



Wednesday, 6 February 2019

Dear Sir/Madam

A meeting of the Finance and Resources Committee will be held on Thursday, 14 February 2019 in the New Council Chamber, Town Hall, Foster Avenue, Beeston NG9 1AB, commencing at 7.00 pm.

Should you require advice on declaring an interest in any item on the agenda, please contact the Monitoring Officer at your earliest convenience.

Yours faithfully

Chief Executive

To Councillors: S A Bagshaw  
T P Brindley (Vice Chair)  
S J Carr  
E Cubley  
S Easom

P Lally  
G Marshall  
P J Owen  
P D Simpson (Chair)  
A W G A Stockwell

## A G E N D A

1. APOLOGIES

To receive any apologies and notification of substitutes.

2. DECLARATIONS OF INTEREST

Members are requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest in any item on the agenda.

3. MINUTES

PAGES 1 - 4

To confirm and sign the minutes of the meeting held on 8 January 2019.

#### 4. References

##### 4.1 Housing Committee

PAGES 5 - 8

16 January 2019

##### House in Multiple Occupation Licence Fees

The Committee considered the proposed change to the fees charged for House in Multiple Occupation (HMO) licences.

An internal audit of the HMO licensing process has recommended that the fee for licensing be re-assessed. It was noted that the application or renewal for a full license be increased from £475 to £560. Additionally, if the landlord is the member of a recognised landlords' association or is making an application in respect of a second or subsequent HMO the fee was to be increased from £415 to £449.

**RECOMMENDED the fees for HMO licence applications to the Finance and Resources Committee for introduction on 1 April 2019.**

##### 4.2 Licensing and Appeals Committee

PAGES 9 - 20

28 January 2019

##### Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018

The Committee received an updated on the changes in the licensing of animal activities legislation.

The legislation introduces an updated licensing system in England for activities including the sale of animals as pets, providing or arranging boarding for cats and dogs (including home dog sitting), hiring out horses, dog breeding and keeping or training animals for exhibition. The legislation gives updated powers to ensure high standards of animal welfare and provides the mechanism for local authorities to effectively recover the cost of administering the licences.

**RECOMMENDED the proposed fees and charges in respect of animal activities licensing to the Finance and Resources Committee for approval and thereafter be subject to the regular review in accordance with other fees and charges.**

##### 4.3 Leisure and Environment Committee

PAGES 21 - 22

23 January 2019

##### Hickings Lane Recreation Ground

The Committee received a report on the success in securing additional funding for work at the Hickings Lane Recreation Ground play area in Stapleford.

Following consultation on site the replacement of the out-dated multi use games area (MUGA) was identified as a high priority together with the play area. The proposed £50,000 bid to WREN was therefore increased to £93,500 to fund the replacement of this MUGA.

**RECOMMEND to the Finance and Resources Committee that:**

- 1. A scheme costing £165,500 be included in the 2019/20 capital programme for the provision of new play and sports facilities at Hickings Lane Recreation Ground, Stapleford with funding as set out in the appendix.**
- 2. An allocation of £8,550 be made in 2018/19 from revenue contingencies to meet the cost of the contributing third party payment to WREN.**

4.4 Independent Remuneration Panel  
24 January 2019  
Pay Award and Review of Allowances

The Panel considered the proposed pay award for 2019/20 to allowance rates for members. Debate focused on balancing the need to increase the rate to potentially broaden the diversity of candidates for election and the difficulty in justifying a rise in allowances against a backdrop of financial and political uncertainty. It was noted that, according to the figures presented to the meeting, the overall cost to the Council of an increase of 2% to member's allowances would be relatively trivial in terms of the net budget.

**RECOMMENDED to the Finance and Resources Committee and on to full Council that it be requested to increase members' allowances by 2% in line with the employees' pay award with effect from 1 April 2019.**

4.5 Independent Remuneration Panel

PAGES 23 - 32

The Panel acknowledged that the policy of the leading group was to reject any rises to allowances. With this in mind it was agreed that the recommendation should be to retain the existing remuneration allowances, with concerns about the level of remuneration in comparison with neighbouring Councils to be addressed by the pay rise of 2%.

**RECOMMENDED to the Finance and Resources Committee and on to full Council that Option 4 as detailed in the report, which proposed no changes to the existing remuneration policy, be approved.**

5. BUDGET PROPOSALS AND ASSOCIATED STRATEGIES PAGES 33 - 110

To recommend to Council the capital and revenue budget proposals together with the capital strategy, prudential indicators, treasury management strategy, investment strategy and general fund medium term financial strategy and to approve the business plans.

6. CAPITAL PROGRAMME 2018/19 UPDATE PAGES 111 - 120

To report upon capital expenditure incurred in 2018/19 up to 31 December 2018 along with the planned financing of the 2018/19 capital programme and to seek approval for a number of capital budget variations in the current financial year.

7. BUSINESS PLANS AND FINANCIAL ESTIMATES 2019/20 - 2021/22 PAGES 121 - 202

To consider the proposals for business plans, detailed revenue budget estimates for 2019/20, capital programme for 2019/20 to 2021/22 and proposed fees and charges for 2019/20 in respect of the Council's priority areas.

8. GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2018/19 PAGES 203 - 226

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

9. GRANT AID REQUEST FROM TROWELL PARISH COUNCIL PAGES 227 - 230

To consider a request for grant assistance from Trowell Parish Council

10. APPROVAL FOR PROCUREMENT OF ELECTRICITY CONTRACT PAGES 231 - 232

To seek approval for the delegation of approval of the procurement of the Council's electricity supply to the Interim Deputy Chief Executive in consultation with the Chair of Finance and Resources Committee.

11. WORK PROGRAMME PAGES 233 - 234

To consider items for inclusion in the Work Programme for future meetings.

12. EXCLUSION OF PUBLIC AND PRESS

**The Committee is asked to RESOLVE that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act.**

13. IRRECOVERABLE ARREARS PAGES 235 - 240

14. REVENUES AND BENEFITS SOFTWARE PAGES 241 - 242

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## FINANCE AND RESOURCES COMMITTEE

TUESDAY, 8 JANUARY 2019

Present: Councillor P D Simpson, Chair

Councillors: S A Bagshaw  
T P Brindley (Vice Chair)  
M Brown  
E Cubley  
S Easom  
D Elliott  
R I Jackson  
P Lally  
G Marshall  
P J Owen  
K E Rigby

Apologies for absence were received from Councillors S J Carr, M Radulovic MBE and A W G A Stockwell.

55. DECLARATIONS OF INTEREST

There were no declarations of interest.

56. MINUTES

The minutes of the meeting on 13 December 2018 were confirmed and signed.

57. COUNCIL TAX BASE 2019/20

The 2019/20 Council Tax Base had been calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012.

**RESOLVED that based on the number of band D equivalent properties and in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, Broxtowe Borough Council calculates its Council Tax Base for the year 2019/20 as follows:**

1. For the whole of its area 33,674.71.
2. In respect of Parish Precepts and Special Expenses for those parts of its area mentioned in the table below, the amounts specified therein –

<u>Part of Council's Area</u>	<u>Area Council Tax Base</u>
Awsorth	615.03
Brinsley	698.95

<b>Cossall</b>	<b>208.48</b>
<b>Eastwood</b>	<b>2,791.97</b>
<b>Greasley</b>	<b>3,663.94</b>
<b>Kimberley</b>	<b>1,804.75</b>
<b>Nuthall</b>	<b>2,268.75</b>
<b>Stapleford</b>	<b>4,051.19</b>
<b>Strelley</b>	<b>181.27</b>
<b>Trowell</b>	<b>821.17</b>

**Special Expenses Area**

<b>Beeston Area</b>	<b>16,569.21</b>
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58. **LOCAL COUNCIL TAX SUPPORT SCHEME 2019/20**

The Committee considered the arrangements to operate in 2019/20 in respect of the Local Council Tax Support Scheme (LCTSS).

The current scheme allows for up to 100% of the council tax liability to be paid in council tax support. The Council had benefitted from the overall bill for LCTSS falling from 2013/14 to 2016/17 as the numbers of claimants requiring support had reduced.

**RECOMMENDED to Council that the current LCTSS remains in place for 2019/20.**

59. **BUDGET CONSULTATION 2019/20**

The Committee received an update on the 2019/20 consultation exercise that took place during October and November 2018.

Since 2017/18 a web-based survey, publicised through Broxtowe Matters, press releases and social media, had been used and had been adopted for 2019/20. The survey included no reference to any specific policy options but sought views on all Council services and indications of satisfaction, or otherwise, with both those services and with the local area generally.

A total of 415 responses were received. The amount of responses received compared with last years had reduced by 164 responses from 579 in 18/19, a 28% reduction.

60. **ARRANGEMENTS FOR ELECTIONS MAY 2019**

The Committee were informed of the fees to be paid for polling staff in May 2019 and the appointment of a temporary Electoral Services Assistant.

A voter ID pilot would be run at the Borough/Parish elections in Broxtowe in 2019 based on the mixed model. This would require electors to produce ID which would be checked by polling staff before a ballot paper is issued to them.



Fees for polling staff are approved annually in March as part of the Council's Pay Policy. The additional responsibility to be placed on both Poll Clerks and Presiding Officers required by the pilot is not reflected in the current fees.

There are no budget provision for the increased fees or the temporary post. However, Cabinet Office had stated that it would meet the costs incurred in running the pilot. These have been submitted and confirmation is awaited that they would be reimbursed.

**RESOLVED that the proposed payments to polling station staff as an exception to the Pay Policy and the employment of a temporary Electoral Services Assistant on grade 3 as set out in the report, subject to the costs being met by the Cabinet Office, be approved.**

61. CAPITAL BUDGET VARIATIONS 2018/19

The Committee received an update on the capital budget variations in respect of the 2018/19 financial year.

The announcement of additional grant funding for Disabled Facilities Grants in 2018/19 along with the requirement to address a water leak at the teaching pool at Kimberley Leisure Centre had resulted in a need to make amendments to a number of budgets in the capital programme 2018/19.

**RESOLVED that the capital budget variations for 2018/19 as set out above and in the appendix be approved.**

62. WORK PROGRAMME

The Committee considered the Work Programme. It was agreed that a report on GDPR statement issued over the telephone to customers be added to the work programme.

**RESOLVED that the Work Programme, as amended, be approved.**

63. EXCLUSION OF PUBLIC AND PRESS

**RESOLVED that, under Section 100A of the Local Government Act, 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Act.**

64. IRRECOVERABLE ARREARS

**RESOLVED that the arrears in excess of £1,200 on national non-domestic rates, council tax, rents, housing/council tax benefit overpayment and sundry debtors as set out in the report be written off and to note the exercise of the Deputy Chief Executive's delegated authority under financial regulation 5.9.**

65. BEESTON TOWN CENTRE REDEVELOPMENT – SALE OF LAND ASSOCIATED WITH THE RESIDENTIAL ELEMENT OF THE SCHEME

**RESOLVED** to delegate to the Interim Deputy Chief Executive the sale of the land to the most appropriate party and on the most appropriate terms, in consultation with the three party leaders.

### Report of the Chief Executive

#### HOUSE IN MULTIPLE OCCUPATION LICENCE FEES

##### 1. Purpose of report

To seek approval for a change to the fees charged for House in Multiple Occupation (HMO) licences.

##### 2. Detail

On 6 April 2006, the Housing Act 2004 introduced mandatory licensing for HMOs that comprise three or more storeys and accommodate five or more occupants. Government guidance advised that licence fees should be set at a level that covers the Council's costs of administering the service. The fee was set by the then Housing, Health and Leisure Select Committee at its meeting on 29 March 2006.

As members of this committee will be aware, 2018 has seen the expansion of the compulsory licensing of HMOs to include properties that comprise two or more storeys and accommodate five or more occupants.

The original fee was set at £340 for a first application with reductions in certain circumstances, including multiple applications by the same owner, and where the owner is a member of a recognised landlords' association. This fee has risen over the years to reflect inflationary increases and is currently £475 for an application and £415 if the landlord is a member of a recognised landlords' association or is making an application in respect of a second or subsequent HMO.

An internal audit of the HMO licensing process has recommended that the fee for licensing is re-assessed. This has been undertaken using a template which breaks down the process into its constituent parts and assigns the amount of time each of these takes. This is then multiplied by the hourly rate of the officer undertaking the task, resulting in an overall figure.

The proposed licence fees are:

Full licence application or renewal	£560.00
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If the landlord is a member of a recognised landlords' association or is making an application in respect of a second or subsequent HMO	£449.00
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#### Recommendation

**The Committee is asked to RECOMMEND the fees for HMO licence applications to the Finance and Resources Committee for introduction on 1 April 2019.**

#### Background papers

Nil

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HMO Licensing Fees of Nottinghamshire and neighbouring authorities (January 2019)

<b>AUTHORITY</b>	<b>FULL FEE (£)</b>	<b>DISCOUNTED FEE (£)</b>	<b>DISCOUNT NOTES</b>
Ashfield	700	-	-
Bassetlaw	552	492	Second or subsequent application. Accredited landlord.
Broxtowe	560 (proposed)	480 (proposed)	Second or subsequent application.
Gedling	740 (paper) 660 (on-line)	645 565	Accredited landlord.
Mansfield	634.60	-	-
Newark & Sherwood	520	440	Second or subsequent application.
Nottingham City			
Rushcliffe	557 to 722 (depending on size)	-	-
Amber Valley	520	-	-
Erewash	793	-	-

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## Report of the Chief Executive

### **ANIMAL WELFARE (LICENSING OF ACTIVITIES INVOLVING ANIMALS) (ENGLAND) REGULATIONS 2018**

#### 1. Purpose of report

To advise on the changes in the licensing of animal activities legislation and to seek approval for the authorisation of officers, proposed fees and charges and associated policy and procedures arising from the new legislation.

#### 2. Background

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 came into force on 1 October 2018. The legislation introduces an updated licensing system in England for activities including the sale of animals as pets, providing or arranging boarding for cats and dogs (including home dog sitting), hiring out horses, dog breeding and keeping or training animals for exhibition.

The legislation gives updated powers to ensure high standards of animal welfare and provides the mechanism for local authorities to effectively recover the cost of administering the licences.

Under the new legislation, licences can be issued for 1, 2 or 3 years instead of the current annual licence. Licences will be issued with a rating based on the history of compliance and the control of activities and risks. Local Authorities are encouraged to publish ratings.

Additional background information is shown in appendix 1. The proposed fees are detailed in the attached appendix 2 and are based on national guidance on what can be included in fees and an estimation of the cost to administer and licence such activities.

#### **Recommendation**

**The Committee is asked to:**

- 1. RESOLVE that Environmental Health Officers and Environmental Health Technical Officers in Public Protection are authorised under the Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018.**
- 2. RESOLVE that the Chief Executive, Head of Public Protection, and the Chief Environmental Health Officer are delegated responsibility for the issue, refusal, variation and amendment of animal licences and associated conditions.**
- 3. RECOMMEND the proposed fees and charges in respect of animal activities licensing to the Finance and Resources Committee for approval and thereafter be subject to the regular review in accordance with other fees and charges.**
- 4. To determine a date to publish premises ratings.**

#### Background papers

Nil

## APPENDIX 1

Background to the legislation

The Animal Welfare (Licensing of Activities Involving Animals) (England) Regulations 2018 replaces a number of pieces of legislation covering the licensing and registration of animals, widens the range of activities requiring a licence and permits local authorities to set fees for the cost of considering such licences, including any inspections required to monitor conditions at premises carrying out such activities.

Existing licences will continue to their expiry date (31 December 2018 for animal boarding, dog breeding and pet shops, within the next 12 months for riding establishments and by the end of March 2019 for existing performing animals registrations).

Dangerous Wild Animals and Zoos are outside the scope of the new legislation and will continue to be regulated in accordance with the existing specific legislation.

New licences are issued for 1, 2 or 3 years depending on their rating and activities carried out. A national rating scheme has been introduced and takes into account the compliance history of premises, the risk of the activity being offered and the control of such risks. Many existing businesses will not be able to achieve higher than a 3 star rating. This is due to the higher standards requiring larger accommodation sizes for animals which may not be easily achievable in existing premises.

An overview of the scoring matrix is detailed below and includes an indication of frequency of inspection.

Scoring Matrix		Welfare Standards		
		Minor Failings	Minimum standards	Higher standards
Risk	Low Risk	1 Star (1 year licence) Min 1 unannounced visit within 12 month period	3 Star (2 year licence) Min 1 unannounced visit within 24 month period	5 Star (3 year licence) Min 1 unannounced visit within 36 month period
	Higher Risk	1 Star (1 year licence) Min 1 unannounced visit within 12 month period	2 Star (1 year licence) Min 1 unannounced visit within 12 month period	4 Star (2 year licence) Min 1 unannounced visit within 24 month period

Multiple activities will be covered on one licence with the activity with the lowest rating determining the overall rating of the premises. Due to the additional time on site to check these activities, fees must be paid for each of the activities if applied for at the same time but a 30% reduction on the least expensive additional activity will be given to account for reduction in travel time and some reduced processing costs.

Frequency of inspections, including interim inspections are determined by the risk rating, the type of activity being carried out and the compliance history of the premises.



Appeals against the risk rating must be submitted within 21 days of the decision and will initially be dealt with by the Chief Environmental Health Officer. Re-course to the Licensing and Appeals Committee will be available if an appeal is made following this decision.

Performing animal licences are issued for 3 years and are not risk rated.  
Appeals for refusals can be made to a first tier tribunal.

Re-rating requests can be submitted and will be chargeable.  
Conditions and requirements have been determined nationally for each activity type and introduce significant changes for certain sectors – for example home dog boarders and dog crèches and extend the scope of licensing to those providing animal boarding even if they do not directly look after the dog. New licences will incorporate all of these standard licence conditions.

Standard applications and inspection proformas will be implemented as part of the licensing process.

An annual return is required to be submitted to confirm the number of licences within each category, the ratings and the fees charged.

#### Publishing of Ratings

Authorities are encouraged to publicise ratings of premises. Whilst such information would be available on request under the Freedom of Information Act, a decision needs to be made on whether Broxtowe publish such information proactively on a regular basis in order to assist customers in making decisions about which premises to use (There is a requirement for the rating to be detailed on the licence and a copy of the licence to be displayed at the premises).

The proposal considers whether the ratings shall be published on our website within a short timescale of being issued or whether publication should be deferred for a set period (for example 18 months) to allow premises to complete any additional works and let the system be settled in.

## APPENDIX 2

Proposed licence fees

An application for a licence must be accompanied by a fee. The fee is to be set locally by each local authority on a cost recovery basis having had due regard to the guidance from the Home Office and relevant legal decisions. The basis of fees must proportionately reflect the time and cost in administering such licences.

The fees have been determined using a cost calculator and are predicted for considering the grant of a licence, the cost of enforcement and inspection (including where required by a nominated Veterinarian), the cost of training Officers and the cost of completing the statutory annual return. The fees have been based on an inspection before grant or renewal and a minimum of one additional unannounced inspection during the period of the licence. Fees have not taken into account the cost of enforcement against unlicensed premises.

Fees must not be set to make a profit and fees will need to be reviewed. It is proposed to review the fees tri-annually.

Each fee incorporates an element relating to the grant of a licence. In the event of a licence not being granted, this element of the fee would be refunded to the applicant.

**Proposed Charges – 1 October 2018 – 31 March 2020**

<b>Activity</b>	<b>Cost*</b>	<b>Additional Comments</b>
<b>Animal Boarding Establishment <sup>1</sup></b>		
Grant/Renewal – Cats only or Dogs only – less than 40 animals.	<b>£260</b>	<sup>1</sup>
Grant/Renewal – Cats <b>and</b> Dogs – less than 40 animals.	<b>£295</b>	<sup>1</sup>
Grant/Renewal – Cats and/or Dogs – for every 50 additional animals or part thereof.	<b>£52.50 per 50 animals</b>	<sup>1</sup> e.g. £347.50 for up to 90 animals, £400 for 91 – 141 animals.
<b>Home Boarding Establishment (Domestic)<sup>1</sup></b>		
Grant/Renewal – up to 4 dogs	<b>£185</b>	<sup>1</sup>
Grant/Renewal -Providers/franchisors boarding at hosts (add cost for each host listed on application)	<b>£145</b>	<sup>1</sup> This may just involve matching customers with hosts rather than direct provision of boarding. Inspection covered by host fee.
Hosts	<b>£185</b>	<sup>1</sup> May be in other local authority areas. If not licensed in own right as home boarder
<b>Day Care (Crèche Commercial ) for Dogs<sup>1</sup></b>		
Grant/Renewal	<b>£295</b>	<sup>1</sup>
<b>Dog Breeding</b>		
Grant – Domestic up to 5 breeding bitches	<b>£205</b>	Vet inspection required before issue and actual cost will be invoiced separately

Renewal – Domestic up to 5 breeding bitches	<b>£205</b>	<sup>1</sup>
Grant – Domestic 6 to 12 breeding bitches	<b>£260</b>	Vet inspection required before issue and actual cost will be invoiced separately
Renewal – Domestic 6 to 12 breeding bitches	<b>£260</b>	<sup>1</sup>
Grant – Commercial up to 10 breeding bitches	<b>£260</b>	Vet inspection required before issue and actual cost will be invoiced separately
Renewal – Commercial up to 10 breeding bitches	<b>£260</b>	<sup>1</sup>
Grant – Commercial – for every additional 6 (or part thereof) breeding bitches	<b>£35</b>	Vet inspection required before issue and actual cost will be invoiced separately
Renewal – Commercial – for every additional 6 (or part thereof) breeding bitches above	<b>£35</b>	<sup>1</sup>
<b>Hiring of Horses</b>		
Grant/Renewal	<b>£260</b>	Vet inspection required before issue and actual cost will be invoiced separately
Variation/Addition of Horses	<b>£50</b>	Vet inspection of horses and actual cost will be invoiced separately.
<b>Pet Vending<sup>1</sup></b>		
Grant/Renewal Single Species	<b>£260</b>	<sup>1</sup>
Grant/Renewal Multiple Species	<b>£305</b>	<sup>1</sup>
<b>Performing/Exhibiting/Training Animals<sup>1</sup></b>		
Grant/Renewal	<b>£260</b>	<sup>1</sup>
<b>Variation of Activities – e.g. additional species/additional bitches need adding to licence</b>	<b>£60</b>	<sup>1</sup> Where visit required. For certain activities, additional vets fees will also be charged
<b>Combination of Activities</b>	<b>Combined fees – less 30% of lowest fee</b>	<sup>1</sup>
<b>Re-rating Inspection</b>	<b>£120</b>	<sup>1</sup> On request of licence holder

<sup>1</sup> Any additional Veterinary inspections (at officers discretion or following complaint) will be recharged in addition to the licence fee.

\*A grant fee of £50 is included in all application and renewal fees – this element will be refunded if the application is refused. Where more than one activity is carried out on the same premises the cost of additional activities should also be paid for.

The fees and charges set will aim to achieve the full cost recovery of providing the service. Fees are not set to be an economic deterrent to certain activities or to raise funds.

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## **Equality Impact Assessment**

The Equality Act 2010 replaces the previous anti-discrimination laws with a single Act. It simplifies the law, removing inconsistencies and making it easier for people to understand and comply with it. It also strengthens the law in important ways, to help tackle discrimination and equality. The majority of the Act came into force on 1 October 2010.

Public bodies are required in it to have due regard to the need to:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited under the Act
- advance equality of opportunity between people who share a protected characteristic and people who do not share it, and
- foster good relations between people who share a protected characteristic and people who do not share it.

