ANNEX B

RUSHCLIFFE BOROUGH COUNCIL

BUDGET SETTING REPORT
AND ASSOCIATED FINANCIAL STRATEGIES
2023/24-2027/28

Contents

1. INTRODUCTION AND EXECUTIVE SUMMARY
2. BUDGET ASSUMPTIONS
3. FINANCIAL RESOURCES
4. 2023/24 SPENDING PLANS
5. BUDGET REQUIREMENT
6. RESERVES
7. THE TRANSFORMATION STRATEGY AND EFFICIENCY PLAN
8. RISK AND SENSITIVITY
9. CAPITAL PROGRAMME
10. TREASURY MANAGEMENT
11. OPTIONS

APPENDICES:

1. SPECIAL EXPENSES
2. REVENUE BUDGET SERVICE SUMMARY
3. CAPITAL PROGRAMME 2023/24 (INCLUDING APPRAISALS)
4. CAPITAL AND INVESTMENT STRATEGY 2023/24 – 2027/28
5. USE OF EARMARKED RESERVES 2023/24
6. COUNCIL TAX SUPPORT FUND 2023/24
7. PAY POLICY STATEMENT 2023/24

1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Introduction

Following two difficult years through the Covid pandemic, the war in the Ukraine has further exacerbated the negative impact on the economic environment which remains volatile and consequently has increased the cost of living globally. Inflation is at an unprecedented high and is expected to remain elevated during the medium term, causing significant pressure on the Council's budget. The Council's Medium Term Financial Strategy (MTFS) supports the delivery of the Council's corporate strategy by firstly seeking to ensure that the Council remains financially resilient and able to deliver the services it must by law; secondly to ensure the resilience of the budget in a time of increased costs and reduced consumer activity; thirdly to ensure that the Council continues to develop and grow the Borough and focus on supporting economic development; fourthly maintain discretionary services valued by the residents; and finally support the Council's environmental targets. For the fifth year, the Council has again received a one-year settlement providing certainty for 2023/24 only. Financial planning becomes more difficult with less certainty and more risk.

There are a number of reforms in the pipeline such as Business Rates, New Homes Bonus (NHB) and Fairer Funding Reviews which will now not materialise until 2025/26, at the earliest. The anticipated delay in the Business Rates Reset in the short term, provides temporary support to the budget as the Council retains its Business Rates growth. The Council's prudent approach to maintaining an adequate level of reserves will help mitigate against such risks.

The Council is mostly self-sufficient however current budgetary pressures mean difficult decisions; balancing the funding position with the impact that rising costs is having on residents. Inflation and national pay negotiations have had a significant impact on the Council's budget and, in balancing this, some charges for discretionary services must also been increased. Further prudence is also required with regards to looking at efficiencies in relation to discretionary services.

Regarding Business Rates there is an impact specifically in 2023/24 and 2024/25 in relation to the power station which will reduce rates in both years ultimately down to zero from 2024 when the facility will close in line with Government policy. A combination of business growth in the borough and the delay to the rates reset does somewhat cushion the effect of the power station closure meaning that the financial impact of lost rates is less challenging. The Development Corporation and the Freeport on the power station site provide excellent opportunities for economic growth and promotes a key gateway for development within the Borough. The Council remains sustainable due to its range of income streams, including Council Tax, commercial property income, and fees and charges, with a proportionate approach to generating income. However, there is a risk to income generation with the current cost of living challenges, as household incomes contract so may expenditure on Council services; therefore healthy reserves and revenue contingency are essential to ensure temporary variations can be absorbed.

There remain significant risks going forward and therefore the Council has taken a prudent course of action with reserves (excluding New Homes Bonus) to remain at £8.9m to £10.1m over the term of the MTFS at a period when the potential for adverse financial risk remains significant. NHB has been confirmed to continue for 2023/24 and is assumed, in this MTFS, to continue for 2024/25 (this being assumed as the final year). Many of the reserves are to support ongoing maintenance of Council assets. Any scope to increase reserves, for both opportunities to deliver the Council's corporate priorities and to mitigate against adverse future financial risk, will be taken. This budget proposes the creation of a new reserve - the Treasury Capital Depreciation Reserve of £1m and this has previously been reported to Cabinet. This reserve will mitigate the potential impact of negative variations on the value of the Council's treasury capital investments potentially from April 2025. This is included as part of the Council's Treasury Management Strategy (Appendix 4) scrutinised by the Governance Scrutiny Group.

In recent years, the Council has recently been unsuccessful for two bids for Government funding to support capital projects (Levelling Up Funding and Gypsy and Traveller site funding). Arguably the Borough has been a victim of its own success with government funding directed to what are perceived as more deprived areas. The ability of the Council to leverage external funding is less likely and the Council has to be prepared to fund future core service capital commitments. The Regeneration and Community Projects reserve is to increase by a further £1m, given the likely lack of external funding and the Council's imperative of not having external debt (and the associated costs of such debt). The Council continues to focus on growth, significantly investing in capital and averting the need to borrow.

The Council has, over the last few years, invested significantly in capital within the Borough. Two major projects will have been completed by 2023/24: Bingham Leisure Hub and the Rushcliffe Oaks Crematorium. The Capital Programme remains vibrant with a value of £23.4m to 2027/28. Going forwards, significant schemes remain focussing on Leisure Centre upgrades, Vehicle Replacement, Support for Registered Housing Providers, Disabled Facility Grants, and the potential Compulsory Purchase Order to acquire Flintham Mess for housing development. These, and other capital schemes in the programme, demonstrate the Council's commitment to economic growth, meeting challenging housing targets, supporting the vulnerable and improving both leisure facilities and the environment. During 2022/23 the Council brought Streetwise back in-house and efficiencies from this project have been incorporated into the Council's Transformation Programme targets (along with a number of other efficiency measures) to ensure there are sufficient resources to deliver core services and discretionary services can continue. This amounts to over £1.5m up to 2027/28.

The Council remains committed to ensuring properties are brought into use for residents. Four years ago the Council introduced a scheme to levy a 100% premium on properties that have been empty and unfurnished for over 2 years. The Levelling Up and Regeneration Bill allows Councils to reduce the time period the property has been empty and unfurnished from 24 months to 12 months prior to levying the premium. This strategy proposes that this is supported for Rushcliffe residents (subject to legislation).

In response to the funding pressures facing many councils nationally, the Government have raised the referendum principles for districts in 2023/24 to the higher of 2.99% or £5 (£5.05 at 2.99%). The Council's budget for 2023/24 proposes an increase in Council Tax of 2% to £153.95 with the recommended increase being £3.02. This will give an average Band D Council Tax increase of less than 6p per week, ensuring Rushcliffe's Council Tax remains amongst the lowest in the country (and the lowest in Nottinghamshire) and an increase well below inflation. Whilst this reduces the Council's Core Spending Power (CSP) as assumed by Government (and therefore anticipated funding need) it acknowledges the cost-of-living challenges that the Council's residents are facing but also balances Council resources to ensure they remain sufficient so we continue to deliver excellent services to Rushcliffe residents now and in the future; and importantly projected funding levels and reserves are sufficient to protect the Council against unexpected financial shocks. This is essential given the risks and uncertainty that prevails in the current financial environment exemplified by recent international events including Covid and the Russia -Ukraine conflict and resulting inflationary pressures.

The Government have announced a Council Tax Support Fund (£123k for Rushcliffe) to allow local authorities to support more economically vulnerable households (those in receipt of Local Council Tax Support) with up to £25 reduction on their Council Tax bill. The Council is also proposing a further £30k from its own resources to further discount Council Tax bills for properties in bands A to D with the equivalent of the Council Tax increase for 2023/24 (£3.02 for a band D). This means that vulnerable households, and **households in bands A to D, will see no increase in their Council Tax bill in 2023/24**. Details of the proposed scheme can be found at Appendix 6. It should be noted that those households in bands E to H will pay an average of an additional £4.78 per annum or around 9 pence per week.

The future uncertainty particularly in relation to pay and inflation, reduced funding and Government reforms makes setting a balanced budget challenging. The associated financial strategies continue the progress made in recent years to ensure that the Council's financial plans are robust, affordable, and deliverable. Despite many councils reporting significant budget deficits, this MTFS is balanced and designed to ensure we maintain high quality services for current and future generations, a budget that is both financially and environmentally sustainable. Given the financial challenges, the net budget position over 5 years shows a manageable projected deficit of £0.298m (a proportionately small 0.75% of annual gross expenditure).

1.2 ***Executive Summary***

This report outlines the Council's Medium Term Financial Strategy (MTFS) through to 2027/28 including the revenue and capital budgets, supported by a number of key associated financial policies alongside details of changes to fees and charges. Some of the key figures are as follows:

	2022/23	2023/24
RBC Precept	**£6.850m**	**£7.092m**
Council Tax Band D	**£150.93**	**£153.95**
Council Tax Increase	**2.42%**	**2.00%**
Retained Business Rates	**£3.958m**	**£4.905m**
New Homes Bonus	**£1.587m**	**£1.414m**
Reserves (at 31 March)	**£15.8m**	**£18.4m**
Capital Programme	**£14.611m**	**£9.6m**

Special Expenses	2022/23	2023/24	Increase/ (Decrease) £	Increase/ (Decrease) %
Total Special Expense Precept	**£816,700**	**£860,700**	**44,000**	**5.39%**
West Bridgford	**£53.91**	**£55.95**	**2.04**	**3.78%**
Keyworth	**£3.30**	**£4.38**	**1.08**	**32.73%**
Ruddington	**£3.82**	**£3.68**	**(0.14)**	**(3.66%)**

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

2. BUDGET ASSUMPTIONS

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

Assumption	Note	2023/24	2024/25	2025/26	2026/27	2027/28
Budgeted inflation						
Gas	a	250.00%	5.00%	5.00%	5.00%	5.00%
Electricity	a	180.00%	5.00%	5.00%	5.00%	5.00%
Diesel	a	25.00%	0.00%	0.00%	0.00%	0.00%
Contracts	a	10.00%	10.00%	10.00%	10.00%	10.00%
Pay costs increase	b	4.00%	2.00%	2.00%	2.00%	2.00%
Employer's pension contribution rate	c	18.50%	18.50%	18.50%	18.50%	18.50%
Return on cash investments	d	4.50%	4.00%	3.00%	2.50%	2.50%
Tax base increase	e	1.50%	2.00%	2.00%	2.00%	2.00%

Notes to Assumptions

a) Historically the expectation was that the Council's managers deliver services within cash limited budgets which require them to absorb the cost of inflation (with the exception of contracts). However, with the level of inflation at a significant high, particularly on utilities and contracts linked to RPI/CPI, inflation has been included in the budget where necessary in line with inflation forecasts. A £0.3m contingency is in place to manage adverse budget variances. The diesel budget is, by its nature, volatile and no further increase to the budget is anticipated after 2023/24.

b) Payroll projections have increased due to upward pressure on National Living Wage and pay negotiations which also include the agreed pay award for 2022/23 of £1,925 per employee. The budget assumes a further 4% in 2023/24 and 2% thereafter.

c) The Council has received its triennial valuation of the pension fund for the period 2023/24 to 2025/26. This has resulted in an increase to the employer's contribution rate to 18.5% (from 17.9%) but a reduction in the estimated annual deficit payment (to meet historical pension liabilities) from £0.976m per annum to £0.84m, £0.72m, £0.6m in 2023/24, 2024/25 and 2025/26 respectively. The Council has in the past chosen to prepay the deficit however for this triennial valuation the saving from prepaying the deficit is £125k over 3 years. As interest rates are currently high, the lost opportunity cost from investing the funds would balance out any saving from prepaying the deficit and therefore this option does not make financial sense.

d) Cash investment returns are based on projections consistent with the Council's Capital and Investment Strategy. The Bank of England Base rate has been steadily increasing and at the time of writing is at 4%. This is expected to continue to rise in 2023/24 and then reduce gradually from 2024/25 onwards.

e) Due to the slow-down in build completions, the tax base has been recalculated for 2023/24. The projections include an increase of 1.5% with later years reflecting normal anticipated growth in housing within the Borough at 2%.

3. FINANCIAL RESOURCES

3.1 The proposals for Local Government funding (i.e., Fairer Funding and Business Rates) delayed by covid, have been further impacted by the current economic climate and political uncertainty. It has not yet been announced when the review take place, but it is assumed this will not be before 2025/26. Likewise, it is assumed that the earliest a business rates reset would take place is from 2025/26. The results of the consultation on New Homes Bonus (undertaken in 2021) has not yet been announced, however, the 2023/24 settlement confirmed that the Council will receive an additional £1.414m for a single new year payment. For the purposes of the MTFS this has been assumed to continue for 2024/25 (a further announcement is due in 2023). The NHB for both 2023/24 and 2024/25 has been reflected as an increase to reserves (to fund MRP) rather than used to balance the 2023/24 budget. Delays to the reforms continue to add further uncertainty over funding within the period of this MTFS with only one year of funding currently certain and makes planning for the medium term even more difficult.

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

3.3 <u>Business Rates</u>

The Business Rates receipts for 2022/23 stabilised following a period of uncertainty through Covid. Additional reliefs such as retail, hospitality and leisure are now included in the estimated net rates and S31 grants which makes budgeting easier. The revaluation of Business Rates will apply from April 2023 which affects the net rates received and retained by the Council. Government have made compensating adjustments to the Council's baseline funding and tariff which aims to ensure a net nil revenue impact for the Council (although the actual impact may not be, for example some businesses will be appealing against their valuation).

The Council ordinarily makes assumptions reflecting national experience of successful ratings appeals and for this year will continue to use the national average appeals percentage to calculate the provision required. The national average included in the settlement is 3.3% (previously 4.7%) and this is reflected in the Council's budget for retained Business Rates.

Covid had impacted the progress on the Government's proposals for structural financial reform however due to political uncertainly in the last year it now appears unlikely that any reforms will not be implemented until at least 2025/26.

Following a successful appeal last year and the revaluation 2023, the Ratcliffe-on-Soar Power Station now accounts for a much smaller proportion of the tax base at 2.7% (£0.77m) with the Council's exposure around £0.31m. The Power Station is expected to cease production in 2024 and the Council has budgeted for the reduction in income in 2023/24 and to zero in 2024/25. Positively business rates growth has continued within the Borough ensuring the impact of power station rates reductions have been more than mitigated.

The forecast for 2025/26 allows for a full reset of Business Rates (by central government) with the budget set at safety net (the minimum that the Council would receive in Business Rates receipts) plus 100% retained receipts from Renewable Energy properties. Hence in 2025/26 there is an anticipated reduction of £1.5m.

There remains a challenge in setting the Business Rates budget, notwithstanding the closure of the Power Station, the added complication regarding the Freeport and retention of growth and regulations setting the baseline are expected to be released soon. This will determine the growth that will be retained by the Freeport. The expectation is that there will be a ‘no detriment’ agreement meaning that the Council will receive business rates growth as it ordinarily would without the Freeport, after business rates resets.

The Collection Fund is estimated to be in deficit by £0.822m (RBC share £0.329m) at the end of 2022/23 following repayment of the majority of the deficit created as a result of additional Covid reliefs in 2020/21 and 2021/22. The recovery of the deficit is included in the 2023/24 net budget position and is offset by a release from the Collection Fund Reserve which was created during 2020/21 and further increased in 2021/22 from S31 grants received to compensate for the additional reliefs.

As in previous years, we show no surplus from the Nottinghamshire Business Rates Pool as a prudent assumption. From 2025/26 onwards, if a new system of Business Rates is in place, a new pooling agreement is likely to be required to determine, for example, the relevant tier split between districts and Nottinghamshire County Council.

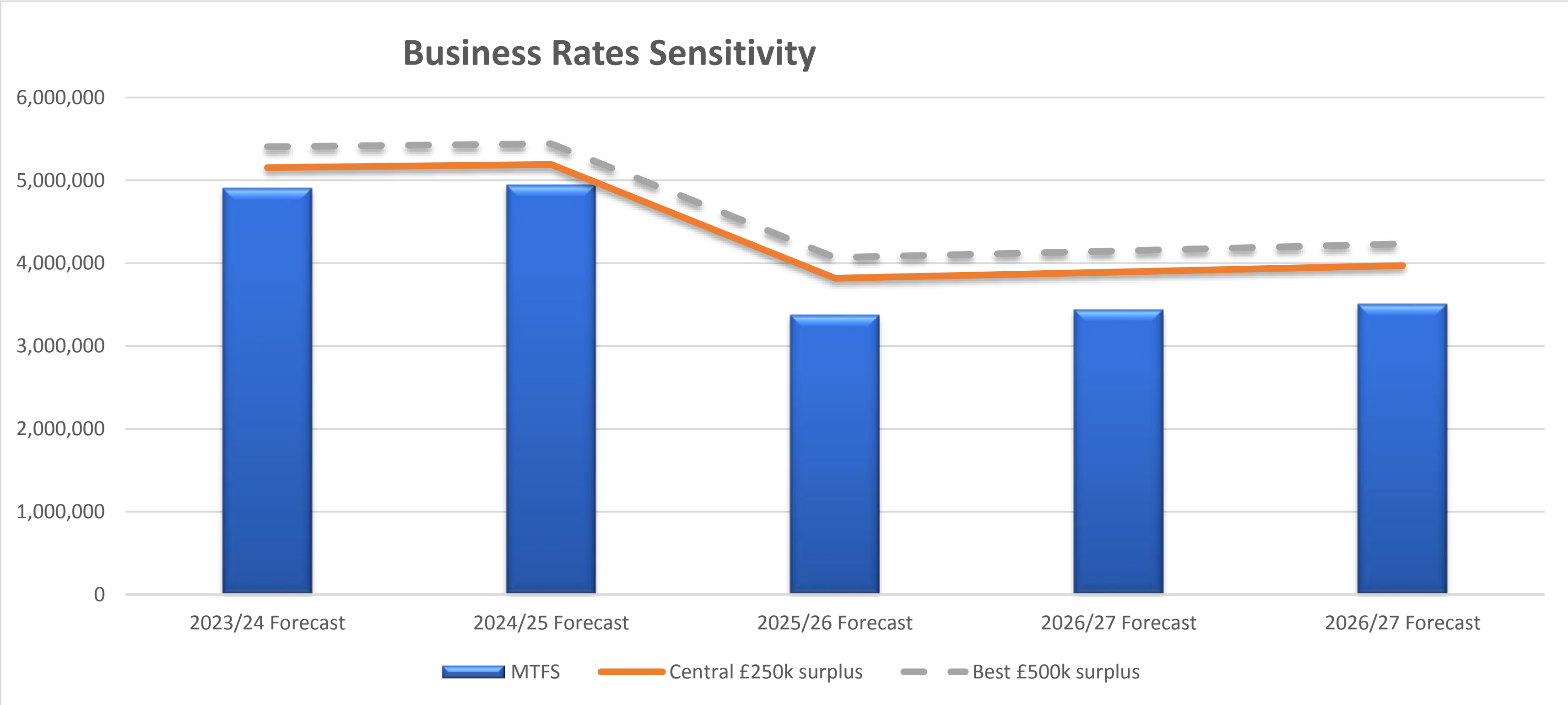
The forecast position on Business Rates is shown below.

Table 2 Business Rates

£’000	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Retained Business Rates	**(3,958)**	(4,905)	(4,941)	(3,371)	(3,438)	(3,507)
Increase/ (reduction)	1,138	**947**	**36**	**(1,570)**	**67**	**69**
Increase/ (reduction)	40%	**24%**	**1%**	**(32%)**	**2%**	**2%**
Forecast Business Rates (Surplus)/deficit and central pool surplus	**4,317**	329	0	0	0	

Sensitivity Analysis

There is uncertainty surrounding Business Rates from 2025/26 and therefore the budget assumes full reset removing Business Rates growth resulting in a drop in income (safety net plus Renewable Energy receipts). However, there is an upside risk that the reset will see the baseline set at lower levels than expected meaning there would be the benefit of higher growth, the amount we could budget for ranging from £3.8m to £4.1m. We have therefore assumed for the MTFS that the Council will receive the minimum income (safety net plus renewable energy) for the remainder of the MTFS as a result of the Power Station closure and the reset. The Central and Best-case scenarios allow for a small amount of retained growth dependent upon the level of baseline at a reset. The graph below shows the potential variations in receipts (dependent upon estimated receipts from the Nottinghamshire pool surplus in 2023/24) over the MTFS with the uncertainty in later years reflected in budgeted assumptions remaining equal for all scenarios.



3.4 <u>Council Tax</u>

The Council no longer receives any Revenue Support Grant and is anticipating other income streams such as New Homes Bonus to reduce to zero by 2025/26 and aside from the additional funding for 2023/24 and 2024/25 (see section 3.7 below), there has not yet been any announcement on the results of the recent consultation regarding any future ongoing funding. The Government has assumed in future funding projections that Councils will take up the offer of increasing their Council Tax by the higher of 2.99% or £5 for a Council Tax Band D (increased from 2%). The overriding Rushcliffe principle is that the Council aims to stay in the lower quartile for Council Tax. The Council has also acknowledged the challenging financial environment being faced by its residents and has therefore set its Council Tax increase at 2% £3.02 (for the borough proportion). The Council is required to take into account Special Expenses when assessing increases against the referendum limit and together both the Special Expenses and Borough increase totalling £3.71 or 2.2% rather than the maximum assumed increase of 2.99% or £5.05. We have assumed an increase in Council Tax of £3.82 (2.2%) in 2024/25, and thereafter £4.99 each year. A Council Tax freeze would result in a reduction of £200k in revenue. The 2023/24 increase of 2% is significantly below 2022/23 inflation levels.

