council reserves the right to refuse to hear appeals that do not meet these criteria.

13. Changes to funding of NNDR

The Government is proposing to alter how local authorities receive funding through the NNDR scheme (set out in section 1 above). Rushcliffe Borough Council reserve the right to amend this policy and any award agreed based on it's principles to be re-determined if/when the NNDR scheme is amended.

1. Small Business Rate Relief

The Government introduced this scheme to help small businesses pay rates.

Eligibility Criteria

Relief is only available to ratepayers with:

- only **one** property in England, or
- one main property and other additional properties providing they have rateable values (RV) less than £2,900 and the total value of all the properties remains under the threshold of £20,000.

Thresholds

- Eligible properties with RV of up to £11,999 will be entitled to 100% relief
- A percentage reduction from 100%* to 0% on a sliding scale for properties with an RV between £12,000 and £15,000, with no entitlement to relief at £15,000 RV.
- Properties with an RV of less than £51,000 which do not qualify for relief will be eligible to apply to pay a lesser multiplier when calculating the charge they will have to pay and will not have to contribute towards the cost of the relief.

With effect from 14 February 2014, customers receiving Small Business Rate Relief that take on an additional property which would currently disqualify them from receiving relief will continue to receive their existing relief for 12 months.

2. Empty Rate Relief

For Business Rates purposes a property is considered empty if it is unoccupied and empty of stock. Generally full rates are payable on empty properties, however there is a limited period of exemption from rates that can be granted to the owner/ leaseholder of an empty property. This is limited to three months generally or six months for industrial properties.

Some empty properties are exempt from rates, for example, some **empty** properties that are; listed, held by charities or held by liable parties in liquidation/administration. Since 2010 all empty properties with RV of less than £2,900 are exempt from rates.

3. Section 44a/Partly Occupied Relief

If a property is partly occupied, the Council has discretion to require the Valuation Office Agency to apportion the property's RV between its occupied and unoccupied parts. This relief is intended to be awarded for a short time only.

In determining this award necessary information and plans may be requested along with an inspection of the premises.

The empty part of a property receives an exemption from rates for the first three months it is empty (or, if it is an industrial property, for the first six months). After the rate-free period expires business rate will apply to the whole property. This will ensure that occupiers can benefit from any occupied business rate relief - such as small business rate relief - on the whole of the property, not just the occupied part. However, if the property qualifies for no business rates payable, the apportionment will continue until the end of the financial year and the owner will not be liable for rates on the empty part.

4. Charitable Rate Relief

Mandatory Relief

Registered charities (who are wholly or mainly occupying the premises for charitable purposes) are automatically entitled to 80% mandatory relief.

Organisations registered with HMRC (such as Community Amateur Sports Clubs or organisations registered under the Friendly Societies Act 1992) or similar non-profit making organisations, may also be entitled to 80% mandatory relief. This includes charity shops, provided that goods sold are wholly or **mainly** donated.

Discretionary Relief

All applications will be considered individually, in line with section 9 of the Discretionary Rate Relief Policy and up to the following limits;

- Charities - additional relief on their remaining amount payable
- Non-profit making organisations - relief may be granted up to 100% of the charge.

5. Rural Rate Relief

Rural rate relief may be granted to village shops, post offices, pubs and petrol filling stations within areas that are home to less than 3,000 people.

Mandatory Relief (50% relief of rates payable)

The business must be situated in an area designated as a Rural Settlement and;

- The business must be the only Post Office in the settlement. General stores and food stores in the settlement may also qualify. Please note that the RV of the premises at the start of the financial year for which relief is applied for less than £8,500; Or;
- The business is the only Public House or the only Petrol Filling Station in the settlement. The RV must be less than £12,500.

Discretionary Relief

All applications will be considered individually, in line with section 9 of the Discretionary Rate Relief Policy and, if the business does not receive the mandatory element the RV at the start of the financial year to which relief is granted, must be less than £16,500.

