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Helen Tambini
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Our reference:
Your reference:

Date: Friday, 28 August 2020

To all Members of the Cabinet

Dear Councillor

A Virtual Meeting of the Cabinet will be held via Zoom on Tuesday, 8 September 2020 at 7.00 pm to consider the following items of business.

The meeting will be live streamed via YouTube for the public to listen and view via the link: <https://www.youtube.com/user/RushcliffeBC>

Note: Please be aware that until the meeting starts the live stream video will not be showing on the home page. For this reason, please keep refreshing the home page until you see the video appear.

Yours sincerely



Sanjit Sull
Monitoring Officer

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Meeting held on 14 July 2020 (Pages 1 - 8)
4. Opposition Group Leaders' Questions

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

5. Citizens' Questions

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

NON-KEY DECISION

6. Potential Local Government Reorganisation (Pages 9 - 16)

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8.30am - 5pm
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9.30am - 5pm
Friday
8.30am - 4.30pm

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The report of the Chief Executive is attached.

7. Revenue and Capital Budget Monitoring 2020/21 - Financial and Covid Update Quarter 1 (Pages 17 - 38)

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

8. Covid-19 Budget 2020/21 and Medium Term Financial Implications (Pages 39 - 62)

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

9. Statement of Community Involvement (Pages 63 - 74)

The report of the Executive Manager – Communities is attached.

Membership

Chairman: Councillor S J Robinson

Vice-Chairman: Councillor D Mason

Councillors: A Edyvean, R Inglis, G Moore and R Upton

Meeting Guidance

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

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.



**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY, 14 JULY 2020**

Held virtually at 7.00 pm and live streamed on the
Rushcliffe Borough Council YouTube channel

PRESENT:

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

ALSO IN ATTENDANCE:

Councillors B Gray, R Jones, R Mallender, J Stockwood and C Thomas

OFFICERS IN ATTENDANCE:

L Ashmore
K Marriott
S Sull
H Tambini
S Whittaker

Executive Manager - Transformation
Chief Executive
Monitoring Officer
Democratic Services Manager
Financial Services Manager

APOLOGIES:

There were no apologies.

1 Declarations of Interest

There were no declarations of interest.

2 Minutes of the Meeting held on 9 June 2020

The minutes of the meeting held on Tuesday, 9 June 2020 were declared a true record and signed by the Chairman.

3 Opposition Group Leaders' Questions

There were no questions.

4 Citizens' Questions

There were no questions.

5 Crematorium

The Portfolio Holder for Business and Economic Growth presented the report of the Chief Executive providing an update on the crematorium project.

The Portfolio Holder for Business and Economic Growth confirmed that Cabinet had previously agreed the acquisition of the Stragglethorpe site, and the procurement process, in line with the planning permission. In light of the

Covid-19 pandemic, and following a thorough review of all options, it was considered prudent that Cabinet reaffirm its commitment to the project and agree the operating model it wished to pursue. In the next stage, it was proposed to appoint a project led management team to move forward to design and delivery, with a view to appointing a contractor by September 2020, for completion by spring 2022. Extensive background work had been undertaken by officers, together with consideration of new technology and the Council's carbon neutral target to ensure that the facility would align with the corporate priority of The Environment. The most favourable option for the Council would be to follow an in-house operating model, and feedback from residents had concurred with that view. The in-house option would also offer the best financial stability to the Council and despite the current budget pressures due to Covid-19, it was important that the Council continued to offer services to its residents.

In seconding the recommendation, Councillor Upton referred to the local need for such a facility and welcomed the progression of the project and the establishment of a management team. It was important that the design was sustainable, environmentally friendly and with a low carbon footprint and the in-house operating model would provide good value for money.

Councillor Robinson referred to the inadequacy of the current facility and how that had been a major factor in the project being established, and it was excellent to see the progress that had been made. It was pleasing to note that further investigation into environmental matters was included in the recommendations and this would give the Council the opportunity to lead the market and set a good example.

It was RESOLVED that:

- a) the Chief Executive be authorised to appoint the successful multi-disciplinary design team to develop detailed designs for the crematorium and perform contract administration and management duties for the construction contract;
- b) the in-house operating model was agreed to provide the best return for the Council and that this should be developed working alongside the wider bereavement sector;
- c) the Chief Executive continue investigations into new technologies to enable the delivery of a greener crematorium for the Borough within the project budget;
- d) the commitment to delivering the build of the crematorium within the capital programme and projected revenue impact be confirmed, with a further report to be submitted to Cabinet, should pre-tender build estimates be over budget; and
- e) the Corporate Overview Group be asked to allocate the appropriate scrutiny group to review and make comment on the detailed designs prior to build tenders being advertised for the construction.

6 Budget Q4

The Portfolio Holder for Finance presented the report of the Executive Manager – Finance and Contract Services outlining Quarter 4 and the year-end financial outturn position for 2019/20, linked to the closure of the accounts process and previous financial update reports.

The Portfolio Holder for Finance advised that the draft Statement of Accounts had been prepared, approved, and considered by the Corporate Overview Group, which had made no observations to Cabinet. Council officers were thanked for their hard work in producing the document well within the statutory limits. The certification and completion of the audit would normally be issued by 31 July; however, due to Covid-19 that would now be delayed until the end of November 2020. The Council's strong financial position had helped it to deal with the pressures it had faced during the pandemic. On a positive note, the Portfolio Holder for Finance confirmed a net transfer to reserves of £1.35m, the majority of which had come from revenue efficiencies noted in the report, which equated to a £619k gain. There had been an addition of £409k from the Nottinghamshire Pool Surplus and £381k from renewable energy business rates. The Council's reserves had increased by £1.6m, and at the end of last year, the Council had total reserves of £13.5m. From those reserves, the Council had committed £1m to the Climate Change Reserve. A number of small reserves totalling £524k that were not planned to be used would be incorporated into the organisation's Stabilisation Reserve, as part of the Council's Covid-19 recovery strategy. The report highlighted important carry forward requests to assist the Borough moving forward and dealing with its growth agenda. There was an underspend of £19m on capital projects, which had primarily occurred due to the postponement of the Council's Asset Investment Strategy, the Bingham Hub and the crematorium, which had been moved into this year. The report referred to the Nottinghamshire County Cricket club loan repayment being delayed; however, Cabinet was advised that following a recent meeting, it had been agreed that the £55k would be repaid in September 2020. Last year the Council's overall financial position was positive and officers were thanked for their hard work in enabling the Council to reinforce its reserves, particularly when the current situation was so challenging.

In seconding the recommendation, Councillor Inglis reiterated the comments made regarding the Council's sound financial management, which would allow the Council to continue to meet the challenges ahead.

Councillor Robinson stated that as the report only covered figures up to the end of March 2020, it could only encompass a few weeks of Covid-19 and lockdown. Whilst it was encouraging that the Council's reserves were so strong, it should be noted that the report could not highlight the financial impact that had taken place since then and the next report covering Quarter 1 would provide a more accurate account of the impact of Covid-19.

It is RESOLVED that:

- a) the 2019/20 revenue position and efficiencies identified in Table 1 in the report be noted and the carry forwards in Table 2 of the

report be approved;

- b) the associated changes to the earmarked reserves as set out at Appendix B of the report be approved, and it be recommended to Full Council that it approves the transfer of three reserves totalling £0.524m as stated at paragraph 4.8 to the Organisation Stabilisation Reserve from 2020/21;
- c) the re-profiled position on capital be noted and the capital carry forwards outlined in Appendix C of the report be approved; and
- d) the update on the Cricket Club loan in Section 5 be noted.

7 Covid-19 Update Report

The Portfolio Holder for Finance presented the report of the Executive Manager – Finance and Contract Services providing an update on the budget position reported to Cabinet on 9 June 2020 of the projected impact of Covid-19.

The Portfolio Holder for Finance confirmed that this was the third report on the impact of Covid-19 on the Council's budget, and it was expected that figures would continue to change. The leisure sector had been severely impacted; however, it was now hoped that there would be a partial reopening of leisure centres from 25 July 2020. It was hoped that public confidence would continue to be restored to ensure the use of Council facilities going forward. The Cabinet would continue to be updated at each meeting, with a revised budget reported to the Council meeting in September 2020. Everyone was aware of the graveness of the situation, particularly for local businesses and communities and it was important that everyone worked together to ensure Rushcliffe remained a great place to live and work.

The Portfolio Holder for Finance welcomed the Central Government funding of £1.23m; however, it was clear even in the short term that it would be insufficient to meet the budget shortfall. The report highlighted the further funding measures that had been announced to help bridge the gap; although it was unclear how the funding deficit in relation to the Council's leisure centres would be funded. Based upon current Government funding, this financial year, the budget gap was expected to be at least £1.25m, with a worst-case scenario of £2.5m, if Covid-19 returned over the winter. In respect of Revenue Budget pressures, the impact on fees and charges and commercial income had been significant during lockdown and it was estimated at £2m for a worst-case scenario. The Council continued to incur additional costs estimated at £1.5m for a worst-case scenario, primarily from supporting Parkwood Leisure, with the Parkwood contract being regularly monitored, the use of agency staff to support waste collection, additional accommodation to support the homeless and additional costs on managing parks and open spaces. Changes to financial projections would continue to be reported to the Cabinet and Corporate Overview Group and the Council remained committed to ensuring the health and wellbeing of the community, maximising the use of its assets and ensuring the best economic outcome for the Council. The improved performance of Edwalton Golf course was noted and welcomed. Capital

Programme issues, including capital receipts and the viability of existing projects had largely remained unchanged since the last report, and the Cabinet would be updated at its next meeting. In respect of Council Tax and Business Rates collection, as of 1 July 2020, collection rates for Council Tax had reduced by 1.1%, which equated to approximately £1m; with £80k of that total for the Council. Business Rates had been largely unaffected because of the significant relief granted to the sector. The Council had reacted quickly to ensure that over £17.6m in Business Grants had been paid out to 90.6% of eligible businesses. Hardship Fund allocations totalling £225k in relation to Council Tax support had also been made. On 1 June 2020, the Council had launched its discretionary scheme, with 144 applications now received and 20 payments currently made of £175k out of the fund of £972k. Applications for the grant had been much lower than anticipated, and the lack of evidence and supporting information from the applicants had resulted in delays and given its discretionary nature, the scheme had created challenges in development and implementation. From 15 July 2020, the scheme would be relaunched, with some relaxation to the criteria, to ensure that everyone could receive the funding they were entitled to. The relaunch would be publicised on the Council's website and all existing applications would be reviewed using the new criteria. The Council was aware of the financial hardship that some town and parish councils were suffering and was offering low interest rate loans to them. The Council was very prudent and had managed its resources well and held a healthy level of reserves, which enabled it to deal in the short term with the economic crisis; however, the Council's financial resilience going forward would be severely tested and would require a revised Medium Term Financial Strategy (MTFS) to deliver its corporate objectives, with a report planned for Council in September 2020 and a full budget later in 2020.

In seconding the recommendation, Councillor Edyvean referred to the varied challenges ahead and thanked officers for their hard work. The swift action of Central Government in providing financial support to Councils was welcomed, and in turn, that had allowed the Council to quickly provide much needed financial support to local businesses, many of whom had expressed their thanks. Despite the challenging situation, the Council remained relatively strong and committed to moving its projects forward wherever possible.

Councillor Robinson confirmed that this report reflected the current financial situation and thanked all members of the Finance team for their hard work in this challenging period. Officers were also thanked for distributing the Business Grants so quickly and efficiently and the gratitude of local businesses was noted and welcomed. The Council would continue to support local businesses and residents by providing the best front line services it could and hoped that additional Government funding would be made available to help the Council meet those challenges. The partial opening of leisure centres on 25 July 2020 would be welcomed; however, there would be challenges ahead and the Council would be there to support Parkwood going forward.

It is RESOLVED that

- a) the revised financial impact of Covid-19 on the Council's Medium Term Financial Strategy (MTFS) and the inclusion of these estimates and use of reserves and balances in the revised budget due be taken to Full Council be noted; and

- b) the contractual position and the ongoing extension to the Contract Variation agreement with Parkwood Leisure be noted.

8 Rushcliffe Equality Scheme

The Portfolio Holder for Community and the Environment presented the report of the Chief Executive outlining the proposed comprehensive review of the 2016-20 Rushcliffe Equality Scheme.

The Portfolio Holder for Community and the Environment confirmed that as the review period was this year, it was considered prudent to review and update the document to reflect current circumstances, especially following the Covid-19 pandemic, and actions required. The scheme covered many diversity strands, most of which were already protected from discrimination by law, and the Council was required to have a scheme. The scheme included Council employees as well as local residents who wished to access the Council's services. It was important that all Councillors were aware of the various strands of this document to allow them to feed into it through the scrutiny process.

In seconding the recommendation, Councillor Inglis endorsed this timely review, which would ensure that this important document was appropriately updated and enhanced.

It is RESOLVED that:

- a) the comprehensive review of the 2016-2020 Equality Scheme be supported:
- b) the Corporate Overview Group be asked to programme member involvement and input into the scrutiny calendar; and
- c) a future report on a new and revised Equality Scheme be submitted to Cabinet.

9 Moorbridge Road Industrial Units

The Portfolio Holder for Business and Economic Growth presented the report of the Executive Manager – Transformation providing an update on the Moorbridge Road Industrial Units.

It is RESOLVED that:

- a) the Council does not proceed with the purchase of new industrial units at Moorbridge Road, Bingham given the increasing cost and adverse impact on the rate of return; and
- b) the Council keeps any future opportunities to buy new industrial units at Moorbridge Road, Bingham under review, to be considered by the Asset Investment Group if the acquisition meets the appropriate investment criteria and thereafter approval be sought

by Cabinet.

The meeting closed at 7.40 pm.