The Government have announced a Council Tax Support Fund to allow local authorities to support vulnerable households with up to £25 reduction on their Council Tax bill. After applying the discounts in line with the government's recommended scheme the Council propose to use the remaining balance of funding, supported by an additional £30k of the Council's own resources, to further discount council tax bills for properties in bands A to D with the equivalent of the Council Tax increase for 2023/24 (£3.02 for a band D). This means that vulnerable households, and households in bands A to D, will see no increase in their Council Tax bill in 2023/24. Details of the proposed scheme can be found at Appendix 6.

The 2023/24 tax base has been set at 46,068.4 (an increase of 1.5%). The projections for 2023/24 have been based upon the current Council Tax base. Anticipated growth during 2023/24 has been calculated and included in the projections and thereafter we have assumed a 2% increase per annum. This will be reviewed as the Council looks to deliver its housing growth targets.

Due to Covid, the Government introduced regulations so that councils could 'spread' any Council tax deficit over 3 years. Overall, this was £1.4m (the Council's exposure approximately £0.15m) which was subsequently spread over the three years 2021/22 to 2023/24 (£51k per annum). This is the final year of the deficit spread and including in-year variances (actual against anticipated surpluses or deficits) to be recovered in 2023/24 the overall net deficit is expected to be £0.177m.

The budget includes £24k grant income in 2023/24 (released from reserves) to offset 2020/21 losses which were subject to spreading over 3 years.

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

Table 3. Council Tax

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Council Tax Base (a)	45,387.60	46,068.40	46,989.80	47,929.60	48,888.20	49,865.90
Council Tax £:p (b)	£150.93	£153.95	£157.73	£162.72	£167.71	£172.70
£ Annual Increase (RBC element)	£3.57	£3.02	£3.78	£4.99	£4.99	£4.99
% increase	2.42%	2.00%	2.46%	3.16%	3.07%	2.98%
Gross Council Tax collected (a x b)	(6,850,173)	(7,092,200)	(7,411,700)	(7,799,100)	(8,199,000)	(8,611,800)
Increase in Precept	£ 328,078	£ 242,027	£ 319,500	£ 387,400	£ 399,900	£ 412,800
Council Tax(Surplus)/Deficit	£47,600	£177,000	£0	0	0	0

The Council introduced a scheme to levy a 100% premium on properties that have been empty and unfurnished for over 2 years on 01/04/2019. This is part of the Council's aim to incentivise housing use for residents. The Levelling Up and Regeneration Bill allows Councils to reduce the time period the property has been empty and unfurnished to 12 months prior to levying a premium. It is proposed to implement the revised rules from 01/04/2024 subject to levelling-up bill legislation being passed, meaning that all unoccupied and unfurnished properties will attract a premium after one year. This will bring them in line with furnished properties that are not occupied as a main home (called second homes) which also attract a premium after one year. A review of empty properties is planned for scrutiny in 2023/24.
.

3.5 Special Expenses

The Council sets a special expense to cover any expenditure it incurs in a part of the Borough which elsewhere is undertaken by a town or parish council. These costs are then levied on the taxpayers of that area. As with 2022/23, special expenses will be levied in West Bridgford, Ruddington and Keyworth.

Appendix 1, summarised in Table 4, details the Band D element of the precepts for the special expense areas. Special expense Band D tax amounts have decreased in Ruddington due to an increase in tax base whilst costs have remained broadly the same. The Band D amount for Ruddington has decreased by £0.14 (-3.7%). Expenditure in West Bridgford has increased due mainly to annuity charges for historical works in West Bridgford and increases in utilities. There is an overall net increase to West Bridgford of £41k and an increase in the Band D charge of £2.04 (3.78%). Costs in Keyworth have risen by £3.5k, mainly due to annuity charges for works to the cemetery. This equates to a 32.8% increase (£1.08).

The budgets for the West Bridgford Special Expense area have been discussed at the West Bridgford Special Expenses and Community Infrastructure Levy group, given the more detailed nature of the budget.

Table 4 Special Expenses

	2022/23		2023/24		
	Cost	**Band D**	**Cost**	**Band D**	
	£	£	£	£	% change
West Bridgford	796,400	53.91	836,900	55.95	3.78
Keyworth	9,200	3.30	12,700	4.38	32.73
Ruddington	11,100	3.82	11,100	3.68	-3.66
Total	**816,700**		**860,700**		

3.6 Revenue Support Grant (RSG)

The Council no longer receives any RSG and this equates to £3.25m in lost income. The Council has mitigated the impact of this loss largely through its Transformation Strategy and Efficiency plan.

3.7 New Homes Bonus

The New Homes Bonus (NHB) scheme was intended to give clear incentive to local authorities to encourage housing growth in their areas. The Government will cease the New Homes Bonus (NHB) scheme, anticipated to be 2023/24, however it has been announced that it will continue for at least one further year with the assumption in this MTFS now that 2024/25 will be the final year. The outcome of the 2021 consultation and any potential replacement for the scheme has not yet been announced therefore the Council has assumed zero from 2025/26 depicted in the table below.

Table 5 – New Homes Bonus

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
New Homes Bonus Received in Year	(1,587)	(1,414)	(1,414)	0	0	0

3.8 Fees, Charges and Rental Income

The Council is dependent on direct payment for many of its services. The income, from various fees, charges, and rents, is a key element in recovering the costs of providing services which, in turn, assists in keeping the Council Tax at its current low level. Some fees and charges have been increased to offset increased cost caused by higher-than-normal inflation and pay increases although limiting these in areas for the more vulnerable.

The Fees, Charges and Rental Income budget is shown in Table 6.

Table 6 – Fees, Charges and Rental Income

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Car Parks	(852)	(894)	(894)	(894)	(894)	(894)
Licences	(275)	(304)	(304)	(304)	(304)	(304)
Non Sporting Facility Hire	(123)	(142)	(142)	(142)	(142)	(142)
Other Fees & Charges	(618)	(1,521)	(1,517)	(1,552)	(1,552)	(1,552)
Planning Fees	(1,317)	(1,497)	(1,497)	(1,497)	(1,497)	(1,497)
Rents	(1,922)	(2,052)	(2,114)	(2,145)	(2,182)	(2,182)
Service Charge	(353)	(547)	(549)	(550)	(552)	(552)
Sale of Waste Bins	(1,400)	(1,400)	(1,587)	(1,587)	(1,587)	(1,587)
Crematorium Income	(306)	(790)	(866)	(945)	(1,028)	(1,113)
Total	(7,166)	(9,147)	(9,470)	(9,616)	(9,738)	(9,823)

Income assumptions are determined by a number of factors including current performance, decisions already taken and known risks and opportunities.

The budget for Other Fees and Charges increases in 2023/24 due to the re-integration of Streetwise (the Council's trading company) services back into the Council, along with its income from external customers. From 2024/25 onwards, estimated income increases due to the new Crematorium which is expected to open in early 2023.

Garden Waste is normally increased on a cyclical basis every 3 years (last increased in 2020/21) and the next planned increase is 2024/25. This takes account of future inflation and potential pressures linked to the environmental agenda which is likely to further increase costs such as vehicle purchases. Future increases will need to be considered and agreed by Members.

There have been no further increases assumed for car parking charges as the Council continues to support local businesses and their recovery in a post Covid world and the impact of the cost-of-living challenge.

Except where current or previous decisions will affect future income yields, the MTFS does not make any provision for future inflationary increases in fees and charges, although as the levels of inflation are significantly higher than normal, this will be kept under review for future years' budgets. We will continue to balance the cost of providing services, the local economy, service market position and the ability of residents to pay. Anticipated income from commercial property investment forms part of the Council's Transformation Strategy and Efficiency Plan, these rents have been budgeted to increase in-line with contractual rent reviews.

3.9 <u>Other income</u>

In addition to fees and charges, the Council also receives a range of other forms of income, the majority of which relates to Housing Benefit Subsidy (£12.285m) which is used to meet the costs of the national housing benefit scheme. Over recent years the subsidy has reduced due to the transfer of new claimants to Universal Credits and this is expected to continue to decline over the coming years. Other Income is shown in Table 7 the majority of which is the Leisure Services contract. Interest on investments reflect assumptions based on balances available to invest and expected interest rates (see Appendix 4) and is forecast to increase in 2023/24 due to rising interest rates, reducing in later years.

*'Other Income' in Table 7 shows an increase year on year which reflects the planned receipts from the Leisure Contract to include Bingham Hub which is scheduled to open in March 2023. Homelessness Prevention funding makes up a large proportion of the Other Government Grants line below (£173k).

Table 7 – Other Income

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Council Tax Costs Recovered	(163)	**(230)**	(230)	(230)	(230)	(230)
Council Tax/ Housing Benefit Admin Grants	(233)	**(145)**	(141)	(136)	(132)	(132)
Interest on Investments	(673)	**(1,359)**	(902)	(672)	(607)	(602)
Other Income	(623)	**(829)**	(1,183)	(1,240)	(1,276)	(1,277)
Recycling Credits	(200)	**(200)**	(200)	(200)	(200)	(200)
Other Government Grants*	(302)	**(364)**	(351)	(351)	(351)	(351)
Sub Total	**(2,194)**	**(3,127)**	**(3,007)**	**(2,829)**	**(2,796)**	**(2,792)**
Housing Benefit Subsidy	(13,254)	**(12,285)**	(12,310)	(12,310)	(12,310)	(12,310)
Total Other Income	**(15,448)**	**(15,412)**	**(15,317)**	**(15,139)**	**(15,106)**	**(15,102)**

3.10. Summary

Table 8 – All sources of income

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Retained Business Rates	(3,958)	**(4,905)**	(4,941)	(3,371)	(3,438)	(3,507)
Other Grant Income*	(273)	**(640)**	(516)	(93)	(93)	(93)
New Homes Bonus	(1,587)	**(1,414)**	(1,414)	0	0	0
Council Tax (RBC)	(6,850)	**(7,092)**	(7,412)	(7,799)	(8,199)	(8,612)
Council Tax (Special Expenses)	(816)	**(861)**	(943)	(947)	(961)	(961)
Fees, charges and rental income	(7,166)	**(9,147)**	(9,470)	(9,616)	(9,738)	(9,823)
Other income	(15,448)	**(15,412)**	(15,317)	(15,139)	(15,106)	(15,102)
Transfers From Reserves	(2,619)	**0**	0	(485)	0	0
Total Income	(38,717)	**(39,471)**	(40,013)	(37,450)	(37,535)	(38,098)

* Services Grant (£93k) is the third year of a new grant with the purpose of supporting services such as leisure services and looks to partially rebalance the impact of the loss of New Homes Bonus. The Lower Tier Services Grant has been replaced with Minimum Funding Guarantee intended to ensure local authorities see an increase of at least 3% in their Core Spending Power - for Rushcliffe this amounts to £0.33m for the next two years. Local Council Tax Support admin subsidy and Family Annex Discount have been 'rolled in' (£83k) to the specific grant funding. The 2023/24 budget also includes £123k for the Council Tax Support Fund (see paragraph 3.4)

4. 2023/24 SPENDING PLANS

4.1 The Council's spending plans for the next five years are shown in Table 9 and take into account the assumptions in Section 2. As Transformation Programme Savings/Growth projects are delivered (e.g., Bingham Hub and the Crematorium) the spending profile will change.

Table 9 – Spending Plans

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Employees	11,437	**14,521**	14,478	14,605	14,872	15,247
Premises	1,144	**1,712**	1,738	1,778	1,819	1,857
Transport	1,030	**1,760**	1,762	1,767	1,773	1,776
Supplies & Services	4,220	**5,080**	4,928	5,099	5,054	5,243
Transfer Payments	13,219	**12,410**	12,312	12,312	12,312	12,312
Third Party	2,915	**1,289**	1,275	1,295	1,309	1,309
Depreciation	1,895	**1,895**	1,895	1,895	1,895	1,895
Capital Salaries Recharge	(60)	**(200)**	(50)	(50)	(50)	(50)
Gross Service Expenditure	**35,800**	**38,467**	**38,338**	**38,701**	**38,984**	**39,589**
Reversal of Capital Charges	(1,895)	**(1,895)**	**(1,895)**	**(1,895)**	**(1,895)**	**(1,895)**
Collection Fund Deficit	4,365	**506**	0	0	0	0
Net Contribution to Reserves	0	**1,352**	953	0	38	408
Minimum Revenue Provision	1,293	**1,311**	1,320	1,269	835	269
Overall Expenditure	**39,563**	**39,741**	**38,716**	**38,075**	**37,962**	**38,371**

* The contribution to reserves in 2023/24 includes the mitigation of the budgeted deficit in Business Rates referred to in section 3.3 above and also incorporates the £1.3m per annum payment for the Arena, Bingham Hub, and the Crematorium in relation to Minimum Revenue Provision (MRP). The position on reserves is shown in Section 6.

4.2 Explanations for some of the main variances above are:

- Employee costs reflect both salaries increase (the cumulative impact of £1,925 per FTE in 2022/23 and 4% budgeted 2023/24 and 2% thereafter) and the re-integration of Streetwise employees back into the council.
- Capital Salaries recharge increase in 2023/24 due to Property staff costs in relation to 3 major schemes; CLC, KLC, and West Park, reducing down to £50k from 2024/25 onwards.
- Premises costs include assumed inflation increases of 250% on Electricity and 180% on Gas in 2023/24 (5% thereafter), and costs associated with the new crematorium building.

- Transport costs include an increase of £100k for fuel due to general price increases and pressures in the current environment and the re integration of Streetwise transport related costs (£571k).
- Supplies and services most significant increases in 2023/24 are due to; increased budget provision internal drainage board charges (£113k), Re-integration of Streetwise (£418k) and budget provision relating to the new Crematorium (£118k).
- Transfer Payments were expected to reduce in 2023/24 due to expectations of reduced housing benefit claims as a result of the move to Universal Credits (handled by the Department for Work and Pensions (DWP)). This reduction was not as significant as expected and therefore estimates have been based on current caseload and the DWP handling working age claims under Universal Credits.
- Third Party Payments sees the removal of the Streetwise contract sum (£1.8m) 2023/24.
- Depreciation is net zero impact on the general fund (fully offset by the reversal of capital charges line) and is due to be recalculated for the final report to Council.
- The £0.506m Collection Fund deficit relates to Business Rates (£0.329m Table 2); the deficit arising at outturn in 2022/23 and a Council tax deficit of £0.177m (Table 3). There is a corresponding release from the Collection Fund Reserve of £0.329m for the Business Rates deficit (appropriated from additional business support grants in 2021/22 and 2022/23) and £24k for Council Tax deficit for the final year of the income guarantee grant (spread over 3 years). These are included in the net transfer to reserves in Table 9 above.
- Minimum Revenue Provision (MRP) increases in 2023/24 to reflect the internal borrowing requirement for The Crematorium, Bingham Hub and Cotgrave Masterplan.

4.3 The Council is due to receive £173k in Homelessness and Rough Sleeping funding from the Government in 2023/24. This grant will continue to fund two posts supporting housing options and homelessness prevention and provides a prevention fund to assist with rent deposits or advances to secure private rented accommodation for those at risk. It also includes provision for a Street Outreach initiative to assist rough sleepers and grants to support homelessness provision, education, and advice. The net impact on the budget is zero.

4.4 The Homes 4 Ukraine scheme launched on 14 March 2022 in response to the war in Ukraine. The scheme allows people living in the UK to sponsor a named Ukrainian national or family to come to live in the UK with them. The Council are responsible for pre and post arrival checks on sponsor households. The Council currently has 215 Ukrainian refugees residing with sponsor households in the borough and this puts a strain on Council resources. Central government funding has been allocated to support the Council with these new duties and have so far received £247,000 (£64k Sponsor Checks & £183k to assist families to secure housing when sponsors cease support), with further funding anticipated in 2023/24 to mitigate this budget pressure. Future budget reports will be updated to reflect this. The funding meets the cost of providing this essential work and what is an additional service pressure.

5. BUDGET REQUIREMENT

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

Table 10 – Budget Requirement

	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Total Income	(38,717)	(39,471)	(40,013)	(37,450)	(37,535)	(38,098)
Gross Expenditure	39,563	39,741	38,716	38,075	37,962	38,371
Net Budget Position (Surplus)/Deficit	**846**	**270**	**(1,297)**	**625**	**427**	**273**
Revised Transfer (From)/ to Reserves	**(3,465)**	**1,082**	**2,250**	**(1,110)**	**(389)**	**135**

5.2 The above shows a budget deficit of £0.270m in 2023/24, £1.297m surplus 2024/25, and deficits of £0.625m, £0.427m and £0.273m in 2025/26 and 2026/27 and 2027/28 respectively. A total deficit position of £0.298m over the 5-year period, the Organisation Stabilisation Reserve will be utilised to smooth the effect of variation in funding levels. It is anticipated that from 2025/26 the budget will move into a deficit position as a result of a Business Rates reset, this deficit is forecast to reduce in the following years through growth and efficiency savings.

5.3 For 2023/24 and 2024/25 it is assumed that Business Rates will remain at current levels due to the delay in reset. For 2023/24 this shows as a net transfer to reserves (the Regeneration and Community Projects Reserve) to support Capital projects. In 2024/25, whilst still benefitting from the additional Business Rates and Council Tax growth, the planned transfers from reserves is lower and there is no budgeted Collection Fund deficit. Consequently, there is an increase in the overall net transfer to reserves. From 2025/26 the budget assumes no growth due to the Business Rates reset and income is budgeted at Safety Net plus renewable energy receipts resulting in an overall transfer from reserves as we look to support the budget deficit.

5.4 Section 7 covers the Transformation and Efficiency Strategy - including the use of reserves, balancing the budget for 2023/24 and future financial pressures.

6. RESERVES

6.1 In order to comply with the requirements of the Local Government Act 2003, a review has been undertaken of the Council's reserves, taking into account current and future risks. This has included an assessment of risk registers, pressures upon services, inflation, and interest rates.

6.2 Table 11 details the estimated balances on each of the Council's specific reserves over the 5-year MTFS. This also shows the General Fund Balance. Total Specific Reserves reduce from £18.4m to £16.5m (22/23 – 27/28). **Appendix 5** details the movement in reserves for 2023/24 which also includes capital commitments. This shows a stable position at £18.4m (2022/23 to 2023/24) primarily reflecting the release of £2.3m NHB offset by the NHB new year allocation and the transfer to reserves of £1m to support capital projects (see section 6.5 below). Of this, £1.3m will offset the impact of the MRP charged in the year. A further £1m from New Homes Bonus is earmarked to be used to support the acquisition of a Traveller Site. The latter is necessary given a requirement of the Local Plan and if a site is not provided means the Council is susceptible to random traveller planning applications across the Borough.

6.3 The Climate Change Action Reserve remains despite the pressures of Covid. The reserve supports projects that contribute to the Council's ambitions to protect and enhance the environment including the reduction of its carbon footprint. A balance of £0.810m is available and will be allocated as projects get approved. Existing capital schemes are assessed for any carbon reduction measures and funding from the reserve allocated. The East Midlands Development Corporation will support partnership working to deliver transformational infrastructure and economic development projects. £0.165m third year tranche of Rushcliffe's Development Corporation Reserve will be released in 2023/24, this will leave a balance of £0.2m for any other support, particularly in relation to the Freeport. The Council continues to look at avenues of external funding to support carbon reduction initiatives (such as at its leisure centres); and if successful these will be reported via Cabinet and Corporate Overview Group in their financial updates.

6.4 A Vehicle Replacement Reserve was established last year to support the acquisition of new vehicles, plant, and equipment arising from SEL insourcing. This will now be actively used to support the capital programme.

6.5 A new reserve is proposed in this MTFS; The Treasury Capital Depreciation Reserve proposed at £1m to mitigate the potential losses of reductions in the capital value of the Council's multi-asset investments. These assets provide a significant proportion of the Council's total investment income but are however at-risk fluctuations on market value linked to adverse impacts on the economy of the Covid pandemic and more recently the war in Ukraine. There is currently a statutory override in place until March 2025. The Council has recently been unsuccessful in two bids for external Government funding (Levelling-up and Gypsy and Traveller site). It is apparent the lack of social deprivation in Rushcliffe compared to other areas is limiting our ability to be successful with such initiatives. Being prudent, we need to ensure we do have future funds to deliver capital projects it is therefore proposed that £1m is appropriated to the Regeneration and Community Projects Reserve to ensure key projects can continue to be supported and that the Council continues to provide excellent services.

6.6 It is important that the level of reserves is regularly reviewed to manage future risks. All the reserves have specifically identified uses including some of which are held primarily for capital purposes namely the Council Assets and Service Delivery, Investments Reserve, Vehicle Replacement Reserve, and Regeneration and Community Projects Reserve (to meet special expense and other economic growth-related capital commitments). The release of reserves will be constantly reviewed in order to balance funding requirements and the potential need to externally borrow to support the Capital Programme.

