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Our reference:
Your reference:
Date: Wednesday, 27 February 2019



To all Members of the Council

Dear Councillor

You are summoned to attend a Meeting of the Council to be held in the Council Chamber - Rushcliffe Borough Council on Thursday, 7 March 2019 at 7.00 pm for the purpose of transacting the following business.

Yours sincerely

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

Sanjit Sull
Monitoring Officer

AGENDA

Opening Prayer

1. Apologies for absence
2. Declarations of Interest
3. Minutes of the meeting Thursday 6 December 2018 (Pages 1 - 6)
To receive as a correct record the minutes of the Meeting of the Council held on Thursday 6 December 2018.
4. Mayor's Announcements
5. Leader's Announcements
6. Chief Executive's Announcements
7. Citizens' Questions
To answer questions submitted by Citizens on the Council or its services.
8. Budget and Financial Strategy 2019/20 (Pages 7 - 122)

Rushcliffe Community
Contact Centre

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Nottingham
NG2 6BU

In person

Monday to Friday
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First Saturday of
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9am - 1pm

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

9. Council Tax for 2019/20 (Pages 123 - 132)

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

10. Independent Review of Councillors' Allowances (Pages 133 - 162)

The report of the Chief Executive is attached.

11. Scrutiny Review (Pages 163 - 182)

The report of the Chief Executive is attached.

12. Notices of Motion

To receive Notices of Motion submitted under Standing Order No.12

In the light of the recent Intergovernmental Panel on Climate Change (IPCC) report, declaring a climate emergency, Rushcliffe Borough Council will evaluate the implications of the report and review its 2010 Carbon Management Plan. The review should be undertaken by a relevant scrutiny group, and their findings shall be considered by the Cabinet by no later than March 2020. This Council calls upon the designated scrutiny group to consider the Council setting a carbon neutral target to be achieved by 2030. The commitment to review and implement a refreshed target should also be integrated into the Council's commitment and leadership to parish councils, business and strategic partners, to deliver widespread carbon reductions across the borough. Rushcliffe Borough Council will continue to call on the Government to provide the necessary powers and resources to make local action on climate change easier.

Councillor S Mallender

13. Questions from Councillors

To answer questions submitted by Councillors under Standing Order No. 11(2)

14. Exclusion of the Public

It is RECOMMENDED that the public be excluded from the meeting for consideration of the following item of business pursuant to section 100A (4) of the above Act on the grounds that exempt information may be disclosed as defined in paragraph 1 of part 1 of schedule 12A of the Act (as amended).

15. Staffing Matter

The report of the Leader of the Council will be tabled at the meeting.

Meeting Room Guidance

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

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

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

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

Recording at Meetings

The Openness of Local Government Bodies Regulations 2014 allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Rushcliffe Borough Council is committed to being open and transparent in its decision making. As such, the Council will undertake audio recording of meetings which are open to the public, except where it is resolved that the public be excluded, as the information being discussed is confidential or otherwise exempt.

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MINUTES OF THE MEETING OF THE COUNCIL

THURSDAY, 6 DECEMBER 2018

Held at 7.00 pm in the Council Chamber - Rushcliffe Borough Council

PRESENT:

Councillors Mrs M Stockwood (Chairman), Mrs C Jeffreys (Vice-Chairman), R Adair, S Bailey, K Beardsall, A Brown, M Buckle, R Butler, H Chewings, T Combellack, B Cooper, N Clarke, J Cottee, A Dickinson, J Donoghue, M Edwards, A Edyvean, J Greenwood, S Hull, R Inglis, K Khan, R Jones, N Lawrence, J Lungley, A MacInnes, Mrs M Males, R Mallender, S Mallender, D Mason, G Moore, A Phillips, L Plant, F Purdue-Horan, S J Robinson, Mrs J Smith, J Stockwood, J Thurman, R Upton, R Walker, G Wheeler and J Wheeler

ALSO IN ATTENDANCE:

Councillors

OFFICERS IN ATTENDANCE:

D Banks	Executive Manager - Neighbourhoods
C Caven-Atack	Performance, Reputation and Constitutional Services Manager
A Graham	Chief Executive
P Linfield	Executive Manager - Finance and Corporate Services
K Marriott	Executive Manager - Transformation and Operations
D Mitchell	Executive Manager – Communities
S Sull	Monitoring Officer

APOLOGIES:

Councillors B Buschman and G Davidson

30 Declarations of Interest

There were no declarations of interest.

31 Minutes of the meeting Thursday 27 September 2018

The minutes of the meeting held on Thursday 27 September 2018 were received as a correct record and signed by the Mayor.

32 Mayor's Announcements

The Mayor congratulated the children of Archbishop Cranmer CofE Primary

Academy who had opened the Council meeting with a number of festive songs. Since the last meeting, the Mayor had attended 29 events, nine of which were related to the centenary of the end of World War One and annual Armistice events. She made reference to the remarkable displays of remembrance both in West Bridgford and across the Borough. The Mayor also mentioned a service of personal remembrance held at St Mary's Church in the Lace Market by her chosen charity for the year, the Nottingham Hospice, and told of a very different kind of evening at the Nottingham Goose Fair. The Mayor thanked Councillors for supporting her charity at her recent celebrity charity dinner.

33 Leader's Announcements

The Leader started his announcements by congratulating the Chief Executive, Mr Graham, who was, this week, awarded a diploma from the Institute of Directors. The Leader went on to say that this underlines the Council's commitment to commercialisation. He made reference to the Community Awards held the previous week and informed Councillors who were not present about the breadth of talent those nominated demonstrated. The Leader mentioned the proposal for a new Rushcliffe crematorium which had been in the press recently and encouraged all Councillors to take part in the consultation exercise and to publicise this within their communities. The Leader recalled the opening of the new Cotgrave Hub and highlighted that the new building, which brought many public services together, was already proving popular with the community. The Leader also made reference to the national budget a few weeks ago and highlighted some of the announcements that would have an impact on the Rushcliffe community and, in a similar vein, drew Councillors attention to the Case for Change document published by the County Council the previous day.

34 Chief Executive's Announcements

The Chief Executive brought Councillors' attention to two of the Council's teams who, in his opinion, had performed extremely well over the last few weeks. Firstly, the Community Development team who had delivered an excellent programme of events to commemorate the end of the first World War and the Community Awards which the Leader has already mentioned. Secondly, the Chief Executive recognised the efforts of the Council's Facilities Team in keeping the Civic Suite functioning over the last two weeks while the Local Plan Enquiry was taking place resulting in very quick turnaround times for meetings such as this in the evenings. He wanted to record formally how grateful he was to both teams. He concluded by wishing, on behalf of the staff, all Councillors a very happy Christmas and peaceful new year.

35 Citizens' Questions

There were no questions from Citizens' to answer at this meeting.

36 Statement of Principles 2019-2021 [Gambling Act 2005]

Councillor Mason introduced the Statement of Principles which must be reviewed and published every three years in line with the Gambling Act 2005. She outlined the steps undertaken to review the Statement including its examination by the Alcohol and Licensing Committee and the consultation

process including that taken place in the county to ensure consistency across administrative boundaries. She reminded Councillors that the purpose of the document was to prevent licensed premises becoming a source of crime and disorder and encouraged Councillors to approve the Statement.

Councillor Smith seconded the proposal.

Councillor Chewings, who sits on the Alcohol and Licensing Committee, informed Councillors that the Committee had made very minimal changes to the document and that she was happy to support its adoption. Councillor R Mallender was also happy to support the revised Statement.

It was RESOLVED that the Council adopt the Statement of Principles with effect from 2 January 2019.

37 **Statement of Licensing Policy**

Councillor Mason informed Councillors that the current statement of licensing Policy was adopted in 2014 and that legislation requires that it is reviewed every five years. A few minor changes were made following which a consultation exercise took place and then the draft document was reviewed by the Alcohol and Licensing Committee. The Statement sets out how the Council will exercise its authority to protect children and vulnerable people in the prevention of crime and disorder.

Councillor Smith seconded the proposal and stated that she was very pleased to see that this policy included a number of public health issues such as the impact of alcohol and gambling on our communities.

Councillor Chewings stated that she was happy to support the adoption of this important document.

It was RESOLVED that the Council adopt the Statement of Licensing Policy with effect from 2 January 2019.

38 **Notices of Motion**

- a. The following Notice of Motion was proposed by Councillor S J Robinson and seconded by Councillor D Mason.

“Over recent months, the Labour controlled Nottingham City Council have made it very clear that in any Local Government Re-organisation, they will petition the Government to ensure that the City Council absorb West Bridgford, amongst other district areas, within their City Boundaries.

To support the above, the City Council will shortly be commencing a public engagement exercise across Rushcliffe (and 3 other Districts).

In response to this action by Nottingham City Council, Rushcliffe Borough Council firmly believes that for the future prosperity and quality of life of West Bridgford residents and businesses that West Bridgford should remain and be seen as an essential part of the Rushcliffe Administrative

boundaries. In addition, with any Local Government review, the whole of the Rushcliffe area should be considered in its entirety without any fragmentation.”

Councillor Robinson presented the motion and explained to Council why he felt it was necessary to submit the motion at this stage. He pointed out that the desire of the City Council to extend its boundaries to include West Bridgford amongst other areas was no secret and was indeed a longstanding ambition. However, he felt that the current focus of the County Council to create a single unitary authority for the County had forced the City Council to consider its position also. He pointed out that the City Council had begun a process of consultation with Rushcliffe residents without the involvement of the Council and went on to outline a number of reasons why he felt the Council and the residents of the Borough may object to being part of the City. These included educational performance and attainment, operating losses, increasing levels of debt, poor retail experience and treatment of businesses, poor health and social care outcomes, as well as the City Council's own proposal to make 200 staff redundant this year. He concluded that the motion he had put forward sends a clear message to the City Council – West Bridgford belongs to Rushcliffe.

Councillor Edwards pointed out that in a press statement last week the City Council had stated that it was looking to increase its area based on whole administrative boundaries and as a result was interested in talking to Gedling and Broxtowe Borough councils. He stated that the City Council had made it clear without West Bridgford other towns and villages within Rushcliffe would lack focus and identity. Councillor Edwards went on to say that he felt the process was currently lacking in widespread consultation and called upon the Leader to inform and then seek the views of Rushcliffe's residents. He concluded by supporting the motion but called into question the grounds on which the Leader based his views.

Councillor Jones stated that he agreed with Councillor Edwards and went on to say that West Bridgford had a clear identity of its own but was lacking a strong voice in the absence of a town council. He called upon the Leader of the Council to commence the creation of a town council for West Bridgford so that it could represent and defend itself in any local government reorganisation.

Councillor S Mallender suggested that there were other reasons for the poor outcomes achieved by the City Council such as the differences between a deprived inner city area and the affluent leafy borough Rushcliffe was privileged to be. She stated that she was happy to support the motion but like her colleagues did not support the Leader's negative view of the City Council.

Councillor Donoghue informed Council that in her view Councillor Robinson had stated a number of well-known facts and that she felt it was beholden on Councillors to base their decisions upon facts and evidence. She went on to say that Rushcliffe Borough Council had worked tirelessly over a number of years to ensure it delivered the best possible outcomes and value for money to the residents it serves.

Councillor Cooper highlighted his personal view, as a life-long resident of West Bridgford, was to oppose any moves made by the City Council to absorb West Bridgford within its boundaries. He could clearly see why the success of West Bridgford would be attractive to the City Council but felt that the town should remain and be seen as an essential part of Rushcliffe.

Councillor Lawrence raised concerns that his ward would become even more remote from its administrative centre under either of the County Council's proposals and as such Rushcliffe should oppose any form of local government reorganisation. He pointed out that it made far more sense for Rushcliffe to make a bid for Wilford and Clifton as this made far more geographical sense than the current boundaries.

Councillor Plant stated that although she intended to support the motion she had found the reasoning given by the Leader to be offensive, inaccurate and unnecessary.

Councillor Clarke pointed out that the City aspired to be like West Bridgford just on a larger scale and that a boundary review would have to be requested in order for the administrative borders to be altered which seemed unlikely at this stage.

Councillor Robinson apologised for offending some Councillors but reiterated that the points he raised were facts not opinions and that he felt it was important that decisions were based on fact not ideology. He also reiterated that this motion was about sending a clear message to the City Council.

On being put to the vote the Motion was carried.

39 Questions from Councillors

a) Question from Councillor M Edwards to Councillor G Moore

"What progress has been made on 3 Projects totalling £100,000 in this year's Capital Programme regarding improvements to the Sports Pavilion and the Sir Julien Cahn Pavilion in West Park, West Bridgford that were all due to commence in June?"

Councillor Moore responded that the work was in progress and would be reviewed in line with other priorities.

Supplementary question

Councillor Edwards asked if the work would be completed by the end of the financial year.

Councillor Moore replied that this would depend on the outcome of the forthcoming budget consultation workshops.

The meeting closed at 8.00 pm.

CHAIRMAN



Rushcliffe
Borough Council

Council

7 March 2019

2019/20 Budget and Financial Strategy

Report of the Executive Manager – Finance and Corporate Services

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 (with associated prudential indicators). The Transformation Strategy (also 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. 2019/20 being the last year of this settlement.
- 1.2 Cabinet have considered the attached budget and strategies, and recommended their acceptance by Council along with the resultant decisions regarding Rushcliffe's Band D Council Tax and Special Expenses for 2019/20. The Corporate Governance Group has also recommended the Capital and Investment Strategy for adoption by Full Council.
- 1.3 The final financial settlement has been received from Central Government with no significant changes from the draft settlement.

2. Recommendations

It is RECOMMENDED that Council:

- a) Accepts the report of the Council's Responsible Financial Officer on the robustness of the Council's budget and the adequacy of reserves (as detailed at **Annex A**);
- b) adopts the budget setting report and associated financial strategies 2019/20 to 2023/24 (**Annex B**) including the Transformation Strategy and Efficiency Statement (**Appendix 3**) to deliver efficiencies over the five year period.
- c) adopts the Capital Programme as set out in **Appendix 4**.
- d) adopts the Capital and Investment Strategy at **Appendix 5**.

- e) 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%).
- f) 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)
- g) With regards to 2e) and 2f) sets the associated Bands in accordance with the formula in section 36(1) of the Local Government Finance Act 1992; and
- h) Adopts the 2019/20 Pay Policy as detailed at **Annex B, Appendix 7**.

3. Reasons for Recommendation

- 3.1 To comply with the Local Government 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. Budget and Associated Strategies

- 4.1 The attached report (**Annex B**) and relevant 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 B**) references are 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 Ratcliffe-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).

Conclusion

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

5. Other Options Considered

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

To accord with the Local Government Finance Act 1992.

7.3 Corporate Priorities

The budget resources the Corporate Strategy to enable the corporate priorities to be met.

7.4 Other Implications

None

8. Recommendations

It is RECOMMENDED that Council:

- a) accepts the report of the Council's Responsible Financial Officer on the robustness of the Council's budget and the adequacy of reserves (as detailed at **Annex A**);
- b) adopts the budget setting report and associated financial strategies 2019/20 to 2023/24 (**Annex B**) including the Transformation Strategy and Efficiency Statement (**Appendix 3**) to deliver efficiencies over the five year period.
- c) adopts the Capital Programme as set out in **Appendix 4**.
- d) adopts the Capital and Investment Strategy at **Appendix 5**.
- e) 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%).
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 - iii) Ruddington £3.37 (£3.40 in 2018/19)
- g) With regards to 2e) and 2f) sets the associated Bands in accordance with the formula in section 36(1) of the Local Government Finance Act 1992; and
- h) Adopts the 2019/20 Pay Policy as detailed at **Annex B, Appendix 7**.

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 website, 2019/20 Financial settlement papers
List of Annexes and Appendices (if any):	Annex A Commentary of the Responsible Financial Officer

	<p>Annex B Budget Setting Report 2019/20</p> <p>Appendix 1 Special Expenses</p> <p>Appendix 2 Revenue Budget Service Summary</p> <p>Appendix 3 Transformation Strategy and Efficiency Plan 2019/20 – 2023/24</p> <p>Appendix 4 Capital Programme 2019/20 – 2023/24 (including appraisals)</p> <p>Appendix 5 Capital and Investment Strategy 2019/20 to 2023/24</p> <p>Appendix 6 Use of Earmarked Reserves 2019/20</p> <p>Appendix 7 Pay Policy Statement 2019/20</p>
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Appendix

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Commentary of the Responsible Financial Officer

REPORT UNDER SECTION 25 OF LOCAL GOVERNMENT ACT 2003

(To be read in conjunction with the Council Budget Report and Annex B)

Purpose

The purpose of this report is to provide information on the robustness of the Council's budget and the adequacy of reserves so that Members have authoritative advice available when they take their budget and Council Tax decisions.

Background

Councils decide each year how much council tax they need to raise. The decision is based upon a budget that sets out estimates of what they plan to spend on each of their services.

The decision on the level of Council Tax is taken before the year begins and cannot be changed once set. It follows that an allowance for risks and uncertainties must be made by:-

- making prudent allowance in the budget for each of the services, and in addition;
- ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

Section 25 of the Local Government Act 2003 requires that when it's considering its financial plans for the year ahead the Council's Responsible Finance Officer reports to the Authority on the robustness of the budget and the adequacy of the reserves so that Members have authoritative advice available to them when making their decisions.

Robustness of Estimates

I am content that the Council has followed a comprehensive and detailed budget process when preparing the budget for 2019/20 which complies with both statutory requirements and best practice principles.

The Council has taken effective steps to deal with the financial pressures caused by challenging economic conditions and reductions in Council funding, particularly from central government. The Council's Transformation Strategy and Efficiency Statement are designed to meet the emerging financial challenges, The Transformation programme combined with effective financial management (resulting in previous budget savings) have ensured the Council has the capacity to use reserves, only if absolutely necessary. The use of reserves in support of on-going expenditure requirements remains a key policy decision which is addressed later in this Annex.

The Authority has responded positively to the challenges that it faces in the medium term through the development, in conjunction with a series of Member budget workshops in the past few years, of a Transformation Programme (detailed at Annex

B, Appendix 3) that identifies the Council's approach to meeting its saving requirement, which the Council has managed to reduce. Last year we projected a budget deficit of £0.690m for 2019/20 and due to a combination of cost control and income generation the Council has a balanced budget. Going forward we cannot be complacent as there are significant financial challenges that lie ahead and these are commented on below. 2020/21 forecasts a use of reserves of £0.5m and thereafter the budget is balanced subject to the anticipated delivery of the Transformation Strategy and Programme.

In developing such plans, the Council has recognised that future funding and service provision is uncertain and that risks, particularly financial risks (given the prudent assumptions surrounding the outcome of the current reviews of both 75% business rates retention and the Fair Funding Reviews remain); and the overarching Spending Review 2019 is also an unknown quantity. The MTFS aims to mitigate and manage such risks going forward. Both the MTFS and the Transformation Strategy are iterative in their nature and will evolve over time to respond to, for example, changes in funding levels, the impact of the national economic climate and developing corporate and service objectives.

Adequacy of Reserves

Reserves are held for two main purposes:

- a working balance to help cushion the impact of uneven cash flows and unexpected events or emergencies (General Fund balance); and
- to build up funds to meet known or predicted requirements (earmarked reserves).