CHAIRMAN

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Cabinet

Tuesday, 8 September 2020

Potential Local Government Reorganisation

Report of the Chief Executive

Cabinet Portfolio Holder for Strategic and Borough Wide Leadership, Councillor S J Robinson

1. Purpose of report

- 1.1. Local Government reorganisation, namely unitarisation (or combining district and county council layers), is never far away from debate in local government circles and over recent years there have been several reorganisations across the country.
- 1.2. It is anticipated that the Government's Devolution White Paper, to be published in Autumn, will include details of a fresh push to deliver unitarisation across England, as well as more details of proposals for additional combined authorities to form a closer link between central and local government. This is part of the Government's agenda to simplify the local government landscape, "level up" areas across the country and support economic prosperity throughout. There are also arguments made that there may be cost savings in unitarisation in the longer term.
- 1.3. As a proactive, high performing district council, it is important that Rushcliffe Borough Council should be part of any debate around Local Government Reorganisation and play its part in shaping the new future of local government. As such, this report sets out recommendations as to how the Borough Council can play its part in shaping the future, in a collaborative manner, with neighbouring local authority partners and with full public consultation.

2. Recommendation

It is RECOMMENDED that

- a) The Leader and Chief Executive are authorised to undertake engagement regarding Local Government Reorganisation options including proper public consultation with all affected parties, and following a clear timescale to be agreed, which allows due consideration for affected parties and respects local democracy;
- b) The Local Government Reorganisation Member Group is re-formed, chaired by the Leader of the Council, to engage with the process and

support Rushcliffe Borough Council's involvement in shaping the future of local government;

- c) A budget of up to £60,000 is allocated for working collectively with other local authority partners to identify and consult on the best options for the future;
- d) Cabinet is updated regularly on the progress of any work; and
- e) Preferred options for any future Local Government Reorganisation that affects Rushcliffe Borough Council will be referred to Full Council for consideration and debate.

3. Reasons for recommendation

- 3.1. The Leader of Nottinghamshire County Council has a clear ambition to see a Single County Unitary Council formed comprising of all the responsibilities of the current county council and seven district councils. In December 2018, a report was programmed to be taken to the County Council for debate on the matter (available via www.nottscc.gov.uk. See item 9 of the 13 December 2018 Council agenda "Local Government Reorganisation Outline Case for Change and Next Steps). This report was subsequently withdrawn before the meeting.
- 3.2. More recently, the County Council's Covid 19 Resilience, Renewal and Recovery Committee included within its terms of reference that Local Government Reorganisation should be covered within its work programme.
- 3.3. The Government's Devolution White Paper is expected imminently, and it is understood that a handful of council areas have already been approached by Government ministers who have invited them to submit proposals for a "Phase 1" of reorganisation. This does not include Rushcliffe Borough Council, which has not been formally approached. However, it is possible that Nottinghamshire County Council may wish to make a bid to be part of the "Phase 1" of reorganisation. A rushed attempt to join Phase 1 would not allow time for proper involvement and consideration of proposals by Rushcliffe Borough Council, which would be directly affected. As the Devolution White Paper has not been published yet, there is no formal published guidance on what local government reorganisation should look like (geographic and population size and scale etc.) and as such is not recommended to support a rush to be part of Phase 1.
- 3.4. However, if Local Government Reorganisation is the direction of travel for a central government, which has a large majority and 4 years left in office, it makes sense for Rushcliffe Borough Council to engage in and influence the process positively and proactively, in order to secure the best future model for the residents of Rushcliffe.

4. The structure of Local Government

- 4.1. The Local Government Act 1972 created areas for local government where large towns and their rural hinterlands were administered together. The concept

of unitary units (i.e. the previous County Boroughs) was abandoned with a two-tier arrangement of county and district councils in all areas of England, except the Isles of Scilly. In 1986, a broadly unitary system of local government was introduced in the six metropolitan counties and Greater London, where the upper-tier authorities were abolished and their functions were split between central government, the borough councils and joint boards.

4.2. Several waves of local government reorganisation have taken place over the following years and there are different models in different areas. Currently there are 126 single tier or unitary style authorities, which all function as billing authorities for Council Tax and local education authorities:

- 56 unitary authorities
- 36 metropolitan boroughs
- 32 London boroughs
- The Common Council of the City of London
- The Council of the Isles of Scilly.

4.3. There are 31 'upper tier' (county) authorities. The non-metropolitan counties function as local education authorities:

- 25 non-metropolitan counties (e.g. Nottinghamshire County Council)
- 6 metropolitan counties (councils abolished in 1986 e.g. West Yorkshire)

4.4. There are 188 'lower tier' or district authorities, which all have the function of billing authority for Council Tax (e.g. Rushcliffe Borough Council and the other Nottinghamshire districts).

4.5. Rushcliffe Borough Council was formed in 1974 and forms part of the current two-tier system of local government in the County of Nottinghamshire. There are seven district councils in Nottinghamshire, which deliver services for the public, while the county council delivers other services – an indicative list of services is below – this is not exhaustive. Nottingham city became a unitary council in 1998 (it was previously part of the two-tier county structure) and as such delivers all the following services to its residents. In addition, Rushcliffe provides many non-statutory services such as parks and community spaces and play grounds and public events which support quality of life in the borough.

District services	County services
<ul style="list-style-type: none"> • Waste collection • Recycling • Council tax and business rates collections • Housing and homelessness 	<ul style="list-style-type: none"> • Education • Transport • Planning (minerals and infrastructure) • Fire and public safety

District services	County services
<ul style="list-style-type: none"> • Planning applications • Local plan • Environmental health • Community safety • Elections • Leisure provision • Street cleansing • Licensing 	<ul style="list-style-type: none"> • Social care • Libraries • Waste management • Trading standards • Flooding • Public health

4.6. In addition, the borough of Rushcliffe is parished outside of West Bridgford with 59 parishes of which 35 have a parish council. This provides a very local level of democracy and engagement to Rushcliffe residents but the parishes have limited statutory powers. Rushcliffe Borough Council endeavours to engage proactively with the parishes through various forums each year.

5. The argument for change

5.1. Arguments for unitarisation can fall into several categories:

- Financial – there may be longer term financial savings to be made although the set up costs are likely to be significant;
- Easier for residents, businesses and other public sector partners – one point of contact for services delivered by one council;
- More efficient and effective – one decision making body, rather than two that may not always agree could lead to projects being delivered in a more timely manner with closer working between the different council departments.

5.2. Counter arguments may point to a large unitary being too remote from its residents and larger does not always equate to more efficient, in either financial terms or speed of decision-making. District units have a clear place-based identity that could be lost in a larger conglomerate.

5.3. In addition the current context we are operating in is one of Covid-19, massive economic pressures and recovery to be supported, and a great deal of government's legislative timetable being taken up by Brexit matters. Some commentators state that this is really not the time to be distracted by Local Government Reorganisation, whilst others say that the budget pressures councils are facing absolutely mean that LGR is essential now. It is pertinent to point out that those councils that are already unitarised, have not escaped the additional financial pressures of Covid-19 or other pressures relating to the provision of social care.

5.4. This report does not attempt to cover the pros and cons of unitarisation but it is clear that any reorganisation should lead to better and more improved council services and outcomes for residents. If unitarisation takes place then the result

should aspire to take the best aspects of both county and district council service and provision.

- 5.5. NCC's previous business case (available in its Council papers of December 2018 online), was not endorsed by Rushcliffe Borough Council and the council was not formally consulted on any part of the business case, nor was it engaged in developing any financial models. The report was withdrawn and was not submitted to government but reference is included as background information for Members.
- 5.6. A single county unitary representing an electorate of over 800,000 would be the second largest in the country after Birmingham City Council (over 1 million) and before Leeds City Council (over 800,000). Its geographical spread would be eight times the size of Birmingham. It would surround Nottingham City Council, which is a tightly bounded city with a population of around 300,000. General verbal guidance from government officials suggests that new unitaries should look to have a population size of 300,000-600,000 but the Devolution White Paper may provide some clarity on this. Any review of local government in Nottinghamshire that will stand the test of time and be fit for the next forty years should include meaningful engagement with Nottingham City Council.
- 5.7. Any future/imminent submission by Nottinghamshire County Council to Government would need to be fully debated by Rushcliffe Borough Council to determine the Council's support. The Council is liaising with other districts and further independent work may be required to establish the best way forward for the Borough Council, estimated at between £30,000 to £60,000.
- 5.8. Previously, in December 2017, Council agreed, "that as a Council, we welcome full engagement and discussions with Upper Tier Authorities on the reorganisation of local government on the strict understanding, any reorganisation must not negatively impact Growth in the Borough and the focus on delivering the highest quality of services to our residents." No formal discussions have taken place with Nottinghamshire County Council on the contents of the business case.

6. Alternative options considered and reasons for rejection

- 6.1. Cabinet and Council could decide not to engage with the Local Government Reorganisation debate. This would be a missed opportunity to shape the future.
- 6.2. Whilst consensus is largely welcomed in any Local Government Reorganisation plans, it is not always required by government from all parties and Rushcliffe Borough Council should avoid being a bystander whilst decisions and proposals are pushed forward by other local authorities.

7. Risks and Uncertainties

Considerable work is required to understand fully the options available and the costs, risks and benefits associated with them. By working collaboratively, with

external advisors and with engagement of members through the Member Working Group, these risks and uncertainties can be properly evaluated.

8. Implications

8.1. Financial Implications

8.1.1. The business case costs (estimated at £60,000) will be funded from the revenue contingency fund. Initial work with neighbouring authorities is anticipated to be in the region of £30,000, which leaves a balance of £30,000 if required.

8.1.2. Currently, Rushcliffe residents have the lowest council tax band D in Nottinghamshire and council tax is in the lowest quartile nationally. Any changes to the council tax levels due to reorganisation should be closely scrutinised to ensure value for money for Rushcliffe residents.

8.2. Legal Implications

Any changes to the structure of local government need to be made by Government. A timetable of elections would have to be approved and potentially a shadow authority would be put in place prior to existing councils being dissolved and a new local authority being formed.

8.3. Equalities Implications

8.3.1. Changes to local government should not result in lower or loss of service to our residents.

8.3.2. Consultation should be done in an accessible manner.

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

There are no Section 17 implications.

9. Link to Corporate Priorities

Quality of Life	Rushcliffe prides itself on being a great place with great lifestyle and great sport. Structural changes to Local Authorities should not negatively impact on residents.
Efficient Services	Any alternative local government structure should be as least as efficient as current structures, and ideally more so.
Sustainable Growth	The Council motion in 2017 stated that “reorganisation must not negatively impact Growth in the Borough and the focus on delivering the highest quality of services to our residents”
The Environment	Rushcliffe is leading work amongst councils across the county on environmental sustainability. If there is a change of structure in local government for Rushcliffe, the Environment must continue to be given the highest priority.

10. Recommendations

It is RECOMMENDED that

- a) The Leader and Chief Executive are authorised to undertake engagement regarding Local Government Reorganisation options including proper public consultation with all affected parties, and following a clear timescale to be agreed, which allows due consideration for affected parties and respects local democracy;
- b) The Local Government Reorganisation Member Group is re-formed, chaired by the Leader of the Council, to engage with the process and support Rushcliffe Borough Council's involvement in shaping the future of local government;
- c) A budget of up to £60,000 is allocated for working collectively with other local authority partners to identify and consult on the best options for the future;
- d) Cabinet is updated regularly on the progress of any work; and
- e) Preferred options for any future Local Government Reorganisation that affects Rushcliffe Borough Council will be referred to Full Council for consideration and debate.

For more information contact:	Katherine Marriott Chief Executive 0115 914 8349 kmarriott@rushcliffe.gov.uk
Background papers available for Inspection:	Nottinghamshire County Council papers from 13 December 2018, available via www.nottscc.gov.uk See item 9 of the agenda which was withdrawn "Local Government Reorganisation Outline Case for Change and Next Steps"
List of appendices:	

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Cabinet

Tuesday, 8 September 2020

Revenue and Capital Budget Monitoring 2020/21 – Financial and Covid Update Quarter 1

Report of the Executive Manager – Finance and Corporate Services

Cabinet Portfolio Holder for Finance and Corporate Services, Councillor Gordon Moore

1. Purpose of report

- 1.1. This report presents the budget position for revenue and capital as at 30 June 2020. Details of this report form part of the Expected Outturn Budget Report to be taken to Council on 24 September 2020 and includes the in-year variances along with variances resulting from Covid-19.
- 1.2. Given the current financial climate, particularly relating to the impact of Covid-19, it is imperative that the Council maintains due diligence with regards to its finances and ensures necessary action is taken to ensure a balanced budget is maintained.
- 1.3. As previously reported to Cabinet, the effects of Covid-19 will have a negative impact on the Council's finances. The anticipated budget gap caused by the pandemic is partially offset by additional government grants and in-year efficiencies with an overall net in-year position of £0.422m budget gap. This position is likely to change as further variances are identified during the year, further government funding is announced or in the event of a second wave or local lockdown.
- 1.4. The Capital Programme shows a planned underspend of £24.8m largely due to slippage in two major schemes (Bingham Hub and Crematorium) and uncommitted funds in the Asset Investment Strategy.

2. Recommendation

- 2.1 It is RECOMMENDED that Cabinet approve the attached report noting:
 - a) the projected net effect of in-year efficiencies (£0.624m) and Covid-19 pressures (£2.564m) and Covid Government funding (£1.518m) resulting in an expected net revenue position for the year of £0.422m;
 - b) a projected £2.864m net surplus on Business Rates as a result of additional S31 reliefs and that this surplus is to be transferred to the Organisation Stabilisation Reserve to offset the expected Collection Fund deficit in later years;
 - c) the capital underspend of £24.8m as a result of planned programme slippage; and

- d) the projected Special Expenses position with a projected deficit of £0.119m for the year to be financed by a loan from the Council, terms to be consulted on with the West Bridgford CIL and Special Expenses Group.

3. Reasons for Recommendation

To demonstrate good governance in terms of scrutinising the Council's on-going financial position and compliance with Council Financial Regulations.

4. Supporting Evidence

Revenue Monitoring

- 4.1 The revenue monitoring statement by service area is attached at **Appendix A** with detailed variance analysis as at 30 June 2020 attached at **Appendix B**. For *this financial year*, the budget gap including Covid related pressures and in-year efficiencies is expected to be at least £0.422m (expected position) and up to a worst case scenario of £1.733 (both scenarios take into account current Government funding of £1.518m). Table 1 below summarises the main variations from revenue efficiencies and Covid related pressures.