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

Table 11 – Specific Reserves

£000	Balance 31.03.22	Balance 31.03.23	Balance 31.03.24	Balance 31.03.25	Balance 31.03.26	Balance 31.03.27	Balance 31.03.28
Investment Reserves:							
Regeneration and Community Projects	1,896	2,031	3,223	3,432	3,645	3,868	3,910
Sinking Fund - Investments	427	204	454	644	899	614	939
Corporate Reserves:							
Organisation Stabilisation	3,994	1,528	1,258	2,555	1,930	1,503	1,230
Treasury Capital Depreciation Reserve	0	800	1,000	1,000	1,000	1,000	1,000
Collection Fund S31	5,145	1,438	1,085	1,085	1,085	1,085	1,085
Climate Change Action	800	810	810	810	810	810	810
Devco and Freeport Reserve	330	365	200	200	200	200	200
Vehicle Replacement Reserve	1,000	885	770	655	435	405	370
Risk and Insurance	100	100	100	100	100	100	100
Planning Appeals	350	350	350	350	350	350	350
Elections	150	200	50	100	150	200	50
Operating Reserves:							
Planning	300	154	79	79	0	0	0
Leisure Centre Maintenance	104	22	37	52	67	82	97
Total Excluding NHB Reserve	**14,596**	**8,887**	**9,416**	**11,062**	**10,671**	**10,217**	**10,141**
New Homes Bonus	8,979	9,549	8,652	8,746	7,477	6,642	6,373
Total Earmarked Reserves	**23,575**	**18,436**	**18,068**	**19,808**	**18,148**	**16,859**	**16,514**
General Fund Balance	2,604	2,604	2,604	2,604	2,604	2,604	2,604
TOTAL	**26,179**	**21,040**	**20,672**	**22,412**	**20,752**	**19,463**	**19,118**

7. THE TRANSFORMATION AND EFFICIENCY STRATEGY

7.1 For the past 8 years, the Council has successfully implemented a Transformation Strategy and supporting Transformation Programme (this is also the Council's efficiency strategy). This drives change and efficiency activity and is a vehicle to deal with the scale of the financial challenges the Council faces particularly with the recent rise in inflation. An updated Transformation and Efficiency Programme are provided at Table 13. The Executive Management Team, alongside budget managers, have undertaken a review of all Council budgets resulting in savings which have been fed into the MTFS. The Transformation Strategy focuses on the following themes:

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

7.2 This Programme will form the basis of how the Council meets the financial challenge summarised at Table 12 reducing the gross deficit position.

Table 12 – Savings targets

	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Gross Budget Deficit excluding Transformation Plan	5,458	4,603	6,680	6,532	6,378
Cumulative Savings in Transformation Plan	(4,566)	(5,188)	(5,900)	(6,055)	(6,105)
Gross Budget Deficit/(Surplus)	892	(585)	780	477	273
Additional Transformation Plan savings	(622)	(712)	(155)	(50)	0
Net budget Deficit/(Surplus)	270	(1,297)	625	427	273
Cumulative Transformation Target	(622)	(1,334)	(1,489)	(1,539)	(1,539)

7.3 The Council's budget for 2023/24 and beyond includes the impact of inflationary increases and staff pay negotiations whilst also being restricted by Government policy on commercial activity to generate additional income, limiting borrowing for wider projects dependent upon capital spending proposals, and excluding borrowing from the PWLB where capital spend is solely for commercial gain. The Council has continued to review its services and processes and, where possible, identify efficiencies and increase income. The impact of the above pressures will result in a need to draw on reserves from 2025/26 onwards with 2024/25 temporarily supported by additional business rates due to the delay in the Business Rates reset. Completion of investment projects namely the Crematorium and the Bingham Leisure Hub help to support the budget going forward in addition to delivering socio-economic benefits.

7.4 The Council must continue to review its existing transformation projects on an on-going annual basis. In recent years the Transformation plan has included two large projects (Bingham Hub and Crematorium) which are both due to open in 2023. Going forward, the plan includes service efficiencies and income generation, and the challenge will be to continue to identify projects against the backdrop of the cost-of-living challenge and higher levels of inflation. Officers continue to seek efficiencies wherever possible and look for wider projects to improve value for money and both the officer and Members have worked together to identify £1.539m of expected efficiencies over the 5-year period. The current transformation projects and efficiency proposals which will be worked upon for delivery from 2023/24 are given at Table 13, overleaf.

7.5 To elaborate on a couple of the efficiency proposals:

- To reduce the Councillors Community Grants budget from £40k to £20k. Historically this has been underspent. The £1000 per councillor is available and contingency will be utilised If demand exceeds the budget;
- To no longer continue with the Young scheme which no longer delivers value for money for the Rushcliffe taxpayer (£82k saving). This will be phased-in over 2 years to enable Young to take appropriate operational decisions with regards to its future.

Table 13 – Transformation Targets 2023/24 to 2027/28

Savings (£'000)	2023/24	2024/25	2025/26	2026/27	2027/28
Transformation Savings to date					
Service Efficiencies	1,908	1,908	1,908	1,908	1,908
Thematic Reviews	1334	1334	1334	1334	1334
Additional income	995	995	995	995	995
Savings	329	329	329	329	329
Overall Total	**4,566**	**4,566**	**4,566**	**4,566**	**4,566**
Transformation Targets					
Thematic Reviews	**364.4**	**427.8**	**118.8**	**44.6**	
Leisure Management Contract*	138.6	232.8	56.8	36.8	
Crematorium	116	60	62		
Streetwise insourcing	100	100			
Bingham Enterprise	9.8	35	0	7.8	
Additional Income	**180.4**	**243.1**	**36.2**	**5.6**	
Charges for Street Naming and Numbering		10			
Cotgrave Phase 2	15.9	1.1	1.2	5.6	
External Advertising (screens and emails)	10				
Green Bin Scheme – further income		187			
Increase charges for legal work	10				
Env Health Commercial Opportunities	47.5	35	35		
Planning Performance Agreements	75				
Communications Marketing Services	5	10			
Prosecution fees (to meet increase costs)	9				
WISE (Environment enforcement)	8				
Savings	**77**	**41**			
Councillors Community Grant Scheme	20				
Rushcliffe Reports one edition electronic	16				
Remove the Young Programme	41	41			
Total	**621.8**	**711.9**	**155**	**50.2**	**0**
Cumulative Transformation savings	**5,188**	**5,900**	**6,055**	**6,105**	**6,105**

8. RISK AND SENSITIVITY

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

Table 14 - Key Risks

Risk	Likelihood	Impact	Action
The Council is unable to balance its budget and the budget is not sustainable in the longer term as a result of increased inflation and government funding reductions with uncertainty due to one year settlement	Low	High	Going concern report presented to Governance Group to confirm that the Council has sufficient reserves to withstand the short-term financial shocks. Inflation factored in to the budget and further plans for the transformation strategy to mitigate risk over the longer term. Reserves sufficient level.
Fluctuation in Business Rates linked to changes in the local economy (e.g., Power station closure) and revaluation.	High	Medium	Actively involved in Freeport working Groups. Budgeting at Safety Net position for future years, a prudent approach. Utilising NNDR1 for business rates forecast for next year which takes into account valuations. Continued monitoring of the collection rates and appeals for business rates. Use of reserves as necessary to mitigate ‘one-off shocks’
Central Government policy changes e.g., Fairer Funding, changes to NHB and Business Rates reset leading to reduced revenue. Environmental policy changes with regards to waste likely to create future financial risk. For example Extended Producer Responsibility (EPR) is mentioned as a potential new funding stream for waste collection authorities	High	Medium	Engagement in consultation in policy creation and communicating to senior management and members the financial impact of changes via the MTFS. Budget at safety net position for business rates in years of uncertainty. Engage in proposals for Extended Producer Responsibility (EPR) income, There is considerable uncertainty about the amount of funding that may be available; and how far packaging producers would agree to any surplus income being used as a general subsidy for local government in lieu of grant/other financial support.

Risk	Likelihood	Impact	Action
Insufficient staff capacity – skills, knowledge, and availability etc	Medium	Medium	Ensuring market rates are being paid, internal staff development and promotion. If necessary, use of agency support
Increased costs due to adherence to the National Minimum Living Wage. Pay rises are linked to the outcome of national negotiations and whether they are adopted locally.	Medium	Low	Budget reporting processes and use of budget efficiencies and reserves. Budget set to include latest assumptions on inflationary increases.
Rising leisure management contract costs: reduction in management fee as a result of increased costs (utility and wages) and reduced usage as a result of inflation on household spending; Delays in the opening of Bingham Arena achieving the Leisure Strategy in accordance with planned timetable; and the continued costs of alternative provision at the Toothill site.	Medium	Medium	Close working and monitoring of costs with the provider. Use of contingency if required to mitigate financial impact. Reporting through usual financial reporting arrangements and budget monitoring.
Environmental Agenda leading to rising or reducing revenue and capital budgets.	High	Medium	Creation of Climate Change Action Reserve £1m ongoing review of significant projects and outcome of scrutiny review. A vehicle replacement reserve which will help fund, for example, electric vehicles. Sourcing external funding to improve leisure energy usage.
Efficiency savings performance improvements from the Streetwise transfer in-house are not achieved	Medium	Medium	Monitor and project manage. Update reports to Cabinet through usual financial reporting arrangements. Updated MTFS for 2023/24 incorporating targets. (To be monitored in the Transformation Plan)
Increased demand in relation to homelessness and migration issues	High	Medium	Additional government funding and internal resources provided.

Risk	Likelihood	Impact	Action
Reducing demand as a result of a contracting economy, higher inflation and reduced personal disposable incomes. For example less housing being built and bought, impacting on planning income	Medium	Medium	Performance indicators and current financial due diligence via quarterly reporting to Cabinet and COG. Adjusting cost base as necessary.
Traveller's site located to accord with the Local Plan and avoid unplanned traveller pitches throughout the Borough	Medium	High	Site identification, financial implications to be determined and reported in further Cabinet reports, £1m in Capital Programme. Further resource in capital reserves if required and approved.
Risk of increased capital programme costs due to either increased demand (e.g., DFGs) or inflation.	High	High	Further capital reserve funding provided and engagement with Government at a national level. Working with Nott's authorities on a more equitable distribution of resources.
Insufficient capital resources to fund the capital programme	Low	High	Ongoing cashflow management. The Council has the ultimate recourse to borrow (which it is trying to avoid). We are dependent on the timing of capital receipts and issues like the Flintham CPO being a relatively seamless transaction.
Opportunity for additional business rates from the Freeport/DevCo or risk of liabilities if either does not progress	Medium	Medium	Continue to monitor progress and inform business rate assumptions through Officer working Groups/Board

8.2 The inflationary increases over the last year has impacted on the economy and the households within the borough. The government have put in measures to support the most vulnerable with caps on energy bills and additional funding for those already on government support and of pension age. The Council is vigilant to as support is lifted whether there is a significant impact on the Council's collection rates and its main income streams. This is highlighted in the risks above and the resultant potential impact on the Council's leisure management contract where the impact of inflation on both salaries and on utilities will be significant. The Council has the Organisation Stabilisation Reserve to mitigate any short term losses and has included estimated inflation in the budgets going forward. Other reserves are in place to support the capital programme, as necessary, particularly from inflation risks.

8.3 The last few years have been challenging from a local authority finance perspective. Recent settlements have been limited to one year which makes predicting resources difficult and delayed Government reforms brings further funding uncertainty. The last year has seen the highest inflation in decades and the resulting impact on pay and expenditure, particularly contracts and utilities, has put unprecedented pressure on Council budgets. The MTFS includes an assumption on the level of inflation going forward but there remains a risk in the uncertainty of both the impact on the Council's expenditure and on that of the Council's third party contracts, particularly the Leisure Management contract, which could result in renegotiation. In the short term, reserves and general balances will be used to mitigate these risks.

8.4 Risks are also about the Council maximising opportunities. Doing nothing is a risk. Transformational change in services, maximising assets, and growing the Borough (e.g. such as the crematorium, commercial property and economic development such as the Freeport) give upside risk and can mitigate the pressures alluded to above. Due to PWLB restrictions, the Council's capital programme does not include any investments that are purely for financial return which means the Council has to be creative and maximise both income generating opportunities and efficiencies so it remains self-sufficient and continue to grow the Borough and provide excellent services.

8.4 The MTFS presents a net deficit of approximately £0.3m over the 5-year period and this will be funded using the Organisation Stabilisation Reserve or by identifying other business efficiencies or further income. There is a budgeted surplus arising in 2024/25 due to the delay in Business Rates reset and this will be used to replenish the reserve. Reserves are necessary to ensure the Council can continue to deliver services to its residents and to protect the Council from risks in relation to funding uncertainty and rising costs.

9. CAPITAL PROGRAMME

9.1 Officers submit schemes to be included in a draft Capital Programme, which also includes on-going provisions to support Disabled Facilities Grants and investment in Social Housing. This draft programme is discussed by EMT along with supporting information and business cases where appropriate with the big projects and the overall financial impact reported to Councillors in Budget update sessions. The draft Capital Programme continues to be further refined and supported by detailed appraisals as set out in the Council's Financial Regulations. These detailed appraisals are included at **Appendix 4** along with the proposed five-year capital programme which is summarised at Table 15. This remains an ambitious programme totalling £23.4m for 5 years.

9.2 The Council's five-year capital programme shows the Council's commitment to deliver more efficient services, improve its leisure facilities and enable economic development. Against a background of financial challenge, as a result of both Covid and inflation pressures, the strength of the Council's financial position is such that it continues to support economic growth and recovery in the Borough. The Programme is approved for the five-year period and allows flexibility of investment to enhance service delivery, provide widened economic development to maximise business and employment opportunities. The programme is reviewed by Full Council as part of the budget setting process. A major focus of the Capital Programme is to improve services, be transformative and generate revenue income streams to help balance the Council's MTFS. Significant projects in the Capital Programme include:

a) A provision of £1m has been included to acquire/develop a Gypsy and Traveller Site(s) in the Borough. Based on the Gypsy and Traveller needs assessment, Rushcliffe needs to provide 13 permanent pitches by 2038, with 7 required before 2025.
b) A new scheme for the Compulsory Purchase Order (CPO) of Flintham Mess appears in the programme in 2025/26. This is estimated at £4m and will be financed by its subsequent sale. The Council is working alongside the potential for the CPO to resolve the ongoing health and safety and amenity issues.
c) The on-going vehicle replacement programme totals £3m in the programme over 5 years. This will be subject to future review as the acquisition/replacement of Streetwise vehicle, plant, and equipment becomes clearer.
d) The provision for Support to Registered Housing Providers has benefitted significantly from Planning Agreements monies arising from Land North of Bingham £3.8m. This sum, together with the balances of other Planning Agreement monies and capital receipts set aside for Affordable Housing gives a total sum available of £4.7m (including 22/23) of which £0.162m is committed. The balance of £4.5m is available and options for commitment of these sums are being assessed.
e) £2.7m over the 5 years for investment in the upgrade of facilities at Keyworth and Cotgrave Leisure Centres, Community Halls, and other Leisure Facility Sites. There are planned refurbishments to changing villages; floor replacement; roof enhancements; and upgrades for plant and lighting. Schemes are considered in the light of the Leisure Strategy and are aimed at maintaining excellent standards of leisure provision. A bid has been made to Salix for £1.2m carbon reduction work at Cotgrave Leisure Centre and, if formally approved, will need reflecting in the future capital programme.
f) Disabled Facilities Grants (DFGs) provision of £3.7m has been provided in the 5-year programme. Funding has become extremely tight to meet the statutory spending requirement and Rushcliffe had to take the unusual step of allocating £0.5m of

its own resources to support spending pressures, this is not sustainable. Cabinet and Senior Officers will continue to actively lobby Central Government and Local Authorities across Nottinghamshire for additional and redistributed Better Care Fund (BCF) grant allocations. Rushcliffe's BCF spending plans are no longer able to support Discretionary DFGs, Assistive Technology (Home Alarms) or the Warmer Homes on Prescription scheme.

g) Rolling provisions for the Information Systems Strategy (£1.1m across the 5 years) will ensure that the Council keeps pace with new technologies, protects itself against cyber-attacks and continues to modernise services and deliver 'channel shift' in an increasingly virtual world.

h) To facilitate the provision of a Community Facility in Edwalton, £0.5m has been included. Cabinet 08.11.22 set out the potential options for delivery which could see the building and car park constructed by the Developer and then the freehold transferred to Rushcliffe. Any resultant cost to Rushcliffe arising from this transaction will be subject to the West Bridgford Special Expense.

i) In year provisions of £75k have been included to enhance Play Areas in West Bridgford on a rolling programme. These costs are subject to the West Bridgford Special Expense. In addition, £100k has been included in 2023/24 to upgrade RCP Play Area – this is a General Expense.

j) Some smaller sums have been included to enhance our land and buildings and investment property portfolios. Planned works will ensure that the property remains fit for purpose and continues to deliver efficient services.

k) A Contingency sum of £0.15m has been included each year, to give flexibility to the delivery of the programme and to cover unforeseen circumstances.

l) Given the projected level of the Council's cash balances at March 2023 and future years, external borrowing is unlikely to be needed in the medium term. The cash flow balances are strongly underpinned by the holding of Developer Contributions: S106s and CIL monies. Expected new internal borrowing, including 2022/23, totals £10.2m. The projected Capital Financing Requirement (CFR - the Council's underlying need to borrow) is £12.6m at the end of 2023/24. The timing and incidence of actual external borrowing will be affected by any slippage in the capital programme, delayed capital receipts, and cash balances and this is reflected in the CFR shown at table 2 of the Capital and Investment Strategy (Appendix 4).

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

CAPITAL PROGRAMME 2023/24 – 2027/28

	2022/23 Current Estimate	2023/24 Indicative Estimate	2024/25 Indicative Estimate	2025/26 Indicative Estimate	2026/27 Indicative Estimate	2027/28 Indicative Estimate	TOTAL
	£000	£000	£000	£000	£000	£000	£000
EXPENDITURE SUMMARY							
Development and Economic Growth	13,207	1,470	325	4,180	610	0	6,585
Neighbourhoods	5,673	7,796	3,615	1,340	1,225	990	14,966
Finance and Corporate	699	310	400	415	430	380	1,935
Total	**19,579**	**9,576**	**4,340**	**5,935**	**2,265**	**1,370**	**23,486**
FUNDED BY							
Usable Capital Receipts	(4,759)	(3,387)	(2,260)	(4,690)	(670)	(195)	(11,202)
Government Grants	(2,971)	(795)	(695)	(695)	(695)	(695)	(3,575)
Use of Reserves	(1,223)	(1,450)	(510)	(550)	(900)	(480)	(3,890)
Grants and Contributions	(2)	0	0	0	0	0	0
Section 106 Monies	(1,374)	(2,944)	(875)	0	0	0	(3,819)
Borrowing	(9,250)	(1,000)	0	0	0	0	(1,000)
Total	**(19,579)**	**(9,576)**	**(4,340)**	**(5,935)**	**(2,265)**	**(1,370)**	**(23,486)**
RESOURCES MOVEMENT							
Opening Balances:	8,623	8,768	6,941	6,003	5,745	5,171	
Projected Receipts:	10,474	9,349	5,302	5,677	1,691	1,678	
Use of Resources:	(10,329)	(11,176)	(6,240)	(5,935)	(2,265)	(1,370)	
Balance Carried Forward:	8,768	6,941	6,003	5,745	5,171	5,479	

9.3 The Council previously allocated £20m to the Asset Investment Strategy within its Capital Programme. Just over £16m of this was utilised for investment opportunities, asset acquisitions, and development of office/industrial/retail units which will secure strong future income streams to support the revenue budget. The remaining balance of £3.8m was taken out of the programme in direct response to the changes in access for PWLB borrowing whereby it is no longer allowable to borrow for yield (or financial return).

9.4 The Council's capital resources are slowly being depleted to fund the Capital Programme. It is projected that capital resources will be in the region of £5.5m at the end of the five-year life of the Programme. This comprises: £5.3m Earmarked Capital Reserves and £0.2m Capital Receipts. The Earmarked Capital Reserves includes the transfer in 2023/24 of £1m to the Regeneration and Community Projects Reserve to support capital projects (see section 1.1). The level of Capital Receipts will slowly be replenished but will only significantly increase if major assets are identified for disposal in the future, given the extent of future capital commitments.

9.5 Projected capital receipts over the course of the MTFS include:

- A further £3m from the Sharphill Overage Agreement (£15m already received);
- Sale of land in Cotgrave: approximately £7m;
- £4m from the subsequent disposal of Flintham Mess following the Compulsory Purchase;
- £0.575m in repaid loan principal from Nottinghamshire County Cricket Club;
- An estimated £50k per year from the Right to Buy Clawback agreement which gives the Council a share of Preserved Right to Buy arrangements following Large Scale Voluntary Stock Transfer in 2003.

9.6 The capital resources position should be viewed in the context of funding the completed redevelopment of the Arena. This scheme was part funded by use of the Council's reserves and the remainder through internal borrowing. It is planned to repay this 'internal debt' from the future income stream provided by New Homes Bonus, subject to the risks highlighted in Sections 3.7 and 8.1.