The public sector Equality Duty came into force on 5 April 2011. The duty ensures that all public bodies play their part in making society fairer by tackling discrimination and providing equality of opportunity for all. It ensures that public bodies consider the needs of all individuals in their day to day work – in shaping policy, delivering services and in relation to their own employees.

The Equality Duty encourages public bodies to understand how different people will be affected by their activities so that policies and services are appropriate and accessible to all and meet different people's needs. By understanding the effect of their activities on different people, and how inclusive public services can support and open up people's opportunities, public bodies are better placed to deliver policies and services that are efficient and effective.

The new equality duty replaces the three previous public sector equality duties, for race, disability and gender. The new equality duty covers the following protected characteristics:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race – this includes ethnic or national origins, colour or nationality
- religion or belief – including lack of belief
- sex
- sexual orientation.

It also applies to marriage and civil partnership, but only in respect of the requirement to have due regard to the need to eliminate discrimination.

Having due regard means consciously thinking about the three aims of the equality duty as part of the process of decision-making. This means that consideration of equality issues must influence the decisions reached by public bodies, including how they act as employers, how they develop, evaluate and review policies, how they design, deliver and evaluate services, and how they commission and procure from others.

Having due regard to the need to advance equality of opportunity involves considering the need to:

- remove or minimise disadvantages suffered by people due to their protected characteristics
- meet the needs of people with protected characteristics, and
- encourage people with protected characteristics to participate in public life or in other activities where their participation is low.

Fostering good relations involves tackling prejudice and promoting understanding between people who share a protected characteristic and others.

Complying with the equality duty may involve treating some people better than others, as far as this is allowed by discrimination law. For example, it may involve making use of an exception or the positive action provisions in order to provide a service in a way which is appropriate for people who share a protected characteristic.

The Equality Duty also explicitly recognises that disabled people's needs may be different from those of non-disabled people. Public bodies should therefore take account of disabled people's impairments when making decisions about policies or services. This might mean making reasonable adjustments or treating disabled people better than non-disabled people in order to meet their needs.

There is no explicit requirement to refer to the Equality Duty in recording the process of consideration but it is good practice to do so. Keeping a record of how decisions were reached will help public bodies demonstrate that they considered the aims of the Equality Duty. Keeping a record of how decisions were reached will help public bodies show how they considered the Equality Duty. Producing an Equality Impact Assessment after a decision has been reached will not achieve compliance with the Equality Duty.

It is recommended that assessments are carried out in respect of new or revised policies and that a copy of the assessment is included as an appendix to the report provided to the decision makers at the relevant Cabinet, Committee or Scrutiny meeting.

Where it is clear from initial consideration that a policy will not have any effect on equality for any of the protected characteristics, no further analysis or action is necessary.

Public bodies should take a proportionate approach when complying with the Equality Duty. In practice, this means giving greater consideration to the Equality Duty where a policy or function has the potential to have a discriminatory effect or impact on equality of opportunity, and less consideration where the potential effect on equality is slight. The Equality Duty requires public bodies to think about people's different needs and how these can be met.

## EQUALITY IMPACT ASSESSMENT (EIA)

Directorate:	<b>Chief Executive's</b>	Lead officer responsible for EIA	<b>David Gell</b>
Name of the policy or function to be assessed:		<b>Licensing of Animal Activities</b>	
Names of the officers undertaking the assessment:		<b>David Gell</b>	
Is this a new or an existing policy or function?		<b>New</b>	
<p><b>1. What are the aims and objectives of the policy or function?</b>          To set out the requirements to be met by those who wish to operate in the particular areas of the animal welfare sector, and to promote the Animal Welfare Act 2006's principles. It also sets out the fees for licences and provides guidance to all involved to ensure consistency of approach.</p>			
<p><b>2. What outcomes do you want to achieve from the policy or function?</b>          Standardised approach to licensing of animal activities.          Improved welfare of animals</p>			
<p><b>3. Who is intended to benefit from the policy or function?</b>          People wishing to undertake licensable activities          People utilising such facilities and services          Officers implementing the policy</p>			
<p><b>4. Who are the main stakeholders in relation to the policy or function?</b></p> <ul style="list-style-type: none"> <li>• Officers of Broxtowe Borough Council</li> <li>• People providing animal activity businesses</li> <li>• People making use of the services</li> </ul>			
<p><b>5. What baseline quantitative data do you have about the policy or function relating to the different equality strands?</b>          Twenty-four percent of households were identified as dog-owning and 52% owned a pet of some type. The research suggested that households were more likely to own a dog if they had more occupants (five or more) or if they had an adult female household member. The age structure of the households was also associated with dog ownership, with households containing older children (between six and 19 years of age) and young adults (between 20 and 29 years of age), more likely to own dogs.</p> <p><b>(Factors associated with dog ownership and contact with dogs in a UK community. Carri Westgarth, Gina L Pinchbeck, John W S Bradshaw, Susan Dawson, Rosalind M Gaskill, Robert M Christley)</b></p> <p>Pet ownership (reported by the mother) differed by ethnicity of the child at all time points: at 7 years, 72% of category 'white' owned pets, compared to 59% 'mixed', 33% 'Asian', 15% 'black' and 38% 'other'. When analysed by separate pet types, the same relationship was seen for most years.</p> <p><b>(Family Pet Ownership during Childhood: Findings from a UK Birth Cohort and Implications for Public Health Research. Carri Westgarth, Jon Heron, Andy R Ness, Peter Bundred,</b></p>			

Rosalind M Gaskill, Karen P Coyne, Alexander J German, Sandra McCune, Susan Dawson

The British Equestrian Trade Association (BETA) National Equestrian Survey (2010-11) indicated that:

- 3.5 million people (6% of the GB population) had ridden a horse at least once in the previous 12 months
- 73% of riders are female
- In 2010, 8% of riders considered themselves disabled in some way
- A quarter of all GB riders are below 16 years of age; 20 % above 45 years of age

**6. What baseline qualitative data do you have about the policy or function relating to the different equality strands?**

None available

**7. What has stakeholder consultation, if carried out, revealed about the nature of the impact?**

None undertaken as changes are introduced on the basis of new legislation.

**8. From the evidence available does the policy or function affect or have the potential to affect different equality groups in different ways?**

Although research indicates certain groups are more likely than others to own pets or ride horses, there is no evidence that the policy has the potential to affect different equality groups in different ways.

**In assessing whether the policy or function adversely affects any particular group or presents an opportunity for promoting equality, consider the questions below in relation to each equality group:**

- **Does the policy or function target or exclude a specific equality group or community? Does it affect some equality groups or communities differently? If yes, can this be justified?**

No

- **Is the policy or function likely to be equally accessed by all equality groups or communities? If no, can this be justified?**

Yes

- **Are there barriers that might make access difficult or stop different equality groups or communities accessing the policy or function?**

No

- **Could the policy or function promote or contribute to equality and good relations between different groups? If so, how?**

No

- **What further evidence is needed to understand the impact on equality?**

None



<p><b>9. On the basis of the analysis above what actions, if any, will you need to take in respect of each of the equality strands?</b></p>
<p><b>Age:</b> No adverse impact has been identified.</p>
<p><b>Disability:</b> No adverse impact has been identified.</p>
<p><b>Gender:</b> No adverse impact has been identified.</p>
<p><b>Gender Reassignment:</b> No adverse impact has been identified.</p>
<p><b>Marriage and Civil Partnership:</b> No adverse impact has been identified.</p>
<p><b>Pregnancy and Maternity:</b> No adverse impact has been identified.</p>
<p><b>Race:</b> No adverse impact has been identified.</p>
<p><b>Religion and Belief:</b> No adverse impact has been identified</p>
<p><b>Sexual Orientation:</b> No adverse impact has been identified.</p>

<p><b>Head of Service:</b> I am satisfied with the results of this EIA. I undertake to review and monitor progress against the actions proposed in response to this impact assessment.</p> <p><b>Signature of Head of Service: D Gell</b></p>
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## Report of the Strategic Director

### HICKINGS LANE RECREATION GROUND – FUNDING AWARD

#### 1. Purpose of report

To advise the Committee of the success in securing additional funding for work at the Hickings Lane Recreation Ground play area in Stapleford.

#### 2. Background

The play area at this site was identified as high priority for refurbishment in the new Play Strategy, requiring a full refurbishment with new surfacing and a mix of equipment for all ages.

A report to this Committee on 29 March 2018 resolved to allocate £100,000 to support external funding bids for schemes to the play facility at Hickings Lane Recreation Ground, Stapleford and King Georges Park, Bramcote. In addition the Committee noted a £18,500 Section 106 allocation from the Whitely Mill site at Stapleford that had to be used at Hickings Lane Recreation Ground.

Using the £50,000 allocated for Hickings Lane and the £18,500 Section 106 money as match funding, a £93,500 bid was made in September 2018 to Waste Recycling Environmental (WREN) for the provision of new play and sports equipment. WREN is a not-for-profit organisation that awards grants for community projects from the Landfill Communities Fund. The Council has been advised that the bid has been successful.

Following consultation on site the replacement of the out-dated multi use games area (MUGA) was also identified as a high priority together with the play area. The proposed £50,000 bid to WREN was therefore increased to £93,500 to fund the replacement of this MUGA. The application was prepared working closely with Stapleford Town FC who are the main users of the Park and the Stapleford Community Group. Stapleford Town FC have also pledged £1,000 as a partner funding element towards the project. The other funding partner is United Living, the Council's Housing Modernisation Partner who have contributed £2,500.

#### 3. Financial implications

These are detailed in the appendix.

#### Recommendation

**The Committee is asked to RECOMMEND to the Finance and Resources Committee that:**

- 1. A scheme costing £165,500 be included in the 2019/20 capital programme for the provision of new play and sports facilities at Hickings Lane Recreation Ground, Stapleford with funding as set out in the appendix.**
- 2. An allocation of £8,550 be made in 2018/19 from revenue contingencies to meet the cost of the contributing third party payment to WREN.**

#### Background papers

Nil

## APPENDIX

Financial Implications

The draft capital programme 2019/20 to be presented for approval at Finance and Resources Committee on 14 February includes £100,000 for work at Hickings Lane Recreation Ground play area as set out in the report to the Leisure and Environment Committee on 28 March 2018. This anticipates that the cost will be met by £50,000 from WREN in association with £50,000 from the Council's own capital resources.

Confirmation that WREN are now to provide funding of £93,500 towards work on the site in conjunction with the £18,500 section 106 funds and the £1,000 and £2,500 from Stapleford Town Council and United Living respectively has provided an opportunity to have an enhanced scheme costing a total of £165,500 to be funded as follows:

	£
WREN award	93,500
Broxtowe B.C. - Pride in Parks	50,000
Section 106 Funds	18,500
Stapleford Town FC	1,000
United Living	2,500
Total	165,500

There are no additional revenue implications from the proposed scheme as provision for the maintenance costs for the site are already included in the Stapleford Parks revenue budget.

A condition of the £93,500 award from WREN is that the Council will need to provide £10,050 in 2018/19 as a "contributing third party payment" to WREN. This is a standard clause with all WREN awards. United Living have confirmed they will contribute an additional £1,500 funding towards this cost leaving a shortfall of £8,550. There is no provision for this with the Stapleford Parks 2018/19 revenue budget. The cost can be met from 2018/19 revenue contingencies of which £12,000 is presently available.

### Report of the Deputy Chief Executive

#### MEMBER ALLOWANCES

##### 1. Purpose of report

To seek the Panel's recommendation on the level of allowances payable to members.

##### 2. Background

Following the Council elections in May 2015 a new administration was established. The new administration stated an intention to review the governance structure of the Council, to include consideration of the option of establishing a committee system, rather than the previous Leader and Cabinet model.

At the Council meeting of 11 May 2016 a new governance structure was approved. Allowances for the chairs and vice chairs of the new committees were also approved at the meeting based on the recommendations made by the Independent Remuneration Panel at its meeting of 25 January 2016.

To support the review comparable information was obtained from Councils in Nottinghamshire. The findings of the exercise are included in appendix 1.

To further support last year's review, members who were engaged in specific roles were invited to the meeting to outline the work that they undertake. This was to enable comparisons between member roles within Broxtowe and, to allow the Panel to gauge whether the current allowance is commensurate with each role. Evidence from the meeting is also included in the appendix.

##### 3. Further considerations

At the Council meeting held on 1 March 2017 members formed two new committees, namely the Ad Hoc Committee and the Investigating and Disciplinary Committee. Further information on these committees will be provided at the meeting.

##### 4. Financial implications

Options for consideration are presented in the appendix in addition to financial implications of each option.

#### Recommendation

**The Panel is asked to CONSIDER whether, and to what extent, any of the current allowances need to be adjusted and RECOMMEND accordingly.**

**APPENDIX 1****1. Comparative data on members allowances**

- 1.1. Comparative information was been gathered from all councils in Nottinghamshire and from Nottinghamshire Fire and Rescue Authority.
- 1.2. The exercise highlighted that there is a wide range of governance arrangements in place and consequently significant variation in Members' roles. This makes direct comparison difficult as in some cases roles that exist in Broxtowe do not exist at other authorities and, secondly, that where there are similar roles at one or more authority they may have different components and different workloads according to, for example, the number of meetings that each Member is expected to attend, the level of engagement that the participants are expected to achieve and the degree of complexity of the subject matter addressed.
- 1.3. Some of the roles are broadly similar, at least across the district councils. In particular the civic offices of Mayor and Deputy Mayor, the leader of the Council and the Leader of the opposition are comparable across all sites where these functions exist. For Newark and Sherwood there is no mayor: all civic duties are performed by the Chairman of the Council.
- 1.4. The work of the quasi-judicial panels is also broadly similar across district councils but this can vary according to the scale and scope of the terms of reference of each committee and also to the extent to which the work of the relevant committee overlaps with other roles. For example, there are a wide range of overlapping functions in respect of Governance, Audit and Standards which are incorporated into one group in Broxtowe but separated into different functions elsewhere.
- 1.5. The comparative data can only be used as a guide, therefore. Accordingly data is presented only where there is a reasonable level of comparison between Broxtowe's functions and offices and those at other District Councils. The allowance for each function across all the councils has been averaged and Broxtowe's allowances compared with the mean average position. Overall Broxtowe's costs are 20% below that of the average of the seven districts but this reflects not only the allowances given but the number of members in total and the number of posts for which an allowance is made. In some instances allowances are made for posts that are currently vacant. Where this is the case, the allowance has been taken into account for averaging purposes. There are no posts in Broxtowe at present which are not filled.
- 1.6. A summary of the comparative position is provided in the table at Annex A. The table in Annex A highlights some obvious differences which are summarised in the following paragraphs.

1.7. Broxtowe has the lowest overall cost, which is 20% less than the average across all the Council but is joint second highest in terms of the number of members

1.8. Broxtowe has a number of functions for which allowances are made which are not replicated (or, if so, are not remunerated elsewhere). These are:

- Vice chairs of committees, which are only remunerated in one other Council
- The absence of an overview and scrutiny committee (the allowances provided by other councils are shown only for information regarding the role of chairs of committees and working groups in general)
- Chair of the Housing Payments Committee
- Chair of Health Panel
- Health Lead on Outside Bodies
- Allowance of members of the Alcohol and Entertainments Licencing Committee (Bassetlaw have an allowance of £24 per meeting)
- Carer's allowance (although a similar allowance of £6.70 is provided by Nottingham City Council).

## 2. Further evidence

2.1. To support the review, five Council Members were invited to the meeting to outline their roles and explain as necessary any differences in these roles and their work under the previous governance structure. These were:

Councillor Milan Radulovic MBE: Leader of the Opposition

Councillor Tony Harper: Chair of the Jobs and Economy Committee and member of the Police and Crime Panel

Councillor Lydia Ball: Vice Chair of the Planning Committee

Councillor Halimah Khaled MBE: Chair of the Health Panel

Councillor Janet Patrick: Active member of the Opposition Group on several committees and formerly Lead Member of the Member Development working Group.

2.2. The results of the exercise showed that:

- Members are fully aware of their responsibilities and duties and undertake these diligently
- The level of work involved varies considerably from function to function. For instance, the leader of the Opposition has an ex officio place on all of the new committees and must therefore review business at all of them, whereas committee leads can focus on their own portfolio areas, albeit in more detail
- The role of the Vice Chair varies according to the availability of the Chair
- Activities on external bodies vary according to the type and nature of that group but are in addition to any Council post as well as work on behalf of constituents

2.3. The work of Broxtowe Borough Council Members is, therefore, broadly similar in scope to that of similar authorities in Nottinghamshire and each individual role needs to be considered in accordance with its own functions rather than through comparison with other roles. Since the introduction of the new structure, the scope and the workload of the various member roles has begun to become clearer. However no definition of the scope or expected standards that might apply to the role has yet been established.

2.4. Options for consideration

**Option 1: move all posts to the average for Nottinghamshire Districts immediately**

2.5. On the basis that the only benchmarks that are available are broad comparisons across district councils, this option would enable a degree of consistency. It is an arbitrary measurement, however, and does not take into account the detailed differences between roles across different organisations. The financial implications are that, in general, the proposal would result in an overall increase of £92,490. This is calculated by taking into account the average difference between the amounts paid at those districts other than Broxtowe, where allowances are provided, and remuneration levels at Broxtowe multiplied by the number of Council posts. However there will be significant changes for individuals, with both substantial increases and substantial decreases for some posts.

**Option 2: move the remuneration levels to the average benchmark over time**

2.6. This has the same considerations as option 1 but, if scheduled over the lifetime of the current administration, this would allow for financial planning within the Council's Medium Term Financial Strategy. The financial implications are as follows:

2018/19 £	2019/20 £	Total £
30,830	30,830	92,490

**Option 3: Undertake a detailed role definition exercise and set rates in accordance with agreed role components and standards.**

2.7. This option would enable the Panel to consider each role on its individual merits and would not require consideration of how the role was shaped at other organisations. The exercise could be undertaken during 2018 with a view to informing the 2019/20 budget. There would, therefore, be no financial impact in 2018/19. A further report to the Panel would determine the financial implications of any proposed changes that would have an implication for future budget setting.



**Option 4 to propose no changes to the existing remuneration policy or remuneration levels.**

2.8. Option 4 is in line with the commitment the leading group not to allow increases in Member remuneration. This commitment was for the lifetime of the current administration. If Option 4 is accepted there will be no financial impact on the 2018/19 or Medium Term Financial Strategy.

## Members allowances as at May 2016 for district councils in Nottinghamshire

	Broxtowe			Ashfield	Bassetlaw	Gedling	Mansfield	Newark & Sherwood	Rushcliffe	Average where allowance is paid (excluding Broxtowe)	Difference
<b>No. of members</b>	<b>44</b>			<b>35</b>	<b>48</b>	<b>40</b>	<b>36</b>	<b>39</b>	<b>44</b>		
	Number	<b>Allowance</b>	Cost	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>	<b>Allowance</b>		
		<b>£p.a</b>	£p.a.								
<b>Basic allowances</b>	44	<b>3741</b>	164604	6800	4628	3987	6386	4700	5188	5282	1541
<b>Additional allowances</b>											
Leader of the Council	1	<b>13558</b>	13558	18705	7500	13696	54863*	13000	14545	20385	6827
Deputy Leader	1	<b>6101</b>	6101	14032	3200	10956	18546*	2600	8606	9657	3556
<b>Committees</b>											
Portfolio Holders/Chair of Committee	6	<b>4745</b>	28470	11227	5600	6848	15364	5298	5670	8334	3589
Deputy portfolio Holders/Vice Chair of Committee	6	<b>1563</b>	9378					977		163	-1400

<b>Overview and Scrutiny</b>											
Chair				11,227	3100	3424					
Vice chair					600						
Sub Groups				7,426			7690				
				3,709							
<b>Quasi Judicial Committees Boards etc.</b>											
<b>Chair</b>											
Planning	1	<b>3391</b>	3391	7426	3100	4793		5298	4823	5088	1697
Licensing and Appeals	1	<b>2712</b>	2712	3709	2100	4793		3129	1200	2986	274
Housing Payments Committee	1	<b>1355</b>	1355							0	-1355
Governance, Audit & Standards	1	<b>2033</b>	2033	4225	3100	3424	2121	1795	3276	2990	957
<b>Vice Chair</b>											
Planning	1	<b>678</b>	678	3709	600			977	2411	1924	1246
Licensing & Appeals	1	<b>542</b>	542		400			460		430	-112
Housing Payments Committee	1	<b>271</b>	271							0	-271
Governance, Audit & Standards	1	<b>271</b>	271	3,709	600				1092	1800	1529

Members of Alcohol and Entertainments (11+2)	13	<b>678</b>	8814		24					24	-654
Independent Person (standards)	1	<b>1355</b>	1355	1032		515	530		1200	819	-536
Chair of Health Panel	1	<b>1102.50</b>	1102.5							0	- 1102.5
Health Lead on Outside Bodies	1	<b>1102.50</b>	1102.5							0	- 1102.5
Police and Crime Panel	1	<b>678</b>	678							0	-678
<b>Political Groups – Additional Allowance</b>											
Leader of Opposition	1	<b>1355</b>	1355	7426		6848		4500	4684	5864	4509
Business Manager	2	<b>850</b>	1700		1800	3424		977		2067	1217
<b>Civic</b>											
Mayor	1	<b>4745</b>	4745	7426	7900	5136	2874*		6444	5956	1211
Deputy Mayor	1	<b>1355</b>	1355	4262	2500	1712	1184*		2048	2341	986
<b>Sub Total: additional allowances</b>			90967								
<b>TOTAL</b>			255571								

<b>Other allowances</b>											
Carer's allowance		<b>6.50</b>									
	Full year		2241								
<b>Total costs</b>			<b>257812</b>	<b>419804</b>	<b>305509</b>	<b>267416</b>	<b>441197</b>	<b>236815</b>	<b>320310</b>		

## Notes

\* Mansfield has an elected Mayor who acts as leader and a chair of Council who performs Civic duties

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### Joint Report of the Chief Executive, the Interim Deputy Chief Executive and the Interim Strategic Director

#### **BUDGET PROPOSALS AND ASSOCIATED STRATEGIES**

##### 1. Purpose of report

To recommend to Council the capital and revenue budget proposals together with the capital strategy, prudential indicators, treasury management strategy, investment strategy and general fund medium term financial strategy and to approve the business plans.

##### 2. Detail

The following reports are given in the attached appendices and are recommended for approval:

Appendix 1 - Budget consultation

Appendix 2 - Impact analysis

Appendix 3 - Housing Revenue Account (HRA) budget and council house rents 2019/20

Appendix 4 - General Fund revenue budget 2019/20

Appendix 5 - Capital programme 2019/20 to 2021/22

Appendix 6 – Capital Strategy

Appendix 7 - Treasury management strategy 2019/20 to 2021/2022

Appendix 8 - Investments strategy 2019/20 to 2021/22

Appendix 9 - General Fund medium term financial strategy to 2022/23.

The matters referred to in the reports are inter-related and, as such, need to be considered together. An additional report, on the HRA business plan model update, will be presented to the Housing Committee at its meeting of 5 June 2019.

The service and financial plans were considered as an integral part of the budget-setting process by the policy committees of the Council during January 2019. Subject to any consequent amendments necessary as a result of any budget changes approved by Council, the Committee is asked to approve these documents.