Table 1: Main Items Impacting on Current Revenue Budget

	Pressure/(Saving) (£m) 2020/21
<i>Reductions in income</i>	£1.253
<i>Return on Investments</i>	0.030
<i>Hire of Facilities</i>	0.183
<i>Car Parking</i>	0.450
<i>Development Control</i>	0.200
<i>Land Charges</i>	0.050
<i>Commercial Activity</i>	0.225
<i>Other Lost Income</i>	0.115
<i>Additional Costs</i>	£1.489
<i>Anti-social behaviour/PPE</i>	0.042
<i>Leisure</i>	1.033
<i>Waste Collection/Street Cleansing</i>	0.177
<i>Homelessness</i>	0.069
<i>Increase in Bad Debt Provision</i>	0.100
<i>Other Costs</i>	0.068
<i>Total Covid Related Budget Pressure</i>	2.742
<i>Covid related savings</i>	(0.133)
<i>Furlough</i>	(0.045)
<i>Net Covid Related Budget Pressure</i>	2.564
<i>Projected In year costs/(savings):</i>	

	Pressure/(Saving) (£m) 2020/21
Pay award additional 0.75%	0.070
<i>Vacancies</i>	(0.256)
<i>Rental Income (new property)</i>	(0.122)
<i>Garden Waste Income</i>	(0.076)
<i>Housing Benefit Subsidy</i>	(0.142)
<i>Diesel (price reduction)</i>	(0.029)
Other efficiencies	(0.069)
Total projected in-year efficiency savings	(0.624)
Net Revenue Position	1.940
Government funding	(1.518)
Total Net Projected Budget Gap	0.422

- 4.2 **Appendix A** shows projected net revenue efficiency for the year to date of £0.624m and a pressure of £2.564m relating to Covid-19 totalling £1.940m. The Council has received £1.518m in additional Covid-19 support to bring the net projected budget gap to £0.422m and anticipate a surplus of £2.864m on Business Rates relating to additional S31 grants giving an overall variation of £2.412m. This represents (21%) against the net expenditure budget and we currently anticipate £4m to be transferred to the Organisation Stabilisation Reserve the majority of which are to meet the anticipated future Business Rates reductions caused by Covid-19 referred to in paragraph 4.13.
- 4.3 **Appendix A** includes a Minimum Revenue Provision (MRP) of £1m. This is a provision that the Council is required to make each year to cover the internal borrowing costs for the Arena which will be funded by the New Homes Bonus. The MRP includes an element of Voluntary Repayment Provision (VRP) and Governance Scrutiny Group recommended to Council on 30 July 2020 that the option be made to withhold the VRP element to potentially use to support the budget gap created by Covid-19. However, based on the projections as at the Q1 position the budget gap can be supported by the temporary use of reserves without the need to utilise the VRP in 2020/21.
- 4.4 As documented at **Appendix B**, the financial position to date reflects a number of positive variances totalling £0.658m including additional garden waste income (£0.076m) and housing benefit subsidy (£0.142m). There are several adverse variances totalling £2.66m. The majority of the adverse variances arise from lost rental income (£0.207m) and additional payments to Parkwood (£1.033m). These are detailed in Table 1 above.
- 4.5 **Appendix E** shows the Quarter 1 position on the Special Expenses budget. Budgets within the Special Expenses area have been impacted by Covid-19, particularly on the loss of income from hire of venues and bar sales. These projections are included in the overall £1.940m projected revenue budget gap. The expected budget deficit for the year is £0.119m initially to be funded from Covid Government funding and a repayment mechanism by way of a loan to be agreed with the West Bridgford CIL and Special Expenses Group. The outcome of this and any other budget issues will form part of the 2021/22 MTFS report to

be approved by both Cabinet and Full Council (respectively in February and March 2021).

Capital Monitoring

- 4.6 The updated summary of the Capital Programme monitoring statement and funding position is shown at **Appendix C** as at 30 June 2020. **Appendix D** provides further details about the progress of the schemes, any necessary re-phasing and highlights efficiencies. The projected variance at this stage is £24.8m.
- 4.7 The original Capital Programme of £18.936m has been supplemented by a net brought forward and in-year adjustments of £19.435m giving a revised total of £38.371m. The net expenditure efficiency position of £24.8m is primarily due to the following:
- a) Bingham Leisure Hub £12.756m – spend slipped to 2021/22;
 - b) Crematorium £4.917m – build likely in 2021/22;
 - c) Asset Investment Strategy £3.828m – this is uncommitted and will be recommended to Council to be removed from the Capital Programme; and
 - d) Support for RSLs: RBC have recently agreed to be part of a joint bid led by Framework which will lead to investment of £150k from the provision in the Capital Programme. This will provide five units of Next Steps accommodation to support 'rough sleepers'. The units will be owned and managed by Framework. RBC will retain nomination rights for a minimum period of 30 years.
- 4.8 The Council was due to receive capital receipts of £20m in the year, primarily from the disposal of surplus operational and investment property: Abbey Road Depot, Land at Hollygate Lane and also from an overage agreement in place for Sharphill Wood site. Covid-19 has impacted on the progress of these schemes with receipts projected to be £4.6m in year now. Significant delays or reductions to capital receipts will affect the funding of the capital programme and may lead to either internal or external borrowing earlier than planned dependant on the progress of the capital programme and any slippage. Alternatively projects could be delayed or not proceed with if deemed economically unviable. The current projected overall variance is likely to mean that any borrowing requirement can be met from internal resources with no recourse to borrow externally this financial year.

Covid-19 Update

- 4.9 The position in relation to Covid-19 was reported to Cabinet on 14 July 2020 and covered the estimated budget gap from Covid-19 along with individual updates on specific issues. As this report now includes the projected Covid-19 impact based upon current government guidance in addition to the revenue efficiencies, the paragraphs below provide an update where necessary to the specific Covid-19 issues that have future financial implications.

- 4.10 The retail and hospitality sector re-opened in June 2020 however; early indications are that consumer confidence remains a risk. Additional government initiatives such as the 'Eat Out to Help Out' scheme have been launched and aim to increase the number of customers to pubs and restaurants which appears to have been a success. Leisure centres have re-opened but recovery is also slower than expected with only 26% of capacity currently being used. Swimming is due to re-commence from 1 September 2020 but as this is only lane swim and not family or groups. This will continue to have an adverse impact on income receipts.
- 4.11 It has previously been reported that as at 31 March 2020 the value of the Council's Multi Asset investments had dropped in value by £1.238m with an improvement of £0.5m to the end of June 2020. Further information received to the end of July shows that this has improved by a further £0.143m to £0.643m and with an upward trend is on track to return to pre-Covid values. There is still a risk that a second wave could reverse this trend and this will be closely monitored.
- 4.12 It was reported to Cabinet 14 July 2020 that, due to Covid-19, a re-negotiation had taken place to defer the principal repayment of £55k due from the Cricket Club from 2020 to 2036, however the club's financial position is such that the repayment was received on 7 August 2020.
- 4.13 Data to 23 August 2020 shows collection rates for Council Tax has reduced by 1.2% equating to approximately £1.08m of cash not received. Business Rates are currently behind by £0.675m (0.85%), although £0.6m of this relates to a newly rated property which is anticipated to be received. The aforementioned reductions in cash received will create a deficit and a burden on future income streams albeit the County Council will take a significant proportion of the Council Tax deficit. Recent government announcements mean this deficit can now be spread over three years and this should reduce the burden in each year, nonetheless the burden will still be there.
- 4.14 A further deficit will be created in the collection fund as a result of the timing differences of precept payments made to Major Preceptors (which will continue to be made at budgeted Business Rates) and the issuing of additional reliefs (approx. £10.6m) to the retail and hospitality sector which effectively reduce the amount of business rates billed (and therefore incoming cash) in the year. This deficit will be collected in 2021/22 to 2022/23 reducing the income due to the Council. In order to support this shortfall in cashflow, the major preceptors (including the Council) will be reimbursed for its share of the additional reliefs in the *current year*. It is therefore recommended that this reimbursement be appropriated to the Organisation Stabilisation Reserve to match or smooth the reduced Business Rates income in future years.
- 4.15 At the time of writing the Council has paid out £18.025m in BEIS grants equating to 90.7% of approximately 1,700 eligible businesses. Hardship Fund allocations committing in excess of £389k in relation to Council Tax support have also been made, ie circa 2400 payments and 75% of the £515k budget.
- 4.16 The Council commenced the discretionary grant scheme on 1 June 2020 with the criteria reviewed and expanded from 15 July 2020. At the time of writing the Council had received 189 claims, decided on 159 and paid 62 totalling £0.814m

(84% of the total available funds of £0.972m). All payments should be made by 30 September 2020.

4.17 Conclusion

4.17.1 The financial position resulting from Covid-19 pressures was anticipated to result in a significant budget gap and this is the position that has been reported to Cabinet over the lockdown period. Whilst some savings were expected in relation to income generating activities that had ceased, there have been further additional in-year efficiencies identified. These savings along with the additional government funding means that the overall position for revenue is a more manageable budget gap of £0.422m. As detailed in the Covid Budget Update report on this agenda Covid risks prevail beyond this current financial year and have to be managed.

4.17.2 To meet the current year projected deficit an appropriation from the Organisation Stabilisation Reserve will suffice without the need to use the VRP element of MRP. The Council is in a fortunate position that it has healthy reserves and can fund the budget gap in this way. However we will still aim to replenish reserves in future years to help manage both downside and upside risks.

4.17.3 The position on capital is currently positive and the slippage in Capital Receipts alongside slippage in the programme means that it is not anticipated to externally borrow this financial year. Further opportunities and challenges can arise during the year (such as a second wave or local lockdown) which may impact on the projected year-end position.

4.17.4 There remain external financial pressures from existing issues such as the uncertainty surrounding business rates retention, the fair funding review and comprehensive spending review that have now been delayed for a second year. The impact of BREXIT is still to be determined. Furthermore, there are the Council's own challenges such as meeting its own environmental objectives. Against such a background, it is imperative that the Council continues to keep a tight control over its expenditure, identifies any impact from changing income streams, maintains progress against its Transformation Strategy and retains a healthy reserves position.

5 Risk and Uncertainties

5.1 Failure to comply with Financial Regulations in terms of reporting on both revenue and capital budgets could result in criticism from stakeholders, including both Councillors and the Council's external auditors.

5.2 Areas such as income can be volatile responding to external pressures such as the general economic climate. This has been clearly evidenced by the impact of Covid and highlighted in Table 1.

5.3 Business rates is subject to specific risk given the volatile nature of the taxbase with a small number of properties accounting for a disproportionate amount of tax revenue, notably in Rushcliffe Ratcliffe-on-Soar power station. Furthermore, changes in central government policy influences business rates received and their timing, for example policy changes on small business rates relief. Again Covid-19 is likely to have a large impact on the Business Rates position and this is highlighted at paragraphs 4.13-4.14.

- 5.4 The Council is committed to improving the environment and reducing its carbon footprint. Addressing such risks will require funding with the Climate Change Reserve now created to facilitate such opportunities.
- 5.5 The Council needs to be properly insulated against such risks hence the need to ensure it has a sufficient level of reserves, as well as having the ability to use such reserves to support projects where there is 'upside risk' or there is a change in strategic direction.

6 Implications

6.1 Financial Implications

Financial implications are covered in the body of the report.

6.2 Legal Implications

None

6.3 Equalities Implications

None

6.4 Section 17 of the Crime and Disorder Act 1998 Implications

None

6.5 Link to Corporate Priorities

Quality of Life	The budget resources the Corporate Strategy and, therefore, resources all corporate priorities.
Efficient Services	
Sustainable Growth	
The Environment	

7. Recommendation

7.1 It is RECOMMENDED that Cabinet approve the attached report noting:

- a) the projected net effect of in-year efficiencies (£0.624m) and Covid-19 pressures (£2.564m) and Covid Government funding (£1.518m) resulting in an expected net revenue position for the year of £0.422m;
- b) a projected £2.864m net surplus on Business Rates as a result of additional S31 reliefs and that this surplus is to be transferred to the Organisation Stabilisation Reserve to offset the expected Collection Fund deficit in later years;
- c) the capital underspend of £24.8m as a result of planned programme slippage; and

- d) the projected Special Expenses position with a projected deficit of £0.119m for the year to be financed by a loan from the Council, terms to be consulted on with the West Bridgford CIL and Special Expenses Group.