9.7 The following significant capital grants and contributions will be used to support the funding of the proposed capital programme:

- £4m from Planning Agreements for off-site affordable housing. £3.8m of this comes from a new S106 for Land North of Bingham;
- An estimated £0.695m per annum from the Better Care Fund to deliver Mandatory Disabled Facilities Grants;
- £0.333m from Planning Agreements to support enhancement work to KLC; and
- £0.100m Government Grant to provide Changing Places Toilets at Gresham and CLC.

9.8 In April 2022, Government launched the UK Shared Prosperity Fund (UKSPF). This is a £2.6bn fund for the next three years which replaces the EU Structural funds which were previously allocated through Local Enterprise Partnerships. Rushcliffe's approved annual allocations are detailed in the table below.

9.9 In September 2022 the Government also announced a Rural England Prosperity Fund (REPF). The REPF is a top-up to the UKSPF and is available to eligible local authorities in England. It succeeds EU funding from LEADER and the Growth Programme which were part of the Rural Development Programme for England. It supports activities that specifically address the particular challenges rural areas face. The Council is currently awaiting final approval for the programme.

9.10 Rushcliffe's UKSPF and anticipated REPF allocations over 3 years are detailed below:

	UKSPF (£)	***REPF (£)***	***Total (£)***
2022/23	312,071	0	312,071
2023/24	624,141	149,048	773,189
2024/25	1,635,250	447,145	2,082,395
	2,571,462	**596,193**	**3,167,655**

Officers are currently working on potential schemes for year 2 and this will go to Cabinet in March 2023 for approval. As the programme develops, capital and revenue updates will be provided to both Cabinet and COG through usual budget quarterly reporting.

10. TREASURY MANAGEMENT

10.1 Attached at **Appendix 4** is the Capital and Investment Strategy (CIS) which integrates capital investment decisions with cash flow information and revenue budgets. The key assumptions in the CIS are summarised in the following table:

Table 16 – Treasury Assumptions

	2023/24	2024/25	2025/26	2026/27	2027/28
Anticipated Interest Rate	4.50%	4.00%	3.00%	2.50%	2.50%
Expected interest from investments (£)	1,292,308	839,420	613,045	547,570	542,995
Other interest (£)	67,000	63,000	59,000	59,000	59,000
Total Interest (£)	**1,359,308**	**902,420**	**672,045**	**606,570**	**601,995**

10.2 In December 2021 CIPFA released new editions of the Treasury Management Code and Prudential Code. Key changes include the need to consider existing commercial investments, reference to Environmental, Social and Governance (ESG) in the Capital Strategy, quarterly monitoring of Prudential Indicators, the introduction of a knowledge and skills schedule, Investment Management Practices (IMPs) and the Liability Benchmark.

10.3 The CIS covers the Council's approach to treasury management activities including commercial assets. It documents the spreading of risk across the size of individual investments and diversification in totality across different sectors. As a result of recent changes to the code as detailed above, the Council now primarily focusses on maximising the returns from its existing portfolio with no new commercial investments included in the Capital Programme. The Council undertakes regular performance reviews on the assets with the next review due to be reported to Cabinet and Governance Scrutiny Group in December 2023.

11. OPTIONS

11.1 As part of its consideration of the budget, the Council is encouraged to consider the strategic aims contained within the Corporate Strategy and, in this context, to what extent they wish to maintain existing services, how services will be prioritised, and how future budget shortfalls will be addressed. A review was undertaken in 2021/22 to assess the performance of the Council's existing commercial assets and their continued contribution to the Council's strategic aims. This will continue to be monitored and reported to scrutiny on a regular basis with the next review due in 2023/24.

11.2 Instead of increasing its Council Tax by 2% as per the proposals in section 3.4, the Council could choose to increase by the maximum permitted increase of the higher of 2.99% or £5 or the Council could freeze its Council Tax. Table 17 provides details of the impact on budgets of the recommended option of a £3.02 (2%) increase in 2023/24, £3.78 (2.46%) in 2024/25, and thereafter £4.99 increase against the 2 scenarios of a tax freeze or a 2.99% increase (2023/24 only thereafter reverting to the maximum permitted). If the Council chose to freeze its Council Tax, the income foregone in 2027/28 is £0.215m and over the 5-year period £1.032m when compared to the maximum permitted increase. The income foregone for the Council's recommended option of 2% compared to the maximum of 2.99% is £0.307m over the 5-year period.

11.3 As stated in section 3.4 the proposal is that effectively all households in Council Tax Bands A to D will effectively have no Council Tax increase with the Council enhancing the Government's Council Tax Support Fund offer (which focuses on individuals in receipt of Local Council Tax Support). Details of the proposed scheme can be found at Appendix 6.

Table 17: Alternate Council Tax Levels

£'000	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Band D £153.95 in 2023/24 Increase at £3.78 in 2024/25 and £4.99 each year thereafter (maximum permitted) – Recommended Option						
Total Council Tax Income	(6,850)	(7,092)	(7,412)	(7,799)	(8,199)	(8,612)
Total for Freeze (Band D £150.93) and the maximum thereafter		(6,953)	(7,270)	(7,654)	(8,051)	(8,461)
Total for 2.99 in 2023/24 and the maximum thereafter (Band D £155.23)		(7,151)	(7,472)	(7,860)	(8,262)	(8,676)

Difference (£'000)	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Freeze vs 2.99%	(198)	(202)	(206)	(211)	(215)	(1,032)
2% vs 2.99%	(59)	(60)	(61)	(63)	(64)	(307)

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

Appendix 1

<u>Funding Analysis for Special Expense Areas</u>

	2022/23 (£)	2023/24 (£)	% Change
West Bridgford			
Parks and Playing Fields	422,800	438,100	
West Bridgford Town Centre	91,400	92,100	
Community Halls	78,500	96,900	
Contingency	14,700	14,700	
Revenue Contribution to Capital Outlay	75,000	75,000	
Annuity Charges	94,000	100,100	
Sinking Fund	20,000	20,000	
Total	**796,400**	**836,900**	
Tax Base	**14,773.7**	**14,958.7**	
Special Expense Tax	**53.91**	**55.95**	**3.78%**
Keyworth			
Cemetery and Annuity Charges	9,200	12,700	
Total	**9,200**	**12,700**	
Tax Base	**2,791.00**	**2,897.40**	
Special Expense Tax	**3.3**	**4.38**	**32.73%**
Ruddington			
Cemetery and Annuity Charges	11,100	11,100	
Total	**11,100**	**11,100**	
Tax Base	**2,908.8**	**3,014.7**	
Special Expense Tax	**3.82**	**3.68**	**(3.66%)**
TOTAL SPECIAL EXPENSES	**816,700**	**860,700**	**5.39%**

REVENUE BUDGET SERVICE SUMMARY

Appendix 2

	2022/23 ESTIMATE £	**2023/24 ESTIMATE £**	2024/25 ESTIMATE £	2025/26 ESTIMATE £	2026/27 ESTIMATE £	2027/28 ESTIMATE £
Chief Executive	2,021,100	**2,313,500**	2,140,900	2,162,500	2,230,500	2,448,900
Finance and Corporate Services	4,329,800	**4,099,500**	4,664,800	5,044,700	5,302,500	5,445,300
Development and Economic Growth	(111,700)	**(154,800)**	(373,400)	(341,200)	(460,600)	(458,500)
Neighbourhoods	6,948,700	**7,649,400**	7,118,800	7,079,400	7,067,500	7,227,600
Net Service Expenditure	13,187,900	**13,907,600**	13,551,100	13,945,400	14,139,900	**14,663,300**
Capital Accounting Adjustments	(1,895,000)	**(1,895,000)**	(1,895,000)	(1,895,000)	(1,895,000)	(1,895,000)
Minimum Revenue Provision	1,293,000	**1,311,000**	1,320,000	1,269,000	835,000	269,000
Transfer to/(from) Reserves	(2,619,000)	**1,352,000**	953,000	(485,000)	38,000	408,000
Total Net Service Expenditure	9,966,900	**14,675,600**	13,929,100	12,834,400	13,117,900	**13,445,300**
Funding						
Other Grant Income	(273,000)	**(639,600)**	(516,200)	(93,200)	(93,200)	(93,200)
Localised Business Rates, includes SBRR	(3,957,800)	**(4,904,800)**	(4,941,000)	(3,370,700)	(3,438,114)	(3,506,876)
Collection Fund (Surplus)/Deficit	4,364,500	**505,900**	0	0	0	0
Council Tax Income						
- Rushcliffe	(6,850,400)	**(7,092,200)**	(7,411,700)	(7,799,100)	(8,199,000)	(8,611,800)
- Special Expenses Areas	(816,700)	**(860,700)**	(942,900)	(946,700)	(960,600)	(960,600)
New Homes Bonus	(1,587,500)	**(1,414,000)**	(1,414,000)	0	0	0
Total Funding	(9,120,900)	**(14,405,400)**	(15,225,800)	(12,209,700)	(12,690,914)	**(13,172,476)**
Net Budget (Surplus)/Deficit	**846,000**	**270,200**	**(1,296,700)**	**624,700**	**426,986**	**272,824**

CAPITAL PROGRAMME 2023/24

Ref	Scheme	2023/24 Indicative Estimate	2024/25 Indicative Estimate	2025/26 Indicative Estimate	2026/27 Indicative Estimate	2027/28 Indicative Estimate
		£000	**£000**	**£000**	**£000**	**£000**
	Development and Economic Growth					
	Traveller Site Acquisition	1,000	0	0	0	0
1	The Point Enhancements	50	0	0	300	0
	Unit 1 Bardon 22	0	0	0	115	0
	6F Boundary Court	0	0	0	15	0
	Cotgrave Business Hub	0	0	70	0	0
	Manvers Business Park Enhancements	0	0	0	70	0
	Compton Acres Water Course	210	0	0	0	0
2	Compton Acres Fencing Special Expense	30	0	0	0	0
	Unit 10 Moorbridge	0	0	0	60	0
	Bridgford Park Kiosk	25	0	0	0	0
	Colliers BP Enhancements	0	0	0	50	0
	Park Cottage Fabric Upgrade	0	65	0	0	0
	Walkers Yard 1a/b	0	70	0	0	0
	Abbey Circus WB fencing open space Special Expense	35	0	0	0	0
	Highways Verges: Cotgrave/Bingham/CB	100	90	60	0	0
3	Quantock Grove Bingham Public Open Space	20	0	0	0	0
	Wilwell Cutting Bridge	0	0	50	0	0
	Devonshire Road Railway Bridge	0	100	0	0	0
	Flintham Mess	0	0	4,000	0	0
	Sub total	**1,470**	**325**	**4,180**	**610**	**0**
	Neighbourhoods					
4	Vehicle Replacement	1,150	1,055	405	215	220
	Support for Registered Housing Providers	2,623	1,500	0	0	0
5	Hound Lodge - Enhancements	250	75	0	0	0
	Disabled Facilities Grants	945	695	695	695	695

Ref	Scheme	2023/24 Indicative Estimate	2024/25 Indicative Estimate	2025/26 Indicative Estimate	2026/27 Indicative Estimate	2027/28 Indicative Estimate
6	CLC – Enhancements	925	163	0	45	0
7	KLC – Enhancements	470	12	0	170	0
8	Arena Enhancements	28	0	0	0	0
	EGC Enhancements	30	0	0	0	0
9	Play Areas W.B. - Special Expense	75	75	75	75	75
10	West Park Enhancements Special Expense	500	0	40	0	0
	Gresham Pitches, 3G Lighting, Improvements	100	0	0	0	0
11	Gresham Sports Pavilion	50	0	0	0	0
	Rushcliffe CP - Enhancements	0	0	0	25	0
	Rushcliffe CP - Play Area	100	0	0	0	0
	Lutterell Hall Special Expense	0	0	125	0	0
	Edwalton Community Facility Special Expense	500	0	0	0	0
	Gamston Community Hall Special Expense	50	40	0	0	0
	Sub total	**7,796**	**3,615**	**1,340**	**1,225**	**990**
	Finance and Corporate Services					
12	Information Systems Strategy	160	250	265	280	230
	Contingency	150	150	150	150	150
		310	**400**	**415**	**430**	**380**
	Sub total					
	PROGRAMME TOTAL	**9,576**	**4,340**	**5,935**	**2,265**	**1,370**

PROJECT APPRAISAL FORM

Project Name: Development of a Gypsy and Traveller Site	**Cost Centre:** 0300	**Ref:** 1

Detailed Description:

As part of the Greater Nottingham Strategic Plan, it was identified that Rushcliffe is required to provide an additional 13 Gypsy and Traveller pitches in the Borough between 2020 and 2038, with 7 required before 2025.

The Sustainable Urban Extension (SUE) development at Fairham is required to allow for a minimum of four gypsy and traveller pitches. Further provision is expected at Gamston Fields, another of the Council's SUEs.

The Council is looking to acquire land in the Borough to deliver circa 7 pitches, as required before 2025. Officers are currently working to identify an appropriate piece of land.

A funding bid for a Government Grant was made, but this was unsuccessful. Officers are currently looking into alternative funding pots.

Although the project cost is estimated at £2m, at this stage, the programme reverts to the original RBC provision of £1m funded from New Homes Bonus.

Location: To be determined – Officers are working to identify an appropriate site for acquisition.	**Director:** Economic Development and Growth

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

- Quality of Life
  - The Council will manage the site (through an appointed provider) which will ensure the Gypsy and Travellers are given the support they need with accessing services by engaging with a wide range of partners e.g., County Council, Health, Police etc. Efficient Services
- Sustainable Growth
  - By delivering a Gypsy and Traveller site the Council is taking a proactive step to provide the need identified in the Greater Nottingham and Ashfield District Council Gypsy and Traveller Accommodation Assessment (GTAA).

Strategic Commitments:

- Working with our partners to create great, safe, and clean communities to live and work in
- Protecting our residents' health and facilitating healthier lifestyle choices
- Alignment of resources linked to growth aspirations
- Protecting the vulnerable in our communities
- Implementing environmentally beneficial infrastructure changes.

Community Outcomes:

- To address the requirements of the Local Plan and Gypsy and Traveller Needs Assessment
- Residents satisfied with the quality of services provided
- Housing Targets met
- Sufficient supply of suitable housing is available to meet the needs of the community

Environmental Outcomes:

- Where possible low carbon and carbon neutral building materials and processes will be prioritised.

• The development will ensure there is a net positive impact on site biodiversity.			
Other Options Rejected and Why: There is the option for the Council not to deliver a permanent Gypsy and Traveller site. However, this would mean that the Council was not meeting the need set out in the GTAA and delivery would be dependent on private developers. Not only would the Council not be meeting the need, but there would also be an increased risk of the Council being unable to successfully defend appeals in respect of any unauthorised Gypsy and Traveller encampments			
Start Date: Spring 2023		**Completion Date:** 2024	
Capital Cost (Total):	**Previous Year :22/23**	**Year 2: 23/24**	
£2m but only £1m included in the programme at this stage whilst alternative additional funding identified		£2m but only £1m included in the programme at this stage whilst alternative additional funding identified	
Capital Cost (Breakdown) £: To be determined but estimated up to £1m land acquisition and £1m for infrastructure, works, and services			
Works	**Equipment**	**Other**	**Fees**
Additional Revenue cost/(saving)per annum:	**Year 1: 23/24**	**Year 2: 24/25**	
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**	
Proposed Funding			
External: Up to £1m external grant funding to be investigated.		**Internal:** £1m New Homes Bonus	

Useful Economic Life (years): To be determined: land has indefinite life; infrastructure and works circa 50 years (may be less if non-traditional build e.g., MMC – modern method of construction)	**New/Replacement:** New
Depreciation per annum: to be determined	**Capital Financing Costs:** £41k lost interest on use of New Homes Bonus
Residual Value: N/A	**Category of Asset:** Land and Infrastructure
IFRS16 New Lease Checklist Completed?	**N/A**

PROJECT APPRAISAL FORM

<table>
<tr><td>Project Name: Compton Acres Fencing – Special Expense</td><td>Cost Centre: 0180</td><td colspan="2">Ref: 2</td></tr>
<tr><td colspan="4">Detailed Description:
The proposal is for the replacement of defective fencing situated alongside the open watercourse in Compton Acres which the Council has responsibility for maintaining. The section of fencing broadly runs from Lydney Park in a westerly direction towards Compton Acres Road. This section of fencing forms a barrier between the public footpath and the watercourse. The condition of the existing fencing has deteriorated and is beyond economic repair. Materials utilised for replacement work will be appropriately specified and complimentary to the setting.</td></tr>
<tr><td>Location: Compton Acres WB</td><td colspan="3">Executive Director: Development and Economic Growth</td></tr>
<tr><td colspan="4">Contribution to the Council’s aims and objectives:
Corporate Priorities:
• Quality of Life – maintenance of key infrastructure and ensuring public spaces are attractive and safe for use
• Efficient Services – assets maintained in an appropriate and timely manner and to an appropriate standard
• The Environment – replacement materials and the work approach will be considered to ensure environmental impacts are minimised

Strategic Commitments:
• Protecting our residents and assets
• Protecting our natural resources and to implement environmentally beneficial infrastructure changes
• Protecting the environment and public health by fulfilling our statutory responsibilities
• Robust asset management
• Provide high quality community facilities which meet the needs of our residents</td></tr>
<tr><td colspan="4">Community Outcomes:
Undertaking the works will ensure that the appearance of this prominent public open space remains attractive, well maintained and safe for use.</td></tr>
<tr><td colspan="4">Environmental Outcomes:
Maintaining a secure barrier between the public footpath and the watercourse will serve to prevent unwanted access to the bankside of the watercourse and this in turn will protect the habitats and support diversity of creatures living therein. The fencing also forms a partial barrier to litter, preventing it from directly entering the watercourse form the footpath.</td></tr>
<tr><td colspan="4">Other Options Rejected and Why:
Retain and repair existing fence – the existing fencing is beyond economic repair (20+ years old).
Remove fencing and don’t replace – the fencing forms a barrier between the public footpath and the watercourse, removal would degrade the environmental benefits described above and potentially give rise to increasing health and safety issues.</td></tr>
<tr><td colspan="2">Start Date: 2023</td><td colspan="2">Completion Date: 2024</td></tr>
<tr><td>Capital Cost (Total):</td><td>Year 1:23/24</td><td>Year 2: 24/25</td><td></td></tr>
<tr><td>£30,000</td><td>£30,000</td><td></td><td></td></tr>
</table>

Capital Cost (Breakdown) £:					
Works	**Equipment** £28,500		**Other**		**Fees** £1,500
Additional Revenue cost/ (saving) per annum:		**Year 1: 23/24**		**Year 2: 24/25**	
Year 3: 25/26		**Year 4: 26/27**		**Year 5: 27/28**	
Proposed Funding					
External:			**Internal:** Capital Receipts repayable by way of annuity from WB Special Expense		

Useful Economic Life (years): 15	**New/Replacement:** Replacement
Depreciation per annum: £2k	**Capital Financing Costs:** Net nil as repaid from WB Special Expense
Residual Value: N/A	**Category of Asset:** Equipment
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

<table>
<tr><td colspan="2">Project Name: Quantock Grove Public Open Space</td><td colspan="2">Cost Centre: 0181</td><td colspan="2">Ref: 3</td></tr>
<tr><td colspan="6">Detailed Description:
The proposal is for improvement works to an area of open space located between properties on Quantock Grove and Radnor Grove which is in the ownership of the Council. The open space currently comprises larger areas of life expired macadam surfacing bounded by weed filled borders and is unkempt, unattractive and reflects poorly on adjacent housing. Improvements planned include reduction to the paved areas to create focused pathways bordered by green areas laid to turf enabling easier regular maintenance.</td></tr>
<tr><td colspan="2">Location: Bingham</td><td colspan="4">Executive Director: Development and Economic Growth</td></tr>
<tr><td colspan="6">Contribution to the Council’s aims and objectives:
Corporate Priorities:
• Quality of Life – improvements will encourage use of the area/pathways by the public and help to deter anti-social use
• Efficient Services – improvements will help to streamline and simplify maintenance activity
• Sustainable Growth
• The Environment – reduction in paved area will improve drainage of the area

Strategic Commitments:
• Protecting our residents and assets
• Protecting our natural resources and to implement environmentally beneficial infrastructure changes
• Protecting the environment and public health by fulfilling our statutory responsibilities</td></tr>
<tr><td colspan="6">Community Outcomes:
Improvements will encourage legitimate use of the space and pathways by the public and enhance the local area which currently appears neglected and unwelcoming.</td></tr>
<tr><td colspan="6">Environmental Outcomes:
Improvements will minimise hard surfaced areas and increase planted/turfed areas, this will improve local drainage and enhance biodiversity. The area will be easier to maintain which in turn will help to minimise carbon intensive maintenance activity.</td></tr>
<tr><td colspan="6">Other Options Rejected and Why:
Do nothing – the open space would remain unattractive detracting from the local area, under utilised and more costly to maintain.</td></tr>
<tr><td colspan="3">Start Date: 2023</td><td colspan="3">Completion Date: 2024</td></tr>
<tr><td>Capital Cost (Total):</td><td colspan="2">Year 1:23/24</td><td colspan="2">Year 2: 24/25</td><td></td></tr>
<tr><td>£20,000</td><td colspan="2">£20,000</td><td colspan="2"></td><td></td></tr>
<tr><td colspan="6">Capital Cost (Breakdown) £:</td></tr>
<tr><td>Works
£18,500</td><td colspan="2">Equipment</td><td colspan="2">Other</td><td>Fees
£1,500</td></tr>
<tr><td colspan="2">Additional Revenue cost/ (saving) per annum:</td><td colspan="2">Year 1: 23/24</td><td colspan="2">Year 2: 24/25</td></tr>
<tr><td colspan="2">Year 3: 25/26</td><td colspan="2">Year 4: 26/27</td><td colspan="2">Year 5: 27/28</td></tr>
<tr><td colspan="6">Proposed Funding</td></tr>
</table>