Whilst there is no statutory guidance on reserves, the Chartered Institute of Public Finance and Accountancy recommends that each local authority should base its decisions on professional advice from its Responsible Finance Officer and its understanding of local circumstances.

Taking into account such considerations in October 2011 the Cabinet approved as part of its MTFS, the following guiding principle:

“General Fund Balance should not fall below £1.25m and overall revenue reserves should not fall below 20% of net revenue expenditure.”

This remains a prudent position which I do not recommend changing at this time.

I have previously commented that the settlement was unprecedented in terms of the changes (both actual and proposed) to the local government 'funding envelope', and involved the 'four year offer' which, as a Council, we accepted, albeit we effectively now have a one year settlement. We know of the reductions in Central Government Revenue Support Grant, but still lack clarity on the future of New Homes Bonus (NHB). We believe this is particularly important of not only rewarding the Council with regards to delivering housing growth but also to fund the cost of increased service provision as a result of growth. We will continue to make such representations to the Ministry for Housing, Communities and Local Government (MHCLG). There still remains uncertainty in terms of Business Rates (and the 75% localisation of business rates) and given the volatile nature of the business rates tax base, the prospective closure of Ratcliffe-on-Soar power station (given it accounts for around

one fifth of the tax base), is a risk that has to be managed. Consequently the Council is actively looking at alternative uses for the site in the future. Whilst the Council has forecast an increase in business rates in 2019/20 the anticipated systemic changes to the funding system means the Council has taken a prudent approach in its Business Rates income assumptions assuming a 100% reset and therefore a loss in business rates growth in 2020/21 (from £3.7m to £2.8m). Excluding NHB the Council's reserves are due to rise moderately over the five years from £5.7m to £6.3m. It is important the Council retains its level of reserves given that there are heightened risks with regards to the future funding of local government.

There is also the 'Fair Funding' review of local government finance which will determine how, with what is a smaller cake, the funding allocation is divided within the sector. The amount of Council Tax raised will, to a large extent, be dependent on the realisation of our Local Plan housing targets. The ultimate intention is to realise opportunities for growth in the Borough, in both the business and housing sectors, as the Council aims to deliver excellent value for money for the community. The Council continues to leverage in external funding such as from the Local Enterprise. **Annex B, Section 8** highlights key risks with regards to the MTFS.

As detailed at **Annex B, Section 6**, the MTFS which supports this budget is predicated upon use of reserves (particularly the New Homes Bonus Reserve) to support service expenditure and to deliver investment across the Borough. The Council remains committed to 'grow the Borough'. The use of the NHB Reserve, amounts to £1m per year rising to £1.3m in 2022/23 as the Council anticipates additional borrowing in relation to the Bingham leisure hub project. In previous budget reports I have commented upon £10m being committed to fund the Arena project. There is sufficient NHB reserve currently to fund the outstanding balance of £7m, from the original £10m commitment for the Arena. If NHB was to cease then £0.3m would be required from existing resources from 2022/23. The NHB scheme is subject to review as part of the Fair Funding review, the Council continues to lobby government to ensure that housing growth is properly rewarded and the increase in demand for services is appropriately funded. Currently the MTFS assumes the £1.6m NHB currently received annually, will at least remain (ie the £1.6m is 'capped' for each year of the MTFS). This is considered prudent given we are expecting even more housing growth within the Borough in the next few years.

Despite ongoing funding pressures Rushcliffe has maintained a stable financial base and, as a result, even once such demands have been met overall revenue reserves (excluding retained New Homes Bonus) are projected to rise to around £6.3m by the end of 2023/24. The General Fund balance of £2.6m, keeps the Council above the threshold established by Cabinet in October 2011. Potential capital demands (for example arising from the Leisure Strategy) will put pressure on such balances in the future. These will be considered as the MTFS perennially evolves. As such the MTFS represents a balanced approach to meeting the financial challenges that face the Authority.

The Council now considers itself to be self-sufficient, no longer in receipt of Revenue Support Grant. Several years ago the Council relied on a £300k annual commitment from the Organisation Stabilisation Reserve to support the budget, this is no longer the case. The budget is financed from Council Tax, Business Rates and rents, fees and charges. In terms of financial resilience, which CIPFA are increasingly focusing upon given the financial challenges the local government sector faces, I am not complacent regarding the Council's position. I remain confident in the ability of the

Council to deliver its corporate priorities and continue to be financially self-sustainable.

In the past I have reported on the worsening position of the Council's pensions' fund, arising from the triennial review and the budget pressure this created. The base budget incorporates the £1.164m required for the historic pension deficit position. The results of the next review are due in the coming year, for the 2020/21 budget. The Corporate Governance Group, Nottinghamshire County Council and the pension fund actuary (Barnett Waddingham) continue to remain vigilant regarding this risk.

The delivery of the Transformation Strategy is critical in ensuring the Council retains a stable MTFs. The Council's focus remains on 'growing the Borough' examples in the capital Programme including Fairham Pastures, a proposed crematorium and the Bingham Leisure Hub. The Council is therefore reining-in its Asset Investment Strategy commitment particularly with regards to investments outside of the Borough. Commercial property investment still remains an important part of the Council's armoury in generating income returns and delivering employment and economic development across the Borough. The governance and management of such investments both individually and collectively (against the Council's overall investment portfolio) is covered from paragraph 62 of the Capital and Investment Strategy (Annex B, Appendix 5). This identifies £1.2m in net income being generated from commercial investments expected to rise to £2.2m by 2023/24. The key point is that the Council has a range of such income streams and is not overly reliant on one source of income, it manages such risks proportionately and sensibly.

Previous achievements with regards to the four year plan and the Transformation Strategy provide reassurance that the budget requirement will be met in a sustainable manner.

In conclusion, therefore, it is my opinion that the budget proposed in this report, and the sundry strategies which support it, are properly developed and provide an appropriate approach for meeting the financial challenges and funding risks facing the Authority at this time.

Peter Linfield
Executive Manager – Finance and Corporate Services and Section 151 Officer
February 2019

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 and Cotgrave 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 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.

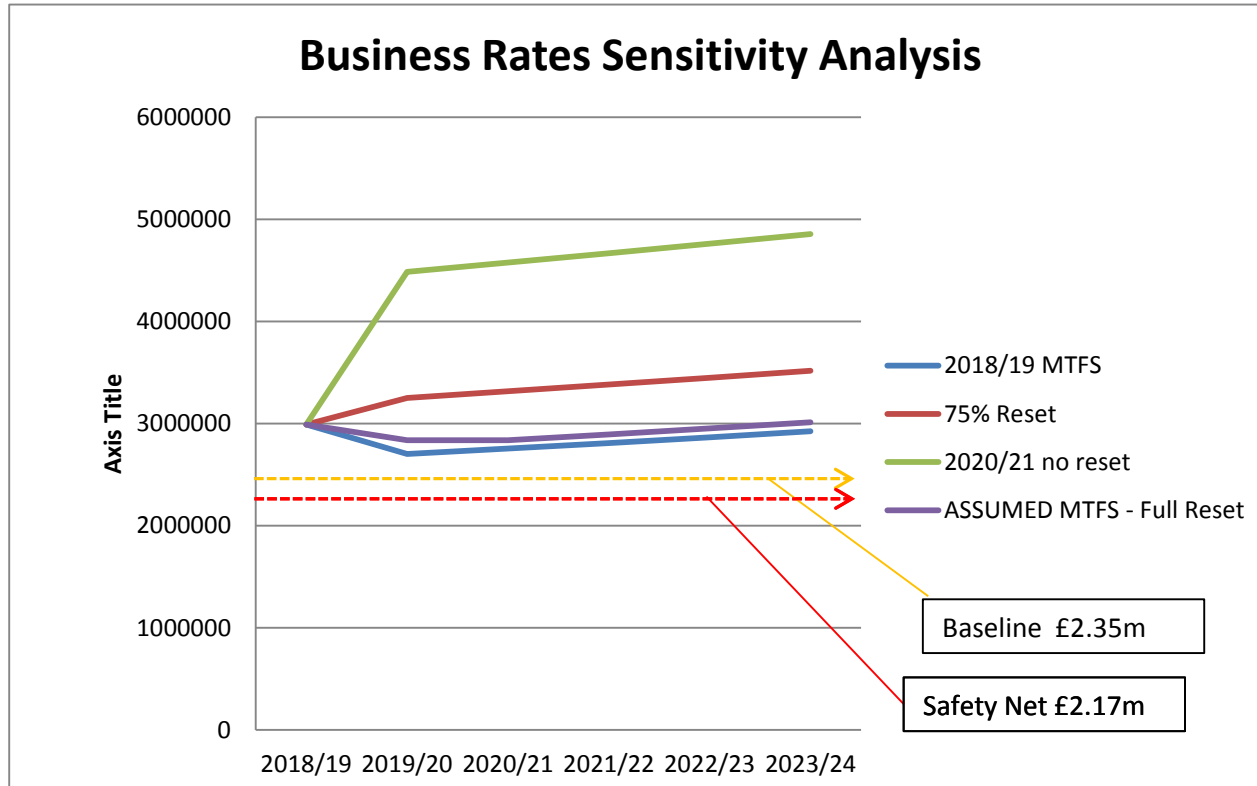
Table 2 Business Rates

£'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)

- 5.2 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 remaining 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)

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	2700.7	
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:

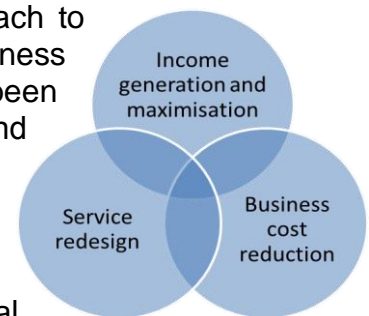
- The Asset Investment Strategy;
- the potential development of a crematorium;
- The relocation of the Council Depot;
- The continued activation of the Leisure Strategy focusing on the options for leisure provision in Bingham and surrounding area;
- Commercialisation – including joint ventures and site 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.

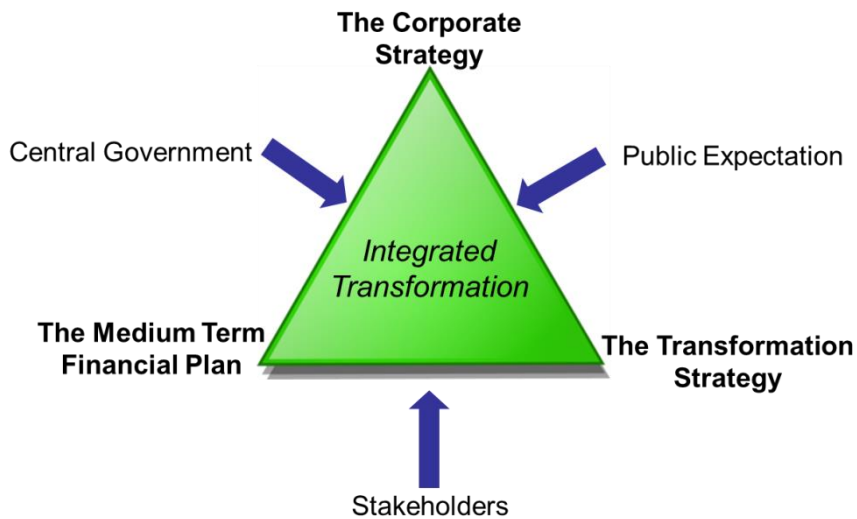


The Transformation Strategy is an evolving document and although it essentially covers the next five years it should not be bound by time or scope. To this end and within the emerging complex environment, three partnership models have been identified to provide a framework to generate further efficiencies.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



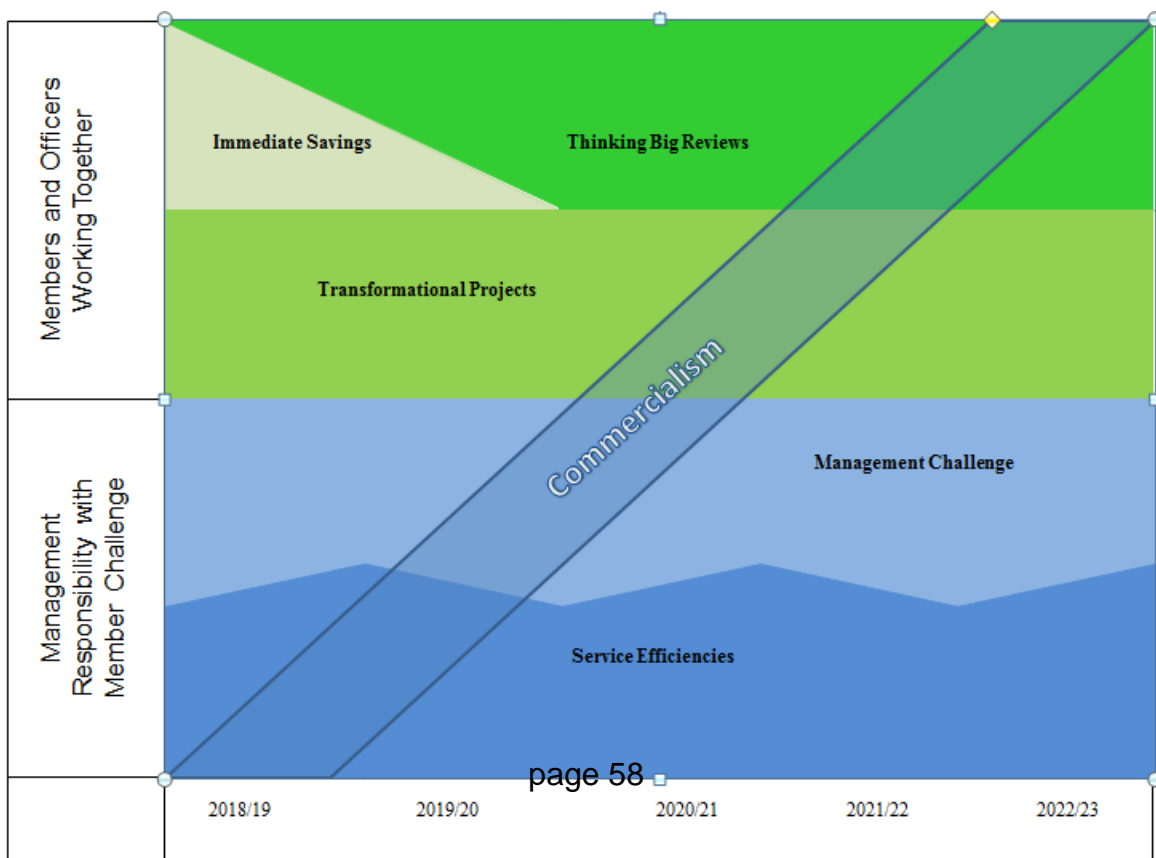
Rushcliffe's Integrated Approach to Transformation

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

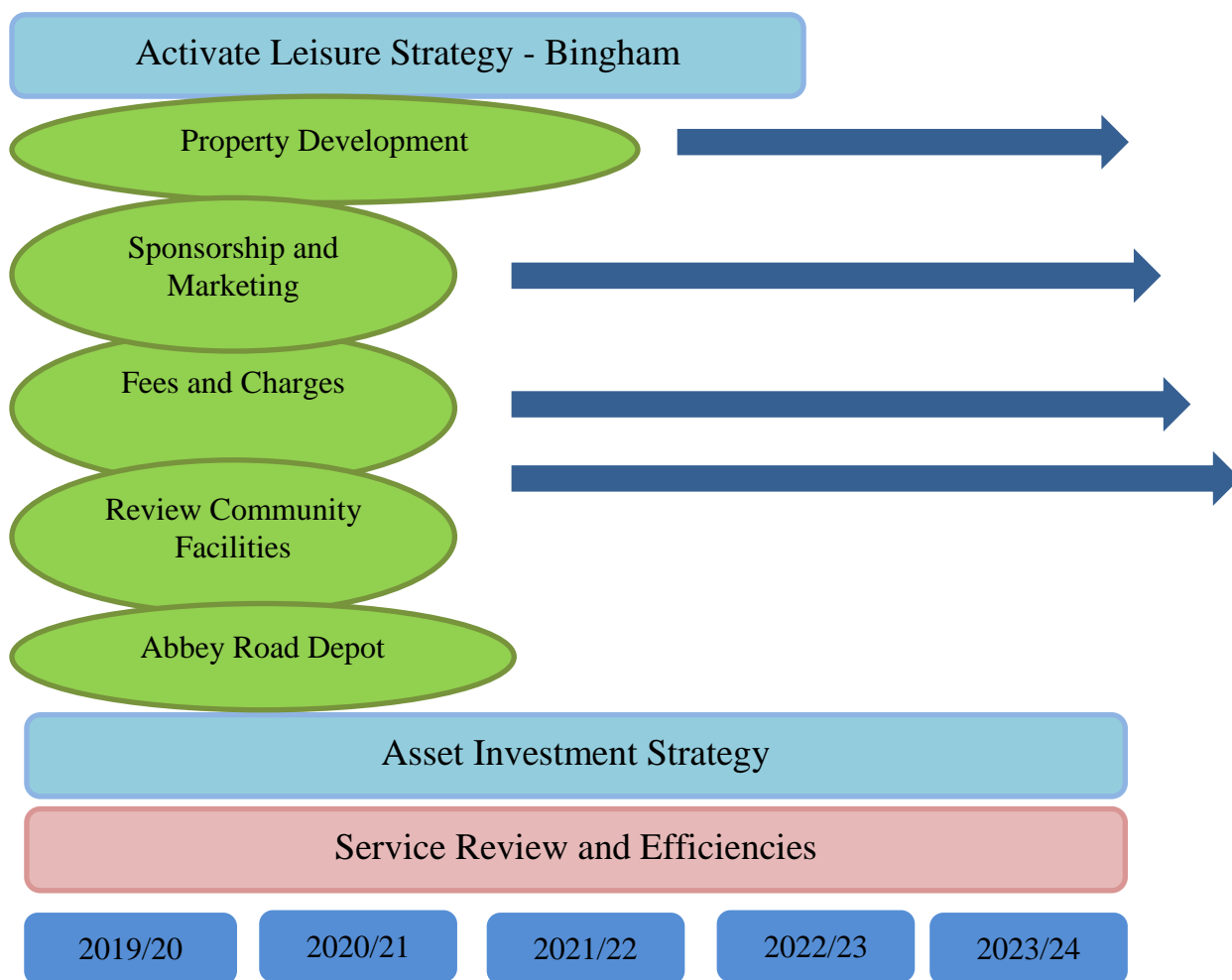
As has already been mentioned above, this Strategy is a continuation of the Council's original Transformation Programme and as a consequence a number of key projects which influence service delivery and finances over the next few years are already in progress. Good progress has been made with these legacy 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.

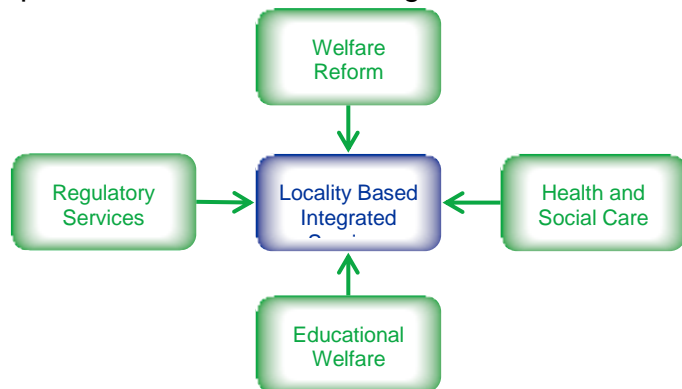
Rushcliffe’s Accepted Models of Partnership Working

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.