The rural settlements in Rushcliffe are:

Aslockton	Hickling	Shelton
Barton-in-Fabis	Holme Pierrepont	Sibthorpe
Bradmore	Kingston-on-Soar	Stanford-on-Soar
Bunny	Kinoulton	Stanton-on-the-Wolds
Car Colston	Kneeton	Sutton Bonington
Clipstone	Langar cum Barnstone	Thoroton
Colston Bassett	Newton	Thorpe in the Glebe
Costock	Normanton-on-Soar	Thrumpton
Cropwell Bishop	Normanton-on-the-Wolds	Tithby
Cropwell Butler	Orston	Tollerton

East Bridgford	Owthorpe	Upper Broughton
Elton	Plumtree	West Leake
Flawborough	Ratcliffe-on-Soar	Whatton
Flintham	Rempstone	Widmerpool
Gamston	Saxondale	Willoughby-on-the-Wolds
Gotham	Scarrington	Wiverton Hall
Granby cum Sutton	Screveton.	Wysall
Hawksworth	Shelford	

6. Hardship Relief

Any business which is suffering hardship can claim for help with their rates. All applications will be considered individually and in line with section 9 of the Discretionary Rate Relief Policy.

7. Local discounts

All applications will be considered individually, in line with section 9 of the Discretionary Rate Relief Policy Any business rate payer may apply for a local discount for any reason. Applicants must show good cause as we may only grant a discount if it is reasonable to do so having regard for the interests of the council tax payers of the Borough.

8. Public House Relief

Any public house will be awarded £1,000 per annum (or pro-rated based on time of occupancy), provided the property is occupied and used as a public house.

APPLICATION FOR RATE RELIEF - CHARITABLE AND OTHER ORGANISATIONS

Account details:

Name of organisation claiming relief:	
Account/Billing Number:	
Address of the property for which relief is being claimed:	
Date from which relief is being claimed:	

Application Details:

Please indicate which relief/s you wish to claim;

Mandatory Relief (section 43 Local Government Finance Act 1988)	YES / NO
Discretionary Relief (section 47 Local Government Finance Act 1988)	YES / NO

Please detail the main objectives and purposes of your organisation:	
Please state the activities undertaken at the premises to which the application relates:	
If the premises are used by any other organisation, other than the applicant, please confirm who uses the premises and for what purposes:	
If a charity shop please confirm the percentage of donated goods sold:	%
please confirm your Charity Commission charity number:	
If exempt from registration please state grounds and provide proof:	
If your organisation is recognised as charitable, but not registered, please state grounds and provide proof:	

Please only complete the next section if you are claiming Discretionary Rate Relief

In support of your application please provide copies of; <ul style="list-style-type: none"> Your memorandum and articles / rules of the association, and; Your audited account and balance sheets for the last 2 years 	
Does the organisation have a written constitution or set of rules? If no, how is the organisation constituted?	
Are you affiliated to any national organisation? If yes, please provide details:	
If a local branch of a national organisation please detail how	

the benefit of the award will be kept locally:	
Is the membership open to all sections of the community?	
Is membership encouraged for particular groups in the community? If yes, please provide details:	
What are the qualifications for membership?	
Please confirm details of any membership fees:	
Do you provide training or education for any of your members? Please provide details:	
What percentage of members reside in the Rushcliffe Borough?	%
What percentage of members are classed as 'social members':	%
Are the facilities made available to people other than members? If yes, please provide details:	
Have any grants or other funding been made available to the organisation? If yes, please provide details:	
Please provide details of any sources from which income is received, not showing on your accounts:	

DECLARATION

I hereby certify that the information given in this application is correct to the best of my knowledge and belief.