After consulting with the Leader of the Council and the Chair of the Finance and Resources Committee the figures included within the recommendations below and in the medium term financial strategy (appendix 10) reflect the fact that the Committee may choose to recommend to Council that the basic amount of Council Tax in 2019/20 is frozen at the same level as in 2016/17, 2017/18 and 2018/19. This is set out in detail in appendix 4.

**Recommendations**

The Committee is asked to RESOLVE to approve:

1. The business plans for the Council's corporate priorities and support functions, subject to amendment as a result of any budget decisions still to be taken by Council recommended by the relevant policy committees.

and to RECOMMEND to Council that:

2. The Housing Revenue Account budget as submitted be approved (appendix 3).
3. The General Fund revenue budgets as submitted be approved (appendix 4).
4. The capital submissions and priorities within them be approved (appendix 5).
5. The Interim Deputy Chief Executive be authorised to arrange the financing of the capital programme as necessary (appendix 5).
6. An amount of £25,000 be provided for a General Contingency in 2019/20 (appendix 5).
7. The council tax requirement for 2019/20 including special expenses (but excluding local precepting requirements) be £5,475,252 (appendix 4).
8. An amount of £350,720 be withdrawn from the General Fund reserve in 2019/20 (appendix 4).
9. An amount of £264,325 be withdrawn from General Fund non-earmarked reserves in 2019/20 (appendix 4).
10. The Capital Strategy be approved (appendix 6)
11. The Minimum Revenue Provision policy as set out be approved (appendix 7).
12. The treasury management strategy statement be approved (appendix 7).
13. The investments strategy be approved (appendix 8).
14. The General Fund Medium Term Financial Strategy be approved (appendix 9).

Background papers

Nil



## APPENDIX 1

**BUDGET CONSULTATION**1. Approach

For 2014/15 and 2015/16 the Council consulted on the budget through the online system known as 'YouChoose'. This produced a limited number of responses but allowed for an analysis of local views about spending priorities at the service level. For 2016/17, the five year Corporate Plan presented an opportunity to join up public engagement on policy and financial matters and seek views on specific matters to inform the budget for 2016/17 and beyond.

For both 2017/18 and this year's exercise, a web-based survey, publicised through social media, has been used. This included no reference to any specific policy options but sought views on all Council services and indications of satisfaction, or otherwise, with both those services and with the local area generally. Local people were also asked whether they felt that additional income should be derived from Council Tax or fees and charges, or costs reduced by reduction in services. Finally, respondents were asked about what method(s) they used to access Council services, how satisfied they were with them, and also whether they would consider accessing these services by other means.

Respondents were also asked to provide demographic data, including which area of the Borough they live in so that any correlation between location and satisfaction levels could be analysed.

A total of 415 responses were received. This is a reduction in responses of 28% compared with last year's results of 579 responses.

2. Summary of respondents

The sample of respondents is representative of the local communities in Broxtowe, although the analysis of ethnicity indicates a bias towards White British respondents which is in line with previous years. The number of younger respondents was higher than in previous years, with 28% of under 45's responding, compared to 23% in 2018/19.

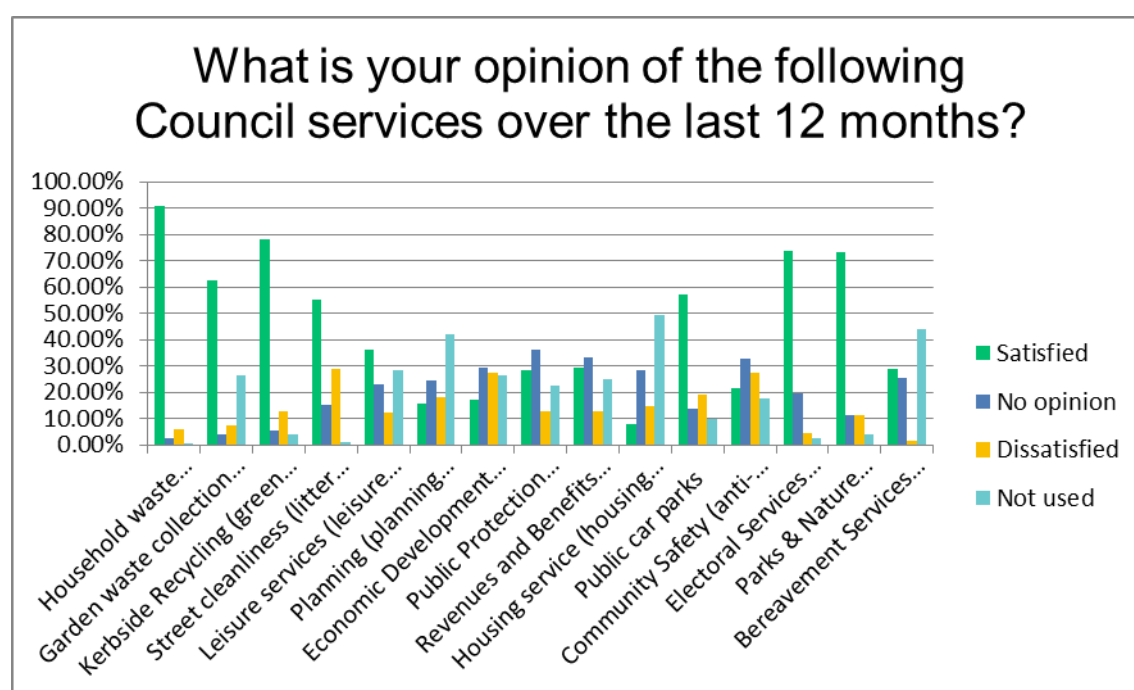
In terms of geographical location, Beeston residents responded the most (31%) followed by Stapleford (15%) and Chilwell (14%). There were fewer respondents in less urban areas with, however, like last year there was at least one respondent from every area. Other than that factor the split of geographical location was very similar to last year.

### 3. Satisfaction with services

1. In overall terms, local people are satisfied with the borough of Broxtowe and the Council's management of it. 74% of people are either 'satisfied' or very 'satisfied' with the area in which they live; this figure hasn't changed since the 2018/19 consultation showing continued levels of satisfaction. 59% are either 'satisfied' or 'very satisfied' with the way that the Council delivers services. However this number is a reduction on last year; where 73% responded positively. Just 3% of people are 'very dissatisfied' in both categories.

18% of those who used services and expressed a view were 'dissatisfied' with the services they use, with 58% overall expressing satisfaction and 25% not expressing an opinion. Figure 1 shows the breakdown by service.

**Figure 1: Satisfaction with services provided**



Respondents were also invited to add any comments that they had about specific services. The comments often related to wider issues about the local area or the way that the Council conducts business. A summary of the areas where comments were made is provided in table 1. The table shows the number of comments received in respect of particular services or issues and therefore highlights the areas that are of greatest interest to local people.

**Table 1: Text commentary on satisfaction with services**

Area of interest	No. of comments
Management/ Budgeting	26
Improve Urban Environment and Street Scene	14
Improvement of Refuse Collection	12
Recycling	10
Improving Community Safety	6
Invest in Businesses/ Communities	5
Garden Waste Collection & Cost	4
Car Parking- Cost & Efficiency	4
Student Accommodation	3

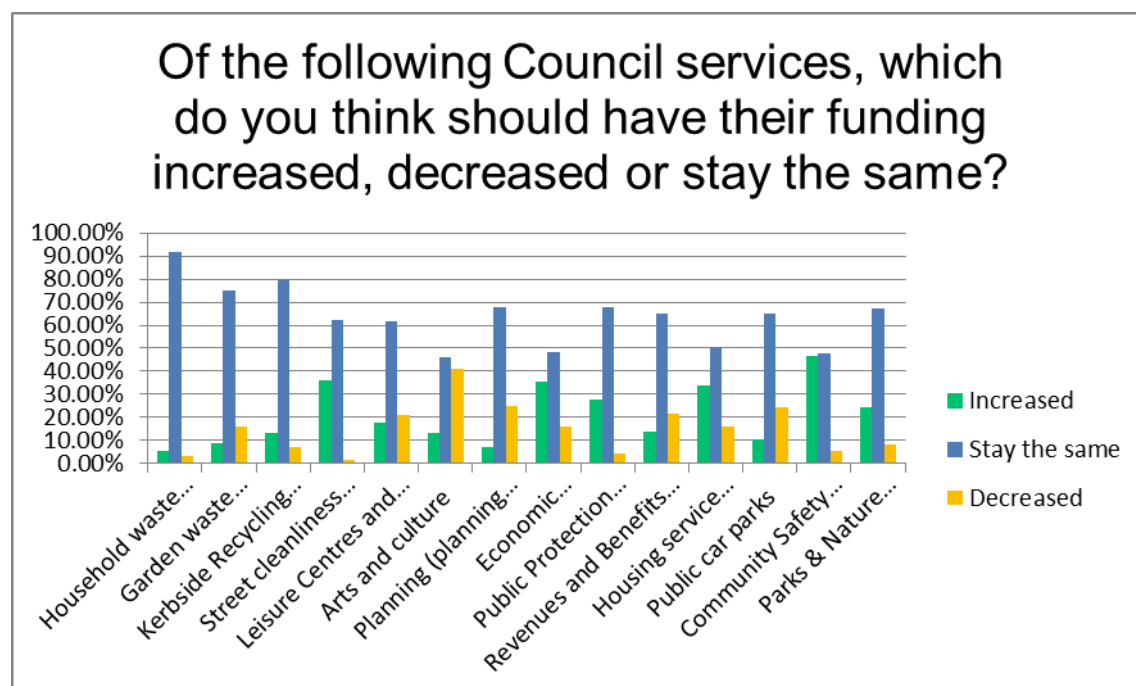
A number of positive comments were made which provided a balanced view and indicated that local people care about their local community and want to see improvements in the street scene and parks and open spaces. People also wish to see investment in local communities and facilities to enhance the Borough as an attractive place for residents, businesses and visitors.

#### 4. Spending on services

When asked about whether spending on services should be increased, decreased or stay the same, the responses showed consistency with satisfaction levels. Of those services which were ranked as the highest for satisfaction, the same services were flagged as one of the highest for maintaining funding. However of those services which were ranked as the highest for dissatisfaction most were flagged as the highest for increased funding (namely Community Safety, Economic Development and Street Cleanliness). The results are shown in Figure 2 overleaf.

A sum of £3.953 Million is available in housing capital receipts for further social housing construction by the Council.

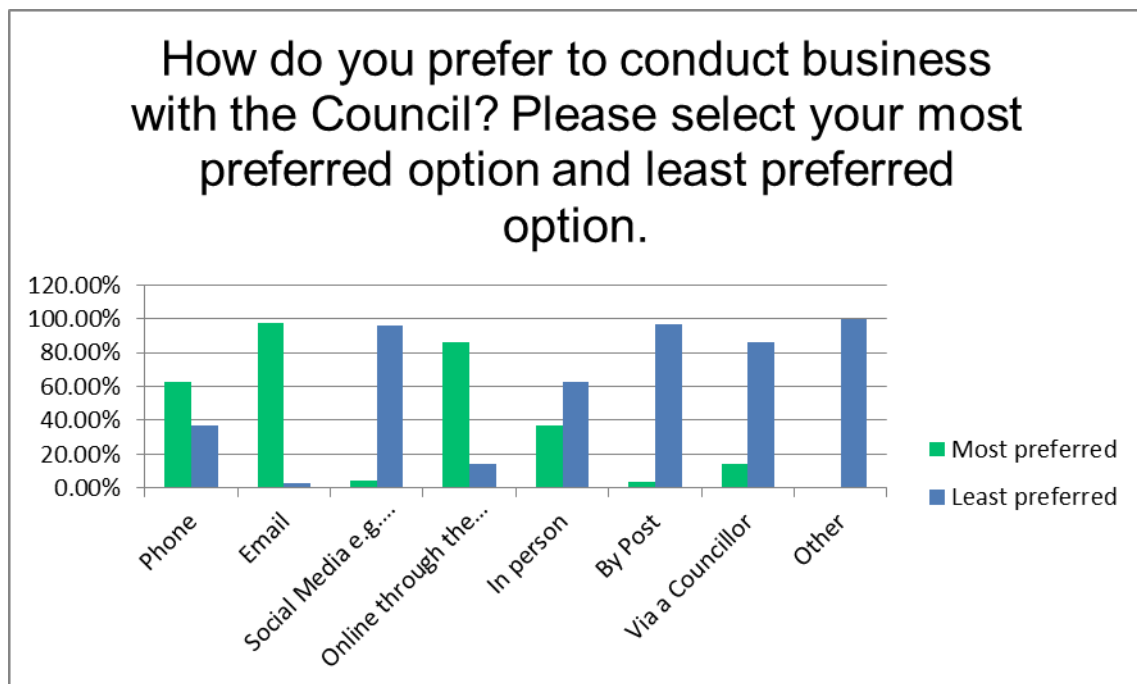
The Council has a Commercial Manager who is leading on taking forward initiative's set out in the Commercial Strategy; these include promoting the availability of space to Businesses looking to expand in the area.

**Figure 2: Suggested areas for increasing or decreasing spending**

Overall the balance was in favour of increasing spending (21%) rather than decreasing spending (15%). However the majority view was to keep spending the same (64%).

Respondents were also invited to make suggestions about how the Council could increase income, reduce costs or make savings to support the budget. Suggestions included raising Council housing rents, reducing employee's, merging with other Council's and a main focus of comments around 'efficiency'.

To obtain further information on how to shape services in future, local people were asked about how they find out about Council services and how they prefer to contact the Council to do business. 67% of respondents were either very satisfied or satisfied with the way they can access Council services. Only 7% were either very dissatisfied or dissatisfied, however 26% were neither satisfied nor dissatisfied (i.e. neutral). Figure 4 outlines the responses for preferred method of communicating with the Council.

**Figure 4: Preferred method of communicating with the Council**

In terms of what methods of communication local people prefer to use there was clearly a preference for on-line or email contact but it must be remembered that all respondents were already able to access services online by virtue of them completing this survey. Social media was by far the least preferred method of communication with post the second least.

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## APPENDIX 2

**IMPACT ANALYSIS**1. Introduction

A detailed impact analysis (taking account of the Council's duty under section 149 of the Equality Act 2010) is undertaken for all key executive decisions which involve changes in service delivery in year.

These changes inform the budget for the following year. However, most decisions that specifically relate to budget-setting reflect changes that are not linked to specific groups of people but apply equally across the whole borough to all residents. The following are felt to be the main areas where particular groups within the population may be affected.

2. Changes in housing rents and housing-related charges

As previously reported, in accordance with the Welfare Reform and Work Act 2016, the Council as a registered provider of social housing is required to reduce social housing rents by 1% a year for 4 years with effect from 1 April 2016. The proposed 2019/20 budget takes into account the final 1% reduction in accordance with the Act and resulting in a reduction income of £158,000. A further reduction in rent is also expected due to there being fewer properties as a consequence of Right to Buy Sales and the requirement to account for void periods.

The reduction in rents is designed to benefit all tenants and will also have an impact on the welfare bill as it is anticipated that Housing Benefit payments will reduce in proportion to the fall in rental income.

In 2019/20 there shall be 53 rent weeks charged from April 2019 to March 2020 with 4 rent free weeks. The additional week is because the rent is due on the Monday of each week and an additional Monday falls within the financial year. The budget however has been determined on the number of days in the financial year, based upon sound accounting principles.

During November 2018, a Housing Needs Assessment was undertaken which included a new Housing Revenue Account (HRA) Business Plan. The Business Plan requires further update to take into account the latest 2019/20 budget estimates. The update will take place in the next few months and reported to the Housing Committee on 5 June 2019.

The Government's Universal Credit programme is to continue to be rolled out across the Borough. Universal Credit replaces a number of benefits with one. The amount due is paid direct to the claimant which is a substantial change for some claimants where housing benefits is paid directly to the landlord such as the Council. The Council is working with tenants and other agencies to ensure a smooth transition. The budget includes an increase in bad debt provision of £60,000.

The budget proposals also include estimates for increases in garage rents which have been taken into account in the budget figures approved by the Housing Committee on 16 January 2019.

It has been previously agreed that garage rents will increase by CPI plus 1%. This results in an increase of 3.4% to £37.64 per month for 2019/20.

The changes in rent levels will affect all tenants while the changes to garage rents will only affect those specific tenancy types. An Equality Impact Assessment was undertaken for the proposed changes in policy during the 2019/20 budget setting exercise. This indicated that there are no recognised groups within the Equalities Act that would be adversely affected by the change. No further changes would affect this conclusion.

### 3. Liberty Leisure

The budget proposals include a provision for an annual management fee of £995,000 for Liberty Leisure in 2019/20. This is a wholly owned company of the Council which delivers leisure services and events and is responsible sports and arts development and management of the D H Lawrence Birthplace Museum.

The Company was established on 1 October 2016. The cost of borrowing and provision for repayment of debt relating to property and other capital assets remain with the Council which retains ownership of the capital assets of the company. All other costs are included within the management fee payable annually. Due to tax efficiencies and other changes the net result of this change is intended was to reduce the costs to the Council of providing Leisure Services.

As Liberty Leisure is a wholly-owned company, the Council retains overall control. Any changes to service provision must be agreed by the Council. In respect of 2019/20 the management fee has been reduced by £35,000 from £1,030,000 in 2018/19. There are, therefore, no proposed changes in services which would have a direct impact on customers or local communities

### 4. Other changes to the establishment

The budget proposals include estimates for staff cost reductions in 2019/20, relating to two voluntary redundancies approved by Policy and Performance Committee on 6 February 2019. The Council's policy is to reduce workforce costs in a controlled manner and to avoid compulsory redundancies if at all possible. The Council's voluntary redundancy policy currently includes a temporary increase in entitlement based on an actual week's pay rather than the capped statutory entitlement. On 18 May 2016, the Policy and Performance Committee resolved to extend this temporary policy to the date of new regulations that are not yet implemented.



The proposed staffing reductions would be drawn from different service areas across the Council, and none of the recognised groups under the Equalities Act should be affected disproportionately.

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## APPENDIX 3

**HOUSING REVENUE ACCOUNT BUDGET AND COUNCIL HOUSE RENTS 2019/20**1. Introduction

The Housing Revenue Account (HRA) shows a projected surplus balance in hand at 31 March 2020 of £4,065,251.

There are no revenue developments for which approval is being sought in 2019/20.

2. Budget Changes

The following have been taken into account in the production of the overall budget position for 2019/20:

- The deletion of the Director of Housing, Leisure and Property Services post agreed at Policy and Performance Committee on 12 December 2018 (a reduction of £109,350)
- The restructure of the Housing Repairs and Housing Strategy sections of the Housing Department agreed at Policy and Performance Committee on 3 October 2018 (a reduction of £98,800)
- The restructure of the Housing Rents team agreed at Policy and Performance Committee on 12 December 2018 (an increase of £200,600)
- The April 2019 pay award (2% in most cases) less other establishment changes (a reduction of £5,250)
- No allowance has been made for inflation on prices in 2019/20 within the estimates (other than taken into account in detailed budgets).
- An increase of £130,000 in impairment of debtor costs due to an increase in the provision to take into account the likely impact of Universal Credit (£60,000) and an increase in the provision for debts relating to void repairs (£70,000).

3. Rent and charges proposals

On 8 July 2015 the Chancellor of the Exchequer announced an intention to bring in legislation to reduce rents paid by tenants in social housing by 1% per annum for four years from 2016. Rents were reduced by 1% in 2016/17, 2017/18 and 2018/19 in line with this policy and a further 1% reduction has been allowed for within the estimates submitted to the Housing Committee from 1 April 2019. Rents from 2020/21 are to increase by the consumer price index (CPI) plus 1%.

The budget for council house rental income in 2019/20 also takes account of the estimated number of Right to Buy sales based upon previous years as well as an estimate of the expected level of voids (ie. periods when properties are unoccupied). These changes in total have resulted in a reduction of £392,570 in the budget for council house rental income in 2019/20 when compared to 201/19.

Garage rents have increased over recent years to bring them into line with the rents being charged by other Councils in the East Midlands. The proposed increase of 3.4% from April 2019 based upon the September CPI rate of 2.4% plus an additional 1% is expected to produce additional income of approximately £24,670 in 2019/20.

#### 4. Summary

The minimum working balance recommended on this account in 2019/20 is £1 million. To the extent that the predicted balance exceeds this, it is proposed to use any surplus resources to increase the revenue contribution towards financing the capital programme, thereby reducing the potential need for prudential borrowing by a similar amount.

The interest cost arising from any prudential borrowing to help finance the capital programme falls on the revenue account and is estimated at £2,456,200 in 2019/20. No additional borrowing is required for 2019/20 to fund the Housing capital programme as all expected capital costs can be met from revenue resources. A revenue contribution of £1,617,000 is anticipated in 2019/20.

It is recommended that a working balance of at least £1 million is maintained in future years to ensure that sufficient provision exists to meet unexpected needs. This is will be increasingly significant in terms of, for example, having sufficient funds available to meet the cost of potential new build properties and other commitments.

## APPENDIX 4

**RESOURCES ALLOCATION – GENERAL FUND REVENUE BUDGET  
2019/20****1. Summary of Proposals**

The policy committees of the Council have considered the revised budgets for 2018/19 and the base budgets for 2019/20 for their respective areas. Any changes arising from this process are set out below along with a summary of the proposed General Fund budget for 2019/20.

**2. Key Assumptions and Other Changes**

After consideration of the revised budgets for 2018/19 and the base budgets for 2019/20 by the policy committees, the following changes have been made:

- Mental Health Working Group – Following the important and well received work carried out by the Working Group, a sum of £10,000 has been set aside in the 2019/20 budget to further develop initiatives to support improvements to the mental health of residents and staff.
- Voluntary Redundancies – The Policy and Performance Committee on 6 February 2019 approved the voluntary redundancy of the Street Cleansing Manager (T243) and a Human Resources Officer (C14). The savings from these have been built into the 19/20 budget.
- Following a detailed review of the Council's balance sheet, it is considered that a sum of £149,350 that had been retained to meet potential highways insurance claims is no longer required and can be moved into the General Fund in 2019/20.
- Broxtowe Borough Council's share of contributions to the Nottinghamshire Business Rates Pool up to 2017/18 is £210,650 and this is to be returned to the Council in 2018/19.
- An estimate of £20,000 has been made in respect of the Council's contributions to the Nottinghamshire Business Rates Pool in 2018/19 that are to be returned to the Council in 2019/20.
- A business rates levy of £43,740 from Central Government relating to previous years is to be returned to the Council in 2018/19.

The base budgets for 2019/20 include estimates for inflation on certain headings such as utilities costs and software maintenance agreements. In accordance with the national agreements a 2% annual pay award has been assumed for the majority of staff with effect from 1 April 2019.

No allowance has yet been made for an increase in Member's allowances. On 24 January 2019 the Council's Independent Remuneration Panel recommended increasing member allowance rates in line with any employee pay award. The impact on the General Fund, should the Council resolve to accept the recommendation of the Panel, would be approximately £2,500.

Under the prudential framework for capital finance, prudential borrowing has to be considered in overall terms and taking account of the effect on revenue budgets and general affordability in the short and medium term. Appendix 5 to this report proposes total additional prudential borrowing of £0 in 2019/20 in relation to the Housing Revenue Account and borrowing of £3,571,500 in relation to the General Fund. Based on external borrowing rates, an estimate for additional borrowing costs has been included in the base budget for 2019/2020.

It is prudent to provide a sum of money within the budget to cover unforeseen items of expenditure which may arise during the year. As in 2018/19, a General Contingency of £25,000 has been established for 2019/20.