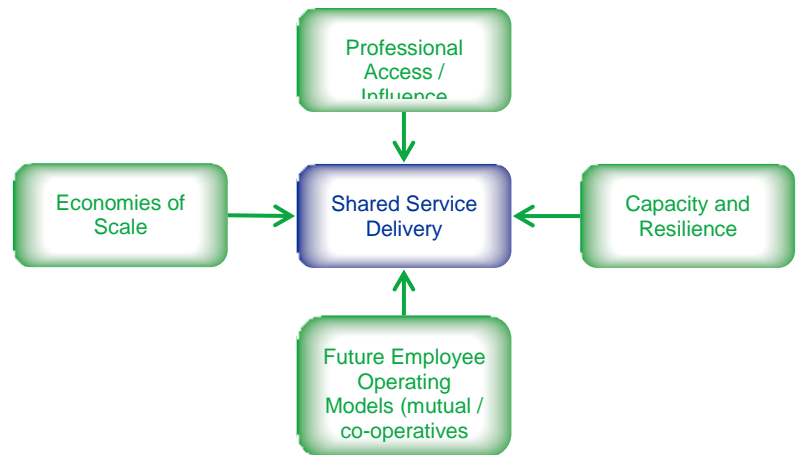
2. Partnerships of Scale

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).

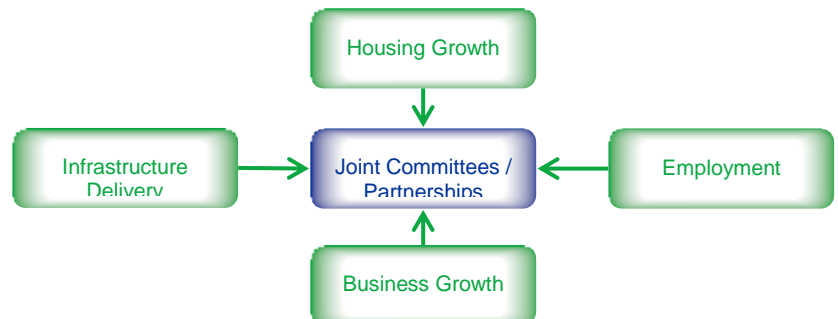
Following continued encouragement from Central Government, there has been an increased willingness and determination from the Leaders within Nottinghamshire to forge closer partnerships of scale (Waste Collection and Management).



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.

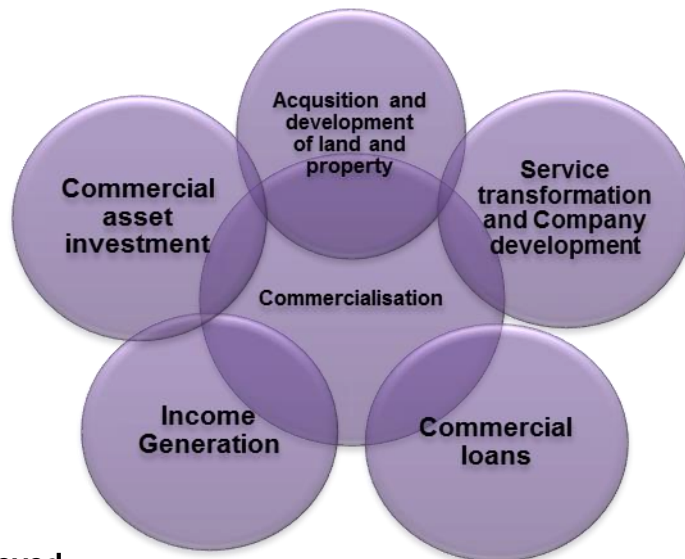
All decisions are considered against and aligned with these strategic goals as well as some core principles to ensure the Council is protecting the interests of our communities. Rushcliffe's core principles for commercialisation are:

- **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:



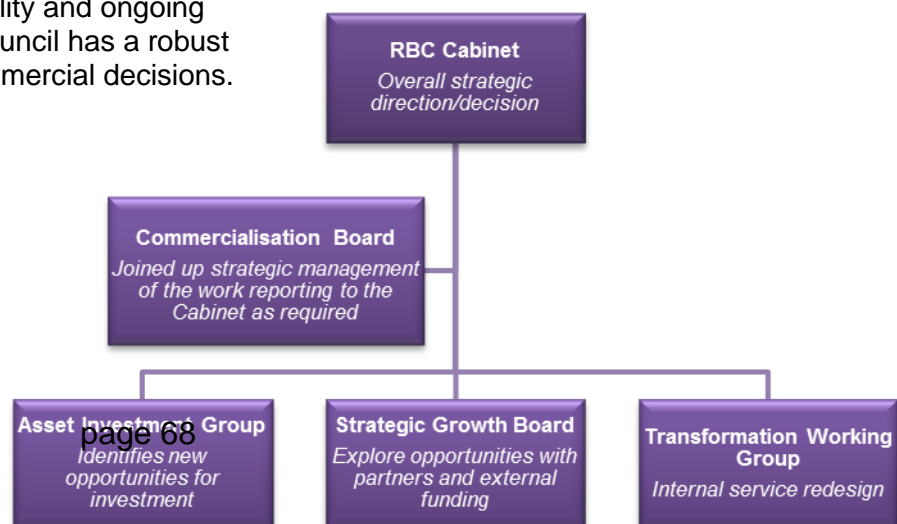
What we have already achieved

- 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		Year 2: 20/21	
		£0		£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

14. 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.
15. 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.
16. 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

17. 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 27-33). 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

18. 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 62 below.

19. The CIPFA Code of Practice for Treasury Management in the Public Services (the “CIPFA Treasury Management Code”) and the CIPFA Prudential Code require local authorities to produce a Treasury Management Strategy Statement on an annual basis.

20. 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.

21. 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.

22. 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%.

23. 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.

24. 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

25. 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.

26. 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

27. 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.

28. 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

29. 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

30. 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

31. 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

32. 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

33. 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

34. 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.

35. 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.

36. 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.

37. 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.
38. 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.
39. 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.
40. 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.
41. 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.
42. 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

43. 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.

44. 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

45. 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.

46. 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

47. 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"

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

Non-specified investments

49. 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

50. 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
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Treasury Management limits on activity

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

a) Interest Rate Exposures

52. 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%

53. 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

54. 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

55. 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).

56. 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.

57. 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

58. 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.

59. 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

60. 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

61. 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

62. The definition of investments in CIPFA's definition of treasury management activities above (paragraph 18) 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.

63. 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.

64. 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.

65. 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.

66. 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

67. To be considered for investment 50% of the criteria above must be excellent, good or satisfactory.

68. The matrix above is supplemented by additional contextual information covering resale opportunities (liquidity), location, risks, benefits and economic conditions.

69. 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

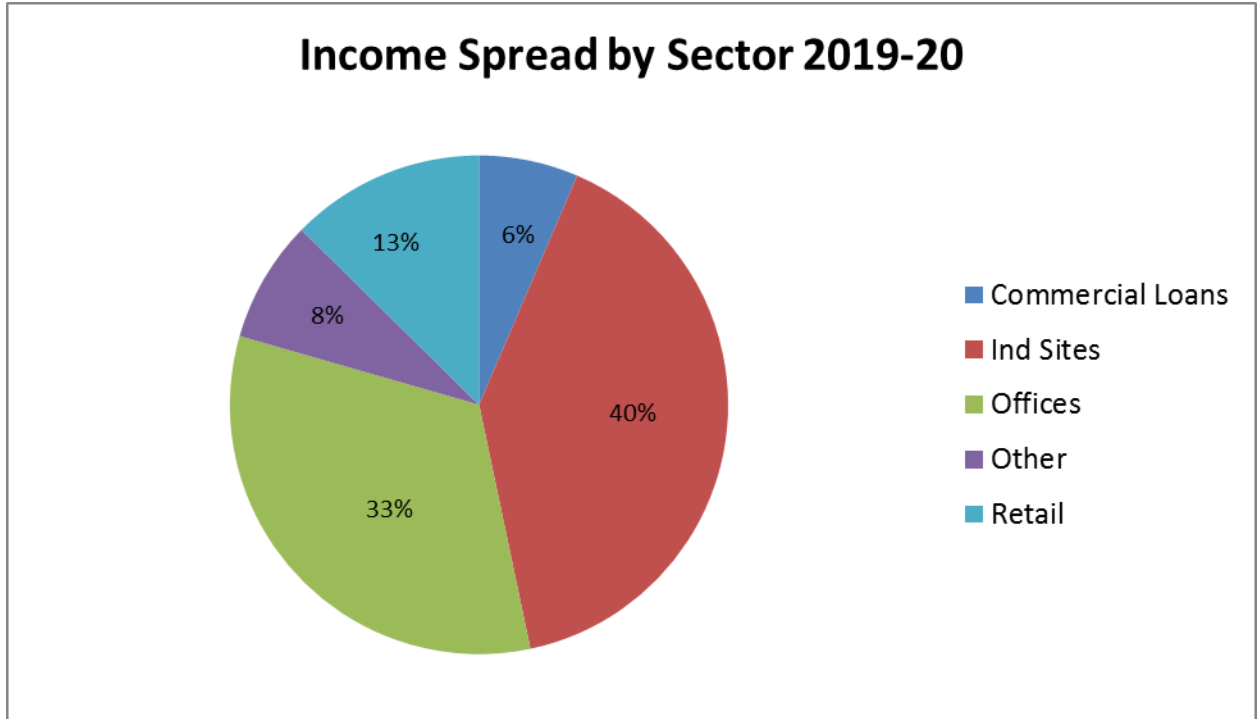
70. The expected contributions from commercial investments included in the Asset Investment Strategy are shown in Table 13. In order to manage the risk to the Council's budget, income from commercial investments should not be a significant proportion of the Council's income. Our objective is that this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

Table 13: Commercial Investment income and costs

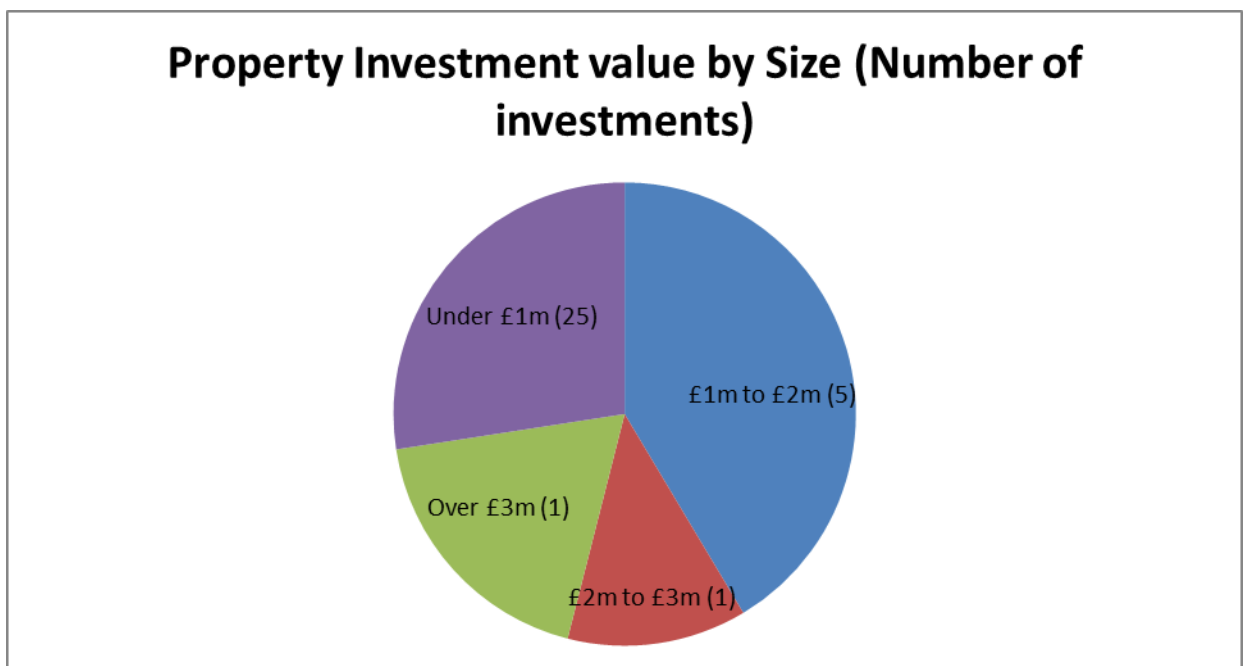
	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Commercial Property Income	(1,481)	(1,758)	(2,303)	(2,410)	(2,451)
Running Costs	341	321	321	321	321
Net Contribution to core functions	(1,140)	(1,437)	(1,982)	(2,089)	(2,130)
Interest from Commercial Loans	(84)	(80)	(77)	(74)	(71)
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

71. 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



72. 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.
73. 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.
74. 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.
75. 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 Council's 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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Council

7 March 2019

Council Tax Resolution 2019/20

Report of the Executive Manager – Finance and Corporate Services

1. Summary

- 1.1 The purpose of this report is to approve the statutory Council Tax Resolution for 2019/20. The resolution is a statutory requirement for billing authorities to approve prior to the billing and collection of Council Tax for the forthcoming financial year.
- 1.2 The resolution consolidates the precepts of Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, Nottinghamshire Fire Authority, Rushcliffe Borough Council and individual Town and Parish Councils. The report and recommendations are subject to the budget meeting of Nottinghamshire County Council on 28 February 2019. If there are any amendments a revised report will be provided.

2. Recommendation

- 2.1 It is recommended that Council approve the Council Tax Resolution for 2019/20 as detailed at **Appendix A**.

3. Council Tax Resolution 2019/20

- 3.1 The resolution is set out at **Appendix A** of this report.
- 3.2 The Council Tax for Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire Fire Authority were set at separate meetings on 28 February 2019, 7 February 2019 and 15 February 2019 respectively.
- 3.3 The table below illustrates the Council Tax increases approved by each of the major precepting bodies. It also shows the new average weekly and yearly Council Tax levels.

Based on Band D	Increase	New Weekly (£)		New Yearly (£)	
	%	Amount	Increase	Amount	Increase
Nottinghamshire County Council	2.99	26.37	0.82	1,371.29	42.44
Nottinghamshire County Council – Adult Social Care precept	1.00*	2.01	0.27	£104.77	£14.19
Rushcliffe Borough Council	3.73	2.65	0.10	137.79	4.95
Nottinghamshire Police	12.25	4.22	0.46	£219.33	23.94
Nottinghamshire Fire	2.95	1.53	0.04	£79.80	2.29

*This is calculated in accordance with The Council Tax (Demand Notices)(England)(Amendment) Regulations 2017 and advice from the Department for Communities and Local Government (DCLG). The calculation to arrive at the 1% increase is as follows:

NCC 2018/19 Precept	£1,328.85
NCC ASC 2018/19 Precept	£90.58
Total	£1,419.43
1% of Total	£14.19

- 3.4 In addition to the major precepting bodies, Town and Parish Councils can elect to raise a local precept; these will also form part of the Council Tax Resolution.

4. Reasons for the Recommendation

- 4.1 To comply with relevant legislation in setting both the Council's budget and associated local taxation levels.

5. Other Options Considered

None.

5. Implications

5.1. Finance

The financial impact of the Council Tax setting is described in the report.

5.2. Legal

To accord with both the Local Government Finance Act 1992 (as amended by the Local Audit and Accountability Act 2014), Localism Act 2011 and The Council Tax (Demand Notices) (England)(Amendment) Regulations 2017; the Council has to set its Council Tax Base, Council Tax Requirement, Parish

Precepts and tax levels and state whether Council Tax referendum limits will be exceeded or not.

5.3. Corporate Priorities

The Council Tax requirement has to be set to ensure there is a balanced budget to fund corporate priorities.

5.4. Other Implications

None.

6. Recommendation

- 6.1 It is recommended that Council approve the Council Tax Resolution for 2019/20 as detailed at **Appendix A**.

For more information contact:	Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Relevant websites and Council tax setting reports for Nottinghamshire County Council, Nottinghamshire Fire Authority and the Nottinghamshire Police and Crime Commissioner
List of appendices (if any):	Appendix A – Council Tax Resolution 2019/20

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Council Tax Resolution 2019/20

Report of the Executive Manager – Finance and Corporate Services

The Council is recommended to resolve as follows:

That it be noted that the Council calculated the following amounts for the year 2019/20 in accordance with the Local Government Finance Act 1992 as amended (the “Act”);

- a) Rushcliffe Borough Council’s Council Tax Base for 2019/20 has been calculated as 43,178.5 [Item T in the formula in Section 31B of the Local Government finance Act 1992 as amended by Section 74 of the Localism Act 2011 (the “Act”)];
- b) For dwellings in those parts of the Borough to which a Parish Precept relates as detailed in Appendix Ai;
- c) The Council Tax requirement for the Council’s own purposes for 2019/20 (excluding Parish Precepts) is £5,949,566;
- d) That the following amounts be now calculated by the Council for the year 2019/20 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by Section 74 of the Localism Act 2011;
 - i. £36,682,812 being the aggregate of the amounts which the Council estimates for the items set out in Section 31 A (2)(a) to (f) of the Act taking into account all precepts issued to it by Parish Councils. (Gross expenditure, parish and special expenses, any contingencies, any provisions for reserves);
 - ii. £27,870,800 being the aggregate of the amounts which the Council estimates for the items set out in Section (A) (3) (a) to (d) of the Act. (Gross income, any use of reserves);
 - iii. £8,812,012 being the amount by which the aggregate at (d)(i) above exceeds the aggregate of (d) (ii) above, calculated by the Council, in accordance with Section 31A (4) of the Act, as its Council Tax Requirement. [Item R in the formula in Section 31B of the Act] (Expenditure less income);
 - iv. £204.08 being the amount at (d) (iii) above [Item R], all divided by Item T (a) above, calculated by the Council, in accordance with Section 31B (1) of the Act, as the basic amount of its council tax for the year (including parish precepts and special expenses);

- v. £2,862,412 being the aggregate amount of the Parish Precepts and Special Expenses referred to in Section 34 (3) of the Act. (Total amount of parish precepts as per Appendix Ai);
- vi. £137.79 being the amount at (d) (iii) above less (d) (v) above dividing the result by item T ((1) (a) above), calculated by the Council, in accordance with section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precepts or Special Expenses relate. (i.e. the Borough Council's precept of £5,949,566 divided by the Council Tax base of 43,178.5 this Council's own Council Tax at Band D);
- e) That it be noted for the year 2019/20 Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner and Nottinghamshire and City of Nottingham Fire Authority have issued precepts in accordance with Section 40 of the Act for each of the categories of dwellings shown in Table 1;
- f) That the Council in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the Appendices A(i) and A(ii) for 2019/20 for each part of the Borough and for each of the categories of dwellings;
- g) The Council has determined that its relevant basic amount of Council Tax for 2019/20 is **not** excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 (as amended by the Local Audit and Accountability Act 2014). As the billing authority, the Council has **not** been notified by a major precepting authority that its relevant basic amount of Council Tax for 2019/20 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