External:	**Internal:** Capital Receipts

Useful Economic Life (years): 20	**New/Replacement: replacement**	
Depreciation per annum: £1k	**Capital Financing Costs:** £800 lost interest	
Residual Value: N/A	**Category of Asset:** Infrastructure	
IFRS16 New Lease Checklist Completed?		N/A

PROJECT APPRAISAL FORM

<table>
<tr><td>Project Name: Vehicle Replacement</td><td>Cost Centre: 0680</td><td>Ref: 4</td></tr>
<tr><td colspan="3">Detailed Description:
The authority owns vehicles ranging from large refuse freighters to small vans and items of mechanical plant. As these vehicles and plant age and become uneconomic to maintain and run, they are replaced on a new for old basis. Although there is a programme for replacements for the next ten years, each vehicle or machine is assessed annually, and the programme continually adjusted to take into account actual performance. The transfer of Streetwise back to an ‘in house’ service will see a further capital replacement programme developed prior to April 2023 to cover both vehicles and plant used to undertake the services provided. This provision will be used to acquire new vehicles and plant, undertake refurbishments to extend vehicle life and value and to purchase second-hand vehicles and plant as and when appropriate. There is beginning to be a concentration of focussing on newer cleaner technology as we replace existing fleet vehicles in line with the Council’s Carbon management agenda, exploring alternatives such as electric and hydrogen cell technology as well as alternative fuel use to look at cutting down on emissions whilst ensuring the vehicles remain operationally viable and offer value for money</td></tr>
<tr><td>Location: Eastcroft Depot</td><td colspan="2">Executive Manager: Neighbourhoods</td></tr>
<tr><td colspan="3">Contribution to the Council’s aims and objectives:
Corporate Priorities:
• Quality of Life
• Efficient Services
• The Environment
Strategic Commitments:
• Working with our partners to create great, safe, and clean communities to live and work in.
• Ongoing appraisal and alignment of resources linked to growth aspirations.
• Reviewing our policies and ways of working to protect natural resources, and to implement environmentally beneficial infrastructure changes. To reduce waste and increasingly reuse and recycle to protect the environment for the future.
• Working with ley partners to respond to any proposals from the new Environment Act and any changes or directives from central government regarding what wastes should be collected and how.
• Delivering a high-quality waste and recycling collection service.
• Delivering a high-quality street cleansing, grounds maintenance and arboriculture service
• A commitment to look at cleaner vehicles in line with our commitment to protect the environment, in particularly alternative fuel vehicles
• Working to achieve a carbon neutral status for the Council’s operations

The replacement of vehicles is critical to the performance of the front-line services. Regular vehicle and plant replacement with new updated engines help to meet climate change and national indicator targets for emissions and helps maintain a cleaner air quality within the Borough.</td></tr>
<tr><td colspan="3">Community Outcomes:
• To address climate change and the need to reduce carbon emissions. The introduction of new euro standard engines will lower emissions. The new vehicles will also reduce maintenance costs on the vehicles they replace however it should be noted that the remainder of the fleet ages and therefore the fleet profile and maintenance costs overall remain stable.</td></tr>
<tr><td colspan="3">Environmental Outcomes:
• The Council is actively looking at newer cleaner technologies and is committed to working with others to consider options and procure newer vehicles that will help commit to our</td></tr>
</table>

carbon management plan. Whilst larger HGV electric vehicles may not be an option for Rushcliffe due to the range and geographical nature of our Borough, we continue to explore the use of and practicalities of alternative fuel such as the use of Hydro generated Vegetable Oil (HVO) following a trial in late 2021 and are considering the impact of the trial with potential 90% reduction in emissions and the operational logistics and infrastructure arrangements as well as the costs of fuelling our vehicles utilising HVO. Smaller fleet vehicles such as small vans, etc could be replaced by electric vehicles which are readily available, and this option will be considered as and when such vehicles are due for replacement in line with the replacement programme				
Other Options Rejected and Why: An historic review was undertaken to consider the leasing and hiring in of vehicles. Due to the level of capital resources, it was concluded that it was uneconomical to do either of these two options but as resources reduce these options may need to be revisited again. However, there are also distinct advantages in direct purchase: - a) The authority has control over the maintenance of the vehicles. b) It is difficult to change the terms and conditions of a lease. c) High performing vehicles can have their lifespan lengthened. d) Poor performing vehicles can have their lifespan shortened. Not being tied into lengthy lease/hire contracts means the service can react and adapt to change quickly. It should be noted that the transition of Streetwise back to an in-house service sees some vehicles used, tied into current lease arrangements which are being considered and will help in developing a new capital replacement programme in that service area. The Council now actively looks at the possible purchase of 2nd hand vehicles and will refurbish vehicles to extend their life and value.				
Start Date: Ongoing		**Completion Date:**		
Capital Cost (Total):	**Year 1: 23/24**	**Year 2: 24/25**		
£2,205,000 (2 years)	£1,150,000	£1,055,000		
Capital Cost (Breakdown)				
Works £0	**VPE** £2,205,000	**Other** £0	**Fees** £0	
Additional Revenue cost/ (saving) per annum:	**Year 1: 23/24** £0	**Year 2: 24/25** £0		
Year 3: 25/26 £0	**Year 4: 26/27** £0	**Year 5: 27/28** £0		
As each vehicle replaces an existing vehicle, there is no increase in the overall revenue costs. Whilst newer vehicles can lead to less expenditure on breakdown and repair, older vehicles will cost more. The overall fleet profile remains relatively constant and therefore service budgets remain the same. However, with property growth and the potential impact on waste collections as a result of the Environment Act, there is the likelihood moving forward that additional revenue expenditure may be incurred and this will need to be considered for the budget year 2024/25 and future years too				
Proposed Funding:				
External: N/A	**Internal:** Capital Receipts			
Useful Economic Life (years): Various	**New/Replacements:** New and Replacements			
Depreciation per annum: Various	**Capital Financing Costs:** £46k p.a. in year 1 plus £42k p.a. in year 2 as opportunity cost of lost interest.			

Residual Value: Various	**Category of Asset:** Vehicle and Plant	
IFRS16 New Lease Checklist Completed?		SEL leased vehicles to be assessed.

PROJECT APPRAISAL FORM

Project Name: Hound Lodge Enhancements	**Cost Centre:** 0308	**Ref:** 5

Detailed Description:
Hound Lodge provides temporary accommodation for families who find themselves unintentionally homeless; providing accommodation in this circumstance is a statutory function of the Council. The building has existed in broadly its current form since the 1990s when the Council acquired and carried out conversion works which included the addition of a single storey rear extension. The original areas of the building are circa 100 years old.
The building requires enhancement not only to improve how it can be operated and managed in terms of residents, but also from an energy consumption and efficiency perspective. Due to the limiting factors of layout, age and form of construction, any enhancement work will not be straight forward and will come at significant cost. Before committing to these costs, the Property and Housing teams will work together to undertake a wholesale review of the facility and the manner in which temporary accommodation is provided, culminating in the preparation of an options appraisal which will help to ensure that investment decisions are made in an informed and robust manner (Service Plan task for 2023/24).
The outcome of the asset review may mean that costs and planned works are re-profiled.

Location: West Bridgford	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Priorities:
- Quality of Life
- Efficient Services
- The Environment

Strategic Commitments:
- Protecting our residents' health and facilitating healthier lifestyle choices
- Providing high quality facilities which meet the needs of our residents
- Creating opportunities for young people to realise their potential
- Protecting the most vulnerable in our communities

Community Outcomes:
- The Council fulfils its statutory duties for the provision of suitable temporary accommodation and avoids the need to use B& B accommodation at an additional cost
- Residents of the Borough continue to receive the council services they require

Environmental Outcomes:
- Committing to reviewing and enhancing the operational and thermal performance of the facility will ensure that ongoing carbon emissions are mitigated which aligns with corporate ambitions to be net zero by 2030.

Other Options Rejected and Why:
- Not reviewing and enhancing the operational and thermal performance of the facility will allow current shortcomings to continue, this in turn will put strain on resources and limit the Council's overall ambitions to achieve net zero.

Start Date: 2023	**Completion Date:** 2025

Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£325,000	£250,000	£75,000	

Capital Cost (Breakdown) £:

Works £300k	**Equipment**	**Other**	**Fees** £25k

Additional Revenue cost/(saving)per annum:	**Year 1: 23/24**	**Year 2: 24/25**
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**

Proposed Funding	
External:	**Internal:** Capital Receipts

Useful Economic Life (years): 25	**New/Replacement:** New and Replacement	
Depreciation per annum: £13k	**Capital Financing Costs:** £13k p.a. in lost interest	
Residual Value:	**Category of Asset:** Operational L & B	
IFRS16 New Lease Checklist Completed?		N/A

PROJECT APPRAISAL FORM

Project Name: Cotgrave Leisure Centre - Enhancements	**Cost Centre:** 0402	**Ref:** 6

Detailed Description:

As part of the Leisure Strategy refresh, Cotgrave Leisure Centre has been identified as the number one project for capital investment.

The proposed works the Leisure Centre have been identified as follows:

Ground floor – reception area

1. Move reception to old Town council office on left as enter
2. Remove exiting reception to open space
3. Office behind old reception becomes accessible toilet
4. Second Office retained
5. Reconfigure ladies, gents, accessible toilet, and store into 4 self-contained unisex toilets
6. Space for vending in opened up reception

Ground floor corridor

7. Knock back wall on right stealing space form kitchen, activity room spin corridor and dry changing rooms to widen corridor
8. Locker banks in between columns on the left wall to infill
9. Combine (subject to structural restrictions) activity room spin corridor and dry changing rooms to create one large studio. Consider glazing onto corridor for borrowed light.

Wet Change Village

10. Remove all locker banks and all cubicles and replace with new. Layout to be reconfigured to provide improved flow - lockers and cubicles directly inside doors to changing village to be removed as these are closing of the space and the circulation
11. Remove lockers and vanity unit over and replace with new vanity unit
12. Replace lighting above vanity unit with modern brighter lighting
13. Full professional deep clean of floor tiles and re-grout
14. Replace lighting for LED panel lighting throughout
15. Remove redundant ceiling speakers
16. Replace ceiling tiles throughout
17. Replace skirting tiles with coved tiles

Accessible changing room

18. Upgrade to changing places spec
19. New ceiling tiles throughout
20. New door

Group changing rooms

21. Remove lockers.
22. Professional deep clean of wall and floor tiles
23. Remove bench seating and replace with new to perimeter of room
24. New resin flooring in shower areas
25. Replace lighting for LED panel lighting throughout
26. New ceiling tiles throughout
27. Redecoration

Male Toilets and Female toilets

28. Professional deep clean of wall and floor tiles
29. New sanitary wear

30. New IPS cubicles
31. New vanity units

Sports hall

32. Replace sports hall floor covering with new, including all court and play markings

Roof

33. Survey and remedials as necessary
34. Subject to above survey, replace

M&E

35. Upgrade external lighting
36. M&E condition survey with recommendations to improve efficiency and reduce carbon output

A Cost plan for the above capital works has been developed by Henry Riley and the stage two cost plan totals £893k for facilitating and building works. The total cost including pre-lims Overheads and profit and contingency bring the total package of works to £ 1.305m.

The proposed capital programme contains £1.075m for the building works, a shortfall of £230k, which will be carried forward from the 22/23 Capital Programme underspend.

The site has also been successful in receiving a Phase 3B Public Sector decarbonisation grant (Salix) to decarbonise this leisure centre. The grant totals £1.215m over two years: 23/24 £899k and 24 /25 £316k. The grant requires 12% match funding investment of £146k and it is proposed that this element of funding is met via the Climate Change Action Reserve. This gives a total £1.361m additional resources.

The Salix bid will focus on replacing the boiler systems which is at the end of its useful life with an Air-Source Heat Pump alternative and solar panels to the roof of the Leisure Centre. Budget adjustments will be made for these fully funded elements when the details and timing are better known.

Additional - subject to funds and other grants pot applications

37. Replace flume with new - £100,000 Estimate- UKSPF Funding
38. Cotgrave Youth Club Separation £30,000 to £50,000 Estimate- Joint funding with NCC
39. Internal changing places toilet provision- £50,000 Department for levelling Up, housing and Communities (DHLUHC) funding application submitted

As above, budget adjustments will be made when the outcome of funding bids known.

The capital investment will see a significant refurbishment of the leisure centre to improve disability access, toilet facilities (including a Changing Places toilet). The transformed changing village will provide a modern, fit for purpose environment, accessible to all and will include reconfiguration to better utilise the space and provide fitness studios in keeping with the modern fitness culture. This will also make better use of the vacated town Council rooms.

In addition, works to the sports hall will see upgrades to ensure integrity of the fabric and structure and replace worn end of life flooring.   Works will include any required upgrades to lighting, heating, ventilation, security, and fire systems as determined by reconfigured spaces in conjunction to the Salix funding. A new sand filter media will replace the old sand and glass pool filter. This work will be done together with the pool filter replacement at Keyworth to secure efficiencies.

Location: Cotgrave Leisure Centre	**Executive Manager**: Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Priorities:
- Quality of Life
- Efficient Services
- The Environment

Strategic Commitments:
- Protecting our residents' health and facilitating healthier lifestyle choices.
- Provide high quality community facilities which meet the needs of our residents and contribute towards the financial independence of the Council.
- Creating opportunities for young people to realise their potential.
- Ongoing appraisal and alignment of resources linked to growth aspirations.
- Working to achieve carbon neutral status for the Council's operations.

Community Outcomes:
- To ensure the provision of high-quality community facilities which meet community need.
- To protect our residents' health and facilitate healthier lifestyle choice.

Environmental Outcomes:
- Material selection, wherever possible locally sourced, carbon efficient production, longevity of materials will be considered when selecting finishes
- Upgrades to lighting and mechanical building elements will look to use low energy technology wherever feasible

Other Options Rejected and Why:
Do not carry out refurb works – this would result in further deterioration of the fabric/fixtures/finishes which will potentially increase revenue maintenance/operating costs and with worsening visual appearance, diminish customer experience/satisfaction.

This may also lead to loss of customers resulting in a less efficient service and not be in line with the commitments made in the Leisure Strategy refresh which was adopted by Cabinet in December 2022

Start Date: 2023	**Completion Date:** 2025

Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£1,075,000 build costs £13,000 pool filter TOTAL £1,088,000 to be adjusted for 22/23 carry forward £230k, Salix, and other external grants when details known.	£925,000	£163,000	

Capital Cost (Breakdown) £: to be determined

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

Additional Revenue cost/(saving)per annum:	**Year 1: 22/23**	**Year 2: 23/24**
Year 3: 24/25	**Year 4: 25/26**	**Year 5: 26/27**

Proposed Funding £1.2 Salix Grant and £146k use of Climate Change Reserve to be brought in

External: £50k Government Grant	**Internal:** £538k Capital Receipts; £500k internal borrowing

Useful Economic Life (years): Pool Filter 6 yrs; other works to be determined	**New/Replacement**: Replacement
Depreciation per annum: Pool Filter £2.1k; other works to be determined	**Capital Financing Costs:** £41k p.a. as opportunity cost of lost interest.
Residual Value: N/A	**Category of Asset:** Operational Land & Buildings/Equipment/Plant
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

Project Name: KLC Enhancements	**Cost Centre:** 0424	**Ref:** 7

Detailed Description:

Keyworth Leisure Centre has been identified as the number two capital project for investment as part of the refreshed Leisure Strategy.

A scoping audit of works was undertaken, and the following works have been identified: (this is supported by a Henry Riley Cost plan.

Wet Change Village

1. Deep clean tile walls and apply white tile paint to all blue tiles
2. Professional deep clean on floor tiles
3. Re-grout floor tiles
4. Paint black tiled skirting boards throughout with black or dark grey tile paint
5. Chop out broken tiles around floor grate and replace with resin infill
6. Replace all ceiling tiles with new
7. Replace exiting light fittings with new led panel lighting to brighten entire area
8. Cubicles and lockers throughout – explore refurb and sticky back vinyl wrap as VE.
    a. Cubicles sides and infills in mid grey, doors in muted green (aka Rushcliffe & Bingham Arena)
9. Replace damaged plastic cubicle feet where required
10. Clean and repaint the corroded water pipes in family change
11. Blue woodwork throughout to be re-painted in mid grey
12. Varnished doors throughout to be sanded and varnished with new door kick plates added
13. Renew shower screen between changing area a post swim showers
14. Strip and repair area of damp wall by the shower screen

Accessible shower room

15. Deep professional clean, floors and wall tiles
16. White roc finish to walls
17. Replace all ceiling tiles with new

Male Toilets and Female toilets

18. Deep professional clean, floors and wall tiles
19. Paint black skirting tile with fresh black or dark grey tile paint
20. Cut out tiles around centre floor gullies and replace with resin infill
21. Replace slotted sink waste and taps
22. Replace all ceiling tiles

Pool Hall
23. Deep professional clean, floors and wall tiles
24. Replace vertical tiles with the over pool ceiling lights
25. New roller shutter to pool store
26. Vinyl wrap two square blue laminated posts between changing and pool
27. New double fire door set at pool store end of pool
28. Remove old redundant light fittings over pool
29. Replace all ceiling tiles
30. Resin repair to base of rusting steel column between the pools

Dry side toilets – Male & female
31. New vinyl flooring
32. New ceiling tiles
33. Professional deep clean of wall tiles ahead of painting light grey

Dry side accessible toilet
34. New vinyl flooring
35. Paint walls - white
36. Paint radiator - white

Reception
37. Replace light fittings with LED panel lights
38. Vinyl Wrap to reception desk to brighten and rebrand

General
39. Replace skylights
40. Repair/refurbish/replace roof
41. M&E survey with recommendation of works required to increase efficiency and reduce carbon output

Possible additions – subject to budget
42. Fire survey to assess condition and compliance of fire doors
43. Replace showers with new more efficient models
44. Replace toilet, sinks, IPS and vanities with new throughout
45. Consider reconfiguration of reception, viewing area, offices, and fitness suite to maximise fitness suite footprint
46. External lighting improvements

The Henry Riley cost plan brings the total facilitating and building works to £348k and a project cost to £510k

A provision of £470k in included in the Capital Programme for the building works, a shortfall of £40k, which will be carried forward from the 22/23 Capital Programme underspend.

In addition, £13k is included in the 24/25 programme for replacement pool filter in line with the Pool and Treatment Advisory Group (PWTAG) industry guidelines to replace filter media every 5 – 7 years. The new sand filter media will replace the old sand and glass pool filter. This work will be done together with the pool filter replacement at Cotgrave to secure efficiencies.

Location: Keyworth	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Priorities:
- Quality of Life
- Efficient Services

- The Environment

Strategic Commitments:

- Protecting our residents' health and facilitating healthier lifestyle choices.
- Provide high quality community facilities which meet the needs of our residents and contribute towards the financial independence of the Council.
- Creating opportunities for young people to realise their potential.
- Ongoing appraisal and alignment of resources linked to growth aspirations.
- Working to achieve carbon neutral status for the Council's operations.

Community Outcomes:

- To ensure the provision of high-quality community facilities which meet community need.
- To protect our residents' health and facilitate healthier lifestyle choice.

Environmental Outcomes:

- Material selection, wherever possible locally sourced, carbon efficient production, longevity of materials will be considered when selecting finishes
- Upgrades to fitting and mechanical building elements will look to use low energy technology wherever feasible

Other Options Rejected and Why:
Do not carry out refurb works – this would result in further deterioration of the fabric/fixtures/finishes which will potentially increase revenue maintenance/operating costs and with worsening visual appearance, diminish customer experience/satisfaction. This may also lead to loss of customers resulting in a less efficient service.

Start Date: 2023/24		**Completion Date:** 2025	
Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£470,000 build £12k pool filter TOTAL ££482k plus £40k carry forward from 22/23	£470,000 plus £40k carry forward from 22/23.	£12,000	

Capital Cost (Breakdown) £: to be determined

Works	Equipment	Other	Fees

Additional Revenue cost/(saving)per annum:	**Year 1: 23/24**	**Year 2: 24/25**
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**

Proposed Funding additional £40k will be needed from Capital Receipts

External: £333,000 S106 Developer Contributions held by RBC	**Internal:** £149,000 Capital Receipts

Useful Economic Life (years): Pool Filter 6 years, other works to be determined	**New/Replacement:** New and Replacement
Depreciation per annum: Pool Filter £2k; other works to be determined	**Capital Financing Costs:** £6k p.a. opportunity cost of lost interest on use of Capital Receipts
Residual Value: N/A	**Category of Asset:** Operational L & B VPE
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

Project Name: Arena Enhancements - Filter Media	**Cost Centre:** 0415	**Ref:** 8

Detailed Description:

The Pool water Treatment Advisory Group industry guidelines require filter media, commonly glass or sand, in commercial swimming pool filters is replaced every 5-7 years. Failure to replace filter media can make the media less effective and allow biofilms to form which not only reduce the effectiveness of the filtration but can lead to increased levels of bacteria, particularly e-coli and cryptosporidium.