All known revenue developments have been incorporated into base budgets. No further revenue developments are expected but other items may be brought forward to committees during the course of the year as and when need arises.

Revenue Support Grant (RSG) income falls from £422,789 in 2018/19 to zero in 2019/20 as per the four year agreement.

The Non Domestic Rates income is primarily based on a calculation taking into account the local non-domestic rates tax base and the Government's calculations of each authority's spending requirements. For budgeting purposes the Council completes an assessment at the beginning of each year and uses this to determine the amount of rates to be collected (the NNDR1). The budget is then set on the basis of this assessment. For 2019/20 the non-domestic rates budget based on the NNDR1 for the year has been set at £3,172,342, which includes estimates for losses on appeals and the recovery of deficit arising from prior year transactions on the Collection Fund. Any difference between budgeted income and actual income receivable will be recovered in the following year.

Non Domestic Rates income is also affected by Section 31 grants received from Central Government and by payments to or receipts from the Nottinghamshire Business rates Pool.

The provisional funding settlement for 2019/20 announced by the Ministry of Housing, Communities and Local Government Department (MHCLG) on 13 December 2018 included details of the New Homes Bonus (NHB) allocations to Councils. The provisional NHB allocation to Broxtowe for 2019/20 of £146,750 represents a reduction of £63,598 (30%) on the £210,348 received in 2018/19. This was confirmed by MHCLG on 29 January 2019.

As set out in section 3 below, the recommendations are based upon withdrawing a net £975,302 and £615,045 from balances in 2018/19 and 2019/20 respectively.

### 3. General Fund Revenue Budget 2019/20

The table below shows the 2018/19 revised budget for each committee along with the base budget figures for 2019/20. It also shows the impact that this would have upon the Council's available balances.

	2018/19 Revised Estimate £	2019/20 Base Budget £
<b><u>Committee</u></b>		
Community Safety	1,472,400	1,458,062
Finance and Resources	1,919,812	2,187,663
General Fund Housing	321,750	375,557
Jobs and Economy	541,460	154,309
Leisure and Environment	5,639,750	5,439,913
Committee Net Expenditure	9,895,172	9,615,504
Beeston Special Expenses	25,000	25,000
Total Net Expenditure	9,920,172	9,640,504
<b><u>Funding</u></b>		
Revenue Support Grant (RSG)	(422,789)	0
NNDR (ie. Business Rates)	(3,396,331)	(3,172,342)
NNDR (Surplus)/Deficit	720,744	231,541
Estimated Safety Net or Levy Payment to/(from) Pool	719,291	612,863
Estimated S31 Grant (per NNDR1)	(829,403)	(1,150,838)
Returned Funding from Pool 2017/18	(210,650)	0
Returned Funding from Pool 2018/19	0	(20,000)
Returned Levy from Government	(43,740)	0
Council Tax	(5,413,606)	(5,450,252)
Council Tax (Surplus)/Deficit	(43,386)	(51,432)
Beeston Special Expenses Precept	(25,000)	(25,000)
Total Funding	(8,944,870)	(9,025,459)
(Addition to)/withdrawal from balances	975,302	615,045

The decrease in the 2019/20 base budget for total net expenditure when compared with the 2018/19 revised estimate of £279,668 is primarily a consequence of the following items:

	£000s
Removal of 2017/18 underspends carried forward to 2018/19	(287)
Removal of Other 2018/19 One-Off Items	(242)
Business Strategy Savings	(188)
Increase in Distribution from Bramcote Crematorium	(100)
Increase for May 2019 Borough Election	114
Removal of Remaining 2018/19 Savings Target	383
TOTAL	(320)

The increase in funding of £80,589 from the 2018/19 revised estimate total of £8,944,870 to the base budget 2019/20 figure of £9,025,459 is mainly due to the following:

	£000s
Removal of Revenue Support Grant	423
Reduction in NNDR (ie. Business Rates)	224
Decrease in NNDR Deficit	(489)
Decrease in Safety Net or Levy Payment to/(from) Pool	(106)
Increase in S31 Grant	(322)
Returned Funding from Pool 2018/19	(20)
Returned Funding from Pool 2017/18	211
Returned Levy from Notts Pool	44
Increase in Council Tax Income	(37)
Increase in Council Tax Surplus	(8)
<b>TOTAL</b>	<b>(80)</b>

The anticipated withdrawals from balances in 2018/19 and 2019/20 shown above would affect the Council's reserves as follows:

#### Change in Balances 2018/19

	Actual Balance at 1 April 2018	Projected Withdrawal (Addition)	Estimated Balance at 31 March 2019
General Fund Reserve	(6,053,523)	1,005,302	(5,048,221)
Elections Reserve	(60,000)	(30,000)	(90,000)
Local Land Charges Reserve	(136,891)	0	(136,891)
Local Auth. Mortgage Reserve	(37,434)	0	(37,434)
<b>Total Balances</b>	<b>(6,287,848)</b>	<b>975,202</b>	<b>(5,312,546)</b>

#### Change in Balances 2019/20

	Actual Balance at 1 April 2019	Projected Withdrawal (Addition)	Estimated Balance at 31 March 2020
General Fund Reserve	(5,048,221)	350,720	(4,697,501)
Elections Reserve	(90,000)	90,000	0
Local Land Charges Reserve	(136,891)	136,891	0
Local Auth. Mortgage Reserve	(37,434)	37,434	0
<b>Total Balances</b>	<b>(5,312,546)</b>	<b>615,045</b>	<b>(4,697,501)</b>



The recommendations are based upon withdrawing £350,720 from the General Fund reserve in 2019/20 as well as £90,000 from the Elections reserve to meet the cost of the Borough Council elections on 2 May 2019.

The Local Land Charges Reserve was established from an allocation of funds received from Central Government to help meet any costs that may be awarded against the Council as a result of a legal action taking place across the country. As no such costs have been incurred in recent years, it is proposed that this reserve is used to meet the cost of General Fund net expenditure in 2019/20.

The Local Authority Mortgage Scheme (LAMS) Reserve was set up in 2013/14 using additional premium interest earned on the deposit with Lloyds Bank. It was intended to offset the cost of any mortgage defaults should they occur. The deposit was returned to the Council on 31 January 2019 and there have been no mortgage defaults thus far. Therefore, it is proposed that this reserve is also used to meet the cost of General Fund net expenditure in 2019/20.

No legislative restriction applies as to how any of the reserves as set out above may be used. The minimum acceptable total of General Reserves to meet revenue expenditure and capital financing commitments is considered to be £1.5 million.

#### 4. Budget Savings

It is proposed to set an employee savings target of £300,000 in 2019/20 to be met from vacancies, flexible retirements and redundancies. This is in line with the previous year's salary savings target. Any further approvals by the Policy and Performance Committee of voluntary redundancy or flexible retirement requests will help to achieve this saving.

A range of potential efficiencies and additional income has been identified and included in the Business Strategy which was presented to the Finance and Resources Committee on 11 October 2018. The majority of these savings and additional income have been built into the 2019/20 budget. Base-to-base budget comparisons indicate that approximately £188,000 was removed from base budgets between 2018/19 and 2019/20 as a consequence of measures in the Business Strategy although these gains are offset by increases in costs and reductions in income elsewhere.

The Business Strategy updated in October 2018 includes further identified potential efficiencies that will need to be realised in order to produce a balanced budget over the lifetime of the Medium Term Financial Strategy. A further refresh of the Business Strategy will be required later in 2019 to identify further potential efficiencies and this work expected to led by the General Management Team, and commence during July 2019.

## 5. Beeston Special Expenses

Beeston and the surrounding area is a special expense area purely in relation to the cost of maintaining allotments. It is anticipated that, assuming no unforeseen and significant events occur of a size similar to those experienced with water leaks a few years ago, then sufficient monies will remain on the account such that a precept of £25,000 per annum should be capable of being maintained for several years.

In the Beeston Special Expenses Area it is proposed to retain the precept at £25,000 as in 2018/19 (see section 8 above) and hence the council tax charge. In reality this would mean that, within the Beeston Special Expenses Area, the combined effect of the two council tax elements would produce a decrease of £0.01 per band D dwelling whilst the other parts of the borough would show no change.

## 6. Council Tax

The Local Authorities (Conduct of Referendums) (Council Tax Increases) (England) Regulations 2012, provide that any shire district or borough council proposing an increase of 3.0% (or £5) or more in their council tax will need to provide the opportunity for local people to approve or veto the increase in a referendum. The Leader of the Council and Chair of the Finance and Resources Committee have been consulted and the option to freeze Council Tax for 2019/20 at the same rate as in 2018/19 is proposed. It is therefore proposed that the band D basic council tax amount be fixed at £161.85.

The authority's share of the estimated surplus on the Council Tax element of the Collection Fund as at the end of 2018/19 is £51,432. After taking this into account, and the increase in the council tax base for 2019/20 as approved by the Committee on 8 January 2019, then no increase in the basic council tax amount equates to a council tax requirement (excluding the special expenses area) of £5,450,252 in 2019/20 and would require an overall withdrawal from balances totalling £615,045.

## APPENDIX 5

<b>RESOURCES ALLOCATION - CAPITAL PROGRAMME 2019/20 TO 2021/22</b>
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1. Summary of proposals

The Council's policy committees considered capital submissions for the three years 2019/20 to 2021/22, of which some are recommended to proceed immediately since funding resources are in place whilst others are awaiting confirmation of receipt of funding. Details are given in the reports to the committees as to which schemes are to proceed immediately and which are on hold until the funding is received or the Finance and Resources Committee makes a decision to allow the scheme to start and recommends a reduction in reserves or increase in borrowing.

The capital submissions as recommended by the policy committees and the methods of financing the 2019/20 programme are summarised below.

	<b>General Fund £</b>	<b>HRA £</b>
<b>Draft Capital Programme 2019/20</b>		
Housing	747,300	5,502,700
Community Safety	0	
Jobs and Economy	271,400	
Leisure & Environment	3,502,500	
Finance & Resources	2,971,500	
<b>TOTAL</b>	<b>7,492,700</b>	<b>5,502,700</b>
<b>Anticipated Funding:</b>		
HRA Depreciation (Major Repairs Reserve)		3,885,700
Better Care Fund (Disabled Facilities Grants)	747,300	
Usable Capital Receipts (estimate)	320,000	0
Prudential Borrowing	3,571,500	0
Revenue Contributions	0	1,617,000
Section 106 (Parks and Open Spaces)	18,500	
Other Grants	1,148,000	
Shortfall/(surplus)	1,687,400	
<b>TOTAL</b>	<b>7,492,700</b>	<b>5,502,700</b>

Capital contingencies of £55,000 (General Fund) and £27,900 (HRA) have been allowed for in the above table.

## 2. Capital Programme

The Local Government Act 2003 requires local authorities to comply with the Prudential Code for Capital Finance in Local Authorities published by the Chartered Institute of Public Finance and Accountancy (CIPFA) when carrying out their capital budgeting activities. The objectives of the Prudential Code are to ensure that the capital investment plans are affordable, prudent and sustainable. A fundamental part of the Code is the calculation of a number of 'prudential indicators' that form the framework for capital financing and spending decisions. Further details can be found in Appendix 7.

The Local Authority (Capital Financing and Accounting) (England) (Amendment) regulations 2008 place a duty on local authorities to make a prudent provision for the repayment of debt. This is known as the Minimum Revenue Provision (MRP). Further details can be found in Appendix 8.

## 3. Capital Grants and Contributions

The only proposed capital schemes for 2019/20 to 2021/22 that are likely to be funded from capital grants are Disabled Facilities Grants (DFG). Government allocations towards is channelled through the Better Care Fund, which is administered by Nottinghamshire County Council. The funding for 2019/20 to 2021/21 is assumed to be £747,300 per annum.

As disabled adaptations work is demand-led, further capital commitments may be required. Requests for these will be brought forward to the Finance and Resources Committee for consideration along with details as to how these can be funded if and when they arise.

Confirmation is presently awaited as to the outcome of a bid to the D2N2 Local Enterprise Partnership (LEP) towards the Beeston Square redevelopment. It has been assumed that £250,000 will be received in 2019/20 with £500,000 in 2020/21. If this funding does not materialise then other funding sources to meet any shortfall will be identified.

The capital programme 2019/20 includes a £1,050,000 scheme for a new full size 3G football pitch and car park at Kimberley Leisure Centre. This assumes external contributions of £650,000 from the Nottinghamshire Football Association and £50,000 from Liberty Leisure. However, the scheme would require the Council to contribute £350,000 and would not proceed until a source for this could be identified, even if the external contributions were realised.

The capital programme 2019/20 is also based upon contributions from organisations such as WREN to fund improvement works at parks and recreation grounds.

#### 4. Capital Receipts for 2019/20

In 2012/13 the authority committed to using any capital receipts from housing right to buy sales towards a new build programme, with government restrictions such that these monies have to be used within 3 years of their receipt or they will be passed over to the government. The calculation of the value of such receipts that can be used in this way is complicated by a formula which takes into account the assumed level of receipts within the HRA self financing settlement which took place at the end of 2011/12. As at the end of December 2018 accumulated usable capital receipts of approximately £3,553,250 were calculated as being available but these can only be used to help finance the housing new build programme. As such they have been excluded from the financing table set out above.

Further capital receipts are anticipated following the acquisition by NET of a number of retail businesses in The Square which are owned by the Council but which were on a long term lease to Henry Boot. No assumptions have been made with regards to either the value or timing of such receipts that may subsequently be received.

#### 5. Revenue Contributions

Revenue contributions can be used to finance capital expenditure. In 2019/20 the only revenue contribution that is proposed relates to the HRA and this is in line with proposals contained within the HRA revenue budget and the HRA business plan model. No General Fund revenue contributions are proposed.

#### 6. Borrowing

Excluding the housing new build programme, a revenue contribution from the HRA of £1,617,000 and a contribution of £3,885,700 are proposed in 2019/20 to finance the HRA capital programme. There is no planned borrowing in 2019/20 to meet the proposed HRA capital programme which can be funded in full from revenue contributions. The nature of the HRA is that no Minimum Revenue Provision (MRP) has to be provided on borrowing but it has to be affordable. Appendices 7 and 8 outline the MRP policy and various prudential indicators which can be used to help judge the affordability of any such borrowing.

In respect of General Fund capital schemes, there is a funding shortfall in 2019/20 of £1,687,400 as shown in section 1 above. The options for addressing this shortfall are as follows:

- Reducing the size of the programme.
- Using existing reserves (i.e. funding the schemes directly from revenue resources)
- Borrowing
- Creating a reserve list for schemes to be brought forward as and when funding becomes available.

The programme has been compiled in accordance with the Capital Strategy 2019/20 – 2021/22 set out in appendix 6. All of the proposed schemes meet the required criteria and are deemed either essential or beneficial in reducing revenue costs or increasing income (invest to save schemes). Therefore there are no grounds for reducing the size of the programme although some re-phasing may be possible.

The Council has sufficient reserves to meet the costs of the programme in full. However, on the basis of the proposals presented in this report, this would reduce the level of reserves to below the required £1.5m balance on the General Fund by 2022/23. More detail on the reserves position in the medium term is provided in Appendix 10.

It is therefore proposed to meet part of the shortfall by prudential borrowing and to place the remaining schemes on a reserve list. The following schemes are proposed to be financed from borrowing in 2019/20:

<b>Scheme</b>	<b>Proposed borrowing 2019/20 £</b>
BLC – Replacement of Combined Heat and Power Unit	140,000
Replacement Vehicles and Plant	765,000
Replacement/Development Programme	90,000
Technical Infrastructure Architecture	50,000
E-Facilities Initiatives	40,000
Beeston Town Centre Redevelopment	2,186,500
NWOW – Civic Suite Audio Visual Equipment	100,000
NWOW – Planning, Finance Services and Estates	200,000
<b>Total</b>	<b>3,571,500</b>

The level of financial reserves available to the Council indicates that the borrowing can potentially be financed from internal sources (subject to cash flow considerations). As returns on investment are currently lower than external borrowing rates, internal borrowing will be more cost-effective than external borrowing at this point in time.

Depending on the date at which the loans are raised this will have a part year impact in 2019/20 and a full year impact from 2020/21 onwards. The costs of any additional borrowing required to finance the Capital Programme 2019/20 will need to be met from the General Fund budget for 2019/20.

The following schemes are contained within the Capital Programme 2019/20 but are awaiting funding:

<b>Proposed scheme</b>	<b>£</b>
Car Parks - Resurfacing	25,000
Mushroom Farm – New Industrial Units	246,400
BLC – Main Pool Filter Replacement	13,000
BLC – Refurbishment of Fitness Changing Rooms	33,000
BLC – Replacement of Teaching Pool Filter	22,000
BLC – Condition Survey Remedial Works	50,000
BLC – Replacement of Flat Roofs	154,000
BLC – Replacement of Teaching Pool Windows	20,000
BLC – Replacement of Main Pool Windows	80,000
BLC – Replacement Intruder Alarm	25,000
BLC – Replacement of Dance Studio Windows	10,000
BLC – Refurbishment of Pool Surrounds	50,000
BLC – Replacement of High Voltage Transformer	40,000
KLC – Electrical, Roof, Window and Drainage Works	11,000
KLC – New Full Size 3G Football Pitch and Car Park	350,000
KLC – PRAMA Studio	40,000
KLC – Replace Mobile Elevated Work Platform	8,000
KLC – Reconfigure Gyms and Studios	70,000
KLC – Replacement Pool Circulation and Shower Pumps	12,000
KLC – Extension of Gym Changing facilities	330,000
KLC – Replacement of Suspended Ceilings and Floors	18,000
KLC – Repaint Car Park Lines and Customer Walkways	6,000
Cemeteries - Footpath and Roadway Impts	30,000
Asset Management - Programmed Maintenance	44,000
<b>Total</b>	<b>1,687,400</b>

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## APPENDIX 6

**CAPITAL STRATEGY 2019/20 – 2021/22****1. Introduction**

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

The CIPFA Prudential Code establishes a framework designed to support local strategic planning, local asset management planning and option appraisal. The objectives of the CIPFA Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice.

A fundamental part of the CIPFA Prudential Code is the calculation of a number of prudential indicators. These indicators provide the basis for the management and monitoring of capital expenditure, borrowing and investments. Each indicator either summarises the expected capital activity or introduces limits upon that activity and reflects the outcome of the Council's underlying capital appraisal systems.

Following a period of consultation, a new version of the Code was published in December 2017. One of the requirements of the revised Code is that a Capital Strategy is prepared for and approved by the Council. This Capital Strategy is therefore intended to provide a high-level overview of how the Council approaches the planning and financing of capital expenditure and should be considered in conjunction with the following appendices that form part of this report::

- Treasury Management Strategy Statement 2019/20 – 2021/22 (appendix 7)
- Investments Strategy 2019/20 2021/22 (appendix 8)

Taken together, these appendices show how capital expenditure, capital financing and treasury management activity contribute to the provision of services to the residents of Broxtowe. They set out how the associated risk is managed and the implications for future financial sustainability.

**2. Background**

Cabinet on 23 June 2015 previously approved a Capital Strategy 2015/16 to 2019/20. This Capital Strategy replaces the former document but is based upon the same core principles. It is intended to ensure that decisions about capital spending are taken in alignment with agreed corporate priorities and make the best use of scarce resources.

The Capital Strategy has been developed in conjunction with the Council's Corporate Plan, ICT Strategy, Asset Management Strategy and People Strategy and seeks links to other approved strategies and policies .

The Council will have regard to the following in determining its capital expenditure plans::

- Corporate objectives (e.g. strategic planning)
- Stewardship of assets (e.g. asset management planning)
- Value for money (e.g. appraisal of options)
- Prudence and sustainability (e.g. implications for external borrowing and whole life costing)
- Affordability (e.g. implications for long-term resources and ultimately on the level of council tax)
- Practicality (e.g. the achievability of the Corporate Plan)

The production of the capital programme will be based upon the following eight core principles:

- (i) All assets will be periodically reviewed to determine whether they remain fit for purpose
- (ii) Asset management systems will be used to increase the proportion of expenditure on planned as opposed to reactive maintenance and to determine appropriate levels of contingency in each planning period
- (iii) Capital expenditure, particularly in respect of investment in commercial assets, will be undertaken within the context of the Council's defined risk appetite and adopted priorities
- (iv) The decision to procure or build new assets will take into account the full revenue implications of the life cycle of the asset
- (v) Income from asset disposals will be retained centrally for the funding of future capital programmes
- (vi) Capital submissions produced by departments will be included in the third year of the three-year rolling capital programme unless they meet the specific criteria outlined above.
- (vii) Capital submissions will be reviewed by the Council's Section 151 Officer in conjunction with General Management Team (GMT) using a pre-determined scoring matrix set out in the submission template
- (viii) Borrowing will only be pursued as an option for financing capital expenditure after all other potential financing options have been considered

The capital programme is a three-year rolling programme with new submissions, based upon an agreed template, accepted only for year three unless they meet the following criteria:

- The project has health and safety implications which must be addressed as a priority or is a statutory requirement
- The project generates more income over time than the investment required (an "invest to save" project)

- The project is required to match income from external sources that would otherwise be lost

Unforeseen factors may arise will require schemes to be swiftly incorporated within the capital programme. These schemes will be subject to the same appraisal process set out above and will be funding will be assisted by the inclusion of suitable contingencies within the capital programme to avoid disrupting other planned capital schemes.

### 3. Prudential Indicators for Capital Expenditure

These indicators are set to ensure that the proposed level of capital expenditure remains within sustainable limits.

#### (i). Capital Expenditure Estimates

Capital expenditure can be paid for immediately by applying capital resources, such as capital receipts or capital grants, or by using revenue resources. However, if these resources are insufficient then any residual expenditure will add to the Council's borrowing need.

This prudential indicator is a summary of the Council's three-year estimates of capital expenditure and anticipated financing. It is intended to ensure that the proposed level of capital expenditure remains within sustainable limits with particular regard to the impact on council tax and housing rent levels. The following table summarises the three-year capital programme as presented to the Finance and Resources Committee on 14 February 2019:

	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimated</b>	<b>2020/21 Estimated</b>	<b>2021/22 Estimated</b>
<b>Capital Expenditure</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
General Fund	1,858	5,012	7,492	8,215	4,528
Housing Revenue Account	4,645	6,171	5,503	5,568	5,568
<b>Total</b>	<b>6,503</b>	<b>11,183</b>	<b>12,995</b>	<b>13,783</b>	<b>10,096</b>
<b>Financed by:</b>					
Borrowing – GF	0	804	3,571	6,519	3,495
Borrowing - HRA	444	0	0	0	0
Vehicle Renewals Fund	320	0	0	0	0
Major Repairs Reserve	3,900	3,889	3,886	3,889	3,889
United Living	8	0	3	0	0
Tesco	14	0	0	0	0
Capital Receipts	157	1,829	320	0	0
Direct Revenue Financing - GF	190	152	0	0	0

Direct Revenue Financing - HRA	753	2,006	1,617	1,679	1,679
Better Care Fund	550	1,210	747	747	747
Liberty Leisure	3	0	90	0	0
Section 106 receipts	61	159	18	0	0
Kimberley School			11		
Rushcliffe Borough Council	(6)	0	0	0	0
Notts County Council	25	0	0	5	0
Notts Pre-Development Fund		70			
Notts FA			650		
6C's Growth Point	26	2	0	0	0
D2N2 LEP			250	500	
Homes England		20	0	0	0
WREN	52	50	144	0	0
Other Bodies	6	13	1	0	0
<b>Total</b>	<b>6,503</b>	<b>10,204</b>	<b>11,308</b>	<b>13,339</b>	<b>9,810</b>
<b>Shortfall still to be funded</b>	<b>0</b>	<b>979</b>	<b>1,687</b>	<b>444</b>	<b>286</b>

One of the key risks to the capital expenditure plans above is the level of resources available within the HRA to support capital expenditure. The HRA business plan model update to be reported to the Housing Committee on 5 June 2019 demonstrates that this should not be a major risk over the three year period, particularly in view of the availability of capital receipts from right to buy sales.