Table 1

Band	Rushcliffe Borough Council	Nottinghamshire County Council	Nottinghamshire Police & Crime Commissioner	Nottingham and Nottinghamshire Fire Authority	Total
	£	£	£	£	£
A	91.86	984.04	146.22	53.20	1,275.32
B	107.17	1,148.05	170.59	62.07	1,487.88
C	122.48	1,312.05	194.96	70.93	1,700.42
D	137.79	1,476.06	219.33	79.80	1,912.98
E	168.41	1,804.07	268.07	97.53	2,338.08
F	199.03	2,132.09	316.81	115.27	2,763.20
G	229.65	2,460.10	365.55	133.00	3,188.30
H	275.58	2,952.12	438.66	159.60	3,825.96

Appendix A (i)

Council Tax to be Levied Within the Borough for the Year Ending 31 March 2020

2018/19 PARISH/AREA	TAX BASE	PRECEPT	SPECIAL CHARGES	TAX RATE PARISH AREA	MAJOR PRECEPTS	COUNCIL TAX BAND D
ASLOCKTON	415.7	9,148		22.01	1,912.98	1,934.99
BARTON-IN-FABIS	143.4	3,717		25.92	1,912.98	1,938.90
BINGHAM	3,545.9	283,414		79.93	1,912.98	1,992.91
BRADMORE	167.5	3,022		18.04	1,912.98	1,931.02
BUNNY	293.7	19,000		64.69	1,912.98	1,977.67
CAR COLSTON	81.9	0		0.00	1,912.98	1,912.98
CLIPSTON	31.0	0		0.00	1,912.98	1,912.98
COLSTON BASSETT	123.2	11,000		89.29	1,912.98	2,002.27
COSTOCK	298.5	19,500		65.33	1,912.98	1,978.31
COTGRAVE	2,344.7	219,300		93.53	1,912.98	2,006.51
CROPWELL BISHOP	634.5	91,735		144.58	1,912.98	2,057.56
CROPWELL BUTLER	337.7	12,300		36.42	1,912.98	1,949.40
EAST BRIDGFORD	820.7	39,634		48.29	1,912.98	1,961.27
EAST LEAKE	3,025.7	283,356		93.65	1,912.98	2,006.63
ELTON-ON-THE-HILL	45.7	0		0.00	1,912.98	1,912.98
FLAWBOROUGH	26.3	0		0.00	1,912.98	1,912.98
FLINTHAM	220.3	14,250		64.68	1,912.98	1,977.66
GOTHAM	600.8	38,146		63.49	1,912.98	1,976.47
GRANBY-CUM-SUTTON	176.0	10,226		58.10	1,912.98	1,971.08
HAWKSWORTH	66.9	9,920		148.28	1,912.98	2,061.26
HICKLING	249.4	7,520		30.15	1,912.98	1,943.13
HOLME PIERREPONT & GAMSTON	1,085.7	37,300		34.36	1,912.98	1,947.34
KEYWORTH	2,617.5	176,850	4,200	69.16	1,912.98	1,982.14
KINGSTON-ON-SOAR	128.6	4,125		32.08	1,912.98	1,945.06
KINOULTON	422.7	6,500		15.38	1,912.98	1,928.36
KNEETON	21.9	0		0.00	1,912.98	1,912.98
LANGAR-CUM-BARNSTONE	349.5	36,941		105.70	1,912.98	2,018.68
NEWTON	322.9	18,200		56.36	1,912.98	1,969.34
NORMANTON-ON-SOAR	187.5	13,603		72.55	1,912.98	1,985.53
NORMANTON-ON-THE-WOLDS	152.3	7,296		47.91	1,912.98	1,960.89
ORSTON	218.2	9,211		42.21	1,912.98	1,955.19
OWTHORPE	48.6	0		0.00	1,912.98	1,912.98
PLUMTREE	121.8	4,923		40.42	1,912.98	1,953.40
RADCLIFFE-ON-TRENT	3,205.6	300,118		93.62	1,912.98	2,006.60

2018/19 PARISH/AREA	TAX BASE	PRECEPT	SPECIAL CHARGES	TAX RATE PARISH AREA	MAJOR PRECEPTS	COUNCIL TAX BAND D
RATCLIFFE-ON-SOAR	53.2	0		0.00	1,912.98	1,912.98
REMPSTONE	201.9	5,088		25.20	1,912.98	1,938.18
RUDDINGTON	2,700.7	299,590	9,100	114.30	1,912.98	2,027.28
SAXONDALE	14.1	0		0.00	1,912.98	1,912.98
SCARRINGTON	84.6	750		8.87	1,912.98	1,921.85
SCREVETON	78.3	0		0.00	1,912.98	1,912.98
SHELFORD	116.0	10,000		86.21	1,912.98	1,999.19
SHELTON	62.3	600		9.63	1,912.98	1,922.61
SIBTHORPE	58.4	1,700		29.11	1,912.98	1,942.09
STANFORD-ON-SOAR	63.8	5,125		80.33	1,912.98	1,993.31
STANTON-ON-THE-WOLDS	213.7	7,240		33.88	1,912.98	1,946.86
SUTTON BONINGTON	647.6	25,801		39.84	1,912.98	1,952.82
THOROTON	70.0	0		0.00	1,912.98	1,912.98
THRUMPTON	73.7	3,680		49.93	1,912.98	1,962.91
TOLLERTON	812.1	58,674		72.25	1,912.98	1,985.23
UPPER BROUGHTON	161.9	8,500		52.50	1,912.98	1,965.48
WEST BRIDGFORD	14,078.3	0	683,000	48.51	1,912.98	1,961.49
WEST LEAKE	68.0	2,033		29.90	1,912.98	1,942.88
WHATTON-IN-THE-VALE	375.8	15,815		42.08	1,912.98	1,955.06
WIDMERPOOL	170.2	6,036		35.46	1,912.98	1,948.44
WILLOUGHBY-ON-WOLDS	286.2	10,925		38.17	1,912.98	1,951.15
WIVERTON & TITHBY	53.3	0		0.00	1,912.98	1,912.98
WYSALL & THORPE IN THE GLEBE	202.1	14,300		70.76	1,912.98	1,983.74
TOTAL RUSHCLIFFE BOROUGH COUNCIL	43,178.5	2,166,112	696,300	66.29	1,912.98	1,979.27

Appendix A (ii)

ALL PRECEPTS PARISH AREA	A	B	COUNCIL TAX BAND					
			C	D	E	F	G	H
ASLOCKTON	1,289.99	1,505.00	1,719.98	1,934.99	2,364.98	2,794.99	3,224.98	3,869.98
BARTON-IN-FABIS	1,292.60	1,508.04	1,723.46	1,938.90	2,369.76	2,800.64	3,231.50	3,877.80
BINGHAM	1,328.61	1,550.05	1,771.47	1,992.91	2,435.77	2,878.65	3,321.52	3,985.82
BRADMORE	1,287.35	1,501.91	1,716.46	1,931.02	2,360.13	2,789.26	3,218.37	3,862.04
BUNNY	1,318.45	1,538.19	1,757.92	1,977.67	2,417.15	2,856.64	3,296.12	3,955.34
CAR COLSTON	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
CLIPSTON	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
COLSTON BASSETT	1,334.85	1,557.33	1,779.79	2,002.27	2,447.21	2,892.17	3,337.12	4,004.54
COSTOCK	1,318.87	1,538.69	1,758.49	1,978.31	2,417.93	2,857.57	3,297.18	3,956.62
COTGRAVE	1,337.67	1,560.63	1,783.56	2,006.51	2,452.39	2,898.30	3,344.18	4,013.02
CROPWELL BISHOP	1,371.71	1,600.33	1,828.94	2,057.56	2,514.79	2,972.04	3,429.27	4,115.12
CROPWELL BUTLER	1,299.60	1,516.21	1,732.79	1,949.40	2,382.59	2,815.81	3,249.00	3,898.80
EAST BRIDGFORD	1,307.51	1,525.44	1,743.34	1,961.27	2,397.10	2,832.95	3,268.78	3,922.54
EAST LEAKE	1,337.75	1,560.72	1,783.66	2,006.63	2,452.54	2,898.47	3,344.38	4,013.26
ELTON-ON-THE-HILL	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
FLAWBOROUGH	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
FLINTHAM	1,318.44	1,538.19	1,757.91	1,977.66	2,417.13	2,856.63	3,296.10	3,955.32
GOTHAM	1,317.65	1,537.26	1,756.86	1,976.47	2,415.68	2,854.91	3,294.12	3,952.94
GRANBY-CUM-SUTTON	1,314.05	1,533.07	1,752.06	1,971.08	2,409.09	2,847.12	3,285.13	3,942.16
HAWKSWORTH	1,374.17	1,603.21	1,832.22	2,061.26	2,519.31	2,977.38	3,435.43	4,122.52
HICKLING	1,295.42	1,511.33	1,727.22	1,943.13	2,374.93	2,806.75	3,238.55	3,886.26
HOLME PIERREPONT & GAMSTON	1,298.23	1,514.60	1,730.96	1,947.34	2,380.08	2,812.83	3,245.57	3,894.68
KEYWORTH	1,321.43	1,541.67	1,761.89	1,982.14	2,422.61	2,863.10	3,303.57	3,964.28
KINGSTON-ON-SOAR	1,296.71	1,512.83	1,728.94	1,945.06	2,377.29	2,809.54	3,241.77	3,890.12
KINOULTON	1,285.57	1,499.84	1,714.09	1,928.36	2,356.88	2,785.42	3,213.93	3,856.72
KNEETON	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
LANGAR-CUM- BARNSTONE	1,345.79	1,570.09	1,794.38	2,018.68	2,467.27	2,915.88	3,364.47	4,037.36
NEWTON	1,312.89	1,531.72	1,750.52	1,969.34	2,406.96	2,844.61	3,282.23	3,938.68
NORMANTON-ON-SOAR	1,323.69	1,544.31	1,764.91	1,985.53	2,426.75	2,867.99	3,309.22	3,971.06
NORMANTON-ON-THE- WOLDS	1,307.26	1,525.14	1,743.01	1,960.89	2,396.64	2,832.40	3,268.15	3,921.78
ORSTON	1,303.46	1,520.71	1,737.94	1,955.19	2,389.67	2,824.17	3,258.65	3,910.38
OWTHORPE	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
PLUMTREE	1,302.27	1,519.32	1,736.35	1,953.40	2,387.48	2,821.58	3,255.67	3,906.80
RADCLIFFE-ON-TRENT	1,337.73	1,560.70	1,783.64	2,006.60	2,452.50	2,898.43	3,344.33	4,013.20
RATCLIFFE-ON-SOAR	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
REMPSTONE	1,292.12	1,507.48	1,722.82	1,938.18	2,368.88	2,799.60	3,230.30	3,876.36
RUDDINGTON	1,351.52	1,576.78	1,802.02	2,027.28	2,477.78	2,928.30	3,378.80	4,054.56
SAXONDALE	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
SCARRINGTON	1,281.23	1,494.78	1,708.30	1,921.85	2,348.92	2,776.01	3,203.08	3,843.70
SCREVETON	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
SHELFORD	1,332.79	1,554.93	1,777.05	1,999.19	2,443.45	2,887.73	3,331.98	3,998.38
SHELTON	1,281.74	1,495.37	1,708.98	1,922.61	2,349.85	2,777.11	3,204.35	3,845.22
SIBTHORPE	1,294.73	1,510.52	1,726.30	1,942.09	2,373.66	2,805.25	3,236.82	3,884.18
STANFORD-ON-SOAR	1,328.87	1,550.36	1,771.82	1,993.31	2,436.26	2,879.23	3,322.18	3,986.62
STANTON-ON-THE- WOLDS	1,297.91	1,514.23	1,730.54	1,946.86	2,379.49	2,812.14	3,244.77	3,893.72
SUTTON BONINGTON	1,301.88	1,518.87	1,735.83	1,952.82	2,386.77	2,820.75	3,254.70	3,905.64
THOROTON	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
THRUMPTON	1,308.61	1,526.71	1,744.80	1,962.91	2,399.11	2,835.32	3,271.52	3,925.82
TOLLERTON	1,323.49	1,544.07	1,764.64	1,985.23	2,426.39	2,867.56	3,308.72	3,970.46
UPPER BROUGHTON	1,310.32	1,528.71	1,747.09	1,965.48	2,402.25	2,839.03	3,275.80	3,930.96
WEST BRIDGFORD	1,307.66	1,525.61	1,743.54	1,961.49	2,397.37	2,833.27	3,269.15	3,922.98
WEST LEAKE	1,295.25	1,511.14	1,727.00	1,942.88	2,374.62	2,806.39	3,238.13	3,885.76
WHATTON-IN-THE-VALE	1,303.37	1,520.61	1,737.82	1,955.06	2,389.51	2,823.98	3,258.43	3,910.12
WIDMERPOOL	1,298.96	1,515.46	1,731.94	1,948.44	2,381.42	2,814.42	3,247.40	3,896.88
WILLOUGHBY-ON-THE- WOLDS	1,300.77	1,517.57	1,734.35	1,951.15	2,384.73	2,818.33	3,251.92	3,902.30
WIVERTON & TITHBY	1,275.32	1,487.88	1,700.42	1,912.98	2,338.08	2,763.20	3,188.30	3,825.96
WYSALL & THORPE IN THE GLEBE	1,322.49	1,542.92	1,763.32	1,983.74	2,424.56	2,865.41	3,306.23	3,967.48

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Council

Thursday, 7 March 2019

Independent Review of Councillors' Allowances

Report of the Chief Executive

1. Purpose of report

- 1.1. The Local Authorities (Members' Allowances) (England) Regulations 2003 require local authorities to make a scheme of allowances for their members and to establish and maintain an independent remuneration panel to make recommendations to the Council about the scheme and the amounts to be paid. To that effect, an Independent Remuneration Panel was convened in January 2019 and met twice to review the Rushcliffe Borough Council Members' Allowance Scheme. The report of the Panel is appended at Appendix One.

2. Recommendation

It is RECOMMENDED that Council

- a) considers the Panel's report and determines whether to implement all, or some, of the Panel's recommendations
- b) considers the Scrutiny SRAs proposed in paragraph 4.6 of this report for the year 2019/20.

3. Reasons for Recommendation

- 3.1. The last full review of the Members' Allowance Scheme was undertaken in 2015. The proposals in the report, subject to Council's consideration, would enable a revised scheme to be agreed prior to the end of the municipal year. If agreed a revised Member's Allowance Scheme would then be in place in time for the 2019 Borough Council elections.
- 3.2. The terms of reference for the Independent Remuneration Panel included as an appendix to the Panel's report.

4. Supporting Information

- 4.1. The Panel's overall assessment of the current Members' Allowance Scheme is outlined in paragraph 10 of their report and states 'there has been no substantial change in members' responsibilities to justify any significant change in the Council's allowance scheme'. This judgement has led the Panel to make three recommendations outlined at the end of their report:
- That the basic allowance remain unchanged but that it be increased annually in line with the percentage pay award made to officers

- That there be no changes to the special responsibility allowances but that they be increased annually in line with the percentage pay award made to officers
 - That the travel and subsistence allowances remain unchanged.
- 4.2. In reaching these recommendations, the Panel reviewed background and comparative information; spoke with, or received written correspondence from, eleven Councillors; and was advised by senior officers.
- 4.3. Information received by the Panel led to the consideration of the following areas:
- Chairman of Member Development Group
 - Planning Committee Chairman, Vice Chairman and members
 - Mayoral Allowance
 - Scrutiny Groups
 - Business Manager
 - Information Technology.
- 4.4. On reflection, whilst the Panel welcomed the comments from Councillors, these did not result in any recommended changes to the Members' Allowance Scheme.
- 4.5. Of particular note, given the current Review of Scrutiny also on this agenda for discussion, is the Panel's consideration of this area outlined in paragraphs 37 to 41. The Panel was made aware of the proposed changes but as these had not yet been accepted at Council did not feel that these changes could be reflected in the review of the Members' Allowance Scheme. They have, however, made it clear that, in their considered opinion, 'unless there is a good and clear reason to do so, the overall special responsibility allowance currently paid in respect of scrutiny (£18,176) is not exceeded under the new arrangements, nor is the number of members receiving a special responsibility allowance for scrutiny roles increased'.
- 4.6. To that effect the following breakdown of the scrutiny 'pot' is proposed for the period of 2019/20:
- Chairman of Corporate Overview Group - £4,544
 - Chairmen of the three Scrutiny Groups - £3,408 (£10,224 in total)
 - Vice-Chairmen of the three Scrutiny Groups - £1,136 (£3,408 in total)

Please note the figures exclude the anticipated 2% pay increase for 2019/20.

5. Alternative options considered and reasons for rejection

- 5.1. No alternatives were considered.

6. Risks and Uncertainties

- 6.1. As the last full review was undertaken in 2015, failure to properly consider the Panel's report could restrict the Council's ability to ensure its Councillors

receive an allowance reflective of their community leadership role and also an amount representative of their responsibilities.

- 6.2. Under the relevant Regulations, the Council must have regard to the recommendations of the Independent Remuneration Panel before it makes or amends a Scheme, but it is not bound to follow the recommendations.

7. Implications

7.1. Financial Implications

7.1.1. The financial implications of the report are covered in paragraphs 4.1 and 4.6. Given there are no proposed changes, existing budgets are sufficient to fund the scheme.

7.2. Legal Implications

7.2.1. The Council must under the relevant regulations have regard to the recommendations of the Independent Remuneration Panel before approving or amending its Members' Allowance Scheme. This is in order to ensure the scheme has been independently reviewed and retain public confidence in the allowance setting process.

7.3. Equalities Implications

7.3.1. Consideration of an independent review of members' allowances supports delivery of the Council's priority of 'Maintaining and enhancing our residents' quality of life' by ensuring allowance payments to Councillors are reflective of their roles and responsibilities as community leaders. It can also help to ensure the allowances are set at a level that doesn't restrict people's ability to engage in community leadership and become a Councillor, reflecting the aims within the Council's equality scheme.

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

7.4.1. There are no Crime and Disorder Implications within this report.

7.5. Other implications

7.5.1. There are no other implications within this report.

8. Link to Corporate Priorities

- 8.1. Providing an appropriate level of recompense to Councillors that is reflective of their community leadership role supports delivery in all three of the Council's priority areas.

9. Recommendations

It is RECOMMENDED that Council

- a) considers the Panel's report and determines whether to implement all, or some, of the Panel's recommendations

- b) considers the Scrutiny SRAs proposed in paragraph 4.6 of this report for the year 2019/20.

For more information contact:	Allen Graham Chief Executive 0115 9148349 agraham@rushcliffe.gov.uk
Background papers available for Inspection:	None.
List of appendices:	Appendix A – Report of the Independent Remuneration Panel

The Independent Remuneration Panel on Members' Allowances

Report to Rushcliffe Borough Council

Members:

Stuart Leslie (Chair)

Richard Dix

John Flowers

February 2019

Membership of the Panel

1. The Independent Remuneration Panel comprises three members, two of whom, Richard Dix and Stuart Leslie, were members of the Panel at the last review in 2014/15. The other member, John Fowler, has previous experience of reviewing members' allowances at Gedling Borough Council. A summary of each Panel members' relevant background is given at Appendix A.