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Background papers Available for Inspection:	Council 5 March 2020 – 2020-21 Budget and Financial Strategy;
List of appendices (if any):	Appendix A – Revenue Outturn Position 2019/20 – June 2019 Appendix B – Revenue Variance Explanations Appendix C – Capital Programme 2019/20 – June 2019 Position Appendix D – Capital Variance Explanations Appendix E – Special Expenses Monitoring

Revenue Outturn Position 2020/21 – June 2020

	Original Budget £'000	Revised Budget £'000	Projected Outturn £'000	Projected Outturn Variance £'000
Communities	2,907	2,917	3,356	439
Finance & Corporate Services	3,443	3,528	3,467	(61)
Neighbourhoods	6,521	6,522	8,122	1,600
Transformation	2	176	138	(38)
Sub Total	12,873	13,143	15,083	1,940
Capital Accounting Reversals	(2,131)	(2,131)	(2,131)	0
Minimum Revenue Provision	1,000	1,000	1,000	0
Total Net Service Expenditure	11,742	12,012	13,952	1,940
Grant Income (including New Homes Bonus & rsg)	(2,329)	(2,329)	(3,847)	(1,518)
Business Rates (including SBRR)	(3,984)	(3,984)	(6,848)	(2,864)
Council Tax	(6,991)	(6,991)	(6,991)	0
Collection Fund Surplus	(444)	(444)	(444)	0
Total Funding	(13,748)	(13,748)	(18,130)	(4,382)
Surplus (-)/Deficit on Revenue Budget	(2,006)	(1,736)	(4,178)	(2,442)
Capital Expenditure financed from reserves	147	147	147	0
Net Transfer to (-)/from Reserves	(1,859)	(1,589)	(4,031)	(2,442)

Revenue Variance Explanations (over £15k)

ADVERSE VARIANCES in excess of £15,000		Reason	Projected Outturn Variance £'000
Communities			
COMMUNITY DEVELOPMENT	Loss of income from facility hire and additonal responsive works costs		152
PLANNING & GROWTH	Loss of planning income		230
PLANNING POLICY	Loss of land charges income		72
Finance & Corporate Services			
DEMOCRATIC SERVICES	Additonal equipment for remote/virtual meetings		50
FINANCIAL SERVICES	Increase in bad debt provision, loss of investment interest and increased bank commission charges		160
Neighbourhoods			
ENVIRONMENTAL HEALTH	Loss of licensing income		80
LEISURE CONTRACTS & CAR PARKS	Increased payments to Parkwood and loss of car parking income		1,459
STRATEGIC HOUSING	Emergency Accomodation and social distancing costs for homeless		59
WASTE & FLEET MANAGEMENT	Additional agency costs and increase to cleansing of Recycling Bays		191
Transformation			
PROPERTY SERVICES	Reduced rental income and loss of rental income on planned acquisition		207
Total Adverse Variances			2,660

Revenue Variance Explanations (over £15k)

FAVOURABLE VARIANCES in excess of £15,000	Reason	Projected Outturn Variance £'000
Communities		
COMMUNITY DEVELOPMENT	Savings on activity costs and furlough income	-85
PLANNING POLICY	OLA contribution to staff	-30
Finance		
REVENUES & BENEFITS	Increase in HB subsidy	-142
Neighbourhoods		
WASTE & FLEET MANAGEMENT	Additional garden waste income	-176
	Staff Vacancies	-67
	Diesel	-29
Transformation		
BSU	Staff Vacancies	-40
ECONOMIC REGENERATION	Staff Vacancies	-57
LEGAL	Staff Vacancies	-44
PROPERTY SERVICES	Increased rental income	-87
Total Favourable Variances		-659
Sum of Minor Variances		-62
TOTAL VARIANCE		1,940

Capital Programme Summary June 2020

CAPITAL PROGRAMME MONITORING - JUNE 2020

EXPENDITURE SUMMARY	Current Budget £000	Projected Actual £000	Projected Variance £000
Transformation	22,917	4,277	(18,640)
Neighbourhoods	3,846	1,990	(1,856)
Communities	2,471	2,322	(149)
Finance & Corporate Services	8,967	5,028	(3,939)
Contingency	170	0	(170)
	38,371	13,617	(24,754)
FINANCING ANALYSIS			
Capital Receipts	(13,330)	(7,998)	5,332
Government Grants	(3,258)	(517)	2,741
Use of Reserves	(651)	(607)	44
Grants/Contributions	(610)	(610)	-
Section 106 Monies	(4,052)	(1,234)	2,818
Borrowing	(16,470)	(2,651)	13,819
	(38,371)	(13,617)	24,754
NET EXPENDITURE	-	-	-

Capital Programme 2020/21 – June 2020 Position

CAPITAL PROGRAMME MONITORING - JUNE 2020							
	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
TRANSFORMATION							
Manvers Business Park Surface/Drain		58			35	(23)	Contractor appointed; site commencement delayed COVID19. Assuming no further Covid delays - works will be completed on site by early September.
Colliers Business Park Surface/Drain		29			29		All works complete- final accounts to be agreed. Works to make foul sewer connection packaged together.
Cotgrave Phase 2		2,389	597	14	1,770	(619)	Main contractor appointed; site commencement delayed COVID19. Site construction starting end July with projected completion Feb 21. Anchor food retail unit [Heron] 'agreement for lease' completed.
Bingham Leisure Hub	10,000	14,408	125	120	1,652	(12,756)	Contract for design fees awarded and surveys undertaken. A demand report commissioned for the planned office build. Further work to be undertaken to secure the SUD provisional award of £1.6m. Detailed cost plans keep projected overall expenditure

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
							within the £20m budget. Significant slippage anticipated.
Manvers Business Park Roof Refurbishment		200				(200)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
Manvers Business Park Roller Shutters		100				(100)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
Bridgford Park Public Toilets		25			20	(5)	Site commencement delayed COVID19. Works to commence 7 th September with one month programme.
Water Course Improvements	60	60			60		RBC working with NCC/VIA to review issues and agree plan for maintaining and improving the watercourse. Urgent maintenance work planned to be carried out late summer/early autumn.
The Point CP Security Gate	20	20				(20)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
The Point		15	15	14	15		Waterproofing works to Car Park complete.
Colliers Way Industrial Units		17			17		Connection of foul to public sewer; site commencement delayed COVID19. See Colliers

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
							BP Surfacing/Drainage scheme above as works packaged together.
Abbey Road Redevelopment		340	60	14	340		Continuance of remedial works to site prior to disposal.
Bingham Market Place Improvements	75	89			89		Tree replacement and incidental paving work complete (£22k in 19/20 and £10k in 20/21). Buttercross design/procurement planned for late summer/early autumn.
The Crematorium	4,800	5,167			250	(4,917)	Land acquired 19/20. Cabinet report 14.07.20 for approval to progress to design stage. Projected actual to cover professional fees in advance of construction. Build likely 21/22.
	14,955	22,917	797	162	4,277	(18,640)	
NEIGHBOURHOODS							
Vehicle Replacement	612	612	184	182	182	(430)	32t Refuse Freighter bought; £331k acquisitions slipped to future years; £99k balance is uncommitted.
Support for Registered Housing Providers	216	1,612			630*	(982)	£480k contribution committed for second phase garage sites to deliver 30 units of affordable housing. Start on site date to be confirmed. £150k for 5 units of Next Steps accommodation.

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
Assistive Technology	12	17	4		17		Provision for Home alarm units for the vulnerable.
Discretionary Top Ups	57	57	14		25	(32)	Grant activity slowed in first quarter due to COVID19 impact. Potential underspend.
Disabled Facilities Grants	490	627	129	39	450	(177)	Grant activity slowed in first quarter due to COVID19 impact. Potential underspend.
Hound Lodge Access Control System		25			25		
Hound Lodge Annexe Patio Doors	35	35			20	(15)	Scheme designed; out to tender end July; site works projected for completion by November.
Bowls Hall Replacement Furniture	15	15			15		
Arena Enhancements		115			115		Residual provision to deal with emerging enhancement, health and safety works.
Car Park Resurfacing		215			215		Design to commence shortly; procurement will follow; site work in 20/21.
Car Park Improvements - Lighting WB		48			48		Scheme designed; procurement commencing Sept with works on site November to January
Car Park Improvements - Lighting Other		102			102		Scheme designed; procurement commencing Sept with works on site November to January
CLC Changing Village Enhancements		12			12		Provision for Fire Doors.

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
CLC Pool Lining		25			25		Works completed and final accounts agreed
BLC Improvements		109			109		Residual provision to deal with emerging health and safety enhancement works prior to construction of new leisure centre.
KLC Refurb Pitched/Flat Roof Areas	220	220				(220)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
	1,657	3,846	331	221	1,990	(1,856)	
COMMUNITIES							
Gresham Pitches	1,000	1,260			1,260		Scheme to be commissioned fully funded by grant from Football Foundation - up to £500k and balance from Section 106 Developer Contributions.
Gamston Community Centre Toilets	45	45				(45)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
Lutterell Hall Kitchens and Toilets	50	50			50		Scheme paused temporarily whilst operation and operator are reviewed.
Gresham Upgrade 3G Pitch Lighting	35	35			35		tenders returned and being analysed, Expect to make award in next few weeks; works will hopefully be completed by end October

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
RCP Front Footpath Improvements	15	15			15		Scheme to be considered in line with 20/21 Visitor Centre upgrade.
RCP Visitor Centre	250	250			250		To be considered in line with other works planned at the Country Park.
VE 75th Commemoration	20	20			20		
RCP Toilets and Educational Building		45			45		Scheme to be considered in line with 20/21 Visitor Centre upgrade. Mini refurb on 'log cabin' public toilets planned in this calendar year to maintain standard [projected cost £10k] balance retained for more substantial upgrade to facilities.
Capital Grant Funding		59			59		2 grants awarded £20k, 2 pending applications £30k, 1 application currently being assessed to come from balance available £9k.
RCP Vehicle Access Controls		15			15		Scheme to be considered in line with 20/21 Visitor Centre upgrade. Mini refurb on 'log cabin' public toilets planned in this calendar year to maintain standard [projected cost £10k] balance retained for more substantial upgrade to facilities.

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
Play Areas - Special Expense	50	69			69		£81k allocated to Boundary Road Cycle Track. Design options for the balance of this provision.
Boundary Rd Cycle Track Special Expense		81			81		£81k allocated from the provision for Play Areas. Scheme scoped and works to be commenced.
RCP Skatepark	220	218			218		Tender documents to be issued Aug 20. Works to commence Q4, potential for slippage.
West Park Fencing and Drainage		9			25	16	Contractor appointed; site commencement delayed COVID19. Additional fencing works being included, actual spend will be £25k, virement from MBP scheme required.
West Park Car Park Lighting		25			25		Scheme designed; procurement commencing Sept with works on site November to January
West Park Public Toilet Upgrade		20			20		Procurement delayed, now planned for Sept; works on site Dec/Jan.
West Park Julien Cahn Pavilion		40				(40)	Intention to defer scheme to 21/22 - will keep under review based on site conditions.
Skateboard Parks		190			110	(80)	£110k committed to RCP Skatepark. Balance of £80k unallocated.

CAPITAL PROGRAMME MONITORING - JUNE 2020

	Original Budget £000	Current Budget £000	Budget YTD	Actual YTD	Projected Actual £000	Variance £'000	
Warm Homes on Prescription	54	25	6		25		Grant activity slowed in first quarter due to COVID19 impact.
	1,739	2,471	6		2,322	(149)	
FINANCE & CORPORATE SERVICES							
Information Systems Strategy	335	435	45	14	324	(111)	Acquisitions under the strategy continue to support business development. Some schemes identified for deferral to 21/22.
Streetwise Loan 20/21	150	150			150		Awaiting request to draw this loan down.
Asset Investment Strategy		8,382			4,554	(3,828)	£4.554m committed to the acquisition of 2 Business Units. To report to Governance Group when complete. Balance of £3.828m unallocated.
	485	8,967	45	14	5,028	(3,939)	
CONTINGENCY							
Contingency	100	170				(170)	£95k brought forward of which £25k to undertake work to CLC Pool Lining during COVID19 closure. Balance not yet committed.
	100	170				(170)	
TOTAL	18,936	38,371	1,179	397	13,617	(24,754)	

Budget Monitoring for Special Expense Areas - Quarter 1

	2020/21 Original	2020/21 Revised	Actual to Q1	2020/21 Projections	Reasons for variance
	£	£	£	£	
West Bridgford					
Parks & Playing Fields	404,100	404,900	121,660	464,800	Loss of income from sports hire and additonal security on Bridgford Park
West Bridgford Town Centre	55,900	55,900	10,509	55,900	
Community Halls	68,700	69,700	59,201	159,200	Loss of income from facility hire as a result of Covid-19
Seats & Litter Bins	300	300	0	300	
Contingency	14,700	14,700	0	14,700	
Annuity Charges	76,800	76,800	0	76,800	
RCCO	50,000	50,000	0	50,000	
Sinking Fund (The Hook)	20,000	20,000	0	20,000	
Total	690,500	692,300	191,370	841,700	
Keyworth					
Cemetery	8,800	8,800	1,825	8,800	
Annuity Charge	1,300	1,300	0	1,300	
Total	10,100	10,100	1,825	10,100	
Ruddington					
Cemetery & Annuity Charges	11,300	11,300	1,955	11,300	
Total	11,300	11,300	1,955	11,300	
Discretionary Business Grant	0	0	0	(30,000)	
TOTAL SPECIAL EXPENSES	711,900	713,700	195,150	833,100	Budget deficit of £119,400 to be met from Gov't funding



Cabinet

Tuesday, 8 September 2020

Covid-19 Budget 2020/21 and Medium-Term Financial Implications

Report of the Executive Manager, Finance and Corporate Services

Cabinet Portfolio Holder for Finance, Councillor Gordon Moore

1. Purpose of report

- 1.1 This report provides an expected outturn budget for the year 2020/21 and the remainder of the current Medium Term Financial Strategy (MTFS). This is based upon the latest government guidance regarding the release from lockdown and estimated impact based on current trends and information available such as government funding. The situation is fluid with the anticipated financial deficit this year estimated at £0.422m and for 2021/22 £1.91m. The Council's normal governance arrangements through Cabinet and Corporate Overview Group will report on the changing position and the MTFS will be reported to Full Council in March 2021.
- 1.2 Full Council approved the 2020/21 balanced budget on 5 March 2020. The Covid-19 pandemic has caused significant financial pressures including loss of income (e.g. property and car parks), additional costs (namely supporting the Leisure Centres and additional anti-social measures) and reductions in Council Tax and Business Rates income. Government funding has been received that mitigates some of the losses however further measures are needed to address the remaining budget gap.
- 1.3 Officers have reported the potential financial impact of the emerging Covid-19 situation each month to Cabinet since the Covid-19 pandemic began. Although lockdown restrictions have been further eased, gradually returning to normality there will be some irrecoverable losses from the lockdown period in addition to the legacy issues that are likely to impact on the financial position for the remainder of the year. There is also a risk of a second wave of the virus or a local outbreak and therefore a return to a local lockdown cannot be ruled out.
- 1.4 This report is to be considered by Cabinet with recommendations to Full Council.