This can pose a risk to health, hence the PWTAG guidelines. Rushcliffe Arena opened in December 2016 with four brand new sand and filters. To meet the PWTAG guidelines the filter media ought to be replaced by December 2023 at the latest to ensure continued efficiency and safety.

This project will undertake to remove the sand filter media from the four filters at Rushcliffe Arena Leisure centre and replace with new fresh sand filter media.

Location: Rushcliffe Arena, West Bridgford	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives:
Corporate Priorities:
- Maintaining and enhancing the resident's quality of life
- Efficient Services

Community Outcomes:
- Rushcliffe residents continue to be able to access swimming facilities helping them to maintain healthy and active lifestyles.

Environmental Outcomes:
- Material selection, wherever possible locally sourced, carbon efficient production, longevity of materials will also be considered.

Other Options Rejected and Why:
Do nothing. This has been rejected as it is against industry guidelines for maintaining safe pool water and would leave the council at risk should an outbreak of illness be linked to the quality of the swimming pool water at Rushcliffe Arena.

Start Date: Oct 2023	**Completion Date: Dec 2023**

Capital Cost (Total):	**Year 1: 23/24**	**Year 2: 24/25**	
	£28,000		

Capital Cost (Breakdown) £:

Works	**Equipment**	**Other**	**Fees**
	£28,000		

Revenue cost per annum:	**Year 1: 23/24** No impact	**Year 2: 24/25** No impact
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**

Proposed Funding

External:	**Internal:** £28,000 Capital Receipts

Useful Economic Life (years): 6	**New/Replacement:** Replacement

Depreciation per annum: £4.6k p.a.	**Capital Financing Costs:** £1.1k opportunity cost of lost interest on use of Capital Receipts
Residual Value: Nil	**Category of Asset:** VPE
IFRS New Lease Checklist Complete?	N/A

PROJECT APPRAISAL FORM

Project Name: Play Areas W.B. (Special Expense)	**Cost Centre:** 0664	**Ref:** 9

Detailed Description:

The priority project for 2023/24 is Greythorn Drive Play area and will be procured via the ESPO framework supported by Welland Procurement and VIA East Midlands who will provide project management support.

The inclusive refurbishment of the site will also include the Astro turf pitch to the rear and the play area. The site will expand in size and will be supplied with additional equipment to cater for the demand created by the development of land south of Wilford Lane. The extension will be funded by the Section 106 contribution to this site of £102k.

The capital programme contains £75k in 23/24 and 24/25. It is intended to add the S106 contribution of £102k to the 23/24 scheme to undertake a wider scope of works at Greythorn Drive. The capital programme will be adjusted when the details and timings are clearer.

If sufficient funding is in place to achieve all the redevelopment objectives for Greythorn Drive, the remaining funds in the 2023/24 financial year will be diverted to enhancing individual pieces of equipment in Bridgford Park Play area.

As a Neighbourhood Equipped Area for Play (NEAP) any new equipment will have a particular focus on improving inclusive play on this site. The 2024/25 allocation will also look to enhance further elements of Bridgford Park Play area

Location: West Bridgford	**Executive Manager:** Neighbourhoods

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

- Quality of Life
- Efficient Services
- The Environment

Strategic Commitments:

- Protecting our residents’ health and facilitating healthier lifestyle choices.
- Provide high quality community facilities which meet the needs of our residents.
- Creating opportunities for young people to realise their potential.
- Delivering a scheme refurbishment identified within the Rushcliffe Play Strategy
- Working to achieve carbon neutral status for the Council’s operations.

Community Outcomes:

- To ensure the provision of high-quality community facilities which meet community need.
- To protect our residents’ health and facilitate healthier lifestyle choice.
- To provide a facility to engage with young people who may otherwise not take part in formal sports or physical activity.

Environmental Outcomes:

- The tender process will take into consideration supply chain, Carbon reduction measures from the supplier use of materials to procure the most sustainable play facility for the community

Other Options Rejected and Why:
Doing nothing would result in increased maintenance costs for ageing equipment, reduced appeal of the play areas leading to lower levels of use and be inconsistent with the vision of high-quality parks and leisure facilities. A lack of replacement programme would over time lead to an increased health and safety risk.

Start Date: Autumn 2023	**Completion Date: March 2024**

Capital Cost (Total):	**Year: 24/25**	**Year 2: 25/26**	
£150,000 plus £102,000 S106	£75,000 plus £102,000 S106	£75,000	

Capital Cost (Breakdown) £: split of equipment costs to be determined

Works	**Equipment**	**Other**	**Fees**
£145,000 to be adjusted for use of additional S106 resources			£5,000

Additional Revenue cost/ (saving) per annum:	**Year 1: 23/24**	**Year 2: 24/25**
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**

Proposed Funding West Bridgford special expense and section 106 funding for

External: Planned additional use of £102k S106 Contribution	**Internal:** Balance from Regeneration and Community Projects Reserve (Special Expense)

Useful Economic Life (years): 15	**New/Replacement:** Replacement and new
Depreciation per annum: £10k to be recalculated when use of S106 is known	**Capital Financing Costs:** Nil as funds raised through WB Special Expense and S106 Contribution
Residual Value: N/A	**Category of Asset:** Infrastructure/Equipment
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

Project Name: West Park Enhancements - Special Expense	**Cost Centre:** 0320	**Ref:** 10

Detailed Description:

West Park centenary is 2023 and the Sir Julian Cahn Pavilion centenary year is in 2026. The wooden constructed former cricket pavilion underwent a substantive refurbishment in 2004 and is now in need of further works to preserve the building and ensure that it meets the needs of the local community.

It is proposed that it becomes the primary building for functions offered by the council.

The upgrade would include replacing the existing toilets and bar area after establishing if there is a need of a fixed bar or if this would be provided by having better toilets and a function room that can support an external bar provider.

Kitchen unit replacements; replacement of timber bay windows; installation of bi-fold doors to provide access to the grassed area in front of the building; and remodelling the disabled entry to provide improved access.

Works to include replacement of sanitary ware, fixtures, fittings, and finishes. We would also explore upgrading the boiler and establish if solar panels could be fitted to the rear of the building's roof to improve environmental standard and minimise water and power consumption. An additional £20k has been included to upgrade the public toilet.

Further survey work is needed to understand if there is any underpinning work required given the construction and age of the pavilion and the current costing and timescales are estimated based upon Estate's capacity to support the delivery of the project.

The project would also include the installation of modern technology such as Wi-Fi

Location: West Park – Julien Cahn Pavilion	**Executive Manager:** Neighbourhoods

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

- Quality of Life
- Efficient Services
- The Environment

Strategic Commitments:

- Protecting our residents' health and facilitating healthier lifestyle choices.
- Provide high quality community facilities which meet the needs of our residents and contribute towards the financial independence of the Council.
- Creating opportunities for young people to realise their potential.
- Ongoing appraisal and alignment of resources linked to growth aspirations.
- Working to achieve carbon neutral status for the Council's operations.

Community Outcomes:

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

It is proposed to commence these works over the winter of 2023/24 and complete in the spring 2025, however this project will need to be consider in conjunction with the Cotgrave Leisure Centre redevelopment, the Keyworth Leisure Centre development, and the Edwalton Community Building redevelopment to ensure enough staff capacity to complete the works
Environmental Outcomes: The Pavilion would be refurbished to the latest building regulations and environmental standards, it is proposed to have solar PV to its southern roof elevation Thermal efficient windows and water and heat saving infrastructure would be included in the refurbishment.
Other Options Rejected and Why: Do not refurbish the Pavilion – this would result in lower customer experience/perceptions of the facility and miss an opportunity to minimise operational costs and achieve Carbon reduction targets for our Estate. It would also put at risk an historic building within West Bridgford falling into decline

Start Date: 2023/24	**Completion Date:** 2024/25

Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£500,000	£500,000 but may need re-profiling		

Capital Cost (Breakdown) £: equipment still to be identified from works element

Works £455,000	**Equipment**	**Other**	**Fees** £45,000

Revenue cost per annum:	**Year 1: 23/24**	**Year 2: 24/25**
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**

Proposed Funding

External:	**Internal:** Capital Receipts in the first instance repayable from West Bridgford Special Expense by annuity. Potential Climate Change elements to be determined and assessed for funding from the specific reserve.

Useful Economic Life (years): 30 years	**New/Replacement:** New and Replacement
Depreciation per annum: £16.6k p.a.	**Capital Financing Costs:** Nil as repaid from WB Special Expense
Residual Value: N/A	**Category of Asset:** Operational Land and Buildings/Equipment
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

Project Name: Gresham Sports Pavilion	**Cost Centre:** 0347	**Ref:** 11

Detailed Description:

Gresham Sports Park usage has grown significantly since the installation of a second 3G pitch which came into operation in November 2021.

Since this time the site has taken on additional booking such as the East Midlands Pan-disability league hosting matches at the weekends and an education provider using the during the pavilion on weekday.

On match days the once underutilised changing rooms are fully being used and we would like to improve the disabled provision by installing a changing place toilet.

The two options are as follows:

Option 1

Convert the former physio room that is now operating as a cleaning store into a changing place toilet. The room is denoted by the red-dot below.

Advantages

The room has an existing toilet and water supply so it would be easier to create a changing places toilet in this space. It would also be secure as part of the main building

Disadvantages

The pavilion is quite a walk from the second ATP pitch so is not ideally located
The pavilion has quite poor storage so it would be a challenge to accommodate the cleaning materials if this space was re-purposed.

This option is estimated at £50,000 and would be subject to a successful DLUHC grant application

Option 2
Purchase a stand-alone Changing places pod and locate it on the grass area marked by the A and B dots on the second image

Advantages
The pod could be installed directly into the optimal site location and provide improved access for people using the second ATP

Disadvantages
The services required to connect the pod into the existing foul drainage system in currently unknow but cold be expensive
The pod would need to be secured and may be susceptible to vandalism
This option is likely to be more expensive to deliver

This option is estimated at £75,000 and would be subject to a successful DLUHC grant application

Location: Gresham Sports Park WB	**Executive Manager:** Neighbourhoods

Contribution to the Council's aims and objectives: **Corporate Priorities:** • Quality of Life • Efficient Services **Strategic Commitments:** • Protecting our residents' health and facilitating healthier lifestyle choices. • Provide high quality community facilities which meet the needs of our residents and contribute towards the financial independence of the Council. • Creating opportunities for young people to realise their potential. • Ongoing appraisal and alignment of resources linked to growth aspirations
Community Outcomes: • To ensure the provision of high quality community facilities which meet community need. • To protect our residents' health and facilitate healthier lifestyle choice. • Assisting the vulnerable in our communities
Environmental Outcomes: • Material selection, wherever possible locally sourced, carbon efficient production, longevity of materials will be considered when selecting finishes • Upgrades to lighting and mechanical building elements will look to use low energy technology wherever feasible and water saving technology would be incorporated into the scheme
Other Options Rejected and Why: This may also lead to loss of customers resulting in a less efficient service

Start Date: 2023		**Completion Date:** 2024	
Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£50,000 to be amended to £75,000 if option 2 approved	£50,000		
Capital Cost (Breakdown) £:			
Works £45,500	**Equipment**	**Other**	**Fees** £4,500

Additional Revenue cost/(saving)per annum:	**Year 1: 23/24**	**Year 2: 24/25**
Year 3: 25/26	**Year 4: 26/27**	**Year 5: 27/28**
Proposed Funding		
External: Government Grant	**Internal:**	

Useful Economic Life (years): 15	**New/Replacement:** New
Depreciation per annum: 3.3k	**Capital Financing Costs:** Nil fully funded by Government Grant
Residual Value: N/A	**Category of Asset:** Operational L & B
IFRS16 New Lease Checklist Completed?	N/A

PROJECT APPRAISAL FORM

Project Name: Information Systems Strategy	Cost Centre: 0596	Ref: 12

Detailed Description:
An emerging strategy will therefore exist enabling an agile approach to operational delivery, taking advantage of new proven developments. The ICT Technical Delivery Plan details all technical projects, and the schedule for implementation, during the lifetime of the ICT Strategy.

Location: Rushcliffe Arena	**Executive Manager:** Finance and Corporate

Contribution to the Council's aims and objectives:
Corporate Priorities:
- Efficient Services
- Quality of Life
- Protecting the Environment
- Digital-by-Design

Strategic Commitments:
- Ongoing appraisal and alignment of resources linked to growth aspirations.
- Include digital principles in our communications and ways of undertaking business
- Working to achieve carbon neutral status for the Council's operations.
- Continue to invest in Cloud Services to enhance the Councils Business Continuity Plans and provide support for 'Smarter Ways of Working' policies.
- People and Technology working together to provide efficiencies and remove barriers to simplify the Councils operations.

Community Outcomes:
- To ensure that we make best use of digital development where appropriate to deliver better services and operate more efficiently.
- To enable residents to do business with us in a digital way if that is their preference.
- To use public spend in an efficient and economical way.

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

- People and Smarter Ways of Working.
  - With a focus on people and their experience when accessing Council services. Investing time to find the correct and appropriate solution, which provides efficient and economical systems across the Council. To bring people along the journey and promote flexible, remote, and agile solutions, and digital transformation programmes that take advantage of self-service initiatives, intelligent automation (IA), and artificial intelligence (AI). Key elements are people and the use of technology as an enabler and improving customer service and experience.
- Business Continuity, Cloud Services and Hybrid Technologies
  - Continue to improve business continuity arrangements and underpin other strategic objectives and their success. Seek opportunities to use cloud services to improve access and resilience for our residents and staff accessing Council services. Recognising when Hybrid technologies can be used to accommodate for complex and flexible solutions.
- Information Management and Governance, and Security
  - To safeguard Council data by ensuring legislative, central government security standards are followed and using security and privacy by design principles

• Think Green
  ○ To be aware of and help achieve local net zero targets from energy efficiency savings when upgrading existing or implementing new systems. To report on energy usage and seek out opportunities to provide positive impact on carbon reduction.
• Collaboration and Partnerships
  ○ Continue to work closely with other authorities, establishing effective partnerships to share common challenges for efficient outcomes.

Environmental Outcomes: • When new infrastructure or ICT equipment is procured, power consumption forms part of the decision making when assessing quality of products. The supplier is also reviewed to see what their carbon footprint is and will add to the Council's.
Other Options Rejected and Why: Every project is the subject of a proposal or business case to be presented to, and approved by, the Executive Manager for the corresponding Service Area to ensure that the most appropriate IT solution is chosen, having due regard to the alignment of technologies already in use across other local authorities, value for money and resilience. The option of not doing so would lead to outdated or incompatible technology, which would result in lower performance, higher maintenance costs and hinder the drive for greater efficiencies.

Start Date: On-going		**Completion Date:** On-going	
Capital Cost (Total):	**Year 1:23/24**	**Year 2: 24/25**	
£410,000 (2 years)	£160,000	£250,000	
Capital Cost (Breakdown):			
Works	**Equipment** £270k	**Other Intangible assets** £140k	**Fees**
Additional Revenue cost/ (saving) per annum:	**Year 1: 23/24**	**Year 2: 24/25**	
Year 3: 25/26	**Year 4: 26/27**	**Year 6: 27/28**	
Proposed Funding			
External: N/A		**Internal:** Capital Receipts	

Useful Economic Life (years): 3	**New/Replacement:** New and Replacement
Depreciation per annum: £53k year 1 plus £83k year 2	**Capital Financing Costs:** £16.4k p.a. as opportunity cost of lost interest.
Residual Value: Nil	**Category of Asset:** Intangible Assets and Equipment
IFRS16 New Lease Checklist Completed?	N/A

CAPITAL AND INVESTMENT STRATEGY 2023/24 – 2027/28

Introduction

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

2. The Department for Levelling Up, Housing & Communities (DLUHC) has issued Guidance on Local Authority Investments that requires the Council to approve an investment strategy before the start of each financial year.

3. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the DLUHC Guidance.

4. Revisions to CIPFA's Treasury Management Code and Prudential Code (Dec 2021) come into full effect in 2023/24, including revised reporting requirements (these include changes in the Capital strategy, prudential indicators, and investment reporting) which had been deferred but which the Council is already following. Treasury Management Practices (TMPs) have been updated accordingly and are referenced below. Main changes relate to greater emphasis on environmental sustainability and the knowledge and skills of staff/council members dealing with treasury management. In addition, there is the introduction of Investment Management Practices (IMPs) which cover investment objectives/criteria, risk management and decision making.

The Capital Strategy

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

   - Corporate Priorities (e.g., strategic planning)
   - Stewardship of assets (e.g., asset management planning)
   - Value for money (e.g., option appraisal)
   - Prudence and sustainability (e.g., implications for external borrowing and whole life costing)
   - Affordability (e.g., implications for council tax)
   - Practicability (e.g., the achievability of the Corporate Strategy)
   - Proportionality (e.g., risks associated with investment are proportionate to financial capacity); and
   - ESG (Environmental, Social, and Governance e.g., address environmental sustainability in a manner which is consistent with our corporate policies. This is now a requirement of the TM Code)

6. Each year the Council will produce a Capital Programme to be approved by Full Council in March as part of the Council Tax setting.

7. Each scheme is supported by a detailed appraisal (which may also be a Cabinet Report), as set out in the Council's Financial Regulations. The capital appraisals will address the following:

- **a)** A detailed description of the project
- **b)** How the project contributes to the Council's Corporate Priorities and Strategic Commitments (particularly the Council's environmental and carbon policies)
- **c)** Anticipated outcomes
- **d)** A consideration of alternative solutions
- **e)** An estimate of the capital costs and sources of funding
- **f)** An estimate of the revenue implications, including any savings and/or future income generation potential
- **g)** A consideration of whether it is a new lease agreement
- **h)** A consideration of sustainability in accordance with corporate objectives
- **i)** Any other aspects relevant to the appraisal of the scheme as the S151 Officer may determine

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

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

Capital Prudential Indicators

a) Capital Expenditure Estimates

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

Table1: Projected Capital Expenditure and Financing

	2022/23 Original £'000	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Capital Expenditure	14,611	19,579	9,576	4,340	5,935	2,265	1,370
Less Financed by:							
Capital Receipts	8,921	4,759	3,387	2,260	4,690	670	195
Capital Grants/ Contributions	4,085	4,347	3,739	1,570	695	695	695
Reserves	1,605	1,223	1,450	510	550	900	480
Total Financing	14,611	10,329	8,576	4,340	5,935	2,265	1,370
Underlying need to Borrow	**0**	**9,250**	**1,000**	**0**	**0**	**0**	**0**

10. The key risks to the capital expenditure plans are that the level of grants estimated is subject to change, anticipated capital receipts are not realised or spend is more than expected in the medium term. The Government had planned to cease New Homes Bonus from 2023/24 which impacted on the level of capital grants received going forward. We have had a reduced allocation in 2023/24 and its future remains uncertain.

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

11. The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital expenditure and it remains a key indicator under the Prudential Code. This underlying need to borrow will increase the CFR (i.e., the use of internal borrowing, which reduces our investment balance). This increase is offset by Minimum Revenue Provision (MRP) and any additional voluntary contributions (VRP) raised through Council Tax, as a result of financing requirements in relation to the Arena development, Cotgrave redevelopment, Bingham Leisure Hub, and the Crematorium.

12. The Council also holds usable reserves and working capital which represent the underlying resources available for investment. The Council's current strategy is to use these resources, by way of internal borrowing, to avoid the commitment to external debt.

13. The table below summarises the overall position regarding borrowing and available investments and shows an increase in CFR reflecting the completion of the Crematorium and Bingham Leisure Hub in 2022-23. The capital receipt anticipated from the sale of land Hollygate Lane will be used to reduce the CFR in following years.

Table 2: CFR and Investment Resources

	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000
Opening CFR	7,283	15,516	12,605	9,385	8,116	7,281
CFR in year	9,250	1,000	-	-		
Less: MRP etc	(1,017)	(1,311)	(1,320)	(1,269)	(835)	(269)
Less: Capital Receipts Applied		(2,600)	(1,900)			
Closing CFR	**15,516**	**12,605**	**9,385**	**8,116**	**7,281**	**7,012**
Less: External Borrowing	-	-	-	-	-	-
Internal Borrowing	15,516	12,605	9,385	8,116	7,281	7,012
Less:						
Usable Reserves	(24,866)	(22,129)	(22,632)	(20,451)	(18,665)	(18,281)
Working Capital	(43,569)	(38,625)	(35,750)	(33,750)	(31,750)	(29,750)
Available for Investment	(52,919)	(48,149)	(48,997)	(46,085)	(43,134)	(41,019)

14. The Council is currently debt free and the assumption in the capital expenditure plans is that the Council will not need to externally borrow over the MTFS predominantly due to CIL and S106 monies. Available resources (usable reserves and working capital) gently tail off over the medium term, with usable reserves being used over the medium term to finance both capital and revenue expenditure and working capital steadily reducing as S106 monies in relation to Education are no longer paid to the Council.

15. The new accounting standard IFRS16 has been delayed again and now comes into force on 1st April 2024. IFRS 16 affects how leases are measured, recognised, and presented in the accounts and essentially means that some leases may have to be classified as capital expenditure. The full impact of this change will be determined but it is thought that it is unlikely to impact significantly on the CFR.