Purpose and Terms of Reference

2. We have been invited by Rushcliffe Borough Council ("the Council") to review the allowances paid to members in accordance with the Terms of References attached at Appendix B and the Local Authority (Members Allowances) (England) Regulations 2003 and report to the Chief Executive with recommendations.

Information

3. We have been assisted in our deliberations by:
 - Peter Linfield (Executive Manager for Finance and Corporate Services)
 - Charlotte Caven-Atack (Service Manager for Finance and Corporate Services)
 - Sanjit Sull (Chief Legal Officer and Monitoring Officer).

These officers answered questions we posed about the Council and provided very helpful background information; in particular:

- the report of the panel in 2015 (Appendix C)

- a summary of the panel's recommendations in 2015 (Appendix D)
- comparative figures for the allowances paid by neighbouring or nearby district/borough councils (Appendix E)
- a list of councillors and what allowances they each currently receive and the percentage receiving special responsibility allowances (Appendix F)

Meetings of the Panel

4. The Panel first convened on 25 January 2019 when it meet with the officers and the Chief Executive of the Council, Allen Graham
5. We asked various questions about the Council particularly concerning the background information referred to in paragraph 3 which we had previously been supplied with. We also asked what if any significant changes there had been in the running of the Council since the Panel's last report in March 2015.
6. At the January meeting, we also decided on how we should proceed with the review. In particular, we decided that members should be invited to make representations to us either in writing or by talking to us in person at our next meeting on 11 February 2019.

Representations by Members

7. Seven members submitted written representations to the Panel:
 - Cllr. A. Phillips
 - Cllr. R. Jones
 - Cllr. R. Upton
 - Cllr. K. Beardsall
 - Cllr. M. Stockwood
 - Cllr. R. Butler
 - Cllr. F. Purdue-Horan
8. Four members requested interviews and made representations to the Panel in person:
 - Cllr. G. Wheeler
 - Cllr. T. Combellack
 - Cllr. N. Clarke
 - Cllr. D. Mason
9. The issues raised by the representations covered a variety of issues, though there was some overlap. Each issue is dealt with in more detail later in the report together with the Panel's views on them.

Overall Assessment

10. It appears that the recommendations of the Panel in 2015, all of which were accepted by the Council, satisfactorily dealt with most of the issues of concern regarding allowances in the opinion of the panel the general view of officers and members now is that, subject to the individual representations dealt with later,

there has been no substantial change in members responsibilities to justify any significant change in the Council's allowance scheme.

11. Of the forty-four councillors invited to make representations to us about the allowance scheme only eleven did. Tellingly, even those who did had no concerns outside their very specific issues.
12. Indeed five of the members who did make representations specifically commented that apart from their issue they considered the present scheme to be fair and comments included:
 - "We have no observation about the other allowances other than we do not think they warrant increasing"
 - "I personally find the allowances are reasonable and I suggest they should be kept at their present rates"
 - "I believe the current allowances are reasonable"
 - "I have no issue with the current proposals. They are about right"
 - "The (current allowances) are fair as a whole and work quite well".

Basic Allowance

13. There were concerns raised about IT expenses which are dealt with in more detail at paragraphs 46-53. Apart from these, only one member made any suggestion that there should be a change in the basic allowance and this was a rather throwaway remark at the end of a submission about a specific special responsibility allowance ("Also I feel an increase is also due in allowances").
14. Given that there appears to have been no significant change in the basic role or responsibility of members, and the seemingly general perception by members that the current rate is fair, we feel there is no justification for any change in the basic allowance.
15. In coming to this view, we have also had particular regard to the comparative information about the level of basic allowance paid by nearby and comparable district councils (Appendix E) which shows that Rushcliffe is, though slightly above the average, well within the acceptable band width.
16. However, we do feel that this allowance, and others, should continue to receive an annual inflationary increase in line with that received by Council employees.

Individual Representations

17. The following paragraphs, 18-53, deal in turn with the individual representations we received, and our consideration and recommendations on them.

Chairman of the Member Development Group

18. This role was, we were told, previously carried out by a Cabinet member but was recently given to another member. It does not presently attract a special responsibility allowance

19. We understand its primary role is to be responsible for the training of councillors, particularly newly elected councillors, on how the council works and their roles and responsibilities.
20. This training is delivered in person by officers, with the occasional use of outside consultants. The chairman being responsible for the overall strategy.
21. From what we have heard from the Cabinet member with former responsibility for this area and from officers, the role of chairman will involve two or three meetings a year though this will be more intense in the year of an election with a tranche of new members to train.
22. It was put to us in one representation that the role is equivalent to that of the chairman of a scrutiny group and, in fact, more arduous in an election year.
23. However, we find, on balance, that the role is not sufficiently demanding to attract a special responsibility allowance.

Planning Committee Chairman, Vice Chairman and Members

24. We received two representations on this; one that all members of the committee should receive a special responsibility allowance and another that the chairman and vice chairman should receive an increased allowance.
25. We heard that the planning committee reduced in number from fifteen to eleven in May 2018, that its monthly meetings often last three hours or more, and it is sometimes necessary to have an additional monthly meeting.
26. In addition, we were told that public speaking at the meetings is now allowed with an objector, the applicant and the ward member all being given up to five minutes to make representations. This initiative has been introduced since the last Panel review in 2015.
27. We were also told by members and officers that there are a number of major, complex and controversial applications for housing in the Borough that are coming forward.
28. We took note of these submissions; however, we are also aware that the 2015 Panel report considered the relevant importance of the planning committee ("development control committee" as it was then) in comparison to the standards and licencing committees.
29. It recommended that the chairman and vice chairman of the planning committee should get a larger special responsibility allowance than their counterparts on those two committees. That recommendation was accepted.
30. We also noted that the comparative information (Appendix E) shows that of the eleven authorities who are listed, many of whom have allowed public speaking

for some years, the chairman of Rushcliffe's planning committee was the fourth highest paid and the vice chairman the second highest.

31. Finally, we were told by officers that the planning committee, though a demanding and time consuming one for members, is popular and there is no difficulty in getting councillors to sit on it.
32. In conclusion, we do not consider an increase in the special responsibility allowance is warranted for the chairman, vice chairman or ordinary members of this committee.

Mayor's Allowance

33. One member felt that the recent increase to the Mayor's allowance was excessive and out of line with the wage kerbs endured by other staff and most residents.
34. In considering this point, the panel noted that the view of the panel in 2014/15 who felt that it was usual to make a specific special responsibility allowance allocation for the Mayor and Deputy Mayor. The more usual arrangement was for a mayoral allowance to be provided under sections 3 and 5 of the Local Government Act 1972. In the circumstances, the 2014/15 panel recommended that the special responsibility allowance paid under the Members Remuneration Scheme should be discontinued and this has been accepted by the Council. In making this recommendation the panel also recommended that the allowance paid to the Mayor and Deputy Mayor should be reviewed to ensure that all legitimate expenses of these roles are met (para 3.2).
35. As we understand it, that recommendation was the subject of a report to full Council that recommended an increase of £6,573 to £8,778 for the Mayor and £2,089 to £2,790 for the Deputy Mayor. That recommendation was, we are told, accepted with little or no debate and the new allowance was paid from 1 April 2018.
36. We consider that this is a proper outcome from the 2015 Panel report and see no justification for any change.

Scrutiny Groups

37. We have heard from both members and officers that the current scrutiny arrangements, of four scrutiny groups, is likely to be significantly changed very soon.
38. The difficulty we have as a Panel is that, though we have been given an idea of what these changes may be, there is no certainty they will come into effect and that uncertainty will not change before we submit our report.
39. At present, the chairman and vice chairman of the four scrutiny groups all attract a special responsibility allowance of £3,408 and £1,136 respectively.

40. In the circumstances, we are unable to make any specific recommendation in relation to proposed changes to the current scrutiny arrangements.
41. However, we would suggest that, unless there is a good and clear reason to do so, the overall special responsibility allowance currently paid in respect of scrutiny (£18,176) is not exceeded under the new arrangements, nor is the number of members receiving a special responsibility allowance for scrutiny roles increased.

Business Manager

42. One member considered the “Group Whip”, or business manager, should be considered for a special responsibility allowance as they have an important role in liaising with the Council’s constitutional services team.
43. This was not a view shared by the Panel who believe such a role relates to the efficient running of the group rather than the Council.
44. The member said that he believed “many other district and boroughs recognise this role”, however, from the comparative information supplied to us (Appendix E) we could not see that any other council included in that table paid a special responsibility allowance for such a role.
45. We have, therefore, concluded that a special responsibility allowance is not appropriate for this role.

Information Technology (IT)

46. Three members made representations about IT and, in particular, the cost of equipment such as iPads, laptops and tablets and associated costs such as paper and laminates. They felt these should be reflected in some way in the basic allowance, possibly by having an additional sum included in it for such costs or by the Council providing laptops, iPads etc free to members for Council use as some other neighbouring Councils do (see Appendix E).
47. This issue was, however, addressed in some detail by the Panel in 2015. Prior to that consideration, there had been a notional sum of £600 included in the basic allowance to cover all IT and communication expenses.
48. The 2015 Panel considered that when many councillors were still seeking to understand and equip themselves to operate personal computer such an approach was justified but by 2015 that was less relevant as most Rushcliffe councillors were by that time IT competent and had their own IT equipment.
49. The 2015 panel, therefore, felt it inappropriate to continue earmarking a notional sum for such a purpose and recommended that the basic allowance should no longer be qualified in that way. However, it did not recommend reducing the basic allowance by £600 as it recognised that, “there will continue to be legitimate expenses involved in updating IT equipment”. Those recommendations were accepted.

50. We feel that this issue has, therefore, already been addressed and can see no justification for any change of heart.

51. It maybe that there are advantages in theory to councils supplying standard IT equipment to all members, for example in terms of technical support and training. However, we believe that point has long since passed in Rushcliffe's case and the significant expense of now doing so could not be justified given that the great majority of members will now have their own IT equipment and be sufficiently IT competent.

52. We do not consider that in this day and age the fact that the Council does not issue members with IT equipment will deter members of the public from seeking to become councillors.

53. We do not, therefore, make any proposed recommendation to alter the basic allowance in respect of IT issues.

Overview

54. In our review, we have looked at the Council's overall scheme for members' allowances and had regard to our terms of reference, and the statutory regulations as well as the specific issues dealt with in this report.

55. While we have noted the desire in the Terms of Reference for the system of remuneration to be as simple as possible we feel that because of the incremental changes that have taken place over the years it would not be possible to achieve this without a major overhaul of the current scheme which we do not believe is warranted.

56. We consider that the current Rushcliffe scheme:

- is accepted by members as being generally fair
- bears reasonable comparison to its nearby authorities
- suitably rewards those with special responsibility
- does not have an undue number of members entitled to a special responsibility allowance (19 out of 44; 43%).

Recommendations

1. That the basic allowance remain unchanged but that it be increased annually in line with the percentage pay award made to officers
2. That there be no changes to the special responsibility allowances but that they be increased annually in line with the percentage pay award made to officers
3. That the travel and subsistence allowances remain unchanged.

Resumes of Panel Members

Richard Dix

The major part of my working life has been spent in the public sector. After a short time in teaching in Leeds I qualified as a solicitor and worked for local authorities in West Yorkshire, Lincolnshire and Nottinghamshire. My final council employment was with Newark and Sherwood District Council where I served as its Chief Executive from 1991-2007. I undertook the usual tasks of the CEO of a district council i.e. principle policy adviser and Head of the Paid Service.

After retirement from the council I moved into the private legal sector, undertaking work on a consultancy basis as a solicitor. This was initially through Solace Enterprises Ltd and then with Jonathan Gooden Solicitors and then, following a merger, with the large practice of Wilkin Chapman Solicitors PLC. I undertook various projects including member and officer investigations, HR issues, and member and officer training. I have been appointed to various panels, e.g. Peterborough City Council Members Remuneration Panel as well as the Rushcliffe Members Remuneration Panel. I am the Designated Independent Person for the Newark and Sherwood DC Standards Committee. I have been less active in the last 18 months as the result of serious eye problems but hopefully this is now behind me as the result of surgery on both eyes.

Stuart Leslie

I have worked in local government for over thirty-four years starting at Chesterfield Borough Council as an articled clerk, now called trainee solicitors , & finishing in 2013 as Director of Legal and Democratic Services & Monitoring Officer at Derby City Council where I spent 24 years.

Through out my time in local government, and particular during my time at Derby, I have had a close working involvement with elected members including advising at a range of committees, panel & boards as well latterly at cabinet and full council meetings.

During the earlier part of my career my input was primarily legal & procedural advice, but this expanded to include host of other matters as I took on responsibility for constitutional, electoral and standards issues.

I am currently the cordinator for EM Lawshare the largest consortium of in-house public bodies legal teams in the country.

I was previously part of the three-man panel that carried out a review of members allowances at Rushcliffe in 2014.

John Flowers

I was educated at a local Grammar school.

I commenced work at a local hosiery, knitwear & fabric dyeing company & trained at the then Nottingham & District Tech. College.

Like many young men at that time, I was required to do National Service, which I did in the RAF, training as a radar technician & serving in northern Germany.

On leaving the Airforce I returned to the dyeing & finishing section of the Midlands textile trade & continued training to achieve good technical qualifications in colouration of textiles & also business management. I worked at senior level for several local textile companies & retired as a Managing Director in 1995.

In my early retirement, I worked as consultant in the textile trade and also as a senior exam invigilator for local colleges.

I also volunteered as an appropriate adult for the Nottingham Youth Offending team in conjunction with the local police.

I joined the Gedling IRP in early 2006, shortly after its inception & following interviews with the leader of the Council, two other Councillors & the then Head of Legal & Democratic Services.

In my early-married life I lived in Rushcliffe for 5 years at the lower end of Greythorn Drive.

Resumes shared under agreement.

Terms of Reference – Independent Remuneration Panel 2018/19

The Independent Remuneration Panel is set up under the Members' Allowances (England) Regulations 2003 and has three members. The Terms of Reference are as follows:

1. To review the Borough Council's Members' Allowance scheme taking into account relevant changes to the roles and responsibilities of Members and having particular regard to the recent changes in respect of LEP representation, company structures and potential changes to the Council's scrutiny structure.
2. To consult with relevant persons both officers and members consistent with the Terms of Reference of the Panel.
3. To review the comparative data on allowances paid by other similar local authorities including within the D2N2 Local Enterprise Area as provided.
4. To make recommendations on:
 - the level of Basic Allowance for all Members
 - the categories of special responsibility for which a Special Responsibility Allowance should be paid and the levels of those allowances
 - travelling and subsistence allowances
 - any annual uplift.
5. To produce a report for the Chief Executive on the Panel's conclusions for future consideration by the Borough Council.

Note: Any proposed system of remuneration must be simple and cost effective to operate.

Rushcliffe Borough Council Review of Members' Allowances 2014/15

Report of Independent Remuneration Panel

Introduction: The Background to the Review

- 1.1 In September 2014, Rushcliffe Borough Council commissioned its independent panel to carry out a review of Members' Allowances. The panel comprises the chair, Professor Steve Leach of De Montfort University, Leicester; Richard Dix, former chief executive of Newark and Sherwood District Council; and a new member, Stuart Leslie, former Director of Legal and Democratic Services at Derby City Council. The Panel's terms of reference are set out in **Appendix 2**.
- 1.2 The previous Panel had produced reports in 2007 and 2008, which were endorsed by the Council. A further review was due in 2012, but the Council decided to postpone the review until the outcome of the boundary review was known. The Panel understood and accepted the case for this delay. Earlier in 2014, the Boundary Commission recommended a decrease in Council size from 50 to 44. This recommendation will be implemented in time for the May 2015 local election.
- 1.3 The Panel met on two occasions; 6 November 2014, for a briefing meeting, and 8 December 2014, when it carried out interviews with the Council leader, and the leader of the Labour Group. All Council members were given the opportunity to address the Panel, or to e-mail the Panel with their concerns, but the two above-mentioned Councillors were the only ones the Panel heard from. The Panel concluded that there were no major concerns about Members' allowances on the rest of the Council's Members. The Panel raised a number of questions with Paul Cox, Senior Solicitor and Dan Swaine, Executive Manager - Operations and Corporate Governance. It is grateful for the information, insights and support provided by these two officers.
- 1.4 The Panel learned that the recommendations it had made in its 2008 report to increase the Special Responsibility Allowances (SRAs) of the Leader and Deputy Leader of the Council had been programmed by the Council to be introduced in three phases from May 2008, but that only the first and second phases had been implemented. Furthermore, the Council had decided that there should be no increases at all in Members' allowances from 2010/11 onwards.
- 1.5 The Panel which met and reported in 2007 set out a set of principles underpinning its review, drawing on but not limited to the Government's published regulations. The Panel felt that these principles remained relevant to the task in hand.

The Basic Allowance

- 2.1 The basic allowance in Rushcliffe currently stands at £4,476, which reflects an update of the Panel's 2007 recommendation (£4,160) increased up to 2010 on the basis of the recommended criterion (parity with officers pay award). Since 2010, it has remained unchanged, and has hence decreased significantly in real terms. Until May 2014, this outcome reflected the pay freeze imposed by Central Government on officers' pay. However in 2013/14 a 1% increase in officers' pay was sanctioned, followed by a similar decision for 2014/15. Rushcliffe did not apply these increases to Members' allowances. In the Panel's view, this should now be done retrospectively, and the same increase applied in 2015/16. The sums involved are small, but the principle - parity between Members' and officers' pay increases is an important one and should be thus implemented, in which case the basic allowance recommended for 2015-16 should be at least £4,565.
- 2.2 But there are, however, other matters to take into account here. The size of the Council is to be reduced from 50 to 44 in May 2015(a reduction of 12%). The panel did not think it likely that the overall workload of the Council Members would reduce by a similar percentage. A much more credible scenario is that the overall workload would at least stay the same, and probably increase. The Panel felt that in these circumstances, there was a strong case for redistributing the basic allowances of the six lost councillors amongst the remaining 44. To do so would imply an increase in the basic allowance of £623 taking it to £5,188.
- 2.3 There is a further issue regarding the basic allowance. At present it includes a notional sum of £600 to cover all IT and communication expenses. This provision made sense in 2007, when many Councillors were still seeking to understand and equip themselves to operate personal computers. It is less relevant now. The Panel's understanding is that the majority of Rushcliffe Councillors are now competent in this respect and have equipped themselves to link up to the Rushcliffe BC system. The Panel felt that in these circumstances it was inappropriate to continue with the earmarking of the notional sum for such purposes (which is rarely found in other allowances schemes), and that the basic allowance should no longer be qualified in this way.
- 2.4 It also felt, however, that there was no case for reducing the basic allowance, by subtracting the (notional) £600 from it. There will continue to be legitimate expenses involved in updating IT equipment. But more important, the Panel heard evidence (which is supported by experience in other authorities) that the role of the local Councillor had become more demanding and time-consuming since 2007, particularly since 2011 when the reduction in resources imposed on local authorities began to bite. In times of austerity, members of the public are more likely to feel aggrieved about the impact of (inevitable) cuts in local services, and correspondingly more likely to contact their local councillor about their concerns. In these circumstances, the Panel felt that an increased basic allowance of £5,188 was a fair response to such changes, and one that could be achieved at no net increase in the overall

Members' allowances budget. It therefore recommends that the basic allowance should be increased to £5,188, as from May 2014.