Signature: _____ Capacity of signatory _____

Printed Name: _____ Date ____/____/____

Email Address: _____ Telephone Number _____

Data Protection Privacy Notice

The personal information you provide will only be used by Rushcliffe Borough Council, the Data Controller, in accordance with General Data Protection Regulation 2016/ Data Protection Act 2018 to process your application, query or to provide a service that you are requesting **or** undertake a statutory function (also known as a 'public task') Your personal data will be kept in accordance with the Council's retention policy and schedule. Details of which can be found on the Council's website at http://www.rushcliffe.gov.uk/retention_schedule/. Your data protection rights are not absolute and in most cases are subject to the Council demonstrating compliance with other statutory legislation, for further information see <http://www.rushcliffe.gov.uk/privacy/>

APPLICATION FOR RURAL RATE RELIEF

Account details:

Name of individual or company claiming relief:	
Account/Billing Number:	
Address of the property for which relief is being claimed:	
Date from which relief is being claimed:	

GENERAL GUIDELINES

Please read in conjunction with the Council's Discretionary Rate Policy and the Rural Settlement List, both of which can be found at www.rushcliffe.gov.uk/businessrates.

Application under National Non Domestic Rates – Section 43 and Section 42a (1) as amended by Local Government and Rating Act 1997 Schedule 1

Mandatory Relief (50% relief of rates payable)

The business must be situated in an area designated as a Rural Settlement and either:

- The business must be the only Post Office in the settlement. General stores and food stores in the settlement may also qualify. Please note that the rateable value (RV) of the premises at the start of the financial year for which relief is applied for less than £8,500. OR
- The business is the only Public House or the only Petrol Filling Station in the settlement. The RV must be less than £12,500.

Discretionary Relief (For “topping up” mandatory relief)

The percentage of relief given is determined by the Borough Council and the business must already be in receipt of mandatory relief.

Discretionary Relief (Where mandatory relief does not apply)

The percentage of relief given is determined by the Borough Council and;

- The business must be situated in an area designated as a Rural Settlement.
- The business must be of benefit to the community in which it is located and loss of this facility would have a detrimental effect on village life.
- The RV at the start of the financial year to which relief is granted is less than £16,500.

Application Details:

Please indicate which relief/s you wish to claim;

Mandatory Relief YES / NO
Discretionary Relief YES / NO

Please see overleaf...

Please only complete the next section if you are claiming Discretionary Rate Relief

In support of your application please provide copies of your audited account and balance sheets for the last 2 years	
Are you or your company in direct competition with any other ratepayers in the immediate vicinity, within or without the Borough? If yes, please provide details:	
Are you affiliated to any national organisation? If yes, please provide details:	
If a local branch of a national organisation please detail how the benefit of the award will be kept locally:	
Please detail the specific benefit of your business to the Borough residents.	
Please details the effect on your business if the Council does not award any relief:	
In the case of ratepayers who are private individuals, please detail the effect that payment of the rates has on you personally:	
Roughly what percentage of your customers reside in the Rushcliffe Borough?	%
Have any grants or other funding been made available to the organisation? If yes, please provide details:	
Please provide details of any sources from which income is received, not showing on your accounts:	

Declaration

I hereby certify that the information given in this application is correct to the best of my knowledge and belief.

Signature: _____ Capacity of signatory _____

Printed Name: _____ Date ___/___/___

Email Address: _____ Telephone Number _____

Business Rates Local Discount Application

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Property Reference:

Date of Issue:

Any business rate payer may apply for a local discount for any reason. Applicants must show good cause as we may only grant a discount if it is reasonable to do so having regard for the interests of the council tax payers of the Borough.

Address of property where relief is being applied for (this must be an occupied property):	
Please detail below the reasons why you are applying for a Local Discount and how much assistance you are requesting. When completing this section please remember that you must show how being awarded the discount will be in the best interests of the Council Taxpayers within the Borough and how you will monitor this (please use additional sheets if necessary);	

Name of person completing the form:		Position in business/company:	
Telephone number:		Email address:	
Signature:		Date	

Please note: This is a discretionary discount and it therefore remains entirely at the Council's discretion to award or not award any discount

Data Protection Privacy Notice

The personal information you provide will only be used by Rushcliffe Borough Council, the Data Controller, in accordance with General Data Protection Regulation 2016/ Data Protection Act 2018 to:

process your application, query or to provide a service that you are requesting
or
undertake a statutory function (also known as a 'public task')

Your personal information will not be shared with any third party, other than our data processor.