Minimum Revenue Provision Policy

16. DLUHC Regulations have been issued which require the Governance Scrutiny Group to consider a Minimum Revenue Provision (MRP) Statement in advance of each year. Further commentary regarding financing of the debt is provided in paragraphs 28-33. A variety of options are provided to Councils, so long as there is prudent provision. The Council has chosen the Asset Life Method (Option 3 within the Guidance) with the following recommended MRP Statement:

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

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

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

17. As well as the need to pay off an element of the accumulated General Fund borrowing requirement used to fund capital expenditure each year (the CFR), through a revenue charge (the MRP) the Council is also allowed to make additional voluntary contributions (voluntary revenue provision – VRP). In times of financial crisis, the Council has the flexibility to reduce voluntary contributions. Table 2 (paragraph 13) shows a decision to use capital receipts to bring the CFR down by funding capital expenditure.

Treasury Management Strategy 2023/24 to 2027/28

18. The CIPFA Treasury Management Code (2021) defines treasury management activities as:

> *"The management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions,the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."*

The code also includes non-cash investments which are covered at paragraph 67 below. Under the revised Prudential code, investments are separated into categories for Treasury Investment, Service Investment and Commercial Investment.

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

20. This Strategy Statement includes those indicators that relate to the treasury management functions and help ensure that the Council's capital investment plans are affordable, prudent, and sustainable, while giving priority to the security and liquidity of those investments. TMP 1 sets out the Council's practices relating to ESG and is a developing area.

<u>The Current Economic Climate and Prospects for Interest Rates</u>

21. At the December 2022 meeting the monetary policy committee (MPC) backed a hike in interest rates of 0.5 percentage points despite fears the UK economy is about to enter a long recession**.**

22. It is exactly a year since the Bank of England started raising interest rates from a record low of 0.1% in December 2021. On the 15 December the Bank of England raised the Bank Rate for the ninth time in a year, a 0.5% jump to 3.5%. The financial markets believe interest rates will peak at 4.75% next year. Link (the

Council's Treasury Advisors) are forecasting a stepped increase with rates peaking at 4.5% in June 2023 before starting to tail off from December 2023 dropping to 4.0% in March 2024 and gradually reducing to 2.5% by September 2025.

23. Inflation is currently at 10.7% due to higher energy and commodity prices and continuing supply shortages. The target is to get inflation to 2% which is why the MPC is under pressure to increase interest rates. Inflation is expected to remain high for the first quarter of 2023 and then gradually fall back towards 2% by the April 2024.

24. The unemployment rate in the UK is currently 3.7% (Nov 2022) and is projected to trend around 5% in 2023 and 6% in 2024.

25. The table below shows the assumed average interest (which reflects a prudent approach) that will be made over the next five years for budget setting purposes.

Table 3: Budgetary Impact of Assumed Interest Rate Going Forward

	2023/24	2024/25	2025/26	2026/27	2027/28
Anticipated Interest Rate	4.50%	4.00%	3.00%	2.50%	2.50%
Expected interest from investments (£)	1,292,308	839,420	613,045	547,570	542,995
Other interest (£)	67,000	63,000	59,000	59,000	59,000
Total Interest (£)	**1,359,308**	**902,420**	**672,045**	**606,570**	**601,995**

Sensitivity:	£	£	£	£	£
- 0.25% Interest Rate	(307,700)	(205,800)	(37,000)	(24,700)	(19,300)
+ 0.25% Interest Rate	307,700	205,800	37,000	24,700	19,300

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

27. The Council has managed bail-in risk by both reducing the amount that can be invested with each institution to £10 million and by investment diversification between creditworthy counterparties.

Borrowing Strategy 2023/24 to 2027/28

Prudential Indicators for External Debt

28. Table 2 above identifies that the Council will not need to externally borrow over the MTFS instead choosing to internally borrow. Whilst this means that no external borrowing costs (interest/debt management) are incurred, there is an opportunity cost of using internal borrowing by way of lost interest on cash balances.

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

- Internal borrowing

- Municipal Bond Agency
- Public Works Loan Board (or the body that will replace the PWLB in the future)
- Local authorities
- UK public and private sector pension funds
- Commercial banks
- Building Societies in the UK
- Money markets
- Leasing
- Capital market bond investors
- Special purpose companies created to enable local authority bond issue

PWLB Borrowing is at Gilts +80bps (certainty rate). If applying, there is the need to categorise the capital programme into 5 categories including service, housing and regeneration. If any Authority has assets that are being purchased ‘primarily for yield’ anywhere in their capital programme they will not be able to access PWLB funding.

a) Authorised Limit for External Debt

30. The authorised limit is the “affordable borrowing limit” required by section 3 (1) of the Local Government Act 2003 and represents the limit beyond which borrowing is prohibited. It shows the maximum amount the Council could afford to borrow in the short term to maximise treasury management opportunities and either cover temporary cash flow shortfalls or use for longer term capital investment. It should be set higher than the CFR plus a safety margin of £5m to £10m.

Table 4: The Authorised Limit

	2022/23 Estimate £’000	2023/24 Estimate £’000	2024/25 Estimate £’000	2025/26 Estimate £’000	2026/27 Estimate £’000	2027/28 Estimate £’000
Authorised Limit	25,000	25,000	25,000	25,000	25,000	25,000

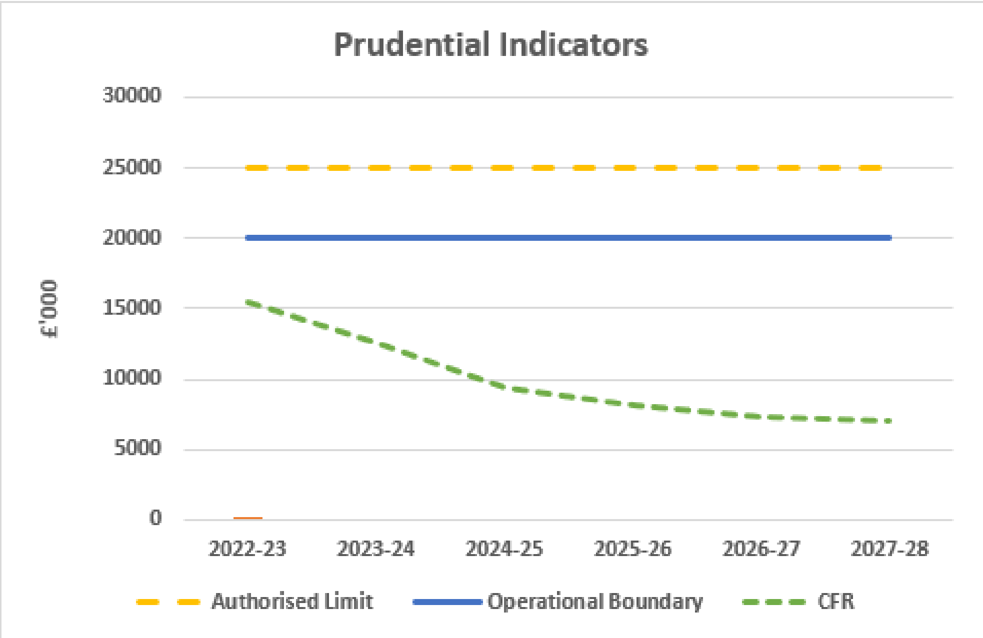
b) Operational Boundary for External Debt

31. The operational boundary is the expected borrowing position of the Council during the course of the year. The operational boundary is not a limit and actual borrowing can be either below or above the boundary subject to the authorised limit not being breached. The Operational Limit has been set at £20m and, whilst the Council is not expected to externally borrow over the period of the MTFS, this provides a cushion and gives flexibility should circumstances significantly change.

Table 5: The Operational Boundary

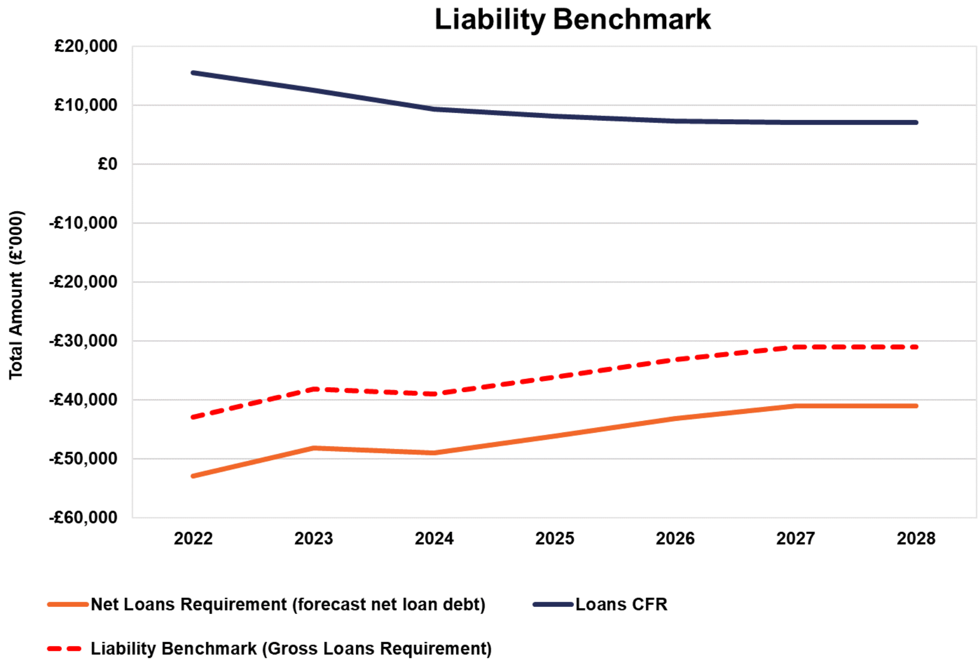
	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Operational Boundary	20,000	20,000	20,000	20,000	20,000	20,000

32. The Prudential indicators are shown graphically below.



33. The TM Code introduces a new indicator called the Liability Benchmark which reflects the real need to borrow. The Benchmark must also be shown graphically. The Liability Benchmark in the table and graph below shows that the Council's CFR is reducing due to MRP repayments, reserves are being used to fund future capital expenditure and working capital/S106 monies are returning to a more realistic level. The Council has no need to borrow over the medium term.

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Closing CFR	15,516	12,605	9,385	8,116	7,281	7,012
Less:						
Usable Reserves	(24,866)	(22,129)	(22,632)	(20,451)	(18,665)	(18,281)
Working Capital	(43,569)	(38,625)	(35,750)	(33,750)	(31,750)	(29,750)
Plus minimum investments	10,000	10,000	10,000	10,000	10,000	10,000
LIABILITY BENCHMARK	(42,919)	(38,149)	(38,997)	(36,085)	(33,134)	(31,019)



Prudential Indicators for Affordability

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

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

35. This indicator identifies the trend in net financing costs (borrowing costs less investment income) against net revenue income. The purpose of the indicator is to show how the proportion of net income used to pay for financing costs is changing over time. A credit indicates interest earned rather than an interest cost. The credit figure in 2023-24 reflects the rapid rise in interest rates and the downward trend, in later years, reflects the reduction in MRP as payments in relation to the Arena are finalised and despite new non-treasury capital commitments in the Crematorium and Bingham Hub giving rise to further MRP, repayments are less because they are spread over a longer period.

Table 6: Proportion of Financing Costs to Net Revenue Stream

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
General Fund	4.92%	-0.37%	3.22%	4.45%	-0.32%	-0.31%

b) Estimates of net income to net revenue stream

36. This is a new indicator that looks at net income from commercial and service investments (for example it includes the Crematorium) and expresses it as a percentage of net revenue streams. The increase reflects rent increases and full year effect of the crematorium becoming operational.

Table 7: Proportion of Net Income to Net Revenue Stream

	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Net Income to Net Revenue Stream	11.3%	11.4%	15.5%	15.7%	15.6%

Investment Strategy 2023/24 to 2027/28

37. Table 8 below shows the Council's investment projections. The downward movement reflects the use of capital receipts to finance capital expenditure. In addition, it reflects the release of S106 monies and the loss of S106 receipts for Education which are no longer paid to the Council.

Table 8: Investment Projections

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Investments at 31 March £'000	52,919	48,149	48,997	46,085	43,134	41,019

38. Both the CIPFA Code and the DLUHC Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitable low investment income. Accordingly, the Council ensures that robust due diligence procedures cover all external investments.

39. The Council will not knowingly invest directly in businesses whose activities and practices pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the Council's Corporate Objectives and values. This would include avoiding direct investment in institutions with material links to:
   a) Human rights abuse (e.g., child labour, political oppression);
   b) Environmentally harmful activities (e.g., pollutants, destruction of habitat, fossil fuels); and
   c) Socially harmful activities (e.g., tobacco, gambling).

40. The Council will keep under review the sensitivity of its treasury assets and liabilities to inflation and will seek to manage the risk accordingly in the context of the whole of the Council's inflation exposures.

41. The Council will invest its surplus funds with approved counterparties. Where appropriate, the Council is registered as a professional client (under MIFID II) with the counterparty limits shown below in Table 9 and counterparties included at Appendix i. Government is currently reviewing UK regulations in light of Brexit, but at this point, there is no direct impact on the way the Council invests. However, members will be updated if there are any changes as they materialise:

Table 9: Counterparty Details

Credit Rating	Banks* Unsecured	Banks* Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 20 Years	n/a	n/a
AAA	£3.0m 3 years	£10.0m 10 years	£10.0m 20 years	£3.0m 10 years	£5.0m 10 years
AA+	£3.0m 2 years	£10.0m 10 years	£10.0m 5 years	£3.0m 4 years	£5.0m 4 years
AA	£3.0m 1 year	£10.0m 4 years	£10.0m 3 years	£3.0m 2 years	£5.0m 4 years
AA-	£3.0m 1 year	£10.0m 2 years			£5.0m 4 years
A+	£3.0m 6 months	£10.0m 2 years			£5.0m 2 years
A	£3.0m 6 months	£10.0m 1 year			£5.0m 2 years
A-	£3.0m 3 months	£10.0m 6 months			£5.0m 2 years
Pooled Funds**	£10m per fund				

*Banks includes Banks and Building Societies.

**Pooled funds do not have a defined maturity date. Monies in Money Market Funds can be withdrawn on the same date; monies in other pooled funds can be withdrawn giving the requisite notice, generally between 1 and 7 days.
Monies in the CCLA Property Fund can be withdrawn on each monthly redemption date, if required; it is the Council's intention to hold its investment over a reasonable time frame for property investments, which is 5 years, subject to cash flow requirements.

42. Although the above table details the counterparties that the Council could invest funds with, it would not invest funds with counterparties against the advice of Link (our TM Advisors) even if they met the criteria above.

43. Changes to any of the above can be authorised by the Section 151 Officer or the Financial Services Manager and thereafter will be reported to the Governance Scrutiny Group. This is to cover exceptional circumstances so that instant decisions can be made in an environment which is both fluid and subject to high risk.

44. The Council may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £2,000,000 per bank. The Bank of

England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of an Authority maintaining operational continuity.

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

46. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
    - no new investments will be made,
    - any existing investments that can be recalled or sold at no cost will be, and
    - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

47. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn [on the next working day] will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Credit Risk

48. The CIPFA Treasury Management Code recommends that organisations should clearly specify the minimum acceptable credit quality of its counterparties; however, they should not rely on credit ratings alone and should recognise their limitations. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantial doubts about its credit quality, even though it may meet the credit rating criteria.

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

Current investments

50. The Council uses its own processes to monitor cash flow and determine the maximum period for which funds may prudently be committed. The forecast is

compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial strategy and cash flow forecast.

51. Surplus funds are invested based on the most up to date forecasts of interest rates and in accordance with the Council's cash flow requirements in order to gain the maximum benefit from the Council's cash position throughout the year. Generally speaking, in times of rising interest rates it is prudent to invest short term, whilst also ensuring a diversified portfolio. Funds are separated between specified and non-specified investments as detailed in paragraphs 53 to 55 below.

52. The Council holds approximately £15m in pooled/diversified funds. The fair value of these funds can fluctuate. These can be seen in Appendix ii. Some funds are just starting to pick up from the downward trend experienced by the political turmoil last year. However some funds are still reporting a downward trend. Cabinet reports have recommended mitigation by appropriations to reserves of £0.6m from 2022/23 in year efficiencies and £0.2m from 2021/22. Currently there is a statutory override preventing any accounting loss impacting on the revenue accounts. This was due to end next 31st March 2023 however DLUHC having decided, after consultation, to extend this for a further two years. As part of the budget and financial strategy 2023-24 report being taken to Full Council, it is being recommended that a separate reserve is identified to cover this risk of £1m. It should be noted these funds over the past 3 years have generated £1.35m in interest receipts, 65% of total interest received by the Council and our expectation is over time the value will rise as the economy recovers.

Specified investments

53. The DLUHC guidance defines specified investments as those:

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

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

Non-specified investments

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

the definition on high credit quality. Limits on non-specified investments are shown in the following table:

Table 10: Non-specified Investment Limits

	Cash Limit
Total long-term investments	£15m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£5m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£3m
Total non-specified investments	£15m

Investment Limits

56. The Council's revenue reserves available to cover investment losses in a worst-case scenario are forecast to be around £16 million on 31st March 2023. The maximum that will be lent to any one organisation (other than the UK Government) will be £10.0 million. This figure is constantly under review to assess risk in the case of a single default. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries, and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country since the risk is diversified over many countries.

Table 11: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£10m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£3m per country
Registered providers	£5m in total
Unsecured investments with any building society	£3m in total
Loans across unrated corporates	£5m in total
Money Market Funds	£40m in total

Treasury Management limits on activity

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

a) Interest Rate Exposures

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

Table 12: Interest Rate Exposure

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Upper Limit on fixed interest rate exposure	50%	50%	50%	50%	50%	50%
Upper Limit on variable interest rate exposure	100%	100%	100%	100%	100%	100%

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

Principal Sums Invested over 1 year

60. This limit is intended to contain exposure to the possibility of any loss that may arise as a result of the Council having to seek early repayment of any investments made. The limits on the long-term principal sum invested to final maturities beyond the period end are set at 50% of the sum available for investment (to the nearest £100k), as follows:

Table 13: Principal Sums Invested over 1 year

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Limit on Principal invested over 1 year £'000	26,500	24,100	24,500	23,000	21,600	20,500

Policy on the use of financial derivatives

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

62. The Council will only use standalone financial derivatives (such as swaps, forwards, futures, and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be considered when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

63. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Treasury Management Advisors

64. Link Treasury Services will act as the Council's treasury management advisors until 31st October 2023 and is currently going through a procurement process. The company provides a range of services which include:

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

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

Other Options Considered

66. The DLUHC Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance and Corporate Services, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Our policy is to have a feathered approach

i.e., a range of counterparties spread over different time periods (short/medium/long term), this mitigates risk of changes in credit ratings and interest rates whether they go up or down.

Commercial Investments

67. The definition of investments in CIPFA's definition of treasury management activities above (paragraph 18) covers all financial assets of the organisation as well as other non-financial assets which the organisation holds primarily for financial returns, such as investment property portfolios. This may therefore include investments which are not managed as part of normal treasury management or under treasury management delegations.

68. The Council whilst committed to being self-sustainable has taken the decision to no longer invest on property for commercial gain. This accords with the current professional ethos of CIPFA, mentioned below. Hence the Council no longer has an Asset Investment Fund, which was £20m.

69. Under the updated Prudential code Local Authorities are no longer be allowed to borrow to fund non-financial assets solely to generate a profit.

70. The Council will maintain a summary of current material investments, subsidiaries, joint ventures, and liabilities, including financial guarantees and the organisation's risk exposure. The current summary is included at Appendix iii.

71. The Council will also monitor past Commercial Property investments and against original objectives and consider plans to divest as part of a biennial review. The last report was presented to Cabinet 14 December 2021 agenda item 6 – Review of Investment Assets. This is due to be reviewed once again in December 2023.

72. Proportionality is now included as an objective in the Prudential Code, clarification, and definitions to define commercial activity and investment are included, and the purchase of commercial property purely for profit cannot lead to an increased capital financing requirement (CFR). Paragraph 75 covers the issue of proportionality with different types of asset investments the Council has made.

73. The Council must disclose its dependence on commercial income and the contribution non-core investments make towards core functions. This covers assets purchased through the Council's AIS, as well as other pre-existing commercial investments.

74. The expected contributions from commercial investments are shown below. To manage the risk to the Council's budget, income from commercial investments should not be a significant proportion of the Council's income. It is estimated to be around 24% in the current year.

   a. **Dependence on commercial income and contribution non-core investments make towards core functions**

75. The expected contributions from existing commercial investments are shown in Table 14. To manage the risk to the Council's budget, income from commercial investments should not be a significant proportion of the Council's income. Our objective is that this ratio should not exceed 30%, subject to annual review. Running costs drop initially before starting to rise again, reflecting NNDR savings as empty units at the Point and Bingham Enterprise Centre are occupied and also reflects movements on responsive works budgets.