Special Responsibility Allowances

Leader and Cabinet Members

- 3.1 In its 2008 report, the Panel acknowledged the increasing demands that were being made on the Council's Executive Members, in particular the Leader and the Deputy Leader. The principal reason for the increase was the increased emphasis on partnership working within the Nottingham city region. The Panel was told that these pressures had continued to increase over the past few years, with an intensification of partnership working generally, and joint working between local authorities in particular. Much of the responsibility for such activities has been taken up by the Leader and his deputy, although other Cabinet Members have also been involved to a more limited extent. These arguments are consistent with the experience of other authorities, and the Panel felt that in principal they should be reflected in increased SRAs for the Leader and Deputy Leader.
- 3.2 The Panel felt that, in the current financial circumstances, it would be preferable to finance such increases by reductions in other SRAs, if a valid case could be made for doing so, rather than by increasing overall SRA expenditure. Three such possibilities became apparent: the positions of Chairman of the Council, the Chairman of the Standards Committee and the Chairman of the Alcohol & Entertainments Licensing Committee. As regards the Chairman of the Council, it is in fact unusual to make a specific SRA allocation for this role, important though it is. In Rushcliffe this responsibility falls to the Mayor, who also receives a mayoral allowance under Sections 3 and 5 of the Local Government Act 1972. The Panel recognised that it was important that the mayor was fully reimbursed for all the expenses legitimately incurred in carrying out that role, but felt that this outcome was better achieved through a re-assessment of the allowances paid to the Mayor and Deputy Mayor. It recommends that the SRA paid to the Chairman of the Council under the Members' Remuneration Scheme should be discontinued.
- 3.3 The Panel was informed that both the Standards Committee and the Alcohol & Entertainment Licensing Committee now meet relatively infrequently. The role of the former has been diminished as a result of provisions of the 2011 Localism Act, whilst the workload of the latter has declined since 2004, when it first took on its liquor licensing role. In both cases, the Panel was mindful of the disparities between the workload of the Development Control Committee, and these two other regulatory committees. It felt it appropriate to reduce the SRAs attached to both chairmen to £1,200. If there were an unanticipated change in the role/workload of either Committee in the future (e.g. if there were a substantial increase in taxi appeals) then these allocations would need to be reviewed.
- 3.4 Whilst it is a matter for Members of the Council the savings from the cessation of the SRA for Chairman of the Council, and the reduction in the SRAs for the

chairmen of the two regulatory committees could be used to finance a modest increase in the SRAs for the Leader and Deputy Leader, justified in 3.1 above. All the SRAs should be increased to take account of the 1% increase in the officers' 2014/15 pay settlement, and the same increase which is earmarked for 2015/16. The resulting sum which is available is £2,920. The Panel recommends that this increase is distributed between leader and deputy on a 2:1 basis. This would mean that the Leader's SRA would become £14,545, and that of the Deputy Leader £8,606, as from May 2015.

- 3.5 As a result of these increases, the SRAs for Leader and Deputy Leader move up the league table of equivalent SRAs for such positions in neighbouring authorities in Nottinghamshire and Derbyshire, but remain within the middle reaches of these tables. This outcome appears to the Panel to be an appropriate one.
- 3.6 No Cabinet Members appeared before the Panel, or submitted evidence to it, so it was not possible for the Panel to take their views into consideration. If the Council (or Cabinet) felt that there was a fairer way of allocating the increase involved (£2,920), then the Panel would be prepared to endorse such a change.

Overview and Scrutiny

- 3.7 The Panel was informed that since its last report, the profile of the Corporate Governance Scrutiny Group had increased. As a result, the Panel felt there was a case for recommending that parity was introduced amongst the SRAs of the four scrutiny groups or boards (which is normal practice in other authorities). Applying the two 1% increases, this change would result in an overall total SRA of £4,368 for each group/board. Applying the current 3:1 basis for allocation between Chairmen and Vice-Chairmen, this would result in recommended SRAs of £3,276 for the chair of each group/board, and £1,092 for each vice-chair.

Other SRAs

- 3.8 Given that the Panel received no evidence arguing for changes to the SRAs allocated to cabinet members (other than leader and deputy leader), leader of the principal opposition, leaders of other political groups with 5+ members, or the chair and vice-chair of the Development Control Committee, it recommends no change in the SRAs for these positions, other than the two 1% increases related to officer pay settlements. The resulting SRAs would be as follows:

Cabinet Member; £5,670

Leader of principal opposition; £4,684

Leaders of other political groups; £2,359

Chairman of Development Control Committee; £4,823

Vice Chairman of Development Control Committee; £2,411

Other Issues

- 4.1 The Panel was concerned that the number of Councillors in Rushcliffe receiving SRAs in Rushcliffe is 21, or 42% of Council members. After May 2015, this figure would rise to 45%. Advice from Central Government indicates that by no means all positions of formal responsibility on the Council merit a SRA, and that councils should seek to ensure reasonable limits on the numbers of councillors receiving SRAs. In Rushcliffe, the relatively high figure reflects the fact that five Vice-Chairmen of Committees (or Groups/Boards) receive SRAs. In many, although by no means all authorities, vice-chairmen of such bodies are not allocated SRAs. However, where, as in Rushcliffe, rewarding Vice-Chairmen in this way enables more opposition Members to become eligible for SRAs, then the Panel can see value in this outcome. It is therefore content merely to draw the Council's attention to the situation.
- 4.2 The Panel is confident that its proposals meet the principles underpinning the review. The one possible exception is that, given the incremental changes that have taken place over the years, the scheme is currently not 'as uncomplicated as possible'. Ideally, there should be a tiered system of SRAs, which are all multiples of the basic allowance. However the Panel felt that to attempt to do so at this time would add unnecessary complications to the logic behind its proposals. It would intend to revisit this issue at the time of the next review.
- 4.2 The Panel also draws the Council's attention to the fact that in the current Members' Allowances Scheme, clauses 10.2 to 10.6 refer to details regarding the suspension of members by the Standards Committee. The Localism Act 2011 removed this power; Standards Committees can no longer suspend members. This section of the Allowances Scheme should be amended accordingly.
- 4.3 There was one expenses issue which was raised with the Panel, and that was the circumstances in which first class rail fares can be claimed by officers and Members respectively. In the Panel's view there should be parity between these two groups, and in each case eligibility for first class travel should be dependent on a demonstrable need for a quiet environment to enable Council work to be done on the train. If this condition is not met, then second class fares should be the norm.
- 4.4 The Panel also understands that an internal review is currently taking place of officers' travel and subsistence rates. Once this has been completed, it will be important to ensure that Member rates are amended to ensure parity.

Summary of Recommendations

- 1 The basic allowance should be increased to £5,188, as from May 2015
- 2 Special responsibility allowances should be modified as from May 2015 as follows;

Leader of the Council £14,545.
Deputy leader of the Council £8,606
Cabinet members £5,670
Leader of principal opposition party £4,684
Leaders of other opposition groups (with 5+ members) £2,359
Chairmen of the Performance Management Board and 3 Scrutiny Groups £3,276
Vice Chairmen of these bodies £1,092
Chairman of the Development Control Committee £4,823
Vice Chairman of Development Control Committee £2,411
Chairman of Standards Committee £1,200.
Chairman of Alcohol & Entertainments Licensing Committee £1,200.
- 3 The SRA for the Chairman of the Council should be discontinued, but the allowances paid to the Mayor and Deputy Mayor reviewed to ensure that all legitimate expenses of these roles are met.
- 4 The notional allocation of £600 in the basic allowance for use for IT and communication purposes should be discontinued, but not subtracted from the allowance.
- 5 Allowances should be increased each year in line with the percentage pay award made to officers.
- 6 The Members' Allowances Scheme should be amended to reflect the fact that the Standards Committee no longer has the power to suspend Council Members.
- 7 The Rates of the Travelling Allowances Schedule should be amended to make it clear that eligibility for first class train travel for both officers and Members should be conditional on a demonstrable need for quiet conditions to undertake Council business.
- 8 These recommendations involve no additional expenditure on Members' allowances in total, beyond the application of the 1% officers' pay settlement in 2014 and 2015.

Background Research – Independent Remuneration Panel

In September 2014, Rushcliffe Borough Council commissioned its independent panel to carry out a review of Members' Allowances. The panel comprises the chair, Professor Steve Leach of De Montfort University, Leicester; Richard Dix, former chief executive of Newark and Sherwood District Council; and a new member, Stuart Leslie, former Director of Legal and Democratic Services at Derby City Council.

The Panel met on two occasions when it carried out interviews with the Council leader, and the leader of the Labour Group. All Council members were given the opportunity to address the Panel, or to e-mail the Panel with their concerns, but the two above-mentioned Councillors were the only ones the Panel heard from.

The Panel recommended:

1. The basic allowance should be increased to £5,188, as from May 2015
 2. Special responsibility allowances should be modified as from May 2015 as follows;
 - Leader of the Council £14,545 (£12,206.04)
 - Deputy leader of the Council £8,606 (£7,551.00)
 - Cabinet members £5,670 (£5,556.96)
 - Leader of principal opposition party £4,684
 - Leaders of other opposition groups (with 5+ members) £2,359
 - Chairmen of the Performance Management Board and 3 Scrutiny Groups £3,276
 - Vice Chairmen of these bodies £1,092
 - Chairman of the Development Control Committee £4,823
 - Vice Chairman of Development Control Committee £2,411
 - Chairman of Standards Committee £1,200.
 - Chairman of Alcohol & Entertainments Licensing Committee £1,200.
- *Information in parenthesis above refers to the pre 2014 Allowances
3. The SRA for the Chairman of the Council should be discontinued, but the allowances paid to the Mayor and Deputy Mayor reviewed to ensure that all legitimate expenses of these roles are met.
 4. The notional allocation of £600 in the basic allowance for use for IT and communication purposes should be discontinued, but not subtracted from the allowance.
 5. Allowances should be increased each year in line with the percentage pay award made to officers.
 6. The Members' Allowances Scheme should be amended to reflect the fact that the Standards Committee no longer has the power to suspend Council Members.
 7. The Rates of the Travelling Allowances Schedule should be amended to make it clear that eligibility for first class train travel for both officers and Members should be conditional on a demonstrable need for quiet conditions to undertake Council business.
 8. These recommendations involve no additional expenditure on Members' allowances in total, beyond the application of the 1% officers' pay settlement in 2014 and 2015.

These recommendations were accepted at Council on Thursday 5 March 2015.

Given the period of time that has elapsed since the last full review of allowances and the impending Borough Council election next year, it is considered to be an opportune time to carry out another full review of the allowances scheme. It is important to note point 5 above that there have been annual increases in line with officer pay awards.

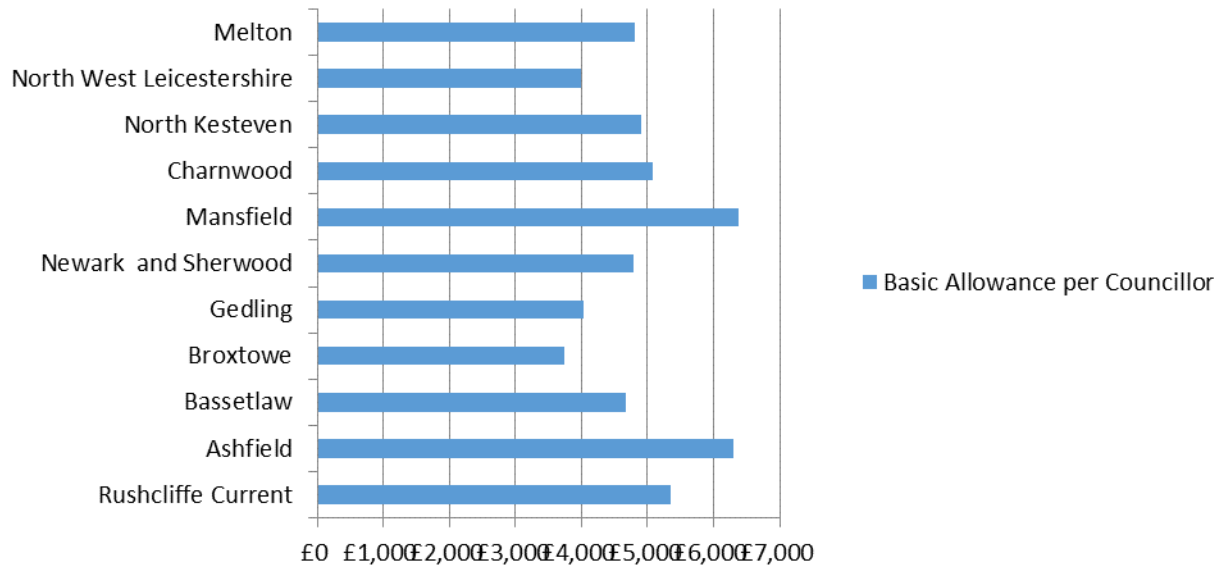
Benchmarking exercise

Basic Allowance

Commentary – the basic allowance per councillor for RBC is the 6th highest in the sample group below (16 councils). RBC has the fifth highest overall budget for Members Allowances.

Name of authority	Number of Councillors	Basic Allowance per Councillor	Total Spent on Basic Allowances
Rushcliffe Current	44	£5,398	£237,512
Ashfield	35	£6,300	£220,500
Bassetlaw	48	£4,674	£224,352
Broxtowe	44	£3,741	£164,604
Gedling	41	£4,027	£165,107
Newark and Sherwood	39	£4,794	£186,966
Mansfield	36	£6,386	£229,896
Charnwood	51	£5,075	£258,825
South Kesteven	56	£5,407	£302,792
North Kesteven	43	£4,900	£210,700
North West Leicestershire	38	£3,993	£151,734
Melton	28	£4,804	£134,512
Erewash	47	£3,972	£186,684
Bolsover	37	£9,902	£366,374
Chesterfield	49	£5,998	£293,902
Amber Valley	47	£3,871	£181,937

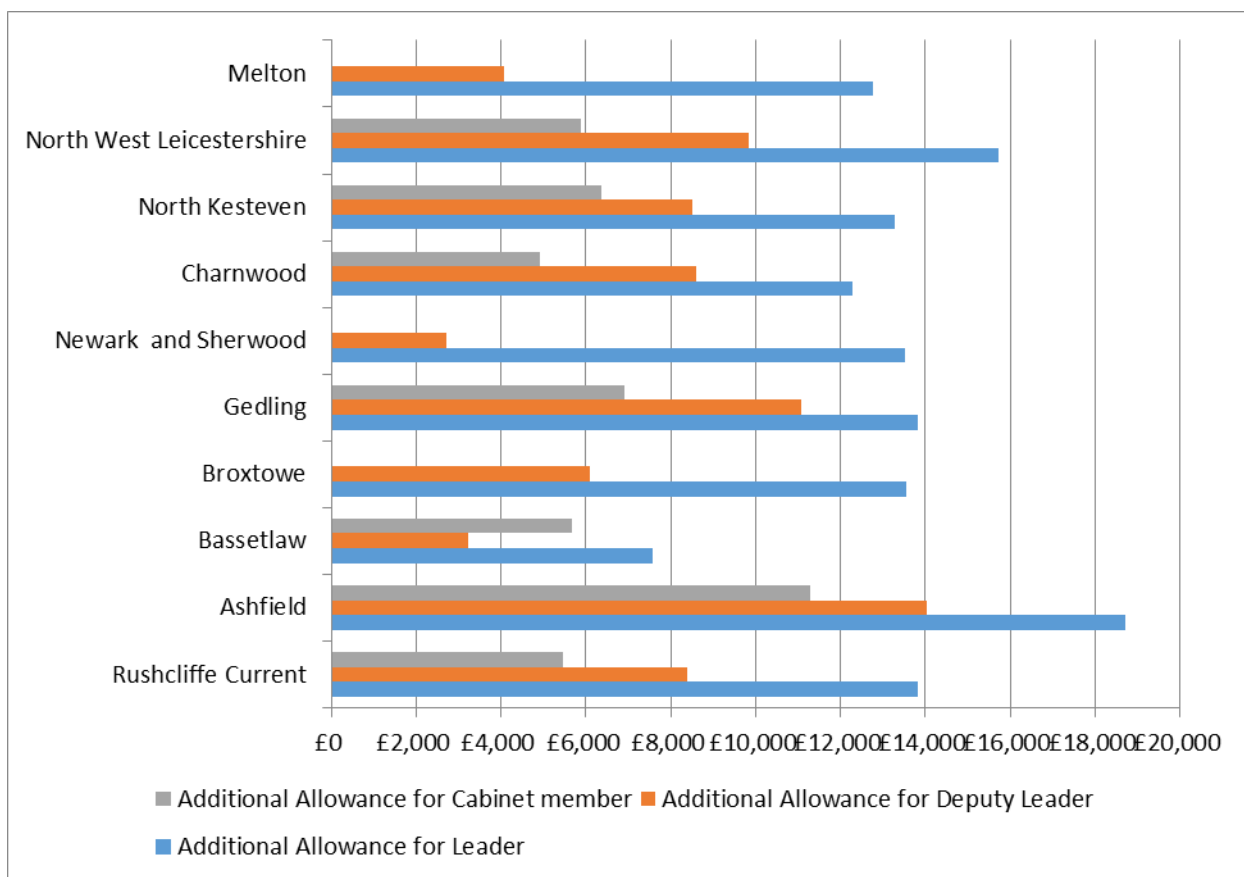
Basic Allowance per Councillor



Special Responsibility Allowances – Leaders

Commentary: RBC has the 4th highest Leaders Allowance (from 15 authorities), the 7th highest Deputy Leaders Allowance

Name of authority	Additional Allowance for Leader	Additional Allowance for Deputy Leader	Additional Allowance for Cabinet member	Additional Allowance for Leader of Opposition	Additional Allowance for Deputy Leader of other political groups
Rushcliffe Current	£15,134	£8,954	£5,899	£4873	
Ashfield	£18,705	£14,032	£11,277	£7,426	£2,806
Bassetlaw	£7,575	£3,232	£5,656	£0	£0
Broxtowe	£13,558	£6,101	No Cabinet	£1,355	£0
Gedling	£13,833	£11,066	£6,916	£6,916	£0
Newark and Sherwood	£13,526	£2,705	No Cabinet	£4681	£0
Mansfield	No Leader				
Charnwood	£12,292	£8,604	£4,917	£4,121	£0
South Kesteven	£18924	£14869	£10814	£5407	£0
North Kesteven	£13,290	£8,505	£6,379	£1,667	£0
North West Leicestershire	£15,732	£9,833	£5,890	£3,993	£0
Melton	£12,781	£4,084	No Cabinet	£3,733	£0
Erewash	£12,485	£7,644		£5,129	£757
Bolsover	£14,672	£9,781		£4,890	
Chesterfield	£8,343*	£15,027*	£8,861	£2,377	
Amber Valley	£11,615	£5,808	£2,173		



Special Responsibility Allowances – Chairmen and Vice Chairmen

Commentary:

Rushcliffe is currently in the middle of the figures below when ranked from lowest to highest, RBC being the 7th highest in total.