Similarly, a risk to General Fund capital expenditure plans is that some of the estimates for other sources of funding may also be subject to change over this timescale. The table above, for example, assumes there are limited capital receipts available to finance General Fund capital expenditure from 2019/20 to 2021/22. One notable exception is with regards to the Council's £500,000 contribution to the Local Authority Mortgage Guarantee Scheme (LAMS) with Lloyds Bank made on 31 January 2014. This contribution was required to be classed as capital expenditure. The Council was reimbursed with this sum on 31 January 2019 on the fifth anniversary of the original payment.

Council on 17 October 2018 agreed that the Town Hall in Beeston be sold to the Redeemer/Cornerstone Church for the sum of £425,000. The resulting capital receipt can be used to finance capital expenditure on schemes such as the migration of services out of the Town Hall and the roll out of the New Ways of Working Project.

Finance and Resources Committee on 13 December 2018 resolved that an unconditional offer of £470,000 for Cavendish Lodge in Beeston be accepted. The resulting capital receipt will also be available to finance capital expenditure.

Finance and Resources Committee on 8 January 2019 resolved that land forming part of the site to be developed in Beeston Town Centre be sold and delegated to

the Interim Deputy Chief Executive responsibility in consultation with the three party leaders for concluding the sale. Whilst this will produce a capital receipt that can be used to finance General Fund capital expenditure, no allowance has been made for this in the table above. The resulting capital receipt will enable the borrowing requirement to be reduced accordingly.

Further capital receipts are anticipated following the acquisition by NET of a number of retail businesses in The Square which are owned by the Council but which were on a long term lease to Henry Boot. This matter is being progressed in conjunction with the Council's advisors. No assumptions have been made with regards to either the value or timing of any further receipts that may subsequently be received.

The Council's land and property holdings will continue to be reviewed in line with the Asset Management Strategy 2015/16 to 2019/20 to identify opportunities to bring forward recommendations to dispose of or make alternative use of surplus assets.

It is anticipated that borrowing of £3,571,000 will be undertaken to finance General Fund capital expenditure in 2019/20 with further borrowing of £6,518,500 in 2020/21 and £3,495,000 in 2021/22. The primary factor behind this will be the need to finance the proposed £10,865,000 scheme to redevelop Beeston Town Centre.

The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives may sometimes be conflicting and the Council therefore seeks to strike a balance between cheap short-term loans (currently available between 0.75% and 1.0%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0% to 3.0%).

The tight revenue situation is such that it has been assumed that the capital programme from 2019/20 will be revisited and re-aligned as far as possible to tie into available capital resources in order to minimise the level of prudential borrowing required.

(ii) The Capital Financing Requirement

The Capital Financing Requirement (CFR) represents the Council's underlying need to borrow for capital purposes. It is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. The CFR will change each year in accordance with the value of the approved capital programme and the financing available. The capital expenditure above which has not been financed from available internal resources or from grants or third party contributions will increase the CFR.

	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
<b>Capital Financing Requirement</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
CFR – General Fund	18,706	21,585	27,201	29,622
CFR – HRA	81,330	81,330	81,330	81,330
<b>Total CFR – 31 March</b>	<b>100,036</b>	<b>102,915</b>	<b>108,531</b>	<b>110,952</b>
<b>Movement in CFR represented by:</b>				
Borrowing need for the year	804	3,572	6,518	3,495
MRP/VRP and other financing movements	(664)	(693)	(902)	(1,074)
<b>Movement in CFR</b>	<b>140</b>	<b>2,879</b>	<b>5,616</b>	<b>2,421</b>

#### 4. Prudential Indicators for External Debt

The Council has an integrated Treasury Management Strategy and manages its treasury activities in accordance with this, therefore borrowing activity will arise as a consequence of all the financial transactions of the Council and not just those arising from capital expenditure as reflected in the CFR.

##### i) Authorised Limit for External Debt

This prudential indicator is the statutory limit for external debt determined under section 3 (1) of the Local Government Act 2003. It represents the limit beyond which borrowing is prohibited. It reflects the level of borrowing which could be afforded in the short term to maximise treasury management opportunities and cover temporary cash flow shortfalls, but is unlikely to be sustainable over the longer term. It is the expected maximum borrowing needed with some headroom for unexpected movements.

The authorised limit for external debt for the next three years is set out in the following table:

	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Authorised Limit for External Debt	120,200	124,700	132,500	136,950

##### ii) Operational Boundary for External Debt

The operational boundary links directly to the Council's estimates of the CFR and of other cash flow requirements. This prudential indicator is based on the same estimates as the authorised limit and reflects the most likely and prudent (but not worst case scenario) but without the headroom included within the authorised limit.

The operational boundary for external debt for the next three years is set out in the following table:

	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Operational Boundary for External Debt	96,150	99,750	106,000	109,550

iii) Actual External Debt

This prudential indicator is obtained directly from the Council's balance sheet at 31 March 2018. It is the closing balance for actual gross borrowing plus other long-term liabilities.

'Other long-term liabilities' are liabilities outstanding (other than borrowing) in relation to the financing of capital expenditure. They relate to, for example, private finance initiative (PFI) credits or finance leases. The Council did not have such long-term liabilities at 31 March 2018 and none are anticipated up to 2021/2022.

This indicator is measured in a manner consistent for comparison with the authorised limit and operational boundary.

<b>Actual External Debt as at 31 March 2018</b>	<b>£'000</b>
Borrowing (PWLb)	79,798
Borrowing (Money Market)	18,000
Borrowing (Bramcote Crematorium)	688
Other Long-Term Liabilities	0
<b>Total</b>	<b>98,486</b>

5. Prudential Indicator for Prudence

The framework established by the CIPFA Prudential Code is designed to ensure that the objective of keeping external debt within sustainable, prudent limits is addressed each year.

i) Gross Borrowing and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term gross borrowing will only be for a capital purpose, the Council needs to ensure that its gross borrowing does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional increases to the CFR for the current and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes.

	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Gross Borrowing				
- PWLB and Market	97,798	94,789	98,352	104,861
- Bramcote Crematorium	688	571	382	354
<b>Net Borrowing – 31 March</b>	<b>98,486</b>	<b>95,360</b>	<b>98,734</b>	<b>105,215</b>
<b>Capital Financing Requirement</b>				
CFR – General Fund	18,566	18,706	21,585	27,201
CFR – HRA	81,330	81,330	81,330	81,330
<b>Total CFR – 31 March</b>	<b>99,896</b>	<b>100,036</b>	<b>102,915</b>	<b>108,531</b>

The Deputy Chief Executive reports that the Council complied with this prudential indicator in 2017/18. The increases in PWLB and market borrowing for 2019/20 and 2020/21 shown above reflects the borrowings required for the General Fund capital programme as set out in appendix 3. However, as set out in section 2 above, it is anticipated that the increase in the General Fund CFR over this period due to additional borrowing will be partly offset by General Fund minimum revenue provision of £664,050 in 2018/19, £692,600 in 2019/20 and £707,550 in 2020/21. This will reduce the total CFR with the result that the level of borrowing set out above will probably therefore not be required in practice. As set out above, this indicator is not based upon one year in isolation but upon a four year time frame representing the medium term as set out in the table. Any borrowing decisions will therefore take account of the effect upon the total CFR.

#### 6. Prudential Indicators for Affordability

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

##### i) Actual and estimates of the proportion of financing costs to net revenue stream

This indicator identifies the trend in net financing costs (borrowing costs less investment income) against net revenue income from Revenue Support Grant, non domestic rates, council tax and rent 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.

##### Proportion of net financing costs to net revenue stream

	<b>2017/18 Actual</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
General Fund	2.9%	11.3%	12.8%	16.2%	19.4%
HRA	14.6%	14.9%	14.5%	14.1%	13.7%



The estimates of financing costs reflect current commitments and the proposals in the revenue and capital budget reports elsewhere on the agenda.

The actual ratio of General Fund net financing costs to net revenue stream was unusually low in 2017/18 following the review of the MRP policy by the Council's treasury management advisors (Arlingclose) that found, among other items, a significant overprovision for MRP in previous years in respect of borrowing before the introduction of new regulations in 2008. This was corrected in 2017/18 and resulted in a significant one-off adjustment.

The indicators for the General Fund rise significantly from 2018/19 to reflect the increase in MRP following the additional borrowing required to finance the purchase of items such as replacement vehicles and new ICT equipment in these years.

The reduction in the indicators for the HRA from 2018/19 to 2021/22 and are a reflection of the fact that no borrowing is planned to finance capital expenditure over the period and rents will be increased by the consumer price index (CPI) plus 1% from 2020/21.

Overall, the Council intends to undertake a prudent level of borrowing to support the capital programme during the period covered by its medium term financial plans.

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## APPENDIX 7

**TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 to 2021/22****1. Introduction**

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. This Strategy Statement includes those indicators that relate to the treasury management function.

The CIPFA Treasury Management Code defines treasury management activities as "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistence with those risks".

For the purpose of this strategy, treasury management includes the management of all capital market transactions in connection with the cash and funding resources of the Council. This covers all funds and reserves, including the Collection Fund, and includes the arrangement of leases.

The strategy includes broad principles, which provide the framework within which the Council's treasury management activities are conducted, together with detailed plans for the management of the Council's loans and investment portfolios. The strategy includes those indicators required by the CIPFA Treasury Management Code that relate to treasury management.

The treasury management service is an important part of the overall management of the Council's affairs. The prudential indicators in appendix 6 consider the affordability and impact of capital investment decisions and set out the Council's overall capital framework. The treasury management function is responsible for the effective funding of these decisions and together they form part of the process which ensures that the Council meets its balanced budget requirement under Section 32 of the Local Government Act 1992.

As per the requirements of the Prudential Code, the Council adopted the CIPFA Treasury Management Code at the Cabinet meeting of 26 February 2002. The CIPFA Treasury Management Code was initially revised in 2009, revised again in 2011 to reflect recent developments in the market place, the introduction of the Localism Act 2011 including housing finance reform and the introduction of the General Power of Competence. In 2017 CIPFA published a further revision to the Treasury Management Code. The Council has incorporated the changes from the CIPFA Treasury Management Code into its treasury management policies, procedures and practices. All treasury management activity will comply with relevant statute, guidance and accounting standards.

The Council's Financial Regulations (7.8) require the Deputy Chief Executive to report on treasury management activities and the exercise of treasury management powers is delegated to him. This strategy outlines the expected treasury management activity over the next three years along with the risks associated with this activity and how they will be managed.

An annual report on treasury management activities at the end of each year is presented to the Finance and Resources Committee in July and a mid-year monitoring report on treasury management activity is presented to the same committee in November each year.

## 2. Treasury Management Policy Statement

One of the requirements of the CIPFA Treasury Management Code is that the Treasury Management Policy Statement should include the Council's high level policies for borrowing and investments. These are set out in the Treasury Management Policy Statement shown in appendix 7a.

## 3. Treasury Management Objectives

The primary objective of treasury management operations will be to maximise the revenue resources available to the Council whilst ensuring the effective management of risks associated with treasury management activities in accordance with the following principles:

- i) that the cost of borrowing is minimised commensurate with following a prudent funding policy
- ii) that the most advantageous rates of return on investments are secured commensurate with the primary principle of maintaining the capital value of funds whilst ensuring sufficient liquidity
- iii) that the Council maintains flexibility in its borrowing and lending portfolios
- iv) that the Council manages its borrowings and investments as a combined portfolio in order to achieve the optimum net debt position

The sections below provide a summary of the principal activities anticipated during the period covered by the strategy.

## 4. Current Debt and Investment Position

The Council's current debt and investment position is as follows:

		<b>Actual at 31 December 18</b>	<b>Estimate at 31 March 19</b>
		<b>£'000</b>	<b>£'000</b>
Fixed Rate Debt	PWLB	79,788	79,780
	Market	3,000	3,000
Variable Rate Debt	PWLB	5	9
	Market	12,000	12,000
	Crematorium	576	475
<b>Total Debt</b>		<b>95,370</b>	<b>95,264</b>
<b>Total Investments</b>		<b>(22,475)</b>	<b>(13,000)</b>
<b>Net Borrowing</b>		<b>72,895</b>	<b>82,264</b>

The fixed rate debt shown above consists of fixed rate loans totalling £79.79m from the PWLB that are due to be re-paid in at least one years' time and a loan of £3.0 million at 4.19% from Barclays Bank that is due to mature on 4 February 2073.

The variable rate debt shown above relates to fixed rate loans from the PWLB, other public sector bodies or other institutions that are due to mature within one year and therefore likely to be replaced by further loans but at a different rate of interest from the current rate.

The Council has a £1.0 million loan from Tendring District Council at 0.75% that is due to mature on 25 March 2019. This has already been replaced with a £1.0 million loan from North West Leicestershire District Council for 181 days at 0.92% that commenced on 1 February 2019.

The crematorium debt relates to surplus cash balances of the Bramcote Crematorium that the Council invests on its behalf to generate a suitable return. This fluctuates in accordance with the Bramcote Crematorium's cash inflows and outflows. There is no other variable rate debt.

The Council's existing debt portfolio (including Bramcote Crematorium) is estimated to total £95.2 million at 31 March 2019 as shown above. The optimum debt level for the Council as defined by the CFR is estimated at £100.0 million at 31 March 2019 and therefore the estimated level of borrowing is below the optimum level.

As set out in section 10 below, the Council is permitted to borrow in advance of need given that certain criteria are met. The Council has loans totalling £12.0 million that are due to mature within the next 12 months. These loans may not necessarily be replaced with loans of a similar value when they mature and whether or not they are replaced will in part depend upon the Council's cashflow position at the time. In addition, the Council has a loan of £3.0 million that will not mature within the next 12 months. This loan is from Barclays Bank at an interest rate of 4.19% and is due to mature on 4 February 2073.

The majority of the investments should be regarded as the investment of the Council's revenue reserves, including the General Fund balance and the HRA balance, provisions and unapplied capital contributions.

5. Debt and Investment Projections 2019/20 to 2021/22

i) Debt Projections

The borrowing requirement comprises the expected movement in the CFR and any maturing debt that will need to be re-financed. The table below shows this effect on the treasury position over the next three years. The expected maximum debt position during each year represents the operational boundary prudential indicator and so may be different from the year end position. The expected debt levels need to approximate to the operational boundary.

<b>External Debt</b>	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Debt at 1 April</b>	<b>98,486</b>	<b>95,360</b>	<b>98,734</b>	<b>105,215</b>
Additional/(Repayment of) Borrowing	(3,023)	3,572	6,519	3,495
Repayment of Annuities	(8)	(9)	(10)	(12)
Repayment (to)/from Bramcote Crematorium	(95)	(189)	(28)	53
<b>Debt at 31 March</b>	<b>95,360</b>	<b>98,734</b>	<b>105,215</b>	<b>108,751</b>

	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Operational Boundary</b>	<b>96,150</b>	<b>99,750</b>	<b>106,000</b>	<b>109,550</b>

With effect from 1 April 2004 debt has been expected to increase in line with the proposals within the capital programme. The capital programme assumes new borrowing of:

- £3,571,500 in 2019/20
- £6,518,500 in 2020/21
- £3,495,000 in 2021/22

The additional borrowing from 2019/20 to 2021/22 is respect of the General Fund capital programmes only. No borrowing is anticipated to be taken out to assist in financing the HRA capital programmes from 2019/20 and 2021/22. External debt is therefore expected to vary by the additional borrowing less the repayment of a number of annuity loans and adjusted for any changes in the anticipated level of borrowing from Bramcote Crematorium.

One of the primary aims of the treasury management strategy will be to raise new loans, where appropriate, equivalent to these values. Market conditions will be closely monitored in association with the Council's treasury management advisors to ensure the most appropriate timing of any new loans.

Amounts of £692,600 in 2019/20, £707,550 in 2020/21 and £1,074,200 in 2021/22 are to be set aside from the revenue accounts for the repayment of debt associated with General Fund capital expenditure, in accordance with statutory provisions. No minimum revenue provision (MRP) is to be charged on borrowing undertaking on the scheme to redevelop Beeston town centre until the scheme has been completed. Further details of the policy that underpins this are set out in section 13.

ii) Investment Projections

The table below highlights the expected change in investment balances.

	<b>2018/19 Revised</b>	<b>2019/20 Estimate</b>	<b>2020/21 Estimate</b>	<b>2021/22 Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investments at 1 April	13,175	13,000	12,400	11,250
Expected Change in Investments	(175)	(600)	(1,150)	(1,250)
Investments at 31 March	13,000	12,400	11,250	10,000

6. Housing Revenue Account (HRA) Self-Financing

The reforms of the HRA subsidy system mean that the Council has not had to pay an annual subsidy from the HRA to the government since 2011/12. However, the Council is required to recharge interest expenditure and income attributable to the HRA in accordance with Determinations issued by the Department for Communities and Local Government (DCLG).

The Determinations do not set out a methodology for calculating the interest rate to use. The Council is therefore required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Treasury Management Code recommends that the Council set out their policy in the Treasury Management Strategy Statement.

Whilst there are a number of different approaches for the apportionment of interest expenditure and income between the HRA and General Fund, the Council adopted the 'one pool' approach upon the commencement of HRA self-financing on 1 April 2012 and will continue to follow this approach in 2019/20. This involves having a single pool for all debt irrespective as to whether it arose pre or post HRA self-financing and whether or not debt can be explicitly attributed to either the HRA or the General Fund.

The 'one pool' approach is considered to be the easiest for the Council to manage from an administrative perspective and enables treasury risk to be managed for the Council as a whole.

Whilst the 'one pool' approach carries an element of interest rate risk as and when maturing debt needs to be replaced, given that HRA debt vastly exceeds General Fund debt and that no major debt replacement is anticipated for the new HRA debt within the first ten years, this risk is not considered to be significant.

Under the 'one pool' approach, interest on loans will be calculated in accordance with proper accounting practice. This will require interest to be apportioned between the HRA and the General Fund by applying the average interest rate on external debt to the relative HRA and General Fund CFRs.

Investment income will be apportioned to the HRA based upon the opening and closing HRA balances for the year and the interest rate used for calculating interest on loans.

#### 7. Borrowing Activity 2018/19

The major element of the borrowing from the PWLB at 31 March 2018 was the loans totalling £66.446m taken out on 28 March 2012 to make the payment to the former Department for Communities and Local Government (DCLG) to enable the Council to exit the Housing Revenue Account (HRA) subsidy system and move to self-financing arrangements where the Council can support its housing stock from its own HRA income.

The borrowing from the money market at 31 March 2018 comprised of the following loans:

- A £2.0m loan from Vale of Glamorgan Council for 73 days at 0.50% that matured on 19 April 2018. This loan was replaced by two subsequent loans for £1.0m each from Fylde Borough Council and Craven District Council, both for 214 days, at 0.60%.
- A £2.0m loan from London Borough of Hounslow, originally taken for 2 years at 0.85%. This matured on 29 May 2018. This was half replaced by a £1.0m loan from Hyndburn Borough Council for 364 days at 0.87%. It was decided not to replace the other £1.0m.
- A £2.0m loan from South Northamptonshire Council for 273 days at 0.36%. This loan matured on 18 June 2018 and was not replaced.
- A £2.0m loan from Bolsover District Council for 273 days at 0.36% that matured on 29 June 2018. This loan was replaced by a £2.0m loan from Wealden District Council for 187 days at 0.65%. This matured on 2 January 2019.
- A £2.0m loan from Tendring District Council for 273 days at 0.35% that matured on 2 July 2018. This loan was replaced with a £2.0m loan from West Yorkshire Police and Crime Commissioners for 319 days at 0.80%. This loan is due to mature on 17 May 2019.



- A £2.0m loan from Wokingham Borough District Council for 254 days at 0.35% that matured on 8 August 2018. This loan was replaced on 31 July 2018 with a further £2.0m loan from Tendring District Council for 364 days at 0.75%. This loan is due to mature on 30 July 2019.
- A £1.0m loan from Tendring District Council for 181 days at 0.52% that matured on 28 August 2018. This loan was replaced with a £1.0m loan from Rushcliffe Borough Council at 0.75% for 364 days. This loan is due to mature on 27 August 2019.
- A £1.0m loan from Lancaster City Council for 364 days at 0.40% that matured on 28 September 2018. This loan was replaced with a £1.0m loan from Tendring District Council at 0.75% for 182 days. This loan is due to mature on 25 March 2019.
- A £1.0m loan from Hyndburn Borough Council for 364 days at 0.62% that matured on 19 December 2018. This loan was replaced with a £1.0m loan from Ryedale District Council at 1.05% for 365 days. This loan is due to mature on 19 December 2019.
- A £3.0m loan from Barclays Bank for 65 years at 4.19% that is due to mature on 4 February 2073.

The borrowing from Bramcote Crematorium at 31 March 2018 was a short-term investment of £688,456 with the Council by the Bramcote Crematorium Joint Committee.

#### 8. Borrowing Strategy 2019/20 to 2021/22

Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long-term interest rates. The difference between short and long term interest rates that presently exists is expected to continue.

This difference creates an additional “cost” for any new long-term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment (which is sometimes referred to as the “cost of carry”). Whilst this can be assumed to be a reasonably short-term issue as borrowing is often for longer dated periods, it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Council’s wider financial position.

The PWLB remains an attractive source of borrowing given the transparency and control that its facilities provide. In addition, the Council is now able to borrow from the PWLB at the ‘certainty rate’ of 20 basis points below their usual borrowing rates i.e. 80 basis points above the corresponding gilt yield. HM Treasury (HMT) announced it will take legislative steps to abolish the PWLB in the future but that the HMT’s lending function will continue unaffected albeit under a different body so that local authorities will continue to access borrowing

at rates which offer good value for money and in the same straightforward way as it is now.

The Deputy Chief Executive, under delegated powers, will take the most appropriate form of borrowing depending upon the prevailing interest rates at the time along with an appropriate evaluation of the accompanying level of risk.

The option of postponing borrowing and running down investment balances as has occurred in previous years will also continue to be considered. This would reduce counterparty risk and provide a hedge against the recently experienced fall in investment returns.

As indicated in section 5 above, the Council plans to borrow £3,571,500 to meet 2019/20 capital expenditure plans. The Council will adopt a flexible approach to its borrowing activity in association with its treasury management advisors. As set out in the Treasury Management Policy Statement, the following will be considered before any decision is made to undertake further borrowing:

- affordability
- maturity profile of existing debt
- interest rate and refinancing risk
- source of borrowing

In conjunction with advice from its treasury management advisors, the Council will keep under review all relevant issues associated with the following potential borrowing sources:

- internal borrowing
- PWLB and its successor body
- UK Municipal Bond Agency
- local authorities
- UK banks/ building societies
- money markets
- leasing

## 9. Debt Restructuring

The Council's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

The rationale for debt restructuring would be:

- to align long-term cash flow and debt levels
- to reduce investment balances and credit exposure via debt repayment
- to obtain savings in risk adjusted interest costs
- to rebalance the interest rate structure of the debt portfolio
- to change the maturity structure of the debt portfolio

A year after their commencement, the £66.446m of loans borrowed on 28 March 2012 for the HRA self-financing settlement became eligible for rescheduling. These loans were borrowed at one-off preferential rates made available specifically for the settlement. If the recent increases in gilt yields and PWLB redemption rates continue, there may be early loan repayment opportunities at close to par. Early repayment or rescheduling will first be assessed against the requirements of the HRA business plan and any future borrowing requirements.