2. Recommendation

It is RECOMMENDED that Cabinet approves for Full Council:

- a) the revised projections to the 2020/21 revenue budget and remainder of the current MTFS in **Appendix A** as a result of the impact of Covid-19;
- b) the revised projections to the Capital Programme for 2020/21 and the impact on the Capital Programme over the MTFS in **Appendix B**;
- c) the changes to the Transformation Strategy in **Appendix C**;
- d) the Council Tax Hardship Fund Policy Paper at **Appendix D** and its current application;
- e) the strategy of utilising in-year budget efficiencies, the Organisation Stabilisation reserve, reviewing the use of existing reserves, reduced use of Voluntary Revenue Provision and therefore use of New Homes Bonus; as fiscal levers so the Council balances the budget and delivers its corporate objectives (**paragraph 4.8.6**); and
- f) the transfer of three reserves totalling to £0.524m as stated at **paragraph 4.8.7** to the Organisation Stabilisation Reserve from 2020/21 and the revised anticipated position over the next 5 years (**Appendix E**).

3. Reasons for Recommendation

To ensure that the expected outturn is incorporated into the 2020/21 budget along with proposals to manage losses ensuring a balanced budget.

4. Supporting Information

4.1. Revenue

- 4.1.1 A number of changes have been made to the budget projections including additional costs and loss of income. It is too soon to estimate how quickly the pre-COVID situation will return, if at all this year or when in the medium term, with uncertainty surrounding consumer confidence. However, prudent estimates have been made upon the level of income expected in line with current government guidance for the phased release of lockdown.
- 4.1.2 For the current financial year, the Covid related budget pressure is projected to be £2.564m. This will be partially mitigated by additional Government funding of £1.518m and in-year efficiencies identified as part of the normal budget monitoring process (currently estimated at £0.624m). To mitigate the overall net loss and balance the budget, it is proposed to make a one-off use of reserves currently estimated at £0.422m, based on current projections. This figure is likely to change as further variances arise during the year and potential announcements of additional government funding to support the financial losses. As part of the Strategy for dealing with Covid-19 if there are any in-year

revenue efficiencies these will be appropriated to the Organisation Stabilisation Reserve to enable the Council to continue to meet its corporate objectives.

- 4.1.3 There is also a risk that there could be a second wave or a local lockdown and the likely outcome of a 'worst case scenario' is included at section 4.8. Material changes that have been included in the revised projections presented in Appendix A are summarised in **Table 1** below:

Table 1 – 2020/21 Expected Budget Position

	Pressure/(Saving) (£m) 2020/21
Reductions in income	£1.253
<i>Return on Investments</i>	0.030
<i>Hire of Facilities</i>	0.183
<i>Car Parking</i>	0.450
<i>Development Control</i>	0.200
<i>Land Charges</i>	0.050
<i>Commercial Activity</i>	0.225
<i>Other Lost Income</i>	0.115
Additional Costs	£1.489
<i>Anti-social behaviour/PPE</i>	0.042
<i>Leisure</i>	1.033
<i>Waste Collection/Street Cleansing</i>	0.177
<i>Homelessness</i>	0.069
<i>Increase in Bad Debt Provision</i>	0.100
<i>Other Costs</i>	0.068
Total Covid Related Budget Pressure	2.742
Covid related savings	(0.133)
Furlough	(0.045)
Government funding	(1.518)
Total additional funding/savings	(1.696)
Net Budget Pressure	1.046
Projected In year costs/(savings):	
Pay award additional 0.75%	0.070
Vacancies	(0.256)
Rental Income (new property)	(0.122)
Garden Waste Income	(0.076)
Housing Benefit Subsidy	(0.142)
Diesel (price reduction)	(0.029)

	Pressure/(Saving) (£m) 2020/21
Other efficiencies	(0.069)
Total projected in-year efficiency savings	(0.624)
Total Net Projected Budget Gap	0.422

Income

- 4.1.4 The impact on fees and charges and commercial income has had a significant impact on the Council's funding over the lockdown period and is estimated at £1.253m for the full year.
- 4.1.5 The Council re-introduced car parking charges on 29 June 2020 and based on early indications we are assuming 37% of the car parking budget will materialise over the year.
- 4.1.6 It is assumed that facility hire, development control and land charges will see a reduced income for the remainder of the year due to both restrictions from social distancing measures and the downturn in the economy.
- 4.1.7 During the lockdown and recovery period some tenants occupying Council owned premises have expressed financial difficulty in keeping to their rental agreements. Being prudent the Council has therefore increased the bad debt provision by £0.1m (at 31/03/20 £0.172m). Billing has now recommenced and therefore the position regarding collection of this income will be updated in future reports. Other losses in commercial income arose from ceasing planned acquisitions due to an increase in risk in the viability of the current tenants due to the economic situation. This resulted in a loss of planned rental income.

Expenditure

- 4.1.8 The Council has and will continue to incur additional costs (estimated at £1.489m), mostly supporting Parkwood Leisure and details of the leisure contract can be found at section 4.2 below.
- 4.1.9 Other costs have been incurred on additional anti-social behaviour measures and portable toilets. Further costs have been incurred on agency staff for waste collection and an increase in cleansing of recycling bays due to higher usage.

Funding/Savings

- 4.1.10 Further government funding was announced on 2 July the first of which was a share of £500 million for which we were allocated £126k. We await further detail of two further pillars of funding and this could affect the overall budget gap and call upon reserves. The detail on these two elements are still to be confirmed and will be covered in future reports:

- co-payment mechanism for irrecoverable Sales, Fees and Charges income, with the Government covering 75% of losses beyond 5% of planned income; and
- Phased repayment of Collection Fund deficits over the next three years.

If the Council is able to recover a significant proportion of lost income then this could further reduce the need to use reserves in 2020/21 allowing the available reserves to be utilised in 2021/22 when it is unlikely that Government funding will be available.

4.1.11 During the lockdown period the Council had to reduce, and in some cases cease a number of fee earning activities. The Council made the decision to temporarily furlough the affected employees and has subsequently claimed reimbursement from the Governments furlough scheme. The projected budgets shown in Appendix A are shown net of furlough income (£43k).

4.1.12 Savings totalling £133k have been identified including the cost of delivering events, printing costs and training as all face to face events and travel have been cancelled. During lockdown there was an increase in the volume of glass bottles and other recyclables and this has subsequently increased income from recycling credits and glass sales.

4.2 Leisure Services Contract

4.2.1 The Leisure centres have now reopened albeit on a phased basis with strict social distancing measures. The Council has been in dialogue with Parkwood Leisure to discuss the phased return to reopening and the expected position in Appendix A reflects this. However, in the light of extended social distancing measures in this sector the Council continues to assess the ongoing viability of each site individually.

4.2.2 Negotiations are ongoing with the various sports clubs at the facilities with a view to balancing the triumvirate of objectives - health and well-being of the community, maximising the use of the assets and the best economic outcome for the Council. The overall adverse impact on the Council's budget as a result of the leisure centres being closed and the legacy impact of Covid-19 is estimated to be £1.013m for 2020/21. It is worth noting that we continue to remain in dialogue with Mitie (East Leake Leisure Centre's operator) to support their recovery.

4.2.3 Positively Edwalton Golf Course since it reopened from lockdown has seen an increase in demand. Usage is up 62% on the same time last year for golf and a 45% increase in driving range usage. How sustainable this recovery is remains to be seen as winter approaches and other leisure facilities re-open. The additional income is built into the current financial projections.

4.2.4 Given the challenges the whole leisure market faces and a lack of Council in-house expertise to manage the leisure centres, continuing with the existing contractor remains the best way forward. This ensures continuity of service provision when the leisure centres do open at a time when there is so much

volatility as a result of Covid-19 in terms of customer confidence and minimising the risk of the virus spreading; and the impact for the leisure industry as a whole.

- 4.2.5 Going forward the variation agreement to the contract will be reviewed at 30 September and 31 December 2020 for each quarter. The expectation is that as revenue begins to return this will reduce the support package from the Council until normality returns. Financial performance is monitored via an open book approach by the Contracts Team supported by Financial Services. The position on the Parkwood contract through the recovery period will continue to be monitored and will be reported via quarterly financial reports throughout the year to Corporate Overview Group and Cabinet.

4.3 Capital Programme

- 4.3.1 The current Capital Programme totals £38.4m comprising: £18.9m original estimate, £19.2 approved brought forwards, and £0.3m adjustments. The revised projection of £13.5m gives slippage of £24.9m. The significant elements of the slippage reflect three months delay in commissioning and delivering schemes due to the impact of Covid19. Bingham Hub, The Crematorium, and Cotgrave Phase II are the major schemes impacted and account for £18.3m of the slippage.
- 4.3.2 Officers have identified further schemes in the programme that could be deferred, potentially until 2021/22, without causing any revenue pressures or health and safety issues. Schemes totalling £1.2m have been proffered for deferral and include works to Investment Properties and Operational Assets: buildings, IT equipment, and vehicles.
- 4.3.3 £1.2m of Support for Registered Housing Providers remains unallocated although the Council has have agreed in principle for a joint bid with Framework to provide five units of Next Steps accommodation (to be owned and managed by Framework) utilising £150k from the provision. There has been slow spend on Better Care Funded Schemes: DFGs and this, together with other minor areas of savings on schemes, accounts for £0.4m projected underspend. The balance of £3.8m variance arises from the unallocated balance of the Asset Investment Strategy. Previously we have reported on the Council's change in approach and focusing on investing on assets within the Borough, thus this sum is proposed to be removed from the Capital Programme.
- 4.3.4 The Council was due to receive capital receipts of £20m in the year, primarily from the disposal of surplus operational and investment property: Abbey Road Depot, Land at Hollygate Lane and also from an overage agreement in place for the Sharphill Wood site. Covid 19 has impacted on the progress of these schemes. Capital Receipts are now projected to be £4.6m in year. On 9 June 2020 Cabinet considered a report on the disposal of the Abbey Road site and it was agreed to accept a revised offer for the site which remains a significant receipt in a difficult economic climate. This will potentially not be received until 2021/22. Income from Sharphill Wood has been rephased with only half of the £8m due now expected in 2020/21. The time frame allowed for submission of

planning permission, means that the receipt from Hollygate Lane will most likely come in 2021/22.

- 4.3.5 Delays in capital receipts will not have a material impact on the interest earned on balances as interest rates are low. Furthermore, there will be a reduction in capital outlay due to slippage in the capital programme. Significant delays or reductions to capital receipts will affect the funding of the capital programme and may lead to either internal or external borrowing earlier than planned dependant on the progress of the capital programme and any slippage.
- 4.3.6 Alternatively projects could be delayed (as stated at 4.3.2) or not proceed with if deemed economically unviable. The Summary Revised Capital Programme projections for 2020/21 at **Appendix B** still show over half of the programme being funded from Capital Receipts with a small recourse to borrow either internally or externally. This will be kept under review as the year progresses and revised accordingly. The Full Council Report in March 2021 will detail the programme over the next five years.
- 4.3.7 The Capital Programme contains significant schemes where contracts are in the process of being tendered for primarily the Bingham Leisure Hub and the Crematorium. Their viability will continue to be monitored, as tender prices are received and for example whether office development at the Bingham Hub remains in scope. The Council continues to review schemes in the Capital Programme in the light of any new information or changes in the economic/financial climate.

4.4 Treasury Issues

- 4.4.1 The Council has reported previously to Cabinet that the value of the Council's investments in multi-asset and diversified funds had reduced by £1.2m as at 31 March 2020. Further information relating from April to July has been received and this shows an increase in the value of these assets of £0.643m representing 51.9% improvement. If this trend continues the asset values could potentially recover to pre-COVID levels by the end of the year clearly though there remains much uncertainty going forward.
- 4.4.2 The impact of Covid-19 on the economy has resulted in a reduction in the Bank of England base rate and subsequently the interest rates earned by the Council on its treasury investments. The estimated average interest rate assumed in the original 2020/21 budget was 1.87%. The assumption on the average return is now an estimated 0.98% with this reduction expected to continue into 2021/22. This will be further updated in the Council's Investment and Capital Strategy presented to both Governance Scrutiny Group and Full Council in 2021.
- 4.4.3 A report to Governance Scrutiny Group on 30 July 2020 proposed a change in Minimum Revenue Provision (MRP) Policy and subsequent release of New Homes Bonus to either support the budget gap resulting from Covid-19 or to make Voluntary Repayment Provision (VRP) at a later date. This was recommended for approval by Full Council. The current MRP policy is the asset

life method. For 2017/18, 2018/19, and 2019/20 the Council decided to set the MRP at £1m. This comprises £0.250m MRP to finance the Arena based on £10m borrowing over a 40 year life. A further £0.750m was provided by way of VRP to meet the Council's commitment to repay the borrowing early. Up until 31 March 2020, the Council released an equivalent sum (£1m) from the New Homes Bonus (NHB) Reserve to offset any impact of the borrowing charge to the tax payer in-year.

- 4.4.4 The Governance Scrutiny Group recommended to Full Council to take the option to reduce the VRP element of the charge. By reducing the VRP the Council would free up significant resources (up to £730k in 2020/21) and approximately £600k each year to 2024/25. By only making MRP payments this means the length of time payments are being made from the revenue budget for the Arena increase from 10 years to 31 years (three years have already been discharged so 28 remaining). Beyond 2024/25 MRP will then be funded from revenue budgets.
- 4.4.5 The 2020/21 mid-year review will continue to monitor the implications of Covid-19. The Investment and Capital Strategy for 2021/22 will update changes to the Capital Financing Requirement (CFR) – the underlying need to borrow - and other treasury indicators such as the temporary requirement to exceed the upper limit in investments in MMF's due to the need to keep investments liquid to aid cash flow.