Name of authority	Additional Allowance for Chairman of fully constituted groups	Additional Allowance for Vice Chairman of fully constituted groups	Total
Rushcliffe Current	Four Scrutiny Groups : £3,408 Planning Committee £5,018 Alcohol and Entertainments £1,248 Standards £1,248 Total: £21,146	Four Scrutiny Groups: £1,136 Planning Committee: £2,508 Total: £7,052	£28198
Ashfield	Overview and Scrutiny £7,426 Scrutiny Panels £6,547 (2) Planning Committee £7,426 Audit Committee £3,709 Licensing Committee £3,709 Area Committee £1,871 Standards and Personnel Committee £3,709	Scrutiny Panels £1,871 (2) Planning Committee £2,806 Total: £6548	£47492

	Total: £40944		
Bassetlaw	Audit and Risk £3,131 Overview and Scrutiny £3,131 Planning £3,131 Licensing £2,121 Total: £12514	Audit and Risk £606 Overview and Scrutiny £606 Planning £1,111 Licensing £404 Total: £2727	£15241
Broxtowe	Committee Chairs £4,745 (6) Planning £3,391, licensing and appeals £2,712, Housing Payments Committee £1,355, Governance, Audit and Standards £2,033 Total: £37961	6 Committee VCs £1,563 (6) Planning £678 Licensing and Appeals £542 Housing Payments Committee £271 Governance, Audit and Standards £271 Total: £11140	£49101
Gedling	Planning £4181 Environment and Licensing Committees £4,841 Audit Committee £3458 Overview and Scrutiny Committee £3,458 Joint Consultative and Safety £1383 Standards Committee £1,383 Total: £19364	£0	£19,364
Newark (COMMITTEE STYLE)	Opposition spokesperson on Functional Committees £1,017 Chairmen of functional committees £5,513 (4) Planning committee £5,513 Licensing £3,226 General Purposes £3226 Audit and Accounts Committee £1,868 Total: £36932	£0	£36,932
Mansfield	Overview and Scrutiny £7,690 (3) Planning £10,653 Audit Committee £2,121 Licensing Committee £8,339 Standards £1,630 Council Chairman £2,873	£0	

	Council Vice-Chair £1,183 Total: £49869		
Charnwood	Audit Committee £3,442 Plans Committee £3,687 Member Conduct Committee £1,476 Licensing £2,458 Scrutiny Commissioner (5) £3442 Total: £28273	Plans Committee £1,476 Licensing Committee £737 Assistant Scrutiny Commissioner £1476 Total: £2213	£30,486
South Kesteven	Development Management Committee £4866 Licensing Committee £2973 Scrutiny £5407 (8) Governance and Audit £3604 Constitution Committee £2433 Employment Committee £3604 Shareholder Committee £3604 Independent Person £1000 Total: £65340	Development Management £1605 Licensing committee £981 Scrutiny (8) £1784 Governance and Audit £1189 Constitution Committee £802 Employment Committee £1189 Shareholder Committee £1189 Total: £21227	£86,567
North Kesteven	Planning £4,600 Overview and Scrutiny £3,156 (4) Audit Committee £3,156 Licensing Committee £3,156 Standards £60 per meeting (max £300), Council Chairman £505 Total: £24341	Planning £1,518 Overview and Scrutiny £1,041 Audit Committee £1,041 Licencing £1,041 Standards £20 per meeting (max £100) Council Vice-Chair - £202 Total: £8066	£32,407
North West Leicestershire	Policy Development Group: £4914 Planning Committee: £4914 Licensing Committee: £4914 Audit and Governance Committee: £4914 Total: £19656	None	£19,656
Melton	Committee Chair £4,084 (5) Total: £20420	Committee Vice-Chair £1,204 (5) Total: £6020	£26,440

Covered within the Allowance (including IT Provision)

Name of authority	What is included within the allowance	Provision of IT (buy your own or provided by authority?)
Rushcliffe Current	Travel and subsistence	Buy their own
Ashfield	travel, subsistence, mileage	ipad and keyboard provided by ADC
Bassetlaw	subsistence, mileage, BT Total Broadband (£13 per month)	mobile phone provided by authority or ipads
Broxtowe	Travel, subsistence	£200 per councillor to spend on IT Provision
Gedling	Dependent Carers Allowance and Travelling and Subsistence Allowance are payable as appropriate.	
Newark and Sherwood	Travel and subsistence	authority provides each councillor with either a laptop or tablet
Mansfield	travel and subsistence	?
Charnwood	travel and subsistence	on request, the Council provides all Councillors with a computer or a tablet device, a printer and appropriate software and support.
South Kesteven	Travel and subsistence	
North Kesteven	Travel and subsistence	In 2018 Council approved the removal of The ICT Allowance (£100) from the Scheme. Members of the Executive Board and Chairman of the Planning Committee are entitled to a mobile phone
North West Leicestershire	childcare costs, travel, subsistence, £75 per annum towards home telephone rental and £75 per annum towards home broadband	surface pros provided by authority
Melton	stationery, travel within ward	ipad provided by authority

Appendix F

% of Councillors Receiving an SRA

Rushcliffe has 44 Councillors. 19 of these receive an SRA. Thus, 43% of Rushcliffe Councillors receive and SRA.

Name & Initials	Basic	Special Responsibility	Civic Dignitaries	Travel & Subsistence
Adair RA Mr	£5,344.12	£1,236.12	£0.00	£0.00
Bailey S Mrs	£4,794.31	£0.00	£0.00	£864.50
Beardsall K Mr	£5,344.12	£3,232.35	£0.00	£0.00
Brown NA Mr	£5,344.12	£0.00	£0.00	£0.00
Buckle M Mr	£5,344.12	£0.00	£0.00	£0.00
Buschmann Mr BR	£5,344.12	£0.00	£0.00	£0.00
Butler RL Mr	£5,344.12	£5,104.44	£0.00	£391.00
Chewings HA Mrs	£4,476.00	£1,124.88	£0.00	£100.10
Clarke JN Mr	£5,344.12	£2,339.15	£0.00	£647.82
Combella C M Miss	£5,344.12	£3,374.64	£0.00	£451.75
Cooper LB Mr	£5,344.12	£1.44	£5,928.26	£326.30
Cottee Mr JE	£5,344.12	£911.86	£0.00	£70.20
Davidson G Mr	£5,344.12	£950.70	£1,030.54	£210.60
Dickinson AM Mrs	£5,344.12	£0.00	£0.00	£0.00
Donoghue J	£5,344.12	£0.00	£0.00	£0.00
Edwards M Mr	£4,476.00	£0.00	£0.00	£0.00
Edyvean A Mr	£5,344.12	£4,928.84	£0.00	£0.00
Greenwood JE Mrs	£5,344.12	£1,124.88	£0.00	£0.00
Hetherington R Mr	£5,344.12	£0.00	£0.00	£0.00
Hull S	£5,344.12	£0.00	£0.00	£332.15
Inglis R Mr	£5,344.12	£0.00	£0.00	£0.00
Jeffreys C	£5,344.12	£0.00	£0.00	£0.00
Jones Mr R	£5,344.12	£0.00	£0.00	£0.00
Khan Mr KA	£5,344.12	£0.00	£0.00	£0.00
Lawrence NC Mr	£5,344.12	7.47	£0.00	£0.00
Lungley EJ Mr	£5,344.12	£0.00	£0.00	£0.00
MacInnes A Mr	£4,476.00	£174.18	£0.00	£33.66
Males MM Mrs	£5,344.12	£0.00	£0.00	£271.70
Mallender Mr GR	£5,344.12	£0.00	£0.00	£0.00
Mallender SE Mrs	£5,344.12	£0.00	£0.00	£0.00
Mason DJ Mrs	£5,344.12	£8,392.86	£0.00	£0.00
Matthews S Mr	£5,344.12	£0.00	£0.00	£0.00
Moore GS Mr	£5,344.12	£5,455.70	£0.00	£785.11
Philips A	£5,344.12	£0.00	£0.00	£7.80
Plant Ms EA	£4,476.00	£0.00	£0.00	£0.00
Purdue-Horan F Mr	£5,344.12	£0.00	£8.49	£0.00
Robinson SJ Mr	£5,344.12	£13,824.74	£0.00	£1,480.01
Smith JA Mrs	£5,344.12	£3,374.64	£0.00	£0.00
Stockwood Mr JA	£5,344.12	£2,871.53	£0.00	£0.00
Stockwood Mrs M	£5,325.85	£0.00	£1,780.31	£130.00
Thurman J	£5,344.12	£1,123.44	£0.00	£686.40
Upton R	£5,344.12	£5,836.41	£0.00	£0.00
Wheeler DG Mr	£5,344.12	£3,374.64	£0.00	£0.00
Wheeler JGA	£5,344.12	£0.00	£0.00	£0.00
TOTALS	£231,235.48	£68,764.91	£8,747.60	£6,789.10



Council

7 March 2019

Scrutiny Review

Report of the Chief Executive

1. Purpose of report

- 1.1. Between September 2018 and February 2019, the Council has undertaken a review of its scrutiny function with independent assistance from the Centre for Public Scrutiny. A copy of their report is attached at Appendix One.
- 1.2. Following clarification and discussion with officers and the Cabinet, changes to the scrutiny structure are being proposed. It is also proposed that in line with the recommendations of the report that there should be improved training for scrutiny members following the 2019 local elections.
- 1.3. To minimise risk and ensure continuity, a managed and transitional approach to changing the structure was supported and is, therefore, being recommended to Full Council. It is envisaged that the transitional period which involves members of scrutiny will require between 12 and 18 months before fully moving to a revised scrutiny model.
- 1.4. General support for the revised and transitional models, and a willingness to change, was identified in a briefing session with scrutiny chairmen and vice chairmen and, subsequently, an open invitation session for all scrutiny group members. A copy of the main discussion points raised is shown at Appendix Two.

2. Recommendation

It is RECOMMENDED that Council:

- a) Notes the CfPS Review of Scrutiny report contained at Appendix One
- b) Agrees to disband the current scrutiny structure at the end of the municipal year
- c) Gives approval for the creation on the transitional model of scrutiny including the Corporate Overview Group and three themed scrutiny groups of growth, communities and governance effective from 1 June 2019
- d) Agrees the size and proportionality of the new scrutiny groups as outlined in paragraphs 4.13 and 4.16
- e) Requests the Chief Executive to explore options for independent support during the transitional period as outlined in paragraph 4.18
- f) Requests the Chief Executive to bring forward Terms of Reference for all scrutiny groups to Annual Council to allow nomination to groups to be made

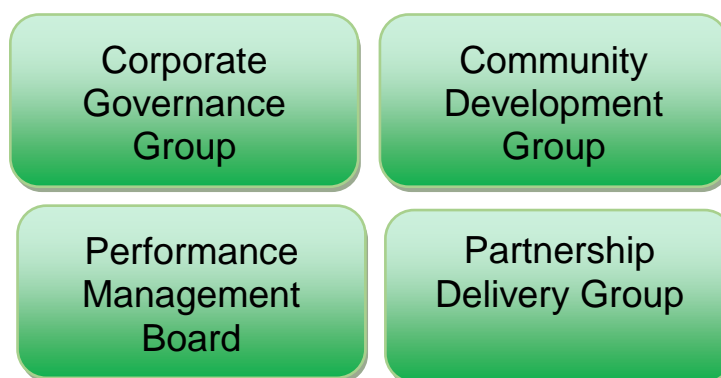
3. Reasons for Recommendation

- 3.1. The independent review of scrutiny at Rushcliffe Borough Council has identified a number of strengths and areas for improvement with the current structure and operation. To fully ensure that scrutiny is supporting the overall aims of the authority changes, to the structure, training, remit and workload of scrutiny groups are proposed.

4. Supporting Information

Background to the review

- 4.1. Following earlier planning and corporate peer challenges, the Council questioned whether the current scrutiny function (shown below and introduced in 2007) was really adding value to the decision-making process. The reasons for this were: growing frustration of scrutiny members, continuing financial pressures the authority is experiencing, the desire for greater transparency and accountability, and the growing need to ensure resources and members' skills are utilised more flexible and responsively.



- 4.2. The Centre for Public Scrutiny (CfPS), an independent consultancy focused on helping public sector organisations deliver effective scrutiny and governance, was engaged to undertake a review of scrutiny between September and December 2018.
- 4.3. The review included desk research looking at what we currently do as well as best practice from around the sector and the recommendations of the Government Select Committee into Scrutiny within Local Government; interviews with a range of councillors and officers; an online questionnaire open to all councillors; and a feedback and scoping session with Cabinet and management team.
- 4.4. Key lines of enquiry provided to the CfPS included:
- Is Scrutiny performing as efficiently as it could be?
 - Is Scrutiny contributing to the overall success of the authority?
 - Is Scrutiny fulfilling its purpose – i.e. to hold the Executive to account publicly?

Review findings

- 4.5. The CfPS observed that Rushcliffe was a high performing authority with a stable and clear majority. They believed that scrutiny is doing well but could 'always do better'. Additionally, they perceived that there is lots of activity at

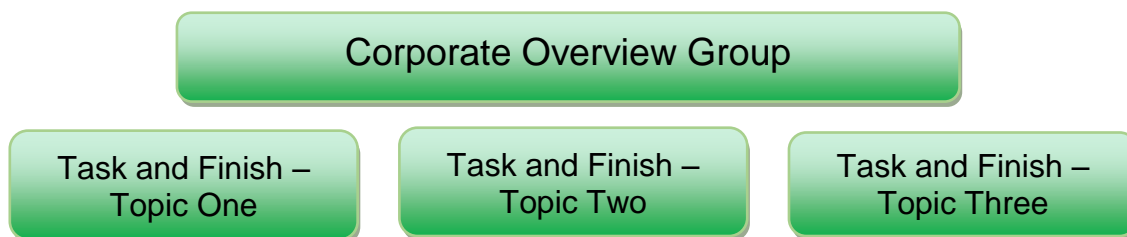
scrutiny but its focus could be better placed and that the Executive ambition could be better supported or enhanced by the scrutiny function.

- 4.6. The CfPS highlighted a number of strengths in their report:
- Rushcliffe is a well-run, high performing council; scrutiny is well managed and runs well as a function
 - There are high levels of officer support and engagement
 - Task and finish groups are effective and satisfying for members
 - Members and officers are well engaged and positive about their role.
- 4.7. However, they also identified a number of areas for improvement:
- No shared understanding within the scrutiny groups about the purpose of scrutiny
 - Work programmes are routine and repetitive
 - Lack of understanding or visibility of the Council's corporate strategy and how scrutiny may support its delivery
 - No, or limited, consideration of the forward plan, corporate strategy, MTFs or other key documents in setting the work programme
 - Public democratic accountability can be improved – the public has the right to know how decisions are reached and by whom
 - Provisions for holding the Executive to account are in the Constitution but are not utilised (for example, call-in procedures or inviting the portfolio holders to give account at scrutiny).
- 4.8. The CfPS also highlighted aspects of best practice from across the sector that they felt merited consideration at Rushcliffe. These included:
- Better training for members of scrutiny – post election
 - Terms of reference to be updated with clearer guidelines about role, purpose and function of scrutiny
 - Scrutiny should be balanced between holding the Executive to account and pro-actively contributing to the formulation of strategy, plans and solutions
 - If there is an issue of sufficient concern, members of the Executive can be invited to explain decisions or proposals
 - Timings and duration of meetings– most councils now meet in the day within business hours – set duration time of two hours is seen as best practice.
 - The practice of individual group meetings should be stopped and replaced with a single meeting to brief chairman before the meeting– the scrutiny group should act as one.

Proposed Scrutiny Structure

- 4.9. Following receipt of the report, a lead member of the CfPS review team met with senior officers and members of the Cabinet to present the team's findings. As a result of these discussions, he recommended a 15-member politically proportional structure, shown below, comprising one large Corporate Overview Group to create work programmes based on concerns highlighted by quarterly financial and performance monitoring reports, as well as items on the Cabinet Forward Plan, contained within the Corporate Strategy or Medium Term Financial Strategy, for in-depth investigation by task and finish groups, which would be fluid in respect of membership.

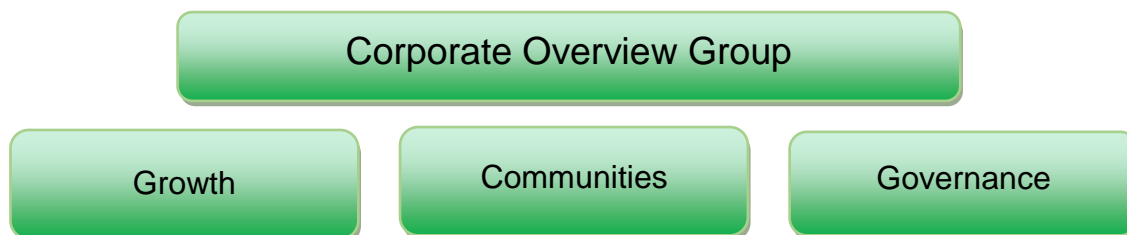
- 4.10. Task and finish groups would be chaired by a member of the Corporate Overview Group and additional members would be drawn from all councillors without Executive responsibilities. Under this proposal, a separate Governance Group would be established to scrutinise standing items such as internal and external audit reports.



- 4.11. The proposed change is a radical step away from the existing and well understood scrutiny model. Therefore, moving to such a different model and way of operating the scrutiny function as well as delivering an extensive induction programme for new councillors, additional training for scrutiny chairmen and vice chairmen, and altering the way items are selected for scrutiny would require considerable resources and carry risks. Following further consideration and the willingness to focus upon making scrutiny more enjoyable and relevant for elected members, it is proposed that alterations to the existing structure are made through a transitional period. This will enable members to be engaged and involved in the development of the future scrutiny structure, enabling some of the features of the new structure to be incorporated whilst also maintaining sufficient resource focused on operational issues.

Transitional Model

- 4.12. This transitional model, which we envisage being in place between 12 and 18 months, will allow new councillors elected in May 2019 to undertake the induction programme and settle into their new roles, allow additional training for scrutiny chairmen and vice chairmen to take place and possibly extended to all members of scrutiny, and allow for new ways of identifying work programme items to be introduced. It will also afford the Council the opportunity to provide independent support to the new chairman of the Corporate Overview Group, as well as evaluating the changes and providing feedback throughout the change process. The transitional model is highlighted below and utilises the existing structure whilst formally creating a corporate overview group, with the responsibility to drive a change in focus, determine and approve the overall work programme, and provide feedback to maximise the efficiency of the scrutiny function.



- 4.13. It is proposed, that to signal the importance of scrutiny and ensure focus upon the development of a revised scheme is maintained, the appointment of an independent (not a chairman or vice chairman of any other group or

committee) change champion is considered. It is suggested that the designated member would also be the chairman of the Corporate Overview Group. This group will initially be limited to seven members – the remaining six being the chairman and vice chairmen of the three additional scrutiny groups. The group will need to be politically proportional and this may have an impact on the allocation of seats following the May 2019 Election (based on the current membership of the Council, a minimum of two chairman or vice chairman positions would need to be filled by opposition members).