The Deputy Chief Executive in association with the Council's treasury management advisors will continue to monitor the situation and evaluate potential opportunities where appropriate. After consultation with the Council's advisors, immediate action will be taken when annual revenue savings can be achieved and both a stable debt maturity profile and suitable interest rate structure can be maintained.

#### 10. Short Term Borrowing

In common with previous years, the Council will continue to accept money on short-term notice from the Bramcote Crematorium. The estimated value of these funds at 31 March 2019 is around £475,300. Based on current cash flow projections, it is anticipated that no other short-term borrowing (other than that outlined in section 4 to replace existing maturing loans from other local authorities) will be necessary during the period covered by the strategy. Should such borrowing be required to meet any short-term cash deficits, the loans will be secured at the most favourable rates available.

#### 11. Borrowing in Advance of Need

The Deputy Chief Executive may, under delegated powers, borrow funds in advance for use in future years. This may occur, for example, where a sharp rise in interest rates is expected and so borrowing early at fixed interest rates will be economically beneficial and help meet budgetary constraints.

Whilst the Deputy Chief Executive will adopt a cautious approach to any such borrowing, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

As set out in the CIPFA Treasury Management Code, the Council is able to borrow in excess of the current level of borrowing need (CFR) up to the projected level in three years' time.

Risks associated with advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or annual treasury management report presented to the Finance and Resources Committee.

## 12. The Use of Financial Derivatives for the Management of Risks

The CIPFA Treasury Management Code includes a requirement that local authorities explicitly state in their Treasury Management Strategy Statement whether they plan to use derivative instruments to manage risks and, if so, to ensure that they have the legal powers to do so.

The General Power of Competence enshrined in Section 1 of the Localism Act 2011 can be interpreted as allowing local authorities to use standalone derivative instruments (i.e. those are not embedded into a loan or investment, for example embedded derivatives in LOBO loans). These include interest rate swaps, forwards, futures and options. The Council does not intend to use such standalone derivative instruments in the period covered by this strategy.

## 13. Treasury Management Limits on Activity

These treasury management indicators were previously prudential indicators. The purpose of these indicators is to contain the activity of the treasury function within certain limits and therefore reduce the risk of an adverse movement in interest rates impacting negatively on the Council's overall financial position.

As suggested in the CIPFA Treasury Management Code, all investments (whether fixed or variable rate) with a period of less than twelve months to maturity are regarded as variable rather than fixed rate investments as they are potentially subject to movements in interest rates when they mature. Likewise, any fixed rate borrowing that is due to mature within twelve months is regarded as being at a variable rate as the rate to be paid on any replacement loan could differ from the rate currently being paid.

### i) Upper Limits for Fixed and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

Interest Rate Exposures	Actual 31 March 2018 %	2018/19 Approved %	2018/19 Revised %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
<b>Fixed</b>						
Upper Limit for Fixed Interest Rate Exposure on Debt	84	100	100	100	100	100
Upper Limit for Fixed Interest Rate Exposure on Investments	(0)	(25)	(25)	(25)	(25)	(25)
Net Fixed Exposure	84	75	75	75	75	75
<b>Variable</b>						
Upper Limit for Variable Interest Rate Exposure on Debt	16	40	40	40	40	40
Upper Limit for Variable Interest Rate Exposure on Investments	(100)	(100)	(100)	(100)	(100)	(100)
Net Variable Exposure	(84)	(60)	(60)	(60)	(60)	(60)

ii) Maturity Structure of Borrowing

This indicator highlights the existence of any large concentrations of all debt that will need to be replaced. It is designed to protect against excessive exposures to interest rate changes in any one period, with particular emphasis on the next ten years.

Maturity Structure of Borrowing*	Actual 31 March 2018	2018/19 Planned %		2019/20 Estimate %		2020/21 Estimate %		2021/22 Estimate %	
	%	Lower	Upper	Lower	Upper	Lower	Upper	Lower	Upper
Under 12 months	16	0	50	0	50	0	50	0	50
12 months to 2 years	0	0	50	0	50	0	50	0	50
2 years to 5 years	10	0	50	0	50	0	50	0	50
5 years to 10 years	43	0	75	0	75	0	75	0	75
10 years to 20 years	25	0	100	0	100	0	100	0	100
20 years to 30 years	0	0	100	0	100	0	100	0	100
30 years to 40 years	3	0	100	0	100	0	100	0	100
40 years to 50 years	0	0	100	0	100	0	100	0	100
50 years+	3	0	100	0	100	0	100	0	100

\* The Prudential Code requires indicators to be set for the maturity structure of all borrowing only. The above limits will apply to total borrowing.

iii) Upper Limit for Total Principal Sums Invested over One Year

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. If an investment has to be re-paid before its natural maturity date due to cash flow requirements then, if market conditions are unfavourable, there could be an adverse impact upon the Council.

It is proposed that from 2019/20 to 2021/22 the Council retain the flexibility to invest a proportion of its available balances for a period in excess of 1 year should credit conditions continue to show signs of stabilisation or improvement. The upper limit for these investments based upon 50% of an estimated in-year average of total investments of £16 million is as shown below.

	<b>2018/19 Approved £'000</b>	<b>2018/19 Revised £'000</b>	<b>2019/20 Estimate £'000</b>	<b>2020/21 Estimate £'000</b>	<b>2021/22 Estimate £'000</b>
Upper Limit for Total Principal Sums Invested over 1 Year	6,000	6,000	8,000	8,000	8,000

#### 14. Minimum Revenue Provision Statement 2019/20

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 place a duty upon local authorities to make a prudent provision for debt repayment. This is known as Minimum Revenue Provision (MRP). The Council is also allowed to undertake additional Voluntary Revenue Provision (VRP) should it wish to do so. There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing but the Council may also choose to do this should it wish to.

Guidance on MRP has been issued by the Secretary of State and local authorities are required to "have regard" to this guidance under section 21 (1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1 – Regulatory Method
- Option 2 – Capital Financing Requirement (CFR) Method
- Option 3 – Asset Life Method
- Option 4 – Depreciation Method

MHCLG regulations require full council to approve an MRP Statement in advance of each year. Any subsequent changes in year also require full council approval. The proposed policy for 2019/20 is set out below:

#### MRP Policy 2019/20

For capital expenditure incurred before 1 April 2008, the General Fund MRP will continue to follow the CFR method (option 2) and be based upon 4% of the CFR at that date.

For all unsupported borrowing incurred from 1 April 2008, the General Fund MRP will be based upon the estimated life of the assets which this borrowing is intended to finance (option 3).

No voluntary MRP is to be charged to the HRA in 2019/20. However, it is anticipated that the updated 30 year HRA business plan as presented to this meeting will allow the £66.446 million debt taken as part of the move to HRA self-financing to be re-paid by 2049/50.

15. Treasury Management Investments Strategy 2019/20 to 2021/22i) Introduction

This strategy is written in accordance with the 2010 investment guidance issued under section 15 (1) (a) of the Local Government Act 2003.

The objectives of this strategy are to:

- facilitate investment decisions which ensure that the Council's investment sums remain secure
- ensure the liquidity of investments so that the Council has sufficient cash resources available to carry out its functions at all times
- achieve the maximum return on investments after taking into account security and liquidity

The Department for Communities and Local Government (now retitled as the Ministry of Housing, Communities and Local Government) also revised its Guidance for Local Authority Investments in 2018.

ii) Risk Benchmarking

The successful identification, monitoring and control of risk are integral to investment activity. In the current economic climate, counterparty security risk is the primary risk consideration and this generates a requirement for the approval and use of security and liquidity benchmarks.

Whilst yield benchmarks are currently widely used to assess investment performance, discrete security and liquidity benchmarks are relatively new additions to the member reporting requirements. However, it is recognised that these additional benchmarks are more subjective in their nature.

These benchmarks are simple targets (not limits) and so may be breached from time to time depending on movements in interest rates and counterparty criteria. The purpose of the benchmarks is that officers will monitor the current and trend positions and incorporate these within investment decisions. Any failure to achieve the benchmarks will be reported in the mid-year and annual treasury management reports presented to the Finance and Resources Committee.

The proposed benchmarks are:

(a) Security

The Council's maximum average credit risk score for the current portfolio is 8 (equivalent to an average credit rating of A- or equivalent).



(b) Liquidity

The Council seeks to maintain:

- a bank overdraft limit of £50,000
- liquid short-term deposits of at least £0.5m available within one week's notice
- a weighted average life benchmark of 3 months with a maximum of 6 months

(c) Yield

A local measure to be used as a yield benchmark is:

- returns on investments above the 7 day London Interbank Bid rate (LIBID).

iii). Investment Counterparty Selection Criteria

The primary principle governing the Council's investment criteria is the security of its investments, although the yield and return will also be key considerations. After this main principle the Council will ensure that:

- it maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security and monitoring their security. This is set out in the specified and non-specified investments sections below.
- it has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures will also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Deputy Chief Executive will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to the Committee for approval as necessary. This criteria is separate to that which chooses specified and non-specified investments as it provides an overall pool of counterparties that are considered high quality and that the Council may use rather than defining what its investments are.

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. Credit ratings should only be used as a starting point when considering credit risk and organisations should make their investment decisions based on all ratings issued by the main credit rating agencies.

The Council also considers alternative assessments of credit strength such as information on corporate developments and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- published credit ratings of the financial institution as outlined in the annual Investment Strategy
- credit default swaps (where quoted)
- share prices (where available)
- corporate developments, news, articles, market sentiment and momentum
- subjective overlay

The only indicators with prescriptive values are credit ratings. The other indicators of credit worthiness are considered in relative rather than absolute terms.

The Council's maximum average credit risk score for its investment portfolio will be 7 (equivalent to an average credit rating of A- or equivalent). This is the proposed benchmark for security as described in appendix 8, section 2.

Creditworthiness information is provided by the Council's treasury management advisors on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria will be removed from the counterparty list. Details of any rating changes, rating watches (notification of likely changes), rating outlooks (notification of possible longer term change) are provided to officers almost immediately after they occur and this information is considered before placing any investments.

iv) Investment Counterparties

Surplus funds arising from day to day operations 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 maximum benefit from the Council's cash position throughout the year. Funds are separated between specified and non-specified investments as set out below.

The majority of the Council's surplus funds are currently invested in short-term unsecured bank deposits and money market funds. Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2019/20. This diversification will represent a substantial change in strategy over the forthcoming year.

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and time limits shown.

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Government	N/A	N/A	£5m 2 Years	N/A	N/A
AAA	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA+	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
AA-	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
A+	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 2 Years	£5m 2 Years
A	£5m 13 Months	£5m 2 Years	£5m 5 Years	£5m 2 Years	£5m 5 Years
A-	£5m 6 Months	£5m 13 Months	£5m 13 Months	£5m 13 Months	£5m 13 Months
Pooled Funds	£5m per Fund				

These counterparty types are defined as follows:

a. Banks Unsecured

These are accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies (other than multi-lateral development banks). These investments are subject to the risk of credit loss via a “bail-in” should the regulator determine that the bank is failing or likely to fail.

b. Banks Secured

These are covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank’s assets, which limits the potential losses in the unlikely event of insolvency and means that they are exempt from “bail in”. Where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

c. Government

This includes loans, bonds and bills issued or guaranteed by the UK Government as well as regional and local authorities. These investments are not subject to “bail in” arrangements. Investments with the UK Government may be made in unlimited amounts for up to 50 years.

d. Corporates

These are loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to “bail in” but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk more widely.

e. Registered Providers

These are loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

f. Pooled Funds

These are shares in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money market funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access banks accounts while pooled funds whose value changes with market prices and/or have a notice period will be used for longer period investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset class other than cash without the need to own and manage the underlying investments. Since these funds have no defined maturity date but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council’s investment objectives will be monitored regularly.

v). Investment Instruments

In accordance with relevant guidance, investments will only be placed with counterparties included on the Council’s approved list. Types of investments and institutions with which investments will be made include:

- banks and building societies. The Council will only use banks and building societies which are UK domiciled and have, as a minimum, a long term rating of A- (or equivalent) from the main credit rating agencies.
- the Council’s own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- Money Market Funds (MMFs) – AAA rated

- UK government (including gilts, treasury bills and the Debt Management Account Deposit Facility)
- local authorities, parish councils etc.
- Variable Net Asset Value (VNAV) pooled funds which invest in cash instruments, bonds, equities, property or a combination of these (such as the Council's investment in the Local Authorities' Property Fund and the CCLA Diversified Income Fund)

The minimum long-term rating for banks and building societies of A- has now been adopted to incorporate those counterparties defined as having "high credit quality". This reflects changes to credit ratings as a consequence of 'bail in' regulations. Where a credit rating agency announces that a A- rating is on review for possible downgrade (sometimes known as a "rating watch negative") so that it may fall below the approved rating criteria, 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" as these indicate a long-term direction of travel rather than an imminent change of rating.

The only investments in building societies will be in those which are UK domiciled and have the minimum credit rating set out above. The Council will keep the situation with regards to unrated building societies under continuous review and could include them in the counterparty list in future investment strategies should it be considered that their inclusion would be consistent with the Council's objectives.

Money market funds (MMFs) will be utilised where appropriate. Whilst MMFs have the advantage of providing a high degree of diversification, the Council will seek to further manage risk by using more than one MMF where possible. The Council will also restrict its exposure to MMFs with low levels of funds under management by ensuring that any investments placed with an MMF will not exceed 0.5% of the net asset value of that particular MMF. In the case of government MMFs, the Council will ensure that exposure to a particular MMF does not exceed 2% of the MMF's net asset value.

The Council may lend or invest funds using any of the following instruments:

- interest bearing bank or building society accounts
- fixed term deposits and loans
- certificates of deposit
- bonds, notes, bills, commercial paper and other marketable instruments
- shares in money market funds and other pooled funds

The Council's Treasury Management Practice note 1 (5) states that 'The Deputy Chief Executive will develop procedures to identify and manage credit and counterparty risks'. In addition to the above the Council will have due regard of the following:

- a. use of additional information other than credit ratings. Additional requirements under the Code of Practice now require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, share prices (where quoted), negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.
- b. time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as shown in the table in section 4 and will cover specified and non-specified investments.
- c. some counterparties are subsidiaries of part of larger banking groups. As a result of the UK using regulatory powers of "bail-in" if counterparties encounter severe financial difficulties, group limits will be set at the same level as that of the main institution within the group.

As set out in appendix 7, the Council had placed £500,000 with Lloyds Bank for a 5 year period in order to participate in a Local Authority Mortgage Scheme (LAMS). Whilst this sum was earning a premium rate of interest for the Council it was returned at the end of the 5 year period and has been classed as capital expenditure as opposed to an investment.

vi) Liquidity of Investments

The period for which investments are placed will be based on the Council's cash flow forecasts and estimates of movements in interest rates. Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon.

There is a clear operational difficulty arising from the erstwhile financial sector position crisis. Ideally investments would be invested longer to secure better returns. However, uncertainty over counterparty creditworthiness in recent years suggests shorter dated investments would provide better security. Whilst some degree of stability has returned to the sector, it is proposed that the maximum period over which an investment could be placed is 2 years but only with those institutions that are viewed as presenting the least risk from within the counterparty list. This includes other public authorities, the Debt Management Office and British Clearing banks and their subsidiaries which achieve a minimum long-term rating of A-. This will be reviewed as appropriate during the year.

vii) Monitoring of Investment Counterparties

The proposed investment counterparty list is given at appendix 7b along with the ratings of these institutions as at 29 January 2019. Whilst this investment strategy covers the period from 2019/20 to 2021/22, it is proposed that the criteria set out above and the accompanying counterparty list take effect from the date of this meeting.

Inevitably the placing of investments with counterparties carries an element of risk. This strategy attempts to balance this risk and security against the need to maximise the return on investments.

Daily contact takes place with the external money market brokers identified within the Treasury Management Strategy and the credit rating of counterparties is monitored regularly. As set out in section 3 above, the Council receives credit worthiness information from its treasury management advisors as and when ratings change and the counterparty list is checked promptly.

On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Deputy Chief Executive and, if required, new counterparties which meet the criteria will be added to the list.

The only circumstance in which the Council may invest funds with a counterparty that does not meet the criteria set out in this strategy would be if the Council's own banker failed to meet these criteria. The Council currently banks with the Barclays Bank. This contract commenced on 1 April 2015 and will run for four years, with an option to extend for a further 2 years. Should Barclays Bank's long-term credit rating fall below the minimum level set out in section 5 above then the Council would only make investments with them for short-term liquidity purposes (overnight and weekend investments) and business continuity arrangements. The Council would then only place term investments with this institution if its long-term credit rating improved sufficiently to meet the Council's minimum criteria of A-.

#### viii) Changes to Investment Strategy

Due to the level of uncertainty in the financial markets, it is important that there is sufficient flexibility to enable changes to be made to the investment strategy at short notice should they be considered necessary by the Deputy Chief Executive.

Any such changes to the investment strategy will be made by the Chief Executive exercising standing order 32 powers following consultation Chair of the Finance and Resources Committee. A report setting out the detail behind these changes will then be presented to that Committee at the next available opportunity.

#### 15. Local Performance Indicators

The CIPFA Treasury Management Code requires the Council to set local indicators to assess the performance of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators which are predominantly forward looking. Indicators should be considered within set risk parameters. Examples of performance indicators often used for the treasury function are:

- Borrowing – average rate of borrowing for the year compared with the average available
- Borrowing – average rate movement year on year
- Investments – Internal returns above the 7 day London Interbank Bid Rate (LIBID)
- Investments – average credit risk score of counterparties with whom interim investments have been placed
- Investments – average days to maturity of investments

Further details will be included in monitoring statements presented to the Finance and Resources Committee and in the mid-year and annual treasury management reports.

#### 16. Conduct of Operations

All treasury management operations will be conducted in accordance with the Council's Treasury Policy Statement, Treasury Management Practice Notices and associated systems documentation. Monitoring reports will be included in the mid-year and annual treasury management reports.

#### 17. Money Market Brokers

In accordance with the Council's Treasury Management Practice Notices, the majority of investments are made primarily via direct dealing with counterparties.

The external money market brokers to be used from 14 February 2019 are:

Tradition (UK) Ltd  
Beaufort House  
15 St Botolph Street  
London  
EC3A 7QX

Sterling International Brokers  
1 Churchill Place  
Canary Wharf  
London  
E14 5RD

Martins Brokers (UK) Ltd  
20<sup>th</sup> Floor  
1 Churchill Place  
Canary Wharf  
London  
E14 5RD

King and Shaxson Ltd  
6<sup>th</sup> Floor  
120 Cannon Street  
London  
EC4N 6AS

#### 18. Treasury Management Advisors

The Council reviewed its treasury management advice arrangements in 2014 and agreed a contract with Arlingclose to provide this service for the three years that commenced on 1 April 2014. This contract has been extended on a 12 month rolling basis and is currently due to expire on 31 March 2019. An exercise is to be undertaken to establish the service provider from 1 April 2019.



The services currently provided by Arlingclose include:

- technical support on treasury matters and capital finance issues
- economic and interest rate analysis
- debt services (including advice on the timing of borrowing)
- debt rescheduling advice surrounding the existing portfolio
- generic investment advice on interest rates etc.
- credit ratings/market information service comprising the three main credit rating agencies

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.

#### **19. Member and Officer Training**

The increased member consideration of treasury management matters and the need to ensure that officers dealing with treasury management are trained and kept up to date requires a suitable training process for members and officers. The Council will address this important issue by:

- facilitating workshops for members on finance issues as part of the Member Development Programme
- identifying officer training needs on treasury management related issues through the Performance Development and Review (PDR) appraisal process
- officer attendance at training events, seminars and workshops
- support from the Council's treasury management advisors

#### **20. On-Line Banking**

As technology advances, the range of facilities available for undertaking financial transactions increases. These facilities include on line banking and other internet based systems. These will continue to be examined carefully to assess whether they would be suitable for some of the Council's banking and treasury management transactions.

## APPENDIX 7a

**TREASURY MANAGEMENT POLICY STATEMENT**

1. This Council defines its treasury management activities as:  
“The management of the Council’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.
2. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council will adopt a flexible approach to any borrowing that it may need to undertake in consultation with its treasury management advisors. All borrowing decisions will give appropriate consideration to:
  - affordability
  - maturity profile of existing debt
  - interest rate and refinancing risk
  - source of borrowing
5. All investment decisions made by the Council will seek to ensure that sums invested remain secure and that there is sufficient liquidity of investments to provide the Council with the necessary cash resources to allow the Council to carry out its functions at all times. Only after fulfilling the security and liquidity objectives will the Council seek to achieve the maximum return on these investments.

## APPENDIX 7b

**LIST OF CURRENTLY APPROVED COUNTERPARTIES FOR LENDING (as at 25 January 2019)**

<b>UK BANKS</b>	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>		
BANCO SANTANDER GROUP - Santander UK Plc - Abbey National Treasury Service	F1 F1	A+ A	P-1 P-1	Aa3	A-1	A	£5m £5m	£5m
Close Brothers Ltd	F1	A	P-1	Aa3			£5m	
Goldman Sach's International Bank	F1	A	P-1	A1	A-1	A+	£5m	
Handelsbanken PLC	F1+	AA			A-1+	AA-	£5m	
HSBC GROUP - HSBC Bank Plc	F1+	AA-	P-1	Aa3	A-1+	AA-	£5m	
LLOYDS BANKING GROUP - Bank of Scotland Plc - Lloyds Bank	F1 F1	A+ A+	P-1 P-1	Aa3 Aa3	A-1 A-1	A+ A+	£5m £5m	£5m
Barclays Bank	F1	A+	P-1	A1	A-1	A	£5m	
Standard Chartered Bank	F1	A+	P-1	A1	A-1	A	£5m	
<b>UK BUILDING SOCIETIES</b>								
Coventry Building Society	F1	A	P-1	A2			£5m	
Leeds Building Society	F1	A-	P-2	A3			£5m	
Nationwide Building Society	F1	A+	P-1	Aa3	A-1	A	£5m	
<b>OTHERS</b>								
Debt Management Office (UK sovereign ratings)	F1+	AA		Aa2	A-1+u	AAu		
CCLA								£7.5m
Local authorities							£5m per LA	
Money Market Funds (AAA – rated)							£5m per MMF	
Variable Net Asset Value (VNAV) pooled funds							£5m per MMF	

## APPENDIX 8

**INVESTMENTS STRATEGY 2019/20 to 2021/22****1. Introduction**

The production of an Investments Strategy is a new requirement of the Investment Guidance issued by MHCLG in January 2018. It is required to be approved by full Council before the commencement of the new financial year.

The Council can, in theory, invest funds for three main purposes:

- (i) Because it has surplus cash as a result of its day to day activities. Such investments are known as treasury management investments and arise when income is received in advance of expenditure.
- (ii) To support local public services by lending to or buying shares in other organisations. These are known as service investments.
- (iii) To earn investment income to support the revenue budget where this is the primary purpose of the investment. These are usually referred to as commercial investments.