4.5 Business Rates and Council Tax

- 4.5.1 Four months payment data is now available to further inform estimates regarding collection rates for Business Rates and Council Tax. As at 23 August collection rates for Council Tax had reduced by 1.2% equating to approximately £1.08m of cash not received. Business Rates are currently behind by £675k (0.85%), although £600k of this relates to a newly rated property which is anticipated to be received. We have also awarded a significant amount of reliefs (circa £10.6m) granted to the retail, leisure and hospitality sector. The Business Rates position will need to be closely monitored as the position may still change due to trading conditions.
- 4.5.2 Any reductions in income due to the collection fund will cause a deficit in the collection fund that would ordinarily need to be recovered in 2021/22 and 2022/23 therefore affecting future income streams and the MTFS. It is important to remember the County as the largest preceptor bear the biggest burden of the likely Council Tax collection fund deficit. Paragraph 4.1.10 refers to Government support in allowing any deficits to be spread over three years which will effectively spread the impact and reduce the burden in each year. Nonetheless there will still be a burden.
- 4.5.3 At the time of writing the Council has paid out £18.025m in BEIS grants equating to 90.7% of nearly 1,700 eligible businesses. Hardship Fund allocations committing in excess of £389k in relation to Council Tax support have also been made, i.e. circa 2400 payments and 75% of the £515k budget. The application of the Council's Policy is as stated at **Appendix D**.

4.5.4 The Council commenced the discretionary grant scheme on 1 June 2020. Applications for the grant have been much lower than anticipated and the lack of evidence or supporting information provided by the applicants have resulted in delays in the decision-making process. The criteria were reviewed and expanded to ensure the resources reached those in need. The second tranche of the scheme with the revised criteria ended on 31 July 2020. At the time of writing the Council has received 189 claims, decided on 159 and paid 62 totalling £0.814m (84% of the total available funds of £0.972m).

4.6 Transformation Plan

4.6.1 A number of items have affected the planned savings in the transformation plan reported at budget setting in March 2020. The revised transformation plan is shown at **Appendix C**. Table 2 below summarises the main changes and the revised target for the transformation plan.

4.6.2 A savings target has been added from 2021/22 of £0.5m, with officers considering expenditure efficiencies and scope for additional income. The planned acquisition of industrial units at Moorbridge did not go ahead representing projected lost rental income of £0.063m. Other planned acquisitions as part of the Asset Investment Strategy are expected to increase rental income by £0.04m. One of the biggest risks going forward is the legacy impact of Covid-19 on the leisure sector. It is assumed that the planned contractual savings as part of the contract re-negotiations with Parkwood will slip by at least one year.

Table 2 – Revised Transformation Programme Summary

Transformation Programme 2020/21 - 2024/25					
Savings (£'000)	2020/21	2021/22	2022/23	2023/24	2024/25
Original Transformation Plan	192	261	518	70	110
Adjustments:					
Savings Target		500			
Units at Moorbridge		-57	-6		
Net AIS purchase		40			
Leisure Contract/Bingham Hub	-33	-44	-131	173	-28
Revised Transformation Plan	159	700	381	243	82

4.7 Covid Legacy issues and risks

4.7.1 The long-term impact upon the market for rental of property and offices is not yet known. The cultural shift of increased remote working could result in a reduced demand and rental income for the Council.

4.7.2 The impact of Covid-19 may have a detrimental impact on some businesses and many may not recover from lockdown. There is a risk that this may have a

longer-term impact on the number of businesses in the Borough and the main retail high streets. The business rates tax base will continue to be closely monitored and the Council will continue to encourage economic growth.

- 4.7.3 The hospitality and leisure sector is one of the hardest hit of lockdown and the recovery in this sector will be further impeded by the strict social distancing restrictions particularly in the leisure industry. Due to the length of time the leisure centres have been closed, many customers may now have found new ways to exercise and the customer base may not fully recover to pre-Covid-19 levels. This may result in further negotiation over the contract with the leisure provider.
- 4.7.4 The capital programme details a number of large projects planned for this and later years (see Appendix B). There may an effect on the build costs and on the yield should demand be affected by the pandemic. This may affect the appetite to continue with these projects and this will be reported on individually as part of the project management process (separate reports have been presented to Cabinet in relation to Moorbridge Industrial Units, the Crematorium and the Bingham Leisure Hub).
- 4.7.5 The impact that Covid-19 has had on businesses has been substantial with numerous high street shops closing for good. If businesses are unable to recover the number of customers visiting the town centres will also reduce with a knock-on effect on car park usage.
- 4.7.6 As referred to in paragraph 4.4.2, the expectation is that interest rates are unlikely to increase in the short term. If this continues past 2021/22 there would be a further impact on the budgeted income from investments returns.
- 4.7.7 The need to use reserves in the short term to eliminate the budget gap will result in a budget pressure in the medium term in order to replenish the reserves. This has been included in the remaining years of the current MTFS but will impact on the position going forward until the reserves are restored to current levels.
- 4.7.8 There are a number of items detailed in Appendix C that support the budget (namely rental and contractual income). There is a risk going forward that income from property investments may decline if the market appetite changes and there is also a risk to the savings from the Leisure Contract as the long-term impact on customer usage is not yet known
- 4.7.9 The Fair Funding and Business Rates Reviews have been deferred for the second year in a row. This causes further uncertainty on the longer-term funding of the Council making planning for the medium term even more difficult.
- 4.7.10 Business rates and Council Tax collection fund debt will affect future budgets. The government have announced relaxation to the recovery of any deficits to three years. This expected outturn position includes an estimated £100k deficit for Council Tax. Business rates figures are hugely distorted by Government

intervention with the retail, leisure and hospitality sector having a full year relief and business grants awarded and therefore this makes it difficult to estimate.

4.7.11 The Governance Scrutiny Group considered Covid-19 Risks at its meeting on 30 July 2020 and these are being incorporated into the Council's risk register.

4.8 Modelling of risks, sensitivity analysis on the budget and the impact on reserves

4.8.1 The table below shows the expected position as used in this report along with a worst-case scenario in the event of a second lockdown. The total Covid-19 related loss would increase from £2.742m to £4.053m with an overall budget gap increasing from £0.422m to £1.733m. The main sensitivity surrounds the generation of income particularly the use of facilities and car parks. A second wave or local lockdown would result in almost a total loss of income in these areas. Furthermore, costs would increase on waste collection, homelessness and maintaining anti-social behaviour measures.

Table 3 – Budget Scenario Planning

	Pressure/(Saving) (£m) 2020/21 EXPECTED CASE	Pressure/(Saving) (£m) 2020/21 WORST CASE
<i>Reductions in income</i>	1.253	1.957
<i>Additional Costs</i>	1.489	2.096
<i>Total Covid Related Budget Pressure</i>	2.742	4.053
<i>Total additional funding/savings</i>	(1.696)	(1.696)
<i>Net Budget Pressure</i>	1.046	2.357
<i>Total projected in-year efficiency savings</i>	(0.624)	(0.624)
Total Net Budget Gap	0.422	1.733

4.8.2 Table 4 below shows the current estimated net impact of Covid-19 on the MTFs as reported in March 2020. The staff and members allowances pay award costs resulting from an increase of 0.75% (budgeted 2% actual 2.75% and thereafter 2%).

4.8.3 Due to the uncertainty surrounding the remaining NDR tax base into next year it has been assumed that the Council will only receive income to the Safety Net Position and for 100% renewable energy premises. Business rates estimates are further complicated by anticipated changes to the system originally planned for 2021/22 and now at the earliest to be implemented by 2022/23.

4.8.4 Fees and charges are unlikely to return to pre-Covid-19 levels in the short term and as more is known about the recovery locally assumptions will change going forward. It has been assumed that there will be an under recovery on budgeted income levels by 20% in 2021/22 and 10% in 2022/23.

4.8.5 Current information from Council Tax shows that there is a deficit of around £1m of which the Council's share is circa £100k. This has been included for 2021/22 and 2022/23.

Table 4 – Covid 19 Impact on the MTFS

	2021/22	2022/23	2023/24	2024/25
	£	£	£	£
Net (Surplus)/Deficit Original Budget	437,800	298,200	130,400	(208,500)
Net (Surplus)/Deficit Revised	1,900,800	918,200	200,400	(138,500)
Variance	1,463,000	620,000	70,000	70,000
Assumptions:				
Investment Income	30,000	0	0	0
Pay Award	70,000	70,000	70,000	70,000
Business Rates	363,000	0	0	0
Fees and Charges and Commercial income	900,000	450,000	0	0
Collection Fund Deficit	100,000	100,000	0	0
Total	1,463,000	620,000	70,000	70,000

4.8.6 The proposed council strategy for dealing with both the immediate and legacy issues of Covid-19 are proposed as follows:

- (a) identification of Transformation Programme efficiencies and the use of in-year underspends should they arise;
- (b) use of the Organisation Stabilisation Reserve and New Homes Bonus Reserve (if necessary) and not applying the Voluntary Revenue Provision in relation to the Arena;
- (c) A review of earmarked reserves and their use, and where possible transfer those reserves not being applied, to the Organisation Stabilisation Reserve, as necessary, to improve resilience going forward in the event of a 'second wave' of Covid-19; and
- (d) Ultimately use of its £2.6m General Fund Balance.

4.8.7 With regards to the latter point Cabinet in July 2020 agreed the transfer from three unused reserves totalling £0.524m, **for Full Council approval**. These earmarked reserves have been reviewed in terms of both their previous and

potential use and as they are not planned to be used it is recommended that these are transferred into the Organisation Stabilisation Reserve:

- Council Assets and Service Delivery £0.274m;
- Invest to Save £0.15m; and
- Planned Maintenance £0.1m.

This brings the opening 2020/21 balance to £2.401m.

4.8.8 **Appendix E** shows the Organisation Stabilisation Reserve balance is expected to reduce from a planned £2m to £0.284m, at its lowest, in 2021/22. This then increases each year as the reserve is replenished. £0.150m is assumed to be transferred each year into the reserve from 2022/23. Furthermore, going forward it is expected that any in-year revenue efficiencies will also help replenish the reserve.

4.8.9 It should be noted the newly created Climate Change Reserve of £1m remains to ensure we deliver on our key objectives. The level of overall reserves are estimated to be £16.3m in 2020/21 and 2021/22. The revised position on all reserves will be reported to Full Council with a fully revised MTFS in March 2021.

4.9 Conclusion

4.9.1 Undoubtedly, this is the most testing of times in relation to Council finances and ensuring budgets and balanced and excellent services continue to be delivered. It is important the Council retains reserves commensurate with its risks and despite the planned use of reserves they remain sufficient in value at this time to ensure both upside and downside risks are managed. As a Council, we clearly cannot be complacent and continue to look at our own business efficiencies before using reserves. Whilst Government funding is welcome there is not a 'bottomless pit' of cash that can support authorities going forward.

4.9.2 Whilst the easing of lockdown should relieve some pressure on the Council's budget, additional expenditure is likely to continue particularly in support of the leisure centres with reduced usage for some time due to social distancing measures. It is yet unknown how quickly income levels from facilities such as car parks will improve, and this will be closely monitored. Income streams are likely to remain lower than budgeted for some time before returning to anticipated levels. The threat of a further local spike or 'second wave' of Covid-19 is something we should be prepared for in a worst-case scenario.

4.9.3 It remains to be seen if there will be further government support to help bridge the budget gap. If further support is not forthcoming, then the likely scenario for the Council is a £0.422m budget gap just for the current year (net of current government support) and £1.9m in 2021/22. There will be an updated MTFS presented to Full Council in March 2021 in what can be a fast changing picture.

4.9.4 This report identifies a financial strategy for dealing with the current Covid-19 budget with a range of measures that can be taken from proactively utilising in-

year budget efficiencies, continually revising the Transformation Programme (looking at further budget efficiencies), utilising Reserves (particularly the Organisation Stabilisation Reserve and, the General Fund Balance); and changes in Minimum Revenue Provision, which potentially unlocks New Homes Bonus to support the budget.

- 4.9.5 The timing and value of capital receipts is now uncertain, as is the progress on the capital programme owing to potential difficulty in commissioning work along with potential variations in costs, which may inhibit scheme progress. The timing of borrowing is likely to be sooner rather than later.
- 4.9.6 The Council has managed its resources well and as a consequence has in the past held a healthy level of reserves. In addition, the outturn position for 2019/20 reported to Cabinet 14 July 2020, showed a net transfer to reserves of £1.348m resulting from in year efficiencies further improving the level of reserves. This enables the Council to, at least in the short term, deal with this pan-global economic crisis and continue delivering its Corporate Objectives. The financial resilience of the Council going forward is being severely challenged but we are in a better position than most to move forward at this most difficult of times.

5. Alternative options considered and reasons for rejection

The alternative option is to do nothing. The budget approved 5 March 2020 is now unrealistic and, therefore, doing nothing will result in a budget gap, which is not permissible by law.

6. Risks and Uncertainties

- 6.1 Risk that a balanced budget position is not achieved if mitigating action is not agreed by Council.
- 6.2 Risk that the Council may have to issue a Section 114 notice if the Council is unable to replenish lost income or make additional savings and a balanced budget is not achievable. The proposals in this report make this low risk, but this could change dependent on the legacy issues, the event of a second wave and what arises from the 2021/22 financial settlement.
- 6.3 Further delays to the Business Rates System and Fair Funding Reviews (now delayed until at least 2021) add even more uncertainty to the Council's MTFS going forward.

7 Implications

7.1 Financial Implications

Financial Implications are covered in the body of the report.

7.2 Legal Implications

The Council is required to have a balanced budget. The additional pressures on expenditure and on lost income puts at risk the 2020/21 balanced budget position and puts the Council at risk of issuing a S114 notice. As a prudent authority, a review of the MTFS is appropriate at this time.

7.3 Equalities Implications

There are no direct equalities implications.

7.4 Section 17 of the Crime and Disorder Act 1998 Implications

There are no direct crime and disorder implications.

8 Link to Corporate Priorities

Quality of Life	The budget resources the Corporate Strategy and, therefore, resources all corporate priorities.
Efficient Services	
Sustainable Growth	
The Environment	

9 Recommendations

It is RECOMMENDED that Cabinet approves for Full Council:

- a) the revised projections to the 2020/21 revenue budget and remainder of the current MTFS in **Appendix A** as a result of the impact of Covid-19;
- b) the revised projections to the Capital Programme for 2020/21 and the impact on the Capital Programme over the MTFS in **Appendix B**;
- c) the changes to the Transformation Strategy in **Appendix C**;
- d) the Council Tax Hardship Fund Policy Paper at **Appendix D** and its current application;
- e) the strategy of utilising in-year budget efficiencies, the Organisation Stabilisation reserve, reviewing the use of existing reserves, reduced use of Voluntary Revenue Provision and therefore the use of New Homes Bonus; as fiscal levers so the Council balances the budget and delivers its corporate objectives (**paragraph 4.8.6**); and
- f) the transfer of 3 reserves totalling to £0.524m as stated at **paragraph 4.8.7** to the Organisation Stabilisation Reserve from 2020/21 and the revised anticipated position over the next 5 years (**Appendix E**).