4.14. The role of the change champion will be to:

- work with the Executive and senior officers to deliver real change to the way scrutiny is delivered at Rushcliffe
- oversee the training of new councillors as well as those who continue in their roles including additional training for successful chairmen and vice chairmen
- lead the development of a new way of drawing up work programmes based on the Corporate Strategy, Cabinet Forward Plan and Medium Term Financial Strategy
- oversee the realignment of the transitional arrangements to meet the requirements of the model proposed above.

Corporate Overview Group

4.15. The Corporate Overview Group, during the transitional year, will be responsible for:

- transforming the culture, focus and objectives of scrutiny
- creation of a scrutiny development programme to guide the transition process
- meet as necessary setting the work programmes for the three other scrutiny groups based on the Corporate Strategy, Cabinet Forward Plan and Medium Term Financial Strategy as well as scrutinising standing items such as financial and performance management.

Themed Scrutiny Groups

4.16. Each of the three themed scrutiny groups will have nine members, as they do now, which will meet quarterly to deliver the work programme drawn up by the Corporate Overview Group. At the conclusion of the transitional period, it is currently envisaged that these three groups will disband and the Corporate Overview will increase in size and establish task and finish style groups to deliver scrutiny reviews as required.

4.17. The focus of these three themed scrutiny groups will be initially realigned to more accurately reflect the current aspirations and challenges of the authority. These are proposed to focus upon Growth, Communities and Governance.

Future Independent Involvement

4.18. It is recommended that additional, external support appointed to work with the Corporate Overview Group to develop an initial work programmes and highlight good working practices to be adopted when reviewing the programme in future meetings. In addition, allocated support could undertake training of new councillors, continuing councillors, chairmen and vice chairmen; support officers working with scrutiny; as well as reviewing the

progress of scrutiny during the transitional phase before supporting the transfer to the preferred model of scrutiny. It is envisaged that this support could come from the CfPS, East Midlands Councils or the Local Government Association.

Way forward

- 4.19. The timetable below has been proposed for the transitional phase and introduction of the desired model of scrutiny (assuming the Council agrees to proceed the final proposed model):

March 2019	Council decision to agree transitional scrutiny structure
May 2019	Council agreement for Scrutiny Terms of Reference, nominate members to new groups, agree calendar of meetings for 2019/20
May to September 2019	Induction programme for new councillors, scrutiny training and development Corporate Overview Group receives initial scrutiny items in respect of proposed corporate plan, performance and financial management Corporate Overview Group meets to develop work programmes for each of the themed groups
September 2019 to May 2020	Work programme of themed group commences Operation and evaluation Chairman of Corporate Overview Group engages with Executive and Executive Management Team to review operation and propose changes

- 4.20. The themed scrutiny groups may be asked to meet during the initial set up period (May to September) if items for urgent scrutiny are identified.

5. Alternative options considered and reasons for rejection

- 5.1. It must not be forgotten that the independent review of scrutiny undertaken by the CfPS concluded that scrutiny at Rushcliffe is 'doing well' and that, therefore, doing nothing remains an option following this review.

6. Risks and Uncertainties

- 6.1. As the CfPS review concluded that scrutiny at Rushcliffe was 'doing well', as outlined in paragraph 5.1, no change is a valid option. However, this presents the risk of scrutiny becoming stale, ineffective and complacent.
- 6.2. By changing scrutiny and upsetting the status quo, there is the risk that something that would have been picked up under the existing structure gets missed with a detrimental effect on the organisation or the services it delivers to residents.

7. Implications

7.1. Financial Implications

- Additional resource will be required (as mentioned at paragraph 4.18) and is expected to be utilised from either existing budgets or current year underspend. This is estimated to be up to £20,000.

7.2. Legal Implications

- The Local Government Act 2000 requires all local authorities to establish arrangements for effective scrutiny with sufficient power to
 - (a) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are the responsibility of the executive,
 - (b) to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are the responsibility of the executive,
 - (c) to review or scrutinise decisions made, or other action taken, in connection with the discharge of any functions which are not the responsibility of the executive,
 - (d) to make reports or recommendations to the authority or the executive with respect to the discharge of any functions which are not the responsibility of the executive,
 - (e) to make reports or recommendations to the authority or the executive on matters which affect the authority's area or the inhabitants of that area
- This report supports the discharge of this function in accordance with the legislative requirements.

7.3. Equalities Implications

- There are no equalities implications.

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

- There are no Section 17 implications.

7.5. Other implications

- There are no other implications.

8. Link to Corporate Priorities

- 8.1. Delivery of effective scrutiny is an essential element of delivering the Council's Corporate Strategy and underpins all of its Corporate Priorities.

9. Recommendations

It is RECOMMENDED that Council:

- a) Notes the CfPS Review of Scrutiny report contained at Appendix One
- b) Agrees to disband the current scrutiny structure at the end of the municipal year

- c) Gives approval for the creation on the transitional model of scrutiny including the Corporate Overview Group and three themed scrutiny groups of growth, communities and governance effective from 1 June 2019
- d) Agrees the size and proportionality of the new scrutiny groups as outlined in paragraphs 4.13 and 4.16
- e) Requests the Chief Executive to explore options for independent support during the transitional period as outlined in paragraph 4.18
- f) Requests the Chief Executive to bring forward Terms of Reference for all scrutiny groups to Annual Council to allow nomination to groups to be made

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Background papers available for Inspection:	None
List of appendices:	Appendix 1 – CfPS report Appendix 2 – Discussion points raised during Councillor Briefing Sessions

Supporting scrutiny in Rushcliffe Borough Council



Review report

October 2018

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Report Summary

Introduction

1. The Centre for Public Scrutiny (CfPS) was commissioned by Rushcliffe Borough Council (CBC) to advise and support an internally-led review on the effectiveness and impact of their current approach to overview and scrutiny.
2. We would like to thank those elected scrutiny members, cabinet members, officers and partners who took part in interviews, survey and observations for their time, insights and honesty.

Scope and methodology

3. The scope of the report was to 'assess the current approach to scrutiny and make recommendations aimed at improving its impact and effectiveness in Rushcliffe BC'. We explored the value and impact of scrutiny in terms of:
 - Effectively holding the executive to account
 - Contributing to policy-making
 - Acting as a voice for the public
 - Whether scrutiny is organised in the best way to have an impact and move at pace
 - Its overall value to the council's effectiveness
4. Specific areas to be included were:
 - How well the role of scrutiny is understood within the council and amongst external stakeholders and the perception of its value?
 - How the public are involved in the work of scrutiny?
 - How focused and well managed the work programmes are in relation to corporate priorities and issues of immediate concern?
 - How effectively scrutiny constructively challenges executive decisions?
 - How much impact scrutiny has had, for example in relation to the performance of the council, its partners and within the borough?
 - How members are trained and supported to undertake scrutiny and how this contributes to their broader development?
5. The principle questions we will use for evidence gathering are:
 - What do people want to be different?
 - What would good look like for Rushcliffe BC?
 - What works already?
 - What new things could be tried?

6. Evidence gathering included:

- Desk research of key council documents, agendas, minutes, work programme, etc.
- Member survey
- Observations of scrutiny meetings
- Interviews with key members, officers and partner stakeholders

A copy of the member survey results can be found at Appendix A and details of the meetings observed and interviews undertaken can be found at Appendix B.

Summary of findings

Context

7. The importance of good governance and the value of accountability and openness in local government is well documented, and scrutiny is a key contributor. In the context of austerity across all public services, challenges in relation to demand and the need for clear accountability - scrutiny's role is even more significant. The recent Communities and Local Government Select Committee review into local government scrutiny confirmed that the culture of an organisation is vital to ensuring independent and effective challenge. Government is planning to issue new guidance for local government scrutiny and our findings and recommendations to take into account CfPS expectations in relation to this. For Rushcliffe, it is important that scrutiny does challenge but also actively contributes to the operational working of a high performing council in a diverse and fluid environment which is focused on maximising the use of scarce resources.
8. Many councils have been undergoing significant change and transformation. RBC's approach to partnerships, different approaches to service delivery and income generation is seen as leading the way and has positioned the council well to respond to current challenges. For some organisations, this change to new ways of working has required scrutiny to become more responsive and flexible and to use its time and resource more intelligently. This has proven extremely challenging for many councillors. But without these changes, scrutiny will become irrelevant.
9. RBC has seen political changes relatively recently with the appointment of a new Council Leader and changes to Cabinet and Scrutiny roles. The new Council Leader and Chief Executive are ambitious for the people of Rushcliffe in terms of improving outcomes, tackling important issues around housing growth, the economy, supporting residents and delivering excellent services. To achieve this, they recognise that the pace of delivery in the council needs to be maintained and the Council needs to have its voice heard within the region and beyond. The role of effective and focused scrutiny in adding value and supporting this ambitious agenda is crucial in providing transparency.

An appraisal of current overview and scrutiny

10. **Council approach to scrutiny:** Rushcliffe is a well-run, high performing council and scrutiny is well managed and runs well as a function.

The council has transformed over the last decade and the opportunity is now being taken through this review to see how scrutiny should adapt to reflect these changes. The council is keen to evolve scrutiny to ensure it is making an appropriate and positive contribution to how the council now operates within the continuing uncertain financial climate and develop itself to align more fully to the corporate priorities

Based on the interviews and feedback received, it is widely recognised that scrutiny could add more value given the time and effort that it dedicates to the function.

There is also a desire by the council leadership to be democratically and publicly accountable for their policies and decisions. Generally, members enjoy scrutiny and do not see it as underperforming, but they do want it to achieve more and would welcome new ways to develop its role to play a more constructive role.

11. **Scrutiny's purpose and democratic accountability.** Most members described the role of scrutiny has holding the corporate officers and the organisation to account and to ensure that services are delivered efficiently and offer good value. This is valid activity but there is clearly a deficit of democratic accountability. There are no recent examples of Cabinet Members being held to account by scrutiny although mechanisms do exist within the Council's Constitution to enable this (see paragraph 21 below).

It is also seen as helpful in involving councillors in the process of decision-making. Members and officers recognise that it can make a positive contribution to the future decision-making of the council. Scrutiny is also used as a helpful way to scrutinise partners and to give officers feedback on progress and performance of service delivery. Partners welcome scrutiny and report that the experience is positive. Scrutiny allows councillors (particularly new ones) to get a deeper understanding of the organisation/ services.

12. **Clarity of vision/ the corporate plan.** There is a lack of understanding or visibility of the council's corporate plan. The main outcomes can be described but there is little that sits below it that scrutiny can grasp hold of in terms of informing their priorities. This may exist in the organisation, but it is not used. Members are very passionate about their local areas but lacking a sense of what the purpose and priorities are for the organisation.

We were provided with little evidence of the role of scrutiny in setting the council's budget or medium-term financial plan. An internal briefing and Q&A session is held for all members. There is limited public scrutiny of the budget. RBC scrutiny lacks an overview and scrutiny role which oversees the Corporate Plan, MTFS etc.

13. **Scrutiny work programme and committee structure.** There is certainly a lot of scrutiny activity happening in Rushcliffe, with four permanent committees. Confusion was expressed by some people about the purpose of each committee. Agendas are usually full, and many reports are comprehensive. There are some examples where scrutiny is seen to have made a difference (most from came from specific task and finish projects, but this type of activity has been limited of late with only two task and finish groups taking place in the last two years. More generally however scrutiny was described by most people as being ineffective in relation to impact and the amount of work involved in support of scrutiny.
14. **Public involvement and external focus.** Scrutiny is currently mainly internal in its focus looking at council processes and reviewing decisions. There is little evidence of scrutiny acting as the voice of the public (apart from using specific ward issues to highlight concerns). It is positive to note the introduction of a public question time at Cabinet meetings. This seems to be used by members of the public to ask searching questions and is a positive step in providing transparency and accountability. The leaders of the opposition also have an opportunity for questions. Lessons from here could be applied to scrutiny.
15. **The quality of scrutiny undertaken/ behaviours.** Most scrutiny takes place in committees and there is little evidence of members acting as a team with clear lines of inquiry. This is leaving space for un-co-ordinated individual questions (often focused on specific ward issues), some of which result in scrutiny happening but not usually by design. Meetings begin at 7pm and can continue after 9pm and with four committees to support, these long, late evening meetings are seen as an increasing burden on a smaller officer team.
16. **Evaluation and review.** An annual report is produced which sets out the activities and achievements of scrutiny. It was however difficult for members and officers to recall where scrutiny had made an impact during the year.
17. **The scrutiny support function.** The function is well-supported by a dedicated team of officers with a strong mix of experience and skills. Members and officers are well engaged and positive about their role. There are known processes for work programming planning, agenda setting and managing the meetings.

Summary of recommendations

18. For Rushcliffe to continue as a high performing council and to reflect changes to how it operates, there are some areas where it could consider making changes:
19. **Impact and cost-effectiveness** – Reflecting the changes to how the council works and the officer resource available to support scrutiny, a review of the existing scrutiny model could provide the following benefits:
- An opportunity to better align with the council's priorities or Cabinet portfolios.
 - Give a clearer view of the purpose of scrutiny and an opportunity for members to improve their knowledge by focusing on a specific area of council business.
 - Utilise the best skills available in the member group and focus training and support.
 - Reflect the fact that council staffing has reduced in the last few years.
20. **Agree scrutiny's role and purpose.** Getting a shared view of scrutiny's role and purpose is vital. The focus of scrutiny in RBC has developed over time and become custom and practice (i.e. the operational holding to account of officers). The opportunity should be taken to review and refresh the purpose. Undertaking this as a joint exercise would provide a route for Cabinet to demonstrate its commitment to being challenged. It could also form part of the work programming process.
21. **Democratically accountable, publicly held to account** – A change in behaviour ensuring that it is the cabinet member that is held to account. Currently the majority of scrutiny activity involves report reviewing and questioning of the Rushcliffe officers. They do a good job and are engaged in the process, but this approach often leads to an operational rather than strategic or policy focus and missing the democratic accountability element of scrutiny's role. Members of scrutiny need to activate the Council's Constitution appropriately (namely, Part 4 - Standing Orders – Overview and Scrutiny Paragraph 13). The mechanisms to hold the Executive to account exist but are not exercised by scrutiny. Improved training during the induction of new councillors following the 2019 Borough Council Elections and more advanced training for existing councillors as a result of the scrutiny review should raise member's awareness and confidence in their roles.
22. **More focused work programming** – The work programme is currently based on historic plans and routine items. Many items are part of an annual, rolling programme of review with little challenge where scrutiny can add value. There is an opportunity here for a collaborative approach to work planning, led by members which reflects the needs of residents, council priorities and builds in flexibility to respond as issues arise.

23. **Scrutiny work programme and scrutiny in action** – proactively moving away from items to note and comment, or basic performance reporting. Advance planning will help scrutiny focus add value. Executive manager support should be employed to ensure effective scrutiny through the advice and guidance given to members.

There is currently an over-reliance on committee-based scrutiny. Panels are seen as more effective but resource intensive. Members could look into how different approaches are used which build on members' interest and give scrutiny more focus and less resource intensive.

24. **Review of the structure of scrutiny committees.** Whilst there are benefits to the current scrutiny panel structure, it is leading to confusion about which committee looks at what (even from some of the existing committee members). If this structure is to be maintained, work is needed to be stricter about item allocation and equally importantly when items are removed and how it relates to the work programme and the corporate strategy.
25. **Greater use of time-limited task and finish groups.** Members spoke positively about their experience of task and finish groups. Evidence shows they can have a positive impact if focused on areas where scrutiny can add value. There are a wide range of models, systems and approaches to managing committee meetings, and to carrying out task and finish groups, which RBC can trial and adapt to its own circumstances.
26. **Member training and development.** Members are very keen to improve, but many lack basic scrutiny skills. Members would benefit for collectively receiving the same essential skills training, alongside extended key skills including researching and questioning techniques. Scrutiny chairs and task and finish leaders would also benefit from advanced skills training involving objective setting, team-building and other leadership essentials. The 2019 Borough Council Elections present an excellent opportunity through the induction of new councillors and training of all councillors through the ongoing training programme.

Conclusion

27. There are solid foundation stones in place for Rushcliffe to make changes which will deliver purposeful scrutiny that is valued and makes a difference.
28. The recommendations in this report require commitment from senior officers and the council's leadership. Scrutiny councillors, and the officers who support them, cannot make scrutiny effective, and enhance its impact, on their own. Part of the change will require a shift in approach from the senior political leadership which makes it receptiveness to scrutiny challenge.

Rushcliffe Scrutiny Survey – Member Results

14 responses

Summary:

The number of received responses was lower than expected and results should therefore be considered to be informative rather reflecting a wider member view.

The overall trends are the following:

- Councillors are generally positive about scrutiny's work and the majority see it as somewhat effective 64%;
- Most councillors do not see the primary role as holding the executive to account. Only 3 responses saw this as the main responsibility of scrutiny. Other members have a wide range of views on its purpose including: holding officers to account or the corporate team, checking that the council gives value for money etc
- There is a small difference of opinion about the work programme with the majority 64% believing that it is set at the beginning of the year and remains fixed, whilst 36% believe that it is responsive and flexible.
- There is a range of views on who leads the scrutiny programme with most indicating that officers were responsible (5 responses) followed by members leading the programme (4 responses) with some responses opting for who committee or chair of committee Overall it would suggest that most members believe that it is mainly members, chair or executive are in control of the programme. Our review would indicate that members have only a limited involvement.
- Scrutiny at Rushcliffe enjoys good working relationship with senior officers, executive function, and scrutiny support systems. Almost all responses were positive on this question.
- Councillors feel that they may be over-reliant on officers in terms of providing information, and there seems to be a need to diversify the ways of getting scrutiny evidence.
- Overall councillors feel that scrutiny committee chairs are effective in their role.
- Members feel that scrutiny is effective in task and finish assignments.
- In terms of priorities there was a small consensus around housing and growth with a number of widely different opinions on future priorities.
- Councillors are on the whole satisfied with the training and support they receive, with a small number indicating that they were not satisfied
- Councillors feel that going forward scrutiny needs to be more focused, should be able to showcase its value, and involve residents more often.

Evidence gathered

On-site – meetings and interviews

Scrutiny members

Scrutiny panel chairs

Opposition councillors

Cabinet members

Leader of the Council

Corporate team supporting scrutiny

External partners

Scrutiny panel observation

Member survey (14 responses)

Document and website review

Briefing Sessions with Councillors

Two briefing sessions were held to inform councillors about the outcomes of the scrutiny review. The first targeted chairmen and vice chairmen of scrutiny groups and regulatory committees; the second was open to all councillors. In total, 20 councillors attended including all chairmen and vice chairmen of current scrutiny groups and one Cabinet member.

The discussion points raised included:

- better reports with clear and actionable recommendations
- new candidates are standing on the understanding that meetings happen in the evening – changing them all at this stage would not be advisable however, more flexibility could be encouraged for individual groups once established
- whether four meetings in the first year would be sufficient for the Corporate Overview Group given its extensive remit during the transition phase
- concerns about bringing in a new system for scrutiny at the same time as new councillors
- general agreement for the reduced number of scrutiny groups
- better training is required
- proposed system is more flexible
- new groups will be more focused and effective
- proposed a different timetable with transition being half way between this coming election and the next to allow time for the new system to be developed and then bed-in
- training needs to be better for all members of scrutiny.

There was general agreement in both briefing sessions that scrutiny meetings should be limited to 2hrs duration.

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