This Investments Strategy 2019/20 to 2021/22 focuses on the second and third of the categories of investment outlined above.

**2. Treasury Management Investments**

The Council typically receives its income in cash (such as from taxes, grants and fees) before it pays for its expenditure in cash (such as the monthly payroll or the payment of invoices from suppliers). It also holds reserves for future expenditure as well as collects council tax and business rates on behalf of other local authorities and central government.

The activities outlined above, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury management investments is expected to fluctuate between £12.5m and £25m during the 2019/20 financial year.

The contribution that treasury management investments make to the Council's priorities is to support effective treasury management activities. The Council's approach to treasury management investments is set out in the Treasury Management Investments Strategy 2019/20 to 2021/22 in section 15 of appendix 7.

### 3. Service Investments

Service investments can be in either loans or shares. Further details of the approach adopted by the Council are set out below.

#### (i) Loans

The Council does not lend money to any subsidiaries, suppliers, local businesses, local charities, housing associations or local residents to support local public services or stimulate local economic growth. The Council does, however, provide “soft” loans to some employees through a car loan scheme. The balance outstanding on these at 31 March 2018 was £109,243 and the interest paid by employees totals around £1,000 per annum. Monthly deductions for both principal and interest are made from the salaries of the employees with these loans and any risk of default is considered to be minimal.

#### (ii) Shares.

The Council does not invest in the shares of subsidiaries, suppliers and businesses to support local public services or stimulate economic growth.

The Council does, however, have a wholly owned Local Authority Trading Company (LATC) named Liberty Leisure that was incorporated on 1 October 2016. Liberty Leisure is a company limited by guarantee and its operations are overseen by a Board of Directors consisting of one Council elected member, two Council officers, an external appointee, a staff representative and the Managing Director of the company. Liberty Leisure was established, amongst other things, to:

- Provide leisure, sports, cultural and heritage services for the benefit of the public
- Ensure sustainability of services by maximising income and seeking all possible avenue of funding for the services
- Promote, maintain and improve access to suitable services, activities and facilities
- Improve health and well-being by promoting increased participation to reduce obesity, anti-social behaviour and the health inequality gap
- Promote jobs and strengthen the local economy

The Council maintains control over the company through retained decision making powers and through the scrutiny of the Leisure and Environment Committee which reviews the financial and operational performance of the company. The Council pays the company an annual management fee for the provision of the services outlined above and this will be £995,000 in 2019/20.

The Council also jointly owns Bramcote Crematorium in association with Erewash Borough Council. The operation is overseen by the Bramcote Bereavement Services Joint Committee although the management of all operations is undertaken by this Council. The Joint Committee pays a management fee for this arrangement.

Each year a distribution agreed by the Joint Committee is paid to the respective local authorities. In 2019/20 this will be £500,000 to each authority. This is fixed for the year and any failure by the Crematorium to meet their targets for 2019/20 will be reflected in the distribution for 2020/21.

#### 4. Commercial Investments

Among the most common forms of commercial investments are property and loan commitments/financial guarantees. Further details of the approach adopted by the Council are set out below:

##### (i) Property

The Council does not presently invest in local, regional, United Kingdom wide or international commercial and residential property with the intention of making a profit that can be spent on the provision of local services. Any decisions to make such investments would be undertaken in accordance with the Capital Strategy 2019/20 to 2021/22 set out in appendix 6.

The purchase by the Council in May 2016 of the long-term lease in respect of an area of Beeston town centre already owned by the Council was for regeneration as opposed to investment purposes.

The development of Beeston town centre presently underway on the former multi storey car park and other land owned by the Council is also considered to be for the regeneration of the area to make it attractive for residents, visitors and businesses and not for single objective generating returns that can help underwrite the cost providing Council services.

The Council had no investment properties on its balance sheet at 31 March 2018 and a similar position is anticipated as at 31 March 2019 and 31 March 2020.

##### (ii) Loan Commitments and Financial Guarantees

Although they are not strictly regarded by many as investments due to no money changing hands until various conditions are met, loan commitments and financial guarantees carry similar risks to investments in property.

The Council has not made any such commitment and presently has no intentions of doing so. Any proposed changes will be reported to members for their consideration.

#### 5. Investment Indicators

A new requirement of the Investment Guidance issued by MHCLG in January 2018 is the need for local authorities to develop quantitative indicators to allow elected members and the public to assess the total risk exposure resulting from the Council's investment decisions. The indicators for treasury management investments are set out in appendix 8.

If the Council decides to make commercial investments in property designed to generate revenue income and fund this through borrowing then the following indicators will be calculated and reported to members on an annual basis:

<b>Indicator</b>	<b>Definition</b>
Debt to Net Service Expenditure (NSE) Ratio	Gross debt as a percentage of net service expenditure (where net service expenditure is a proxy for the size and financial strength of a local authority)
Commercial Income to NSE Ratio	Dependence on non-fees and charges income to deliver core services. Fees and charges should be netted off gross service expenditure to calculate net service expenditure
Investment Cover Ratio	The total net income from property investments compared to the interest expense
Loan to Value Ratio	The amount of debt compared to the total asset value
Target Income Returns	Net revenue income compared to equity. This is a measure of achievement of the portfolio of properties.
Benchmarking of Returns	As a measure against other investments and against other council's property portfolios
Gross and Net Income	The income received from the investment portfolio at a gross level and net level (less costs) over time
Operating Costs	The trend in operating costs of the non-financial investment portfolio over time as the portfolio of non-financial investments expands
Vacancy Levels and Tenancy Exposures for Non-Financial Investments	Monitoring vacancy levels (voids) to ensure the property portfolio is being managed (including marketing and tenant relations) to ensure the portfolio is as productive as possible

These indicators are based on those set out in MHCLG's Investment Guidance. Should the Council make such non-financial investments then suitable target values will be attached to these indicators and progress will be monitored accordingly. Further indicators will be developed, target set and progress reported as necessary.

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## APPENDIX 9

**GENERAL FUND – MEDIUM TERM FINANCIAL STRATEGY TO 2022/23****1. Summary**

This report is aligned with financial reports elsewhere on this agenda covering the Council's revenue and capital budgets, prudential framework indicators, the treasury management strategy and the investment strategy. Figures and assumptions within these other financial reports have been applied to produce this medium term financial strategy. The key changes around proposed savings have all been taken into account.

A key element of the Code of Corporate Governance is the existence of a periodically-reviewed medium term financial strategy. The proposed strategy for the next four years including the basis of any broad assumptions used to produce the medium term forecasts is set out below.

It is the opinion of the Interim Deputy Chief Executive that the estimates for 2019/20 and future years that have been used to produce the budget and Medium Term Financial Strategy (MTFS) are robust and that, if further initiatives to reduce expenditure or increase income are implemented, there are sufficient retained reserves to meet the Council's needs over the lifetime of the Strategy. Members will be aware that some savings or income proposals are still being finalised and may carry some implementation risk which could have an impact on the savings profile. It is therefore essential to maintain a rigorous approach to financial management which will enable the Council to continue to set a balanced budget over time without further depletion of reserves.

**2. Revised 2018/19 position and 2019/20 assumptions**

The purpose of the MTFS is to:

- provide indicative financial projections through to 2022/23 which can be used to inform the Council's decision making and budget setting process
- provide a document for use by the Council which can assist in the development of policies and planning future initiatives and which integrates with the Council's performance management system and corporate plan priorities
- enable the Council to have a wider appreciation of the overall financial standing of the authority
- provide a solid basis for the stabilisation of the Council's financial position such that it is not dependent upon using reserves to achieve a balanced budget or to restrict council tax increases to at or below government guidelines.

The strategy is based on the revised budget assumptions for 2018/19. In 2018/19 there were two areas of major potential risk to estimates which need to be taken account of in future financial years:

- Localisation of Business rates
- Efficiencies and employee savings proposals.

#### Localisation of business rates

The largest area of uncertainty over the past four years has been the transition to locally retained business rates. Reductions in rates caused by economic downturn or growth in successful valuation appeals (some of which go back to 2010) can increase significantly uncertainty of income. Various government initiatives to help businesses with their non-domestic rates increase this uncertainty. Furthermore, the operation of the Nottinghamshire Business Rates Pool adds a layer of complexity to the calculation of likely cash flows in each accounting period.

The original budgeted position for 2018/19 was based on business rates income of £2.786m. This has subsequently revised to £3.040m after including £0.210m returned from the Nottinghamshire Business Rates Pool in respect of 2017/18. This demonstrates the risk inherent in estimating business rates income because of (a) the time lag of 18 months between budgeted and actual income received and (b) the operation of the funding system and the business rates pool. The final outturn will be known after 31 March 2019.

The Government have announced proposals to introduce 75% business rates retention for all local authorities from 2020/21. A consultation has been launched on this as well as the Fair Funding Review intended to measure the relative needs of local authorities. Both consultations close on 21 February 2019 and further details are expected to be announced in the summer. No account of either consultation has been considered within the MTFS.

#### Efficiencies and employee savings proposals

Within the 2016/17 settlement the government provided indicative funding figures for the four financial years to 2019/20. This represented a considerable increase in certainty over future funding levels but also confirmed that the main source of direct Government funding – Revenue Support Grant – would cease to be paid by 2018/19.

In order to mitigate the effect of the removal of RSG, a Business Strategy was refreshed and presented to the Finance and Resources Committee on 11 October 2018 which identified a range of efficiencies and alternative sources of income.

The refresh of the Business Strategy was undertaken during the budget process, with the aim of identifying sufficient efficiencies to produce a balanced budget over the lifetime of the strategy.

It is essential for the financial health of the authority over the medium term that these efficiencies and additional income are achieved.

It is important to note that if any future proposed employee savings are developed, this will attract potential redundancy and pension strain costs, and that there will be a lead-in time period for the implementation of service reviews and associated employee savings.

### 3. Financial projections to 2022/23

The projections for the financial years 2018/19 through to 2022/23 are summarised at Schedule 1. In formulating the projections, a number of assumptions have been made. Those assumptions which have a material impact on the MTFS are described in more detail below.

#### Assumptions

As with the Council's normal budget-setting process the basic underlying assumption within the MTFS is that current levels of service will be maintained wherever possible. However, a number of budget reductions have taken place during the last year and further changes are proposed which will continue to affect services for the foreseeable future. Any proposed budget changes will be set out in the detailed budget papers to the policy committees or this Finance and Resources Committee, and have taken due regard of the Council's priorities, the overarching need for cost effectiveness and the expected further reductions in government funding in years to come.

In summary, the assumptions contained in the MTFS are that:

- Basic council tax levels will be held at the same levels in 2019/20 and thereafter will increase at a rate of 2.0% per annum
- Estimated government funding from Revenue Support Grant will reduce in line with projections provided in the 2016/17 settlement
- Estimated income from business rates will increase in line with current data about the operation of the Business Rates Pool and allowing for marginal growth in future years
- New Homes Bonus will continue to be paid, although the Government has confirmed that the amounts payable will be less than they would have been under the previous methodology, as detailed below
- Pay award is assumed at 2% from 2019/20 onwards
- The efficiency schemes set out in the Business Strategy will be realised during 2019/20.
- Further ongoing efficiencies will be realised in each subsequent year to 2022/23

### New Homes Bonus

The amount to be received in 2019/20 in respect of New Homes Bonus (NHB) has been confirmed as £146,750 which represents a reduction of £63,598 on the sum of £210,348 received in 2018/19. The sum received is heavily influenced by the imposition of a threshold of 0.4% on the Council Tax base, under which amount no NHB will be paid for properties brought onto the list, except for the Affordable Homes Premium.

The current projection is based upon the level of NHB received in recent years. This may be considered a prudent assumption based upon the targets set out in the Core Strategy and the Part 2 Local Plan.

### Reserves

The Council has been undertaking a planned use of reserves when setting the budget. However, when expenditure levels are finalised the actual use of reserves has often been less than anticipated.

The latest projected level of general reserves at the end of 2018/19 is £5.048m. The Chartered Institute of Public Finance and Accountancy (CIPFA) has published guidance on factors to be taken into account when assessing the adequacy of reserves. Such factors include:

- pressures arising from inflation and movements in interest rates
- estimates of the level and timing of capital receipts
- potential demand led pressures
- any planned efficiency savings/productivity gains
- financial risks arising from any major partnership arrangements
- availability of other funds to deal with major contingencies and the adequacy of provisions.

After taking into account this advice and reviewing the various factors as they relate to this authority, the advice from the Interim Deputy Chief Executive is that general reserves of at least £1.5 million should be maintained at the present time. This is to reflect the continued risk and uncertainty that the Council now faces with the transition from direct Government funding to locally raised sources of finance. If all the assumptions as set out in this strategy arise then overall reserve levels will have reduced to around £0.28m by the end of 2022/23.

**GENERAL FUND FINANCIAL PROJECTIONS TO 2022/23**

	<b>REVISED ESTIMATE 2018/19 £'000</b>	<b>ESTIMATE 2019/20 £'000</b>	<b>ESTIMATE 2020/21 £'000</b>	<b>ESTIMATE 2021/22 £'000</b>	<b>ESTIMATE 2022/23 £'000</b>
<b>BASE EXPENDITURE</b> (Based already includes vacancy factor of £300k)	9,895	9,616	9,616	10,475	11,176
<b>Changes to the base</b>					
*One off changes within prior year not required going forward	Reflected in the Base Budget	Reflected in the Base Budget	99	0	0
* Estimated reduction in HB Administration Grant			36	48	55
* Estimated change in New Homes Bonus			79	29	(7)
*Increased fees and charges			(40)	(40)	(10)
*Inflation allowance: Pay including pensions back-funding			279	213	217
*Inflation allowance: Prices			107	117	129
*Minimum Revenue Provision (Borrowing) and Interest			299	335	370
<b>BUDGET REQUIREMENT BEFORE SPECIAL EXPENSES</b>	<b>9,895</b>	<b>9,616</b>	<b>10,475</b>	<b>11,176</b>	<b>11,930</b>
Beeston Special Expenses net requirement	25	25	25	25	25
<b>GROSS BUDGET REQUIREMENT</b>	<b>9,920</b>	<b>9,641</b>	<b>10,500</b>	<b>11,201</b>	<b>11,955</b>
<b>FINANCED BY:-</b>					
Beeston Special Expenses precept (council tax)	25	25	25	25	25
Revenue Support Grant	423	0	0	0	0
Non Domestic Rates (NDR - Business Rates)	3,396	3,172	3,233	3,296	3,361
NDR - Share of Previous Years					
Collection Fund Deficit	(721)	(232)	0	0	0
NDR - Section 31 Grants	829	1,151	1,173	1,196	1,220
Returned Levy from Nottinghamshire Business Rates Pool 2017/18	211	0	0	0	0
Proposed Returned Levy from Nottinghamshire Business Rates Pool 2018/19	0	20	20	20	20
Growth Levy/(Safety Net to/(from) Notts NNDR Pool	(719)	(613)	(625)	(637)	(650)
Returned Levy from the Government (one-off 18/19)	44				
Council Tax	5,414	5,450	5,615	5,784	5,959
Council Tax Share of Previous Years					
Collection Fund Surplus	43	52	60	60	60
<b>TOTAL RESOURCES</b>	<b>8,945</b>	<b>9,025</b>	<b>9,501</b>	<b>9,744</b>	<b>9,995</b>

<b>SURPLUS (DEFICIT) TO BE MET BEFORE MOVEMENT IN RESERVES</b>	<b>(975)</b>	<b>(616)</b>	<b>(998)</b>	<b>(1,457)</b>	<b>(1,960)</b>
<b>MOVEMENT IN RESERVES</b>					
Planned Movement into Earmarked Reserves	30)	0	(40)	(40)	(40)
Planned Movement (from) Earmarked Reserves	0	264	0	0	0
<b>PLANNED SURPLUS/DEFICIT AFTER MOVEMENT IN RESERVES TO BE FUNDED FROM GENERAL FUND BALANCE</b>	<b>(1,005)</b>	<b>(352)</b>	<b>(1,038)</b>	<b>(1,497)</b>	<b>(2,000)</b>
<b>FORECAST BALANCES AS AT 31ST MARCH</b>					
-General Fund Opening Balance	6,053	5,048	4,696	3,658	2,160
-In-year net movement in reserves	<b>(1,005)</b>	<b>(352)</b>	<b>(1,038)</b>	<b>(1,497)</b>	<b>(2,000)</b>
- General Fund Closing Balance	5,048	4,696	3,658	<b>2,160</b>	<b>160</b>
<b>Balance of Reserves</b>					
Minimum Balance	1,500	1,500	1,500	1,500	1,500
Available Reserves (Figures in bold - below minimum balance)	3,548	3,196	2,158	<b>660</b>	<b>(1,340)</b>
-Earmarked Reserves Opening Balance	234	264	0	40	80
-In-year net movement in reserves	30	(264)	40	40	40
- Earmarked Reserves Closing Balance	<b>264</b>	<b>0</b>	<b>40</b>	<b>80</b>	<b>120</b>
Council Tax Base	33,448.29	33,674.71	34,011.46	34,351.57	34,695.09
<b>Basic council tax</b>	<b>161.85</b>	<b>161.85</b>	<b>165.09</b>	<b>168.39</b>	<b>171.76</b>
<b>% change on previous year</b>	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>2.00</b>	<b>2.00</b>

**SCHEDULE 1****RISK ASSESSMENT - REVENUE BUDGET 2018/19****1. Employee Expenses**

Around a quarter of the Council's gross expenditure relates to employees, including pay, national insurance and pensions. The Council operates within an approved establishment and the respective budget headings are based on this establishment. Provision has been included within the budget figures based on an expected increase of 2% in 2019/20 onwards.

Recent government announcement have indicated an intention to move to a National Living Wage by 2020. The Council has made some changes to pay scales from 2013/14, particularly to assist those employees who were on the lower grades and is now in a good position to move towards the living wage. Further work is required to ensure that the Council can meet the costs of implementing the National Living Wage in due course.

The actuarial valuation of the pension fund as at March 2016 set out fixed increases in employer's pension contribution rates for 2017/18 to 2019/20. As the fund is reasonably well funded at 87%, only marginal increases in employer's contributions of 1.2% per annum were proposed, with a lump sum contribution of £690,000; £707,000 and £724,000 over the next three years. A provision has been made in the budget plans on this basis.

Provision has been made within the base budgets for the costs associated with the approved establishment after taking account of submissions by services.

Progress towards employee savings is dependent on suitable applications for voluntary redundancy, flexible retirement and changes to working hours coming forward from employees or from posts being deleted as a result of changes to services. First year costs from redundancy payments or pension strain may limit the benefit in year one from these sources. Moreover, the extent to which establishment reductions can be accommodated without significant impact on services reduces as this strategy is continued. The General Management Team will need to regularly monitor the situation and members will also be kept regularly informed of progress through the Policy and Performance and Finance and Resources Committees.

**Risk assessment reduced: MEDIUM RISK**

**2. Capital financing**

Borrowing costs on the Council's current debt are largely known in advance since the Council's long-term borrowing is generally at fixed rates. For 2019/20 new borrowing of £3,571,500 is proposed to help finance the General Fund capital programme. The Council has sufficient reserves to enable these loans to be raised as internal borrowing, subject to cash flow funding assessments.

Alternatively, the Council will seek low cost borrowing from other sources including the Public Works Loan Board or other local authorities.

The Council's reserves position in the MTFS allows for some further borrowing in respect of the Beeston Town Centre Re-Development. However, financing of other capital schemes will be dependant upon the availability of capital receipts.

Works on the tram and the phase one refurbishment of units in The Square in Beeston are complete other than the resolution of various snagging issues. Compensation from the NET consortium/City Council arising from the tram works has still to be resolved and is likely to consist of a mixture of revenue and capital monies. No allowance has been made for any such compensation within the detailed figures, since the timing and size of any such receipts cannot be predicted. However, in monetary terms it may be significant.

Should capital receipts or tram compensation not arise the Council will need to fund its infrastructure, including the maintenance and development of ICT systems and key assets, from other sources. This may have a significant impact on the viability of the MTFS.

#### **Risk assessment: HIGH RISK**

### **3. Reserves**

Based on the budget proposals, the overall level of available reserves at 31 March 2020 is estimated at around £4.696m. There is no historical evidence of overspending against service budgets.

Advice produced by CIPFA indicates that reserves should be held for three main purposes:

- as a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing - this forms part of general reserves
- as a contingency to cushion the impact of unexpected events or emergencies - this also forms part of general reserves
- as a means of building up funds to meet known or predicted liabilities - referred to as earmarked reserves

Previous guidance from the former Audit Commission indicated that, as part of the comprehensive performance assessment, it would expect to see general reserves at least equal to 5% of a Council's net operating expenditure in a 'good' council. In Broxtowe this would equate to £500,000. The Interim Deputy Chief Executive advises that for district councils, which have relatively high levels of income compared to other classes of authority, the reference to net operating expenditure is not appropriate since any "target" should reflect the risk to income and expenditure levels separately. In the light of this risk assessment and the medium term financial strategy as proposed, the Interim Deputy Chief Executive advises that, in his opinion, general reserves should remain at or above £1.5 million.



This does not pose an immediate problem but this medium term financial strategy highlights the pressure that will be on reserve levels in future years as the public sector spending squeeze continues. Careful monitoring of the situation, advance planning and responding quickly to any changes will be of particular importance moving forward.

Members should also be aware that the level of reserves held also reflects on the investment interest received. Each £100,000 change in reserves has the effect of increasing or decreasing net expenditure by around £1,000 per annum.

**Risk assessment: MEDIUM RISK**

4. Government support

Whilst the Council's Revenue Support Grant ceased at the end of 2018/19, the award of New Homes Bonus for 2019/20 has been confirmed. However, the Government has reaffirmed that the minimum threshold for new build will continue and this can be increased in the future to reduce further the level so New Homes Bonus payable.

Whilst indicative support from non-domestic rates is shown as part of the Settlement Funding Assessment, in reality this is mainly to produce indicative positions which can then be used to monitor "spending power" as defined by the government. The first four years of the rates retention scheme has highlighted the considerable risk and vulnerability that local authorities face for reasons which are outside of their control. Increased understanding of the operation of the pool and the use of local data to monitor expected income during the year has reduced the risks relating to business rates income but this remains significant.

The lack of control and lengthy delays experienced in dealing with rates appeals by the Valuation Office remains a source of uncertainty. Whilst the authority has a list of outstanding appeals, it is not possible to come up with a meaningful estimate as to the level of rate reductions that may arise from such appeals and therefore predictions as to rates yield are also subject to significant change.

**Risk assessment increased: HIGH RISK**

5. Fees and Charges

Over 10% of the Council's income arises from fees and charges, of which the largest service areas are planning fees, car parking, garden waste, trade waste, licensing and land charges. Take up for garden waste collection has exceeded all expectations and continues to grow.

The establishment of Liberty Leisure in October 2016 was designed to implement a new delivery model for leisure services. The aim is to create stronger ownership of the function with an increased focus on business management. The appointment of a Commercial Manager within the Deputy

Chief Executive's Department in February 2017 strengthened this by providing a client-side focus for managing the Council's relationship with the company. Further challenges exist, however, as the leisure facilities through which leisure service operates are reaching the end-of-life stage and are placing increasing pressures on capital budgets.

Most of the other service areas are customer led and close monitoring of these budgets has taken place for several years

Some increases in fees and charges across various functions have been introduced for 2019/20 but these largely assume similar demand levels to 2018/19.