Your personal data will be kept in accordance with the Council's retention policy and schedule. Details of which can be found on the Council's website at http://www.rushcliffe.gov.uk/retention_schedule/

In accordance with GDPR you have a right to:

- have a copy of the personal information that we hold about you. Details of how to obtain this are available at <http://www.rushcliffe.gov.uk/foi>
- Request that your personal data be corrected or completed.
- Complain to the Information Commissioner if you feel that your information is not being handled appropriately (<https://ico.org.uk/>)

You may also have a right to:

- have your personal data transferred (data portability).
- prevent automated processing and profiling.
- erasure (also known as the right to be forgotten).
- restrict processing.
- object to processing.

Your data protection rights are not absolute and in most cases are subject to the Council demonstrating compliance with other statutory legislation, for further information see <http://www.rushcliffe.gov.uk/privacy/>

For further details about how your personal information may be used or about your rights under data protection legislation, please contact the Council's Data Protection Officer at -

- By post: Data Protection Officer, Rushcliffe Borough Council, Rushcliffe Arena, Rugby Road, West Bridgford, Nottingham, NG2 7YG.
- By email: customerservices@rushcliffe.gov.uk
- By Telephone: 0115 981 9911

Business Rates Hardship Relief Application

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Property Reference:

Date of Issue:

Any business which is suffering hardship can claim for help with their rates. Applications are considered on their individual merits and the following factors will be taken into account:

1. The effect of unemployment if the business closed
2. The effect the closure of the business would have on the community in terms of the loss of service provided to the council taxpayer
3. Evidence to show that it is the Business Rates that are causing the hardship.
4. The financial status of the person/organisation making the application (last three years' audited account must be included with any application).

Address of property where relief is being applied for (this must be an occupied property):	
Please detail below the reasons why you are applying for Hardship Relief (please use additional sheets if necessary);	
1. Please detail the effect of unemployment in the Borough if the business closed:	

<p>2. Please detail the effect the closure of the business would have on the local community in terms of the loss of service provided to the Council Taxpayer:</p>	
<p>3. Please explain how paying the Business Rates is causing hardship:</p>	
<p>4. Please attach the last three years' audited accounts in respect of the business.</p>	
<p>5. Please provide any other relevant information:</p>	

Name of person completing the form:		Position in business/company:	
Telephone number:		Email address:	
Signature:		Date	

Please note: This is a discretionary relief and it therefore remains entirely at the Council's discretion to award or not award any relief

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STATE AID RULES

As this relief is subject to State Aid De Minimis regulations which allow an organisation to receive up to €200,000 De Minimis Aid over any period of three fiscal years (as set out in EC regulation 1998/2006 as published in the Official Journal of the European Union on 28 December 2006).

To establish whether you are eligible to receive De Minimis Aid you must declare the full amount of De Minimis Aid which you (including parent company if applicable) have already been granted during the previous three fiscal years and the current fiscal year. Any assistance that may have been received from a public body might count as State Aid. This may be from central, regional, devolved governments (or agencies) or a local authority. For further guidance on State Aid please visit www.gov.uk/state-aid.

Please complete the Statement of Previous Aid received under the De Minimis exemption (below) and arrange for a director of your business to sign the declaration and return it to the address at the top of this application form along with the completed form so we may assess your eligibility to receive assistance.

I declare that the amount of De Minimis aid received by the organisation is (if zero write 0):

2015/16	2016/17	2017/18	2018/19	Total

I confirm that to the best of my knowledge the information above is correct. I will notify you of any new aid received from any other source.

Signed

Date

Name

Position

Email

Telephone

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