For more information contact:	Peter Linfield Executive Manager Finance and Corporate 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers available for Inspection:	Report to Full Council - March 5 2020: 2020/21 Budget and Financial Strategy Report to Cabinet 12 May – Budget Update Report to Cabinet 9 June – Budget Update Report to Cabinet 14 July – Budget Update Report to Governance Scrutiny Group 30 July – Covid 19 Risk Register Update
List of appendices:	Appendix A – Budget Impact of Covid19 – Sensitivity Analysis Appendix B – Revised Capital Projections Appendix C – Revised Transformation Plan Appendix D – Council Tax COVID-19 Hardship Fund Policy 2020-21 – Update Appendix E – Revised Organisational Stabilisation Reserve

Appendix A

	2020/21 ESTIMATE £	Projected 2020/21 ESTIMATE £	2021/22 ESTIMATE £	2022/23 ESTIMATE £	2023/24 ESTIMATE £	2024/25 ESTIMATE £
Communities	2,907,200	3,355,400	3,023,200	3,078,500	3,121,000	3,160,200
Finance and Corporate Services	3,442,800	3,467,300	3,668,300	3,764,000	3,992,800	3,860,900
Neighbourhoods	6,520,700	8,122,300	6,655,800	6,391,300	6,383,500	6,337,100
Transformation	2,000	138,000	(147,000)	(231,000)	(197,700)	(155,300)
Net Service Expenditure	12,872,700	15,083,000	13,200,300	13,002,800	13,299,600	13,202,900
Capital Accounting Adjustments	(2,130,600)	(2,130,600)	(2,130,600)	(2,130,600)	(2,130,600)	(2,130,600)
Minimum Revenue Provision	1,000,000	1,000,000	1,074,000	1,247,000	1,247,000	1,247,000
Revenue Contribution to Capital	146,800	146,800	154,800	180,400	180,400	184,600
Transfer to/(from) Reserves	1,859,200	1,589,200	(312,400)	(531,400)	(1,215,900)	(1,015,900)
Total Net Service Expenditure	13,748,100	15,688,400	11,986,100	11,768,200	11,380,500	11,488,000
Funding						
Other Grant Income	(17,500)	(1,535,500)	0	0	0	0
Localised Business Rates, includes SBRR	(3,984,300)	(3,984,300)	(3,058,300)	(3,119,500)	(3,181,900)	(3,245,500)
Collection Fund (Surplus)/Deficit	(444,500)	(444,500)	0	0	0	0
Council Tax Income						
- Rushcliffe	(6,278,800)	(6,278,800)	(6,626,500)	(6,985,500)	(7,356,300)	(7,739,100)
- Special Expenses Areas	(711,900)	(711,900)	(711,900)	(711,900)	(711,900)	(711,900)
New Homes Bonus	(2,311,100)	(2,311,100)	(1,151,600)	(653,100)	0	0
Total Funding	(13,748,100)	(15,266,100)	(11,548,300)	(11,470,000)	(11,250,100)	(11,696,500)
Net Budget (Surplus)/Deficit	0	422,300	437,800	298,200	130,400	(208,500)
	2020/21		2021/22	2022/23	2023/24	2024/25

	ESTIMATE £	Projected 2020/21 ESTIMATE £	ESTIMATE £	ESTIMATE £	ESTIMATE £	ESTIMATE £
Investment Income		0	30,000	0	0	0
Pay Award		0	70,000	70,000	70,000	70,000
Business Rates		0	363,000	0	0	0
Fees and Charges and Commercial income		0	900,000	450,000	0	0
Collection Fund Deficit		0	100,000	100,000	0	0
Total budget pressure		422,300	1,900,800	918,200	200,400	(138,500)
Transformation Plan		0	33,000	(439,000)	137,000	(173,000)
MRP – reduction in VRP ie use of NHB		0	(626,000)	(626,000)	(626,000)	0
Transfer to/(from) Reserves		(422,300)	(1,307,800)	150,000	150,000	150,000
Total Net budget Surplus/Deficit		0	0	3,200	(138,600)	(161,500)

Appendix B

REVISED CAPITAL PROGRAMME PROJECTIONS 2020-21				Explanations
EXPENDITURE SUMMARY	Current	Projected	Projected	
	Budget	Actual	Variance	
	£000	£000	£000	
Transformation	22,917	4,277	(18,640)	Slippage on the construction of Bingham Hub and The Crematorium anticipated although both projects are still anticipated to be completed to original timescales.
Neighbourhoods	3,846	1,840	(2,006)	Support for RHPs not wholly committed, slow DFG grant release due to COVID19 impact.
Communities	2,471	2,322	(149)	Balance of Skatepark grants not yet committed.
Finance & Corporate Services	8,967	5,028	(3,939)	Balance of the Asset Investment Strategy not yet committed.
Contingency	170	0	(170)	Capital Contingency balance not yet allocated.
	38,371	13,467	(24,904)	
FINANCING ANALYSIS				
Capital Receipts	(13,330)	(7,848)	5,482	Intention to use capital receipts to fund expenditure before recourse to internally/externally borrow.
Government Grants	(3,258)	(517)	2,741	
Use of Reserves	(651)	(607)	44	
Grants/Contributions	(610)	(610)	-	
Section 106 Monies	(4,052)	(1,234)	2,818	
Borrowing	(16,470)	(2,651)	13,819	Intention to use capital receipts to fund expenditure before recourse to internally/externally borrow.
	(38,371)	(13,467)	24,904	
NET EXPENDITURE	-	-	-	

Appendix C

Transformation Programme 2020/21 - 2024/25					
Savings (£'000)	2020/21	2021/22	2022/23	2023/24	2024/25
Service Efficiencies & Management Challenge	1,767	1,757	1,747	1,737	1,737
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
Additional Green Bin Income	382	382	382	382	382
Planning pre-application Advice	30	30	30	30	30
Total Additional Income	725	725	725	725	725

Transformation Programme 2020/21 - 2024/25					
Savings (£'000)	2020/21	2021/22	2022/23	2023/24	2024/25
Additional (Growth)/Savings					
Savings Target	0	500	500	500	500
Planning Income	100	100	100	100	100
Room Hire	7	7	7	7	7
Net impact of relocation to Eastcroft	(273)	(273)	(273)	(273)	(273)
Leisure Community Interest Company	120	120	120	120	120
Procurement	50	50	50	50	50
Event Sponsorship Income	9	9	9	9	9
Finch Close	67	67	67	67	67
Co-op	69	69	69	69	69
Units at Moorbridge	0	0	0	0	0
Cotgrave Phase 2	0	34	91	91	91
Asset Investment Projects	147	323	657	910	992
Total Additional (Growth)/Savings	296	1,006	1,397	1,650	1,732
Overall Total	3,899	4,599	4,980	5,223	5,305
Additional savings	159	700	381	243	82

Council Tax

COVID-19 Hardship Fund Policy 2020-21 – Update

1. Introduction

- 1.1 This paper is an addition to the policy agreed by Cabinet on 14 May 2020.
- 1.2 All working age claimants who had a live claim as at 1 April 2020 were granted their CTS Hardship payment on 28 March 2020. This allocated £217,716.26. Since this date, there has been an increase in new claims and changes in circumstances where these awards also had to be made. These have been awarded on a weekly basis up to the end of April (£225,083.17).
- 1.3 The policy agreed by Cabinet allowed awards to continue up to the maximum of £150 until the end of quarter 1 (30 June 2020) and that a further review be undertaken at the end of quarter 1 with regards to the remaining balance of the fund.
- 1.4 It was agreed that if there were sufficient funds available, a further award of up to £150 would be made to all working age claimants (using the same underlying principles as the first award), therefore giving a maximum award of up to £300.

2. New software

- 2.1 There have been challenges for the Council's Benefits system software provider (Capita). Capita initially issued software that allowed automatic awards to be made in respect of the hardship fund payments. However, following meetings with the User Groups and MHCLG it was decided the software did not meet MHCLG's policy intention.
- 2.2 The advice from Capita was that LA's should wait until the new software was provided before making any awards (the awards previously made up to the end of April were done manually and were extremely resource intensive).
- 2.3 Capita finally issued the new software on 14 July. It is a fully automated process that considers all changes that may have an impact on the level of the award. Following testing of the software (it was loaded into our test system on 23 July) it was loaded onto the live system on 3 August 2020.

3. Potential expenditure

- 3.1 Initial testing shows the following expenditure, with the hardship parameter set at a maximum of £250 per claim:

2,293 claims - £370,141.44

By way of comparison- with a parameter of £300 this would have committed £417k and left £98k for further payments.

- 3.2 It is recommended that £250 is the maximum amount to be used in the parameter setting. The current spend is £389,922.05 as at 23 August - which leaves a balance of £125,466.95 for the remainder of 2020/21.
- 3.3 Analysis has been done on the potential number of number claims that when processed, could be entitled to a hardship payment of up to £300. This is as follows:

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>
April	54	50	126
May	75	61	164
June	49	55	102
July	56	45	73
August	58	44	
September	64	41	
October	62	47	
November	49	70	
December	28	27	
January	49	49	
February	52	45	
March	58	63	

- 3.4 From August 2019 to March 2020 a total of 420 claims for CTR were processed (53 per month). Based on an average hardship payment of £161.42 per claim (£370,141.44 divided by 2,293 claims) – this would allocate a further £68,443.07. This would leave a potential balance of £57,033.88 to be used if there is a second wave of COVID-19 or once the furlough scheme draws to a conclusion (ie if there are further job losses and residents requiring further support). Obviously, this is very difficult to predict.

4. Action Taken

- 4.1 The parameter is set at a maximum of £250 per claim. There should be enough funding to cover the further claims received up to 31 March 2021. If there is a large increase in claims the funding will be capped at the amount allocated unless Government provide further resources. However, it is considered reasonable to assume that we will now receive a consistent level of new claims for the remainder of 2020/21 subject to the impact of the end of the furlough scheme or a local/national lockdown.
- 4.2 The scheme will continue to be reviewed and any further changes anticipated in January 2021 and reported to Full Council in March 2021 as part of the MTFS.

Appendix E

Anticipated Position on Organisational Stabilisation Reserve

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
Organisation Stabilisation Reserve					
Estimated Opening Balance	2,401	2,493	2,014	1,933	1,933
Planned transfer to/(from) reserve	362	(479)	(81)		
Add carry forwards	(270)				
Estimated Closing Balance	2,493	2,014	1,933	1,933	1,933
Post Covid 19 Position					
Revised Opening Balance	2,493	2,071	284	353	503
Planned transfer to/(from) reserve		(479)	(81)		
Additional transfer to/(from) reserves	(422)	(1,308)	150	150	150
Revised Closing Balance*	2,071	284	353	503	653

* the above does not include the expected transfer in relation to Business Rates of £2.864m. This is expected to be reversed out (ie a net nil effect) as a result of the timing mis-match from receiving s31 grant for the reliefs and the payments that are required to be made to preceptors via the Collection Fund



Cabinet

Tuesday, 8 September 2020

Statement of Community Involvement for Planning Policy and Planning Applications Addendum – Implications of the Coronavirus Pandemic

Report of the Executive Manager - Communities

Cabinet Portfolio Holder Councillor R Upton

1. Purpose of report

- 1.1. The Statement of Community Involvement (SCI) sets out the Borough Council's policies on community involvement in planning policy preparation and the determination of planning applications. A revised SCI was published and consulted on over a six week period ending on 28 June 2018, and adopted by Cabinet on 12 March 2019.
- 1.2. Due to 'social distancing' and other control measures brought in to reduce the transmission of the Covid-19 coronavirus, this addendum sets out how the Council will consult members of the public on emerging planning policies within Local Plans and planning applications whilst 'social distancing' restrictions are in place.

2. Recommendation

It is RECOMMENDED that Cabinet adopts the Statement of Community Involvement for Planning Policy and Planning Applications Addendum – Implications of the Coronavirus Pandemic.

3. Reasons for Recommendation

The Addendum to the Statement of Community Involvement for Planning Policy and Planning Applications will, if adopted, set out the Council's policies on community involvement in planning policy preparation and the determination of planning applications whilst 'social distancing restrictions' are in place.

4. Supporting Information

- 4.1. Section 18 of the Planning and Compulsory Purchase Act (2004) requires that local planning authorities prepare a Statement of Community Involvement (SCI). The SCI must set out how persons and organisations, who appear to the authority to have an interest in matters relating to development in the area, will be involved in the Council's plan making and development management functions.

- 4.2. The Government has stated that local plan preparation and the determination of planning applications should continue during the coronavirus pandemic. However, they have recognised that, given social distancing restrictions, Councils may not be able to comply with their Statements of Community Involvement. Consequently, the Government has updated the Planning Practice Guidance encouraging a review of the Statement of Community Involvement and amendment of policies where necessary.
- 4.3. For community involvement to be successful during the pandemic, it remains the case that it must continue to involve an inclusive approach based on the differing needs of the various parts of the community.
- 4.4. Whilst engagement and involvement during the pandemic may not be able to involve face-face meetings or events, and locations for displaying documents may be closed, the Council still wishes to use effective means to enable people to be informed and to contribute throughout the plan-making process. The continued aim is to ensure that all groups in the Borough are involved in the process early enough for people to be able to have an input, and to address the needs of those groups of people who traditionally have not been involved in the process but may have specific needs to be met or addressed. It is important that all views are sought, not just those of people with a direct interest in a land use proposal.
- 4.5. During engagement on emerging planning policies, the Addendum highlights that face-to-face meetings and events are unlikely to occur whilst social distancing measures are in place. However, as pandemic controls change, face-to-face meetings may be able to occur.
- 4.6. In addition, the Council will leave consultation documents on display at locations open to the public. However, where public buildings remain closed during the pandemic, the leaving of documents on display will not be able to take place. Where public buildings are able to reopen during the pandemic, it will still have to be decided whether it is feasible and safe to use particular locations for displaying consultation documents. It is recognised that such controls may change over time and therefore the appropriateness of displaying consultation document in particular locations will be kept under review.
- 4.7. The Council will continue to make use of social media and provide documents for inspection on a public website. In addition, where appropriate and feasible for the consultation stage concerned, the Council will consider the use of methods such as virtual exhibitions and video conferencing.
- 4.8. As with engagement on planning policies, depending on the restrictions in place, face-to-face meetings are unlikely to take place during consultations on planning applications. Consequently, pre-application exhibitions or other public events may not be able to occur and applicants are encouraged to engage with local communities through other measures, for example social media.