**Risk assessment: MEDIUM RISK**

6. Insurance

The Council's insurance cover is generally provided through external insurers with varying excess levels, depending upon the nature of any claim. The current insurance policies were retendered and new contracts entered into from April 2017 for a period of up to seven years.

The cost of premiums is only one element of the overall insurance cost with a significant part also relating to policy excesses which the Council meets itself. Budget performance in terms of the nature and value of any successful claims against the Council is also of direct relevance. The Strategic Risk Management Group meets regularly to appraise and monitor strategic issues, some of which can have direct influence on insurance cover and the levels of claims received. No adverse trends have become apparent in the past financial year.

**Risk assessment: LOW RISK**

7. Other running costs

Almost a quarter of the Council's gross expenditure is in this area, which includes energy, repairs and maintenance, vehicle operating costs, purchase of supplies and services, printing, postages and telephones. The cost areas are tightly controlled and where possible central contracts are put in place. Very limited inflation provision has been made in recent years.

As regards other running costs, no excessive cost pressures are known of and, given the general rules about virement, it is anticipated that running costs can be contained within overall available budgets. The continuing progress of central and joint procurement contracts, coupled with efforts to increase on-line transactions and correspondence and reduce the volume of printing and postage that takes place (as promoted through the Digital Strategy) will also help to alleviate any cost increase pressures in this area.

**Risk assessment: LOW RISK**

8. Housing Benefit Expenditure

Housing benefit expenditure accounts for around 40% of the Council's gross expenditure. The expenditure is demand led and the housing benefit aspects are mainly governed by national benefit schemes. The number of claimants has been reducing in recent years as the economic situation improves, although the amounts claimed have remained stable.

The 2019/20 housing benefit budgets have been prepared assuming no change to claimant numbers compared to those for 2018/19. Given that effectively the value of housing benefit payments is almost 100% reimbursed through government grant, the overall effect of any changes in caseload is felt not to be significant at this stage.

The proposed rollout of Universal Credit took place from June 2018 for Broxtowe residents who use the Heanor Job Centre and November 2018 for those who use the Beeston Job Centre. A reduction in benefits administration subsidy has been assumed in the MTFS to reflect this.

**Risk assessment: LOW RISK**

9. Investment income

Investment levels have remained relatively high in 2018/19 as a result of continuing good cash flow performance with collection rates being maintained. Wherever reasonable to do so investment levels have been reduced rather than taking out any new borrowing to meet capital financing requirements.

The position with regard to interest rates and the economy generally is stable at present and no movement in interest rates has been assumed in 2019/20 or future years.

**Risk assessment: LOW RISK**

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## Report of the Interim Deputy Chief Executive

### CAPITAL PROGRAMME 2018/19 UPDATE

#### 1. Purpose of report

To report upon capital expenditure incurred in 2018/19 up to 31 December 2018 along with the planned financing of the 2018/19 capital programme and to seek approval for a number of capital budget variations in the current financial year.

#### 2. Background

Appendix 1 sets out the 2018/19 capital programme on a scheme by scheme basis and shows expenditure incurred on all capital schemes up to 31 December 2018. The 2018/19 capital programme includes schemes totalling £1,552,850 that were carried forward from 2017/18.

Appendix 1 shows that capital expenditure totalling £5,894,352 (or 53% of the planned 2018/19 capital programme) had been incurred by 31 December 2018

Included in the 2018/19 capital programme are schemes totalling £978,650 that are on a “reserve list” and will be brought forward for formal approval to proceed once a source of funding is identified.

Appendix 2 sets out how it is anticipated that the 2018/19 capital programme is to be financed along with details of the capital receipts that are likely to be available for capital financing.

Examination of progress against the approved capital programme for 2018/19 along with the receipt of additional information has identified a number of schemes where the budget needs to be amended. Further details are set out in appendix 3.

### Recommendation

The Committee is asked to:

1. **NOTE** the expenditure on the 2018/19 capital programme to 31 December 2018 and the planned financing of the 2018/19 capital programme in appendices 1 and 2.
2. **RESOLVE** that the capital budget variations for 2018/19 as set out in appendix 3 be approved.

### Background papers

Nil

## APPENDIX 1

	Total Budget	Actual to	
	2018/19	31/12/2018	Expenditure
	£	£	%
<b><u>CAPITAL EXPENDITURE SUMMARY</u></b>			
JOBS AND ECONOMY	90,000	38,324	43
LEISURE AND ENVIRONMENT	1,074,850	664,672	62
FINANCE AND RESOURCES	1,934,000	577,581	30
HOUSING	7,105,750	4,613,622	65
RESERVE LIST	978,650	0	0
<b><u>TOTAL</u></b>	<b>11,183,250</b>	<b>5,894,352</b>	<b>53</b>
<b><u>DETAILED SCHEMES</u></b>			
<b><u>LEISURE AND ENVIRONMENT</u></b>			
<b><u>ENVIRONMENT</u></b>			
Eastwood Town Council - Community Room Upgrade	5,000	0	0
Brinsley Parish Council - Play Area Repairs	4,000	0	0
Purchase and Installation of CCTV Cameras	20,000	0	0
Fly Tipping Prevention Infrastructure	13,000	2,691	21
Hall Park (Eastwood) - Access Improvements (S106 Parks and Open Spaces)	7,000	1,488	21
Broadgate Park (Beeston) - Play Area Imp	5,600	6,133	110
Leyton Crescent Rec'n Gr'd - Play Area	41,100	40,000	97
Millfield Road Open Space - Improvement	22,200	15,292	69
Redbridge Drive Open Space - Play Area	52,800	53,605	102
Cleaning/Surfacing of Play Equipment	3,300	3,364	102
Awsworth P.C. - Play Area and Parks	16,450	5,045	31
Brinsley P.C. - Play Area and Parks	18,000	17,950	100
Greasley P.C. - Play Area and Parks	28,550	0	0
Kimberley T.C. - Play Area and Parks	25,400	0	0
Nuthall P.C. - Play Area and Parks	29,700	29,733	100
Trowell P.C. - Play Area and Parks	6,900	0	0
Mansfield Road Rec Ground (Eastwood)	26,900	29,541	110
2nd Kim Scout Group- Replacement Boiler	5,000	4,755	95
Nuthall PC - Cemetery Roadway Resurface	12,000	12,000	100
Additional Bus Shelters (Nuthall) (S106	5,000	5,000	100
Pedestrian Crossing - Hickings Lane	40,000	0	0
Beeston Weir - Life Saving Equipment	8,000	1,620	20
Water Safety Measures	33,700	9,006	27
Leyton Cres Rec'n Gr'd- New Play Equipment	49,500	51,750	105
Colliers Wood- Activity Space	13,000	13,817	106

Hall Om Wong Footpath Improvements	13,250	1,641	12
Real Time Bus Information (17/18)	50,800	50,800	100
Town Centre Wi-Fi	60,000	0	0
St Helen`s Church Gates (Stapleford)	15,000	0	0
St Helen`s Church- Multipurpose Courtyard	5,000	5,000	100
Replacement Vehicles & Plant	223,000	228,743	103
Beeston Shopmobility (S106 ITPS)	2,500	321	13
St Catherines Churchyard, Cossall-Imprmts	6,000	2,926	49
Brinsley Headstocks-Create pond & wetland scrapes	1,600	1,778	111
Victoria Street Car Park-Eastwood-Resurface	18,150	1,650	9
Victoria Embankment Memorial Garden	10,000	10,000	100
Bennerley Viaduct	20,000	0	0

	<b>Total Budget 2018/19</b>	<b>Actual to 31/10/2018</b>	<b>Expenditure</b>
	<b>£</b>	<b>£</b>	<b>%</b>
<b><u>HEALTH</u></b>			
BLC – Emergency Concrete Repairs	10,000	7,763	78
BLC – Health Suite Refurbishment	0	(3,816)	0
CO - Replacement of Flat Roof	44,000	9,986	23
BLC – Replacement Hot Water Cylinders	15,000	17,424	116
Leisure Centres – Planned Maintenance	25,000	0	0
BLC - Property Condition Survey	40,000	0	0
KLC – Replacement Air Conditioning Units	8,450	7,990	95
KLC – Replacement Water Pipes	15,000	0	0
<b><u>FINANCE AND RESOURCES</u></b>			
<b><u>RESOURCES</u></b>			
Capital Grants to Voluntary Bodies	2,500	0	0
Former Beeston Bus Station - Interim Uses	11,800	835	7
NWOW (Town Hall Migration/Legal and Admin)	98,650	56,950	58
NWOW – Customer Services/Civic Suite/Staff Accommodation	300,00	0	0
NWOW (Data Server Re-Location)	125,000	0	0
Town Hall Sale – Legal Costs	8,500	0	0
Commercial Strategy- Invest to Save	53,000	62,731	118
Beeston Square - Phase 2 (Net Compensation)	111,300	270,551	243
Beeston Square - Phase 2	428,500	0	0
Capital Contingency	56,200	0	0

<b>ICT SERVICES</b>			
IT Replacement Programme	173,300	56,797	33
E Facilities	40,000	53,027	133
Replacement of MFD Photocopier Estate	63,000	0	0
VoIP Telephony	50,000	0	0
Committee Administration System	15,000	3,375	23
Technical Infrastructure	356,500	36,796	10
Replacement CRM System	20,600	14,205	69
Legal Case Management System	20,150	17,713	88

	<b>Total Budget 2018/19 £</b>	<b>Actual to 31/10/2018 £</b>	<b>Expenditure %</b>
<b><u>HOUSING</u></b>			
Disabled Facilities Grant	872,250	539,438	62
Warm Homes on Prescription	62,550	52,941	85
HRA Contingency	22,800	800	4
Central Heating Replacement	1,267,200	1,036,890	82
Modernisation Programme	1,984,700	1,279,059	64
Major Relets	150,000	150,000	100
Disabled Adaptations	417,250	318,216	76
Bexhill Ct - Scooter Storage	17,200	0	0
External Works- Paths Pavings	135,000	35,050	26
Fire Safety Assessment & Remedial Work	359,000	178,852	50
Window & Door Replacement	289,150	273,003	94
External Decoration & Pre Paint Repairs	643,750	418,504	65
Electrical Periodic Improvements	154,500	169,340	110
Housing System & DMS Replacement	213,400	125,198	59
Garage Refurbishment	236,900	31,217	13
Redwood Cres.- Purchase of Open Space Land	5,100	5,117	100
Dementia Friendly Bungalows – Willoughby St	275,000	0	0
<b><u>JOBS AND ECONOMY</u></b>			
Walker Street (Eastwood) - Transport Feasibility Study	20,000	0	0
Chewton Street (Eastwood) - Contamination Surveys (Notts Pre-Development Fund)	70,000	38,324	55
<b><u>SCHEMES AWAITING 2018/19 FUNDING</u></b>			
BLC - Replacement of Flat Roofs	154,000	0	0
BLC - Replacement of Main Pool Windows	80,000	0	0
BLC - Replacement of Teaching Pool Windows	20,000	0	0



BLC - Replacement Intruder Alarm	25,000	0	0
BLC - Replacement of Dance Studio Windows	10,000	0	0
BLC - Replacement of High Voltage Transformer	40,000	0	0
BLC - Refurbishment of Pool Surrounds	50,000	0	0
BLC - Refurbishment of Fitness Gym Changing Rooms	33,000	0	0
BLC - Replacement Carpet (Reception Area)	7,000	0	0
KLC - Replacement Youth Fitness Gym Equipment	60,000	0	0
KLC - Extension of swimming facilities	330,000	0	0
KLC - Transfer of documents to digital storage	5,500	0	0
KLC - Replacement Pool Circulation & Shower Pumps	12,000	0	0
KLC - Renewal of Entrance Doors	8,000	0	0
KLC - Installation of Fast Track Entry System	11,000	0	0
KLC - Invest to Save - Replacement Lighting	8,000	0	0
KLC - Replacement of Suspended Ceilings & Floorings	18,000	0	0
KLC - Re-Paint Car Park Lines and Customer Walkways	6,000	0	0
Cemeteries/Closed Churchyards-Footpath Impts	30,000	0	0
Asset Management - Programmed Maintenance	44000	0	0
Energy Management Database Equipment	7950	0	0
Invest to Save (Carbon Management Plan)	19,200	0	0

## APPENDIX 2

Planned Financing of 2018/19 Capital Programme

<b><u>Source of Financing</u></b>	<b><u>Value (£)</u></b>
Major Repairs Reserve	3,889,200
Direct Revenue Financing – Housing Revenue Account	2,006,750
Direct Revenue Financing – General Fund	151,650
Better Care Fund	1,209,800
Usable Capital Receipts – Awaited (GF Schemes)	978,650
Borrowing – General Fund	804,500
Usable Capital Receipts – General Fund	1,828,700
Section 106 Receipts – Parks and Open Spaces	47,150
Section 106 Receipts – ITPS	112,750
Notts Pre-Development Fund	70,000
6C's Growth Point	1,600
WREN	49,500
Homes England	20,000
Colliers Wood Friends	13,000
<b>Total</b>	<b>11,183,250</b>

Capital Receipts

## (i) General Fund

General Fund capital receipts available at 31 December 2018 for the financing of capital expenditure were approximately £935,550. This includes £650,000 NET compensation received on 16 March 2018.

The planned financing of the 2018/19 capital programme shown in the table above assumes that General Fund capital receipts of £1,828,700 will be utilised. This includes a receipt of £425,000 from the disposal of the Town Hall in Beeston to the Redeemer/Cornerstone Church as agreed by the Council on 17 October 2018. Also included is a receipt of £470,000 from the sale of Cavendish Lodge in Beeston as agreed by Finance and Resources Committee on 13 December 2018.

## (ii) Housing Revenue Account

Housing Revenue Account (HRA) capital receipts available at 31 December 2018 for the financing of capital expenditure were over £3,553,250. This was arrived at as follows:

	£
Balance at 1 April 2018 (brought forward from 2017/18)	2,129,550
Plus: Receipts from 1 April 2018 to 31 December 2018	1,662,600
Less: Payment to MHCLG	<u>(238,900)</u>

Balance at 31 December 2018

3,553,250

Overall, the HRA has the following resources available for capital investment, including the construction of new build properties:

- Capital Receipts of £3,553,250
- HRA revenue contributions (NB. Balance at 31 March 2018 was £3,862,450)

The payments that are required to be made to MHCLG are comprised of the following elements:

- An assumed level of receipts under right to buy (RTB) based upon a baseline forecast in the self-financing settlement of March 2012
- Any receipts that are required to be returned in line with the agreement on the one for one replacement of the housing stock

Like most local authorities with their own housing stock, the Council entered into an agreement with the Government in 2012 to retain receipts from the sale of council houses in excess of those in (i) above to fund the replacement of stock that is sold. Under the terms of this agreement, local authorities are required to spend RTB receipts within three years and the receipts should fund no more than 30% of the cost of a replacement unit. Where a local authority is unable to spend receipts within three years they have to be returned to MHCLG, together with interest of 4% above base rate, to be spent on affordable housing through Homes England.

The table below confirms that the Council has spent a sufficient amount on new build expenditure to be at low risk in the short term of having to return capital receipts from the sale of council houses to MHCLG under the one for one replacement agreement. At 31 December 2018 the Council's cumulative new build expenditure of £2,464,771 comfortably exceeded the required new build sum of £1,556,098 at that date. The Council's required new build expenditure over the next three years is as set out in the table below.

<b>Cumulative New Build Expenditure Required (£)</b>	<b>Date New Build Expenditure Required By:</b>
1,556,097.72	31 December 2018
1,983,192.69	31 March 2019
1,983,192.69	30 June 2019
1,983,192.69	30 September 2019
1,983,192.69	31 December 2019
1,983,192.69	31 March 2020
1,983,192.69	30 June 2020
2,265,536.26	30 September 2020
2,725,476.12	31 December 2020
3,801,825.21	31 March 2021
4,145,804.33	30 June 2021
4,667,359.76	30 September 2021

Given that the Council's cumulative new build expenditure presently stands at £2,464,771 there is not presently a requirement to incur further new build expenditure until the third quarter of 2020/21. This expenditure needs to have been incurred on a scheme that has been completed rather than in progress at that date to fulfil the conditions of the agreement.

## APPENDIX 3

1. Kimberley Leisure Centre – Water Pipe Replacement

Finance and Resources Committee on 8 January 2019 allocated £15,000 within the 2018/19 capital programme to replace a fractured water pipe underneath the teaching pool at Kimberley Leisure Centre.

A detailed site inspection has been undertaken and this has identified that, as well as replacing the damaged water pipe, work will be required to replace damaged tiles, remove manhole covers and provide additional tiling.

This further work is expected to cost an additional £10,000 and will take the total cost of the scheme to an estimated £25,000. The additional cost can be met from General Fund capital contingencies of which (subject to other reports on today's agenda) £56,200 is presently available.

2. Chewton Street (Eastwood) – Contamination Surveys

Finance and Resources Committee on 30 November 2017 included a sum of £70,000 within the 2017/18 capital programme for a series of contamination surveys at Chewton Street in Eastwood. The results of the survey work were intended to give the Council a better understanding of the work required to remediate the land for development. The cost of this scheme was to be met by the Nottinghamshire Pre-Development Fund.

No expenditure was incurred in 2017/18 and approval was therefore granted by the Finance and Resources Committee on 12 July 2018 to carry the budget forward for inclusion in the 2018/19 capital programme.

The work has been undertaken in 2018/19 as planned and total expenditure incurred amounts to approximately £44,750. This is now to be claimed from the Nottinghamshire Pre-Development.

As the cost of the scheme is £25,250 less than had been anticipated, it has been agreed by those overseeing the Nottinghamshire Pre-Development Fund that the Council will receive £70,000 as originally indicated on the proviso that the £25,250 is used to finance pre-development work on the Beeston Square – Phase 2 scheme. In accordance with the authority delegated by Policy and Performance Committee on 21 November 2017, the Interim Deputy Chief Executive will incorporate this within the financing of the Beeston Square – Phase 2 scheme.

Summary of Proposed Changes in Appendix 3 to 2018/19 Capital Programme

<u>Scheme</u>	<u>Present Budget (£)</u>	<u>Proposed Budget (£)</u>	<u>Funding Source (£)</u>
Kimberley Leisure Centre – Water Pipe Replacement	15,000	25,000	GF Capital Contingencies
Chewton Street (Eastwood) – Contamination Surveys	70,000	44,750	Notts Pre-Development Fund
<b>TOTAL</b>	<b>85,000</b>	<b>69,750</b>	

### Joint Report of the Chief Executive, the Interim Deputy Chief Executive and the Interim Strategic Director

#### **BUSINESS PLANS AND FINANCIAL ESTIMATES 2019/20 - 2021/22**

##### 1. Purpose of report

To consider the proposals for business plans, detailed revenue budget estimates for 2019/20, capital programme for 2019/20 to 2021/22 and proposed fees and charges for 2019/20 in respect of the Council's priority areas.

##### 2. Detail

As part of the Council's performance management framework, the delivery and financial plans for the five corporate priority areas identified within the Corporate Plan 2016-20 are brought together in one report so that the linkages between service priorities, spending proposals and targets are clear.

Under the Constitution, financial and business planning is reported to each respective Committee which has primary responsibility for oversight of the relevant corporate priority area and related services.

For this Committee there is no single corporate priority. However business plans and financial estimates in respect of **ICT and Business Transformation, Revenues, Benefits and Customer Services** and **Resources**, which support the Council's corporate priorities, fall to this Committee for consideration.

These proposed Business Plans are provided as a separate attachment to this report. The revenue and capital budget proposals for the relevant service areas, together with the proposed fees and charges, are provided in appendices 2a to 2c.

Following consideration by each respective Committee, a summary of the estimates, including any changes recommended, is presented to this Committee for consideration and recommendation to Full Council on 6 March 2019. This summary report is elsewhere on this agenda.

#### **Recommendations**

1. **The Committee is asked to RESOLVE that the attached Business Plans be approved.**
2. **The Committee is asked to RECOMMEND to Council that the following be approved:**
  - a) **The detailed revenue budget estimates for 2019/20 (base) including any revenue development submissions.**
  - b) **The capital programme for 2019/20 to 2021/22.**
  - c) **The fees and charges for 2019/20.**

#### Background papers

Nil

**APPENDIX 1****Introduction**

The Council's business and financial planning framework is one of identifying key service and spending pressures and prioritising resources accordingly, taking into account national and local priorities.

The targeted outcomes from these key issues and the anticipated impact on service performance are set out in business plans. These plans are combined with financial information, including proposals for reducing business costs and increasing income, to form the business plans for each priority area.

This report considers the detail in respect of the business plans covering ICT and Business Transformation; Revenues, Benefits and Customer Services; and Resources. The financial consequences of the business plans, together with the expenditure and income from maintaining existing services, are set out in the revenue budget proposals, the capital programme and the proposed fees and charges which follow the plans.

Within the business plans attached to this report, there are some key tasks which can be met from existing resources or which relate to policy preparation and are not therefore included in the key spending proposals detailed in the appendices. Any planned activities which will have a financial implication either by increasing costs or reducing income are identified, along with the financial impact in section 5 of the business plans.

There are also several key tasks where it is not appropriate to make financial provision at this stage. These include areas that are subject to external funding bids, partnership arrangements or where insufficient information exists at the present time. In addition, there are a number of capital schemes within the programme which are deemed to be 'awaiting funding' pending receipt of the necessary resources to complete them

All of these items will be the subject of further reports throughout 2019/20 as further information and resources become available, thus ensuring that the service and financial planning framework is a fluid process.

**Business plans**

As part of the Council's performance management framework, it is the responsibility of each relevant Committee to consider business plans prior to recommendations being made to Council. The purpose of the plans is two-fold. Firstly, they establish the linkage between the Council's high-level objectives and the strategies and aims of the respective services, and secondly, they outline the services' proposals for meeting those aims and objectives.

This report deals with the ICT and Business Transformation; Revenues, Benefits and Customer Services; and Resources Business Plans and the associated budgets covering this priority area.



The Council's corporate objectives and aims, as included in the Corporate Plan 2016-2020, are shown at appendix 1a to provide the framework for consideration of the plans. The group of functions included within this report support all of the Council's corporate priorities.

### **Financial background**

The revenue and capital budget proposals for the corporate priority and support service areas, together with proposed fees and charges, are shown in appendices 2a to 2c.

The revenue budgets show the 2018/19 revised estimate as of December 2018 and the 2019/20 base estimate for the areas encompassed by the relevant business plans. The 2019/20 base estimate figures generally reflect the same level of service as in the current year with a few exceptions.

The following are included in the 2019/20 base figures in this report:

- a) An allowance for certain inflationary pressures including the April 2019 pay award and cost of utilities. The allowances are guided by the best available information at the time.
- b) Anticipated additional income arising from the review of fees and charges.

The following are not included in the 2019/20 base figures in this report:

- a) The revenue effects of the 2019/20 capital programme including the cost of any new borrowing to support the capital programme. The Finance and Resources Committee will consider the base budget including this item on 14 February 2019.
- b) Any revenue developments for 2019/20.

A classification of revenue expenditure is included at appendix 1b for the guidance of members.

## APPENDIX 1a

**FRAMEWORK FOR BUSINESS PLANNING**

The Council formally adopted the Corporate Plan 2016-2020 in March 2016. This is subject to annual review to ensure that it continues to reflect the aims and objectives of the Council.

**Vision**

The Council's Vision for Broxtowe is "**a great place where people enjoy living, working