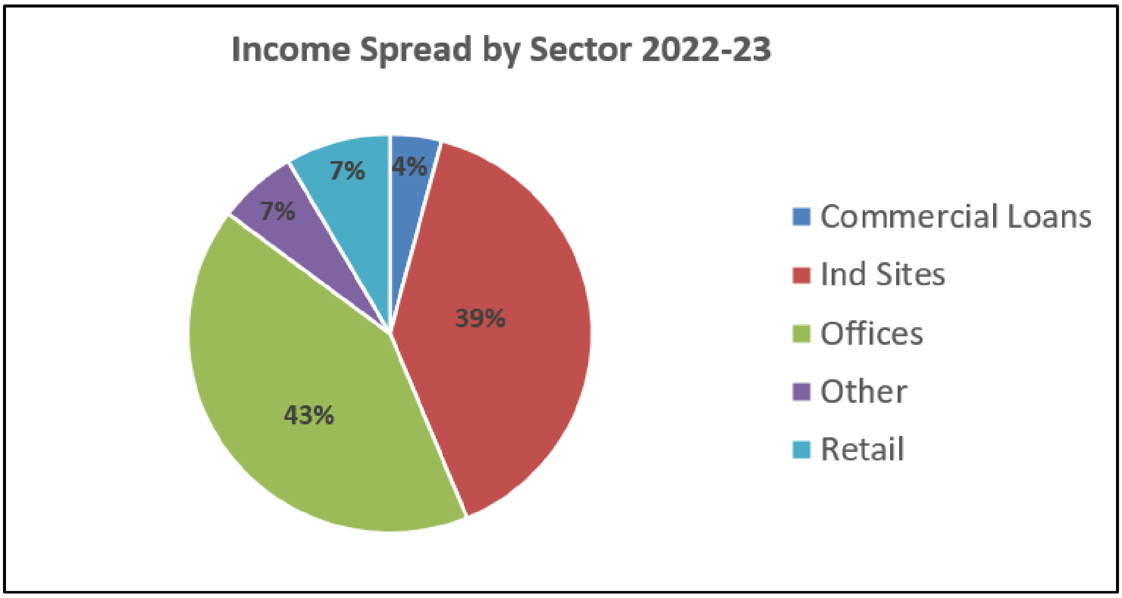
Table 14: Commercial Investment income and costs

	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000
Commercial Property Income	(1,738)	(1,832)	(1,894)	(1,924)	(1,962)	(1,962)
Running Costs	591	480	468	476	482	487
Net Contribution to core functions	(1,147)	(1,352)	(1,426)	(1,449)	(1,480)	(1,475)
Interest from Commercial Loans	(72)	(67)	(63)	(59)	(59)	(59)
Total Contribution	(1,219)	(1,419)	(1,489)	(1,508)	(1,539)	(1,534)
Sensitivity:						
+/- 10% Commercial Property Income	174	183	189	192	196	196
Indicator:						
Investment Income as a % of total Council Income	24.2%	18.8%	19.9%	20.3%	20.5%	20.3%
Total Income	7,486	10,117	9,824	9,792	9,880	9,955

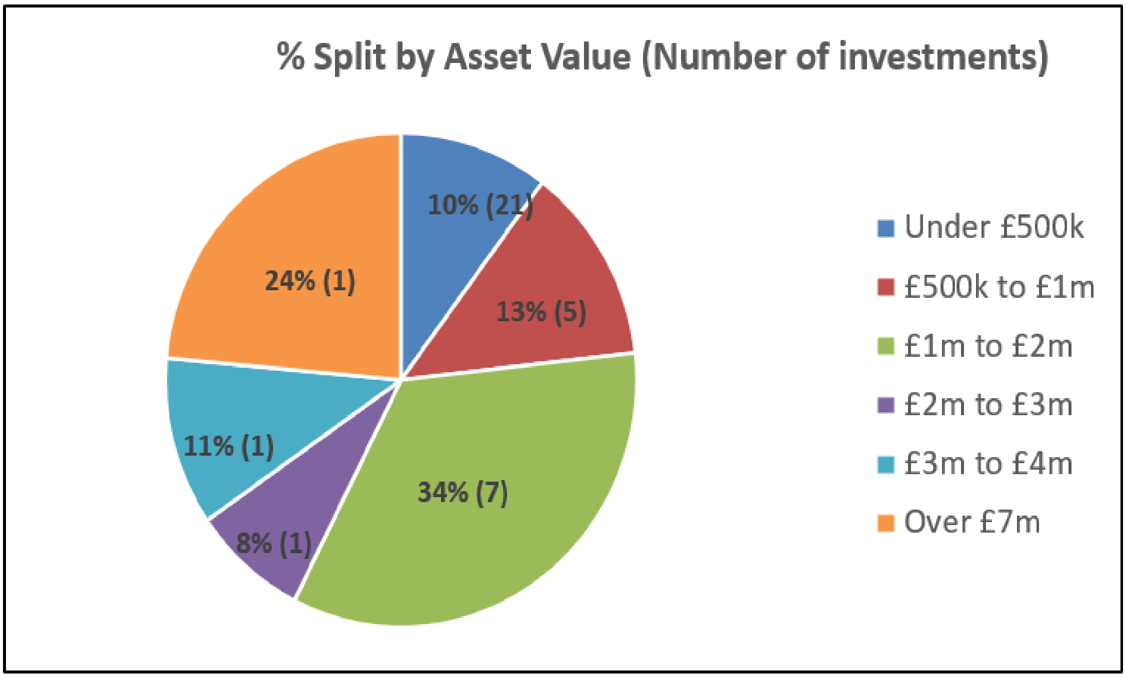
b) Risk Exposure Indicators

76. The Council can minimise its exposure to risk by spreading investments across sectors and by avoiding single large-scale investments. Generally, there is a spread of investment across sectors. The Council's commitment to economic regeneration

(not purely financial return) has meant that many of its investments have been in industrial units, which have been very successful.



c) Security and Liquidity



77. Commercial investments are held for longer term asset appreciation as well as yield. Investments or sales decisions will normally be planned as part of the consideration of the 5-year capital strategy to maximise the potential return. Nevertheless, the local and national markets are monitored to ensure any gains are maximised or losses minimised.

78. To help ensure asset values are maintained the assets are given quarterly inspections, together with a condition survey every 3 years. Any works required to maintain the value of the property will then form part of Council's spending plans.

79. The liquidity of the assets is also dependent on the condition of the property, the strength of the tenants and the remaining lease lengths. The Council keeps these items under review with a view to maximising the potential liquidity and value of the property wherever possible.

80. The liquidity considerations for commercial investments are intrinsically linked to the level of cash and short-term investments, which help manage and mitigate the Council's liquidity risk. A review of the Council's commercial assets was undertaken and reported to Governance Scrutiny Group in November 2021 and on to Cabinet December 21 paragraph 71 refers.

81. The investments are subject to ongoing review with regards to their financial viability or indeed whether they are surplus to requirement. At the November 2021 Governance Group Meeting and December 2021 Cabinet, details on the risks surrounding the Council's commercial properties were reported, as well as providing a pathway to potential commercial asset disposal, if required.

Member and Officer Training

82. The updated TM Code requires Local Authorities to document a formal and comprehensive knowledge and skills schedule reflecting the need to ensure that both members and officers responsible for treasury management are suitably trained and kept up to date (TMP 10). There will be specific training for members training involved in scrutiny and broader training for members who sit on full Council. Previously these needs have been reported through the Member Development Group, with the Council specifically addressing this important issue by:

- Periodically facilitating workshops for members on finance issues most recently provided in January 2023.
- Interim reporting and advising members of Treasury issues via Governance Scrutiny Group.

With regards to officers:

- Attendance at training events, seminars, and workshops; and
- Support from the Council's treasury management advisors
- Identifying officer training needs on treasury management related issues through the Performance Development and Review appraisal process

CIPFA have developed a self-assessment tool which will need to be completed so that a tailored, recorded and monitored training plan can be drawn up to ensure that training provided achieves the desired outcomes. Attendance at training should be recorded and action taken where poor attendance is identified. Regular communication is encouraged.

83. The Council has piloted a 'training needs' template which will be modified for new Governance Group Members after the local elections. This should inform training requirements. Furthermore, the Council will continue to have its Annual Treasury Management training session with Councillors provided by its Treasury advisers.

Counterparty Registrations under MIFID II

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

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

Appendix (ii)

Fair Value	31.03.22	30.06.22	30.09.22	31.12.22	Difference
Aegon-Previously Kames	4,976,196	4,425,213	4,145,841	4,377,738	-598,458
Ninety One-Previously Invest	4,819,826	4,538,071	4,401,865	4,498,733	-321,092
RLAM	991,193	982,352	965,030	978,590	-12,603
CCLA Property	2,416,786	2,543,095	2,435,135	2,058,130	-358,656
CCLA Divesified	2,018,480	1,887,902	1,845,419	1,830,824	-187,656
	15,222,481	**14,376,633**	**13,793,290**	**13,744,015**	**-1,478,466**

Appendix (iii)

	Current Book Value £000	Previous Book Value £000
The Point Office Accommodation	3.395	3.508
Hollygate Lane, Cotgrave Industrial Units	2.716	2.628
Unit 3 Edwalton Business Park	2.433	2.450
Unit 1 Edwalton Business Park	1.955	1.950
Bardon Single Industrial Unit	1.820	1.777
Trent Boulevard	1.415	1.412
Cotgrave Phase 2	1.385	-
Colliers Business Park Phase 2	1.323	1.269
Bridgford Hall Aparthotel and Registry Office	1.121	1.120
Finch Close	0.931	0.916
Boundary Court	0.809	0.789
Colliers Business Park Phase 1	0.720	0.663
Unit 10 Chapel Lane	0.680	0.666
Mobile Home Park	0.480	0.477
Cotgrave Precinct Shops	0.482	0.470
New Offices Cotgrave	0.422	0.401
TOTAL INVESTMENT PROPERTY*	**22.087**	**20.496**
Notts County Cricket Club Loan	1.570	1.646
TOTAL	**23.657**	**22.142**

* Note values are as at 31st March 2022 and 2021

Glossary of Terms

CCLA Property Fund - this a local authority property investment fund. The property fund is designed to achieve long term capital growth and a rising income from investments in the commercial property sector.

Covered Bonds – these investments are secured on the bank’s assets, which limits the potential losses in the unlikely event of insolvency, and means they are exempt from bail-in.

Financial Derivatives – A financial contract that derives its value from the performance of an underlying asset

Money Market Funds – these funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks.

Pooled Funds – shares in diversified investment vehicles consisting of different investment types including banks, equity shares and property, these funds have the advantage of providing wide diversification of investment risks

Use of Earmarked Reserves in 2023/24	Projected Opening Balance	Projected Income	Projected Expenditure	Net Change in Year	REF	Projected Closing Balance
Investment Reserves						
Regeneration and Community Projects	2,031	1,267	(75)	1,192	1	3,223
Sinking Fund - Investments	204	325	(75)	250	2	454
New Homes Bonus (NHB)	9,549	1,414	(2,311)	(897)	3	8,652
Corporate Reserves						
Organisation Stabilisation	1,528	0	(270)	(270)		1,258
Treasury Capital Depreciation Reserve	800	200	0	200	4	1,000
Collection Fund S31	1,438	0	(353)	(353)	5	1,085
Climate Change Action	810	0	0	0		810
DevCo and Freeport Reserve	365	0	(165)	(165)	6	200
Vehicle Replacement Reserve	885	185	(300)	(115)	7	770
Risk and Insurance	100	0	0	0		100
Planning Appeals	350	0	0	0		350
Elections	200	0	(150)	(150)	8	50
Operating Reserves						
Planning	154	0	(75)	(75)	9	79
Leisure Centre Maintenance	22	15	0	15	10	37
	18,436	**3,406**	**(3,774)**	**(368)**		**18,068**

Notes

1. Net £1.192m being the movement on this reserve to support Special Expenses capital schemes plus Sinking Funds and £1m from NDR Surplus to create additional resources to support the Capital Programme.
2. £325k from Investment Property income to support future capital expenditure. £75k used for enhancement works at The Point and Bridgford Park Kiosk.
3. £1.414m Receipts; MRP release £1.311m (of which Arena = £1m); £1m for Gypsy & Traveller Site Acquisition

4. £200k from NDR Surplus to increase the Treasury Capital Depreciation Reserve.
5. £0.353m S31 Grants in relation to additional Business Rates reliefs in 2021/22 and 2022/23, released in 2023/24.
6. £165k release to meet commitment for Freeport.
7. £185k to top up the reserve for SEL Acquisitions; £300k release of reserve to support the capital programme.
8. £150k released from the reserve to support Borough Election expenditure in the year.
9. £75k released from reserve to support Local Plan expenditure.
10. £15k Sinking Fund Provision BLC Sports Track Pitches.

Appendix 6

Council Tax Support Fund - All Councillors Budget Update

1. Background

DLUHC issued Council Tax Information Letter 16/2022 on 23 December, providing a link to the guidance and provisional allocations of the 2023/24 £100m Council Tax Support Fund. Announced on 19 December 2022 alongside the provisional local government finance settlement, it aims to deliver additional support to the 3.8 million households already receiving council tax support. Allocations are based on authorities' share of Local Council Tax Support (LCTS) claimants according to Q2 2022/23 data. For RBC the Allocation is £123k. Final allocations will be confirmed at the final Local Government Finance Settlement. No changes are expected to the allocation methodology, so it should only change in the event of data corrections or similar. Amounts will be paid using Section 31 powers and made as soon as possible.

The guidance says that "The government expects local authorities to use the majority of their funding allocations to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. Councils can use their remaining allocation as they see fit to support vulnerable households with council tax bills."

Other aspects of the scheme include:

- The scheme should be applied automatically, there is to be no application process for the LCTS-related aspect
- Outstanding liability of less than £25 after application of LCTS should be reduced to zero
- Where a LCTS receipt's council tax liability for 2023/24 is zero, no reduction to the council tax bill will be available and those bills should not be credited
- The reduction to council tax bills should be applied from the beginning of 2023/24 and reflected in tax bills issued in March 2023
- Authorities are expected to communicate how the support will be delivered
- The scheme should not affect eligibility for other benefits

The guidance requires authorities to use a proportion of their allocation for "helping economically vulnerable households with council tax bills." DLUHC expects authorities to "revisit their discretionary approach at intervals during the financial year, in order to ensure expenditure for 2023-24 remains within their allocation." The guidance does not state specifically how the discretionary element should be administered i.e., either through additional s13A(1)(c) application or whether other mechanisms, such as direct grants to recipients, can be applied. However the guidance states that the funding is expected to "support vulnerable households with council tax bills", which could imply that all should be administered using s13A(1)(c) powers, although it does say "councils can use their remaining allocation as they see fit" and can "determine their own local approaches to supporting economically vulnerable households with council tax bills" as well as recognising that authorities have discretionary council tax discount/hardship schemes and local welfare schemes.

Billing authorities are required to be able to report the level of support provided to LCTS recipients and “maintain records of the mechanisms and levels of support provided through discretionary schemes” as there will be a quarterly DELTA collection exercise to monitor progress.

The guidance confirms that new burdens funding will be available to fund this process once DLUHC have determined expected additional reasonable costs.

2. Cabinet proposed approach and actions

Based on current case load and payments (for over 2775 taxpayers) of up to £25; applying the LCTS scheme will cost around £70k leaving £53k for further discretionary payments. Cabinet informally have had to carefully consider how to maximise the use of the funding (the remaining £53k) to the benefit of vulnerable households and have a scheme which is not overly bureaucratic, is easy to administer and can be delivered prior to council tax bills being produced in March 2023. Cabinet will therefore be proposing the following in the February Budget Report, to utilise the remaining £53k:

(a) a scheme will be in place to ensure that all taxpayers for Council Tax Bands A to D Council Tax (not in receipt of LCTS), at the time of billing for 2023/24, will receive a credit to their Council tax bill equivalent to a 2% Council Tax increase (i.e., £3.02p increase on a Band D Council Tax bill). The 2% is what will be proposed in the budget report and was articulated at the Budget workshops. The net effect being **a nil increase for the Rushcliffe element of Council Tax for those taxpayers on Bands A to D.** The bands A-C increase reduces in proportion with what Council tax taxpayers pay (e.g., Band C 8/9 of a Band D (i.e., £2.68 increase) to Band A which is 6/9 of a Band D (i.e., £2.01 increase)).

(b) The intention would be that we only do it for those taxpayers from 1 April 2023. To make changes throughout the year would be too administratively burdensome given the transient nature of individuals eligible for Council Tax Support and those moving property in and out of, or within, the Borough.

(c) Based upon the current figures (and these will change, although only slightly, according to the statistical population of LCTS claimants and taxpayers at the beginning of March) the Council will fund an estimated £30k from the 2022/23 in-year budget efficiency position, or whatever the final additional spend required is as the proposed scheme will cost more than the Government funding provided at a total cost of circa £83k.

(d) A leaflet will also be despatched with Council Tax bills to explain what the credit is for on Council tax bills, as well as clear communications on the Council’s website and other social media channels.

(e) This scheme will be reflected in reports to both Cabinet and Full Council for final approval.

Financial Impact of Reversal of Council Tax Bill Credit for a 2% Council Tax Award, Council Tax Bands A-D

Band	**A**	**B**	**C**	**D**
Variable across bands A-D *Number of properties*	*4,092*	*8,383*	*10,176*	*9,270*
Award (i.e., Credit)	£2.01	£2.35	£2.68	£3.02
Annual Cost	£8,238.56	£19,690.74	£27,316.91	£27,995.40
Cumulative cost		£27,929.30	£55,246.20	£83,241.60
Impact on £53k (- = Council funding required)	**£45,420.64**	**£25,729.90**	**- £1,587.00**	**- £29,582.40**

Appendix 7

Rushcliffe Borough Council
Pay Policy Statement 2023-2024

1. Introduction

1.1 This Statement sets out the Council's policies in relation to the pay of its workforce, particularly its Senior Officers, in line with Section 38 of the Localism Act 2011. The Statement is approved by full Council each year and published on the Council's website demonstrating an open and transparent approach to pay policy.

1.2 This Statement draws together the Council's policies relating to the payment of the workforce particularly:

- Senior Officers
- Its lowest paid employees; and
- The relationship between the pay of Senior Officers and the pay of other employees

1.3 For the purposes of this statement 'pay' includes basic salary, pension and all other allowances arising from employment.

2. Objectives of this Statement

2.1 This Statement sets out the Council's key policy principles in relation to pay evidencing a transparent and open process. It does not supersede the responsibilities and duties placed on the Council in its role as an employer and under employment law. These responsibilities and duties have been considered when formulating the Statement.

2.2 This Statement aims to ensure the Council's approach to pay attracts and retains a high performing workforce whilst ensuring value for money. It sits alongside the information on pay that the Council already publishes as part of its responsibilities under the Code of Practice for Local Authorities on Data Transparency. Further details of this information can be found on the Council's website at the following address:

https://www.rushcliffe.gov.uk/aboutus/aboutthecouncil/seniorofficers/roleandremuneration/

3. Senior Officers

3.1 For the purposes of this Statement, Senior Officers are defined as those posts with a salary above £50,000 in line with the Local Government Transparency Code 2015. Using this definition Senior Officers within Rushcliffe currently consists of 16 posts out of an establishment of 302 The posts are as follows:-:

- Chief Executive
- Director – Finance and Corporate Services (Section 151 Officer)
- Director – Development and Economic Growth
- Director - Neighbourhoods
- Chief Information Officer and ICT Manager
- Service Manager Chief Executives Department and Monitoring Officer
- Service Manager – Finance
- Service Manager – Economic Growth and Property
- Service Manager – Planning
- Service Manager – Neighbourhoods
- Service Manager – Public Protection
- Service Manager – Corporate Services
- Property Services Manager
- Strategic Housing Manager
- Planning Policy Manager
- Project Manager – Safer Streets

4 The Policies

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

5. Pay of the Council's Lowest Paid Employees

5.1 The total number of Council employees is presently 302 The Council has defined its lowest paid employees by taking the average salary of five permanent staff on the lowest pay grade the Council operates, who are not undergoing an apprenticeship. On this basis the lowest paid full-time equivalent employee of the Council earned £20,259 The Council currently pays £10.42 per hour for its lowest paid employees.

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

6.3 The Head of Paid Service, or their delegated representative, will give due regard to the published Pay Policy Statement before the appointment of any Officers. Full Council will have the opportunity to discuss any appointment of Statutory Officer roles before an offer of appointment is made, in line with the Council's Officer Employment procedure rules within Part 4 of the Council's Constitution. Appointment to Director level is via a member employment panel.

Additional Payments Made to Chief Officers – Election Duties

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

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

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

7.3 As these fees are related to performance and delivery of specific elections duties, they are distinct from the process for the determination of pay for Senior Officers. The fees have been reviewed for 2023/24 and agreement made that the fees will increase annually in line with the national pay award.

Appendix to the Pay Policy
Policies on other aspects of pay

Process for setting the pay of Senior Officers

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

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

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

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

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

Terms and Conditions – All Employees

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

Local Government Pension Scheme

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

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

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

Car Allowances

The Council pays mileage rates at HMRC recommended rates.

Pay Increments

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

Relocation Allowance

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

Professional fees

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

Returning Officer Payments

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

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

Managing Organisational Change Policy

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

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

Payments on termination

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

Publication of information relating to remuneration of Senior Officers

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

Gender Pay gap reporting

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