5. Alternative options considered and reasons for rejection

Cabinet could choose not to adopt the draft Addendum to the Statement of Community Involvement for Planning Policy and Planning Applications. This option is considered inappropriate as the Council, depending on the restrictions in place, may be unable to comply with the consultation requirements and could consequently face successful legal challenges to its planning decisions.

6. Risk and Uncertainties

Due to social distancing restrictions, the Council's existing Statement of Community Involvement is no longer up to date. It would therefore be unsatisfactory to continue to place reliance on the existing SCI.

7. Implications

7.1. Financial Implications

There are no direct financial implications arising from this report.

7.2. Legal Implications

It is a statutory requirement for the Council to have a Statement of Community Involvement in place covering community engagement in relation to development plan preparation and the determination of planning applications.

7.3. Equalities Implications

This addendum to the Statement of Community Involvement recognises that consultation methods may be affected due to social distancing measures and contains safeguards that ensure no group or individual would be disadvantaged.

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

There are no direct community safety implications arising from this report.

8. Link to Corporate Priorities

Quality of Life	The SCI will assist the development of land use policies that meet the housing, employment, recreational and leisure needs of residents, whilst protecting and enhancing the natural and built environment.
Efficient Services	The SCI addendum will ensure effective and efficient consultation with stakeholders on planning issues occurs whilst social distancing measures are in place.
Sustainable Growth	The SCI will assist the development of land use policies within the Local Plan that will deliver sustainable housing and economic growth

The Environment	The SCI will assist the development of land use policies that protect and enhance the environment
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9. Recommendations

It is RECOMMENDED that Cabinet adopts the Statement of Community Involvement for Planning Policy and Planning Applications Addendum - Implications of the Coronavirus Pandemic.

For more information contact:	Richard Mapletoft Planning Policy Manager 0115 914 8457 email rmapletoft@rushcliffe.gov.uk
Background papers Available for Inspection:	Rushcliffe Statement of Community Involvement - Adopted March 2019 http://www.rushcliffe.gov.uk/planningpolicy/localplan/communityinvolvement/
List of appendices:	Appendix 1: Rushcliffe Statement of Community Involvement for Planning Policy and Planning Applications - Implications of the Coronavirus Pandemic



Rushcliffe Statement of Community Involvement for Planning Policy and Planning Applications

Addendum

Implications of the Coronavirus Pandemic

September 2020

Contents

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1. Introduction

- 1.1 The Statement of Community Involvement sets out Rushcliffe Borough Council's proposed policies on community involvement in planning policy preparation and the determination of planning applications. This is a temporary addendum to the Statement of Community Involvement which was adopted in 2019. It sets out how the Council will consult on planning issues when 'social distancing' and other pandemic control measures, which reduce the transmission of the corona virus (Covid 19), are in place. It will be withdrawn from use when pandemic control measures are no longer in operation nationally.
- 1.2 The Government has stated that local plan preparation and the determination of planning applications should continue during the corona virus pandemic. For community involvement to be successful during the pandemic, it remains the case that it must continue to involve an inclusive approach based on the differing needs of the various parts of the community. Whilst engagement and involvement during the pandemic may not be able to involve face-face meetings or events, and locations for displaying documents may be closed, the Council still wishes to use effective means to enable people to be informed and to contribute throughout the plan-making process. The continued aim is to ensure that all groups in the Borough are involved in the process early enough for people to be able to have an input, and to address the needs of those groups of people who traditionally have not been involved in the process but may have specific needs to be met or addressed. It is important that all views are sought, not just those of people with a direct interest in a land use proposal.

2. Government Guidance

- 2.1 As social distancing measures are likely to restrict engagement on planning issues and therefore could result in non-compliance with a Council's Statement of Community Involvement, the Planning Practice Guidance regarding Statements of Community Involvement has been updated by the Government.
- 2.2 These updates state that where any of the policies in the Statement of Community Involvement cannot be complied with due to current guidance to help combat the spread of coronavirus (COVID-19), the local planning authority is encouraged to undertake an immediate review and update the policies where necessary so that plan-making can continue.¹

¹ Paragraph: 077 Reference ID: 61-077-201200513

- 2.3 Local planning authorities will need to assess their Statements of Community Involvement to identify which policies are inconsistent with current guidance on staying at home and away from others or any superseding guidance.
- 2.4 The local planning authority should then make any temporary amendments that are necessary to allow plan-making to progress, and that continue to promote effective community engagement by means which are reasonably practicable.
- 2.5 Local planning authorities are encouraged to use online engagement methods to their full potential. Appropriate methods include virtual exhibitions, digital consultations, video conferencing, social media and providing documents for inspection on a public website. Authorities will also need to take reasonable steps to ensure sections of the community that don't have internet access are involved and consider alternative and creative ways to achieve this. Authorities may wish to consider engaging sections of the community, that do not have internet access, through representative groups rather than directly, targeting only people in areas most affected by proposals, and allowing individuals to nominate an advocate to share views on their behalf. Consulting by telephone or in writing can also be used where this is feasible and alternatives cannot be identified. Opportunities to combine public consultations can be explored so that offline methods can be made more cost effective.
- 2.6 There is no requirement in legislation for local planning authorities to consult when reviewing and updating their Statement of Community Involvement, although it is good practice for authorities to inform the public of their intentions to update this document and of the changes that have been made. It is also good practice to make clear that the changes are only temporary whilst restrictions relating to COVID-19 are in place.²
- 2.7 In accordance with the guidance above, the following chapter comprises the review of the adopted Statement of Community Involvement and includes the temporary changes to those engagement methods within it which cannot be undertaken due to the corona virus pandemic.

3. Review of Statement of Community Involvement

Planning Policy

- 3.1 Chapter 2 of the adopted SCI outlines the Council's approach to consultation on Local Plans and Supplementary Planning Documents (SPDs). Chapter 3 sets out the Council's involvement in Neighbourhood Plans.

² Paragraph: 078 Reference ID: 61-078-201200513

3.2 Paragraph 2.7 of the SCI identifies the following Local Plan consultation principles:

- *We will involve the public and consultees at the earliest opportunity when producing documents;*
- *Consultation will be transparent, open and accessible to all sections of the community, enabling the community to engage with the planning system, not just those who are familiar with it;*
- *The consultation process will allow local communities and consultees to see how ideas have developed at various stages with effective feedback;*
- *Wherever possible consultation will be carried out in tandem with other community engagement initiatives; and*
- *We will ensure that any personal and, in particular, any sensitive personal data is subject to appropriate technical and organisational security measures so that we meet our obligations under data protection law.*

3.3 These principles can still be adhered to whilst social distancing measures are required.

3.4 Paragraph 2.11 sets out who will be consulted. It lists statutory consultees, local groups, organisations and businesses, others who have expressed an interest in the subject matter and the general public. There is no reason why these consultees cannot continue to be engaged while social distancing measures apply, either by email, social media, or by post.

3.5 It also sets out how these consultees will be engaged, identifying the following measures:

“How we will consult

- *We will contact appropriate organisations and individuals directly;*
- *We will publicise consultations by methods such as leaflets, websites, posters, press releases, social media platforms, displays, working with existing community groups, attending community events and joint consultations;*
- *We will leave consultation documents on display at locations open to the public (such as the Rushcliffe Community Contact Centre and libraries);*
- *If requested, and applying any reasonable charges, we will give consultation documents to community groups, councils and statutory organisations;*
- *We will consider organising events such as stakeholder meetings or workshops; and*
- *We will publish comments received and/or provide a summary as soon as possible. We will explain how these comments have been considered when decisions are taken. Comments will be available to view on the*

Council's website, but email address, signature and contact details will not be included. If we determine that specific reference to personal and, in particular, sensitive personal data within the comments needs to be removed or redacted then we will do so on a case-by-case basis in consultation with the Borough Council's Data Protection Officer. Any comments will be publicised in a manner having regard to the General Data Protection Regulations (see <http://www.rushcliffe.gov.uk/privacy/>)

- 3.6 Some of the stakeholder activities within bullet points two, three and four contain measures that, depending on social distancing requirements, may not be able to be undertaken. However, as social distancing guidelines change, opportunities to undertake these activities will be re-examined.
- 3.7 Face to face meetings and events are unlikely to occur whilst social distancing measures are in place. Consequently those publicity measures within the second bullet point that result in physical proximity to consultees (e.g. attending community events) are unlikely to be feasible. As pandemic controls change, face to face meetings may however be able to occur. The Council will, however, continue to make use of social media and provide documents for inspection on a public website. In addition, where appropriate and feasible for the consultation stage concerned, the Council will consider use of methods such as virtual exhibitions and video conferencing.
- 3.8 The third bullet point states that the Council will leave consultation documents on display at locations open to the public. However where public buildings remain closed during the pandemic, the leaving of documents on display will not be able to take place. Where public buildings are able to reopen during the pandemic it will still have to be decided whether it is feasible and safe to use particular locations for displaying consultation documents. This will be dependent on any pandemic related controls in place to limit and manage access to the building. It is recognised that such controls may change over time and therefore the appropriateness of displaying consultation document in particular locations will be kept under review.
- 3.9 The fifth bullet states the Council will consider organising events such as stakeholder meetings or workshops. Whilst this does not commit the Council to undertake such events, during the pandemic and while social distancing measures apply these events are unlikely to take place. This will however remain under review as social distancing measures change. The Council will also, where appropriate and feasible for the consultation stage concerned, consider use of methods such as virtual exhibitions and video conferencing.
- 3.10 Paragraph 2.11 outlines when we will consult and how we will consult on Supplementary Planning Documents. The implementation of social distancing measures will have no implications for when we consult or how we consult on Supplementary Planning Documents.

3.11 Considering the: duty to cooperate (paragraphs 2.12 to 2.14); consultation with seldom heard groups (paragraphs 2.15 to 2.16); and the duty to advise and assist on neighbourhood plans (chapter 3) – the commitments to consult other public bodies (including neighbouring authorities) can be met whilst social distancing measures are in place, as can those commitments to reach seldom heard groups and assist neighbourhood planning groups.

Planning Applications

3.12 Chapter 4 of the Statement of Community Involvement outlines the Council's engagement with stakeholders on planning applications, including the encouragement of pre-application engagement, by applicants, with local communities.

3.13 Paragraph 4.3 states that at pre-application stage, the Council will:-

- *“Publish and update advice about the information required when submitting planning applications on the Borough Council's website;*
- *Actively encourage and hold pre-application discussions with prospective applicants whatever the scale of development proposed. For the larger proposals or those which may give rise to local controversy, on sensitive sites or of a significant scale, consultation may be carried out with technical consultees such as Nottinghamshire County Council as Highways Authority and the Environment Agency;*
- *Encourage the applicants of more significant applications to engage with the community including holding exhibitions and other events to publicise their proposals; and*
- *Encourage all landowners/property owners to discuss their proposals with their neighbours and where appropriate the wider community before submitting an application.”*

3.14 The types of engagement with the local community at the pre-application stage (bullet 4) will have to comply with social distancing requirements in place at the time of engagement. If exhibitions or other public events are not able to occur, applicants will still be encouraged to engage with local communities through other measures, for example social media.

3.15 Paragraph 4.5 outlines the publicity measures that the Council will undertake when consulting on planning applications. Depending on the type of development proposed, these may include one or more of the following: site notices, notices in the local newspaper, neighbour notification letter and publicising on the Council's web-site. Whilst all these publicity measures can continue within social distancing requirements, they will be reviewed as these requirements change.

3.16 Paragraph 4.5 also outlines how the Council will undertake consultation for planning applications. The first bullet point states that:

“Additional publicity and/or neighbour notification will generally be undertaken, over and above the statutory requirement, dependent on the nature and scale of the development proposal. Anyone can comment not just those who have received a letter. All planning applications are available for inspection on the Borough Council’s web site at www.rushcliffe.gov.uk and electronically at the Rushcliffe Community Contact Centre in West Bridgford during office hours or online. The availability of information on major planning applications will be considered on a case by case basis and if it is judged necessary information will be made available at places additional to the Council offices.”

3.17 Access to the Rushcliffe Customer Services Centre at Fountain Court, Gordon Road in West Bridgford (which has replaced the Community Contact Centre, which was located at Rectory Road, West Bridgford) may, depending on the social distancing guidelines at the time, be restricted during the pandemic. Therefore members of the public are encouraged to view planning applications online. If a member of the public does not have access to the internet, and access to the Customer Service Centre is restricted, they should contact Rushcliffe Borough Council and discuss alternative options that may enable them to view applications.

4. Further information

4.1 If you wish to know more about the Statement of Community Involvement or any aspect of the planning policy or planning applications, please contact us at the address shown below. Information on the Local Plan and the development plan process is also available on the Borough Council’s website.

By post: Rushcliffe Borough Council
 Rushcliffe Arena
 Rugby Road, West Bridgford
 NOTTINGHAM
 NG2 7YG

By telephone: 0115 981 9911

By e-mail: localdevelopment@rushcliffe.gov.uk for planning policy
 planningandgrowth@rushcliffe.gov.uk for planning applications

Website: www.rushcliffe.gov.uk/planningpolicy for planning policy
 <http://www.rushcliffe.gov.uk/planningandgrowth/> for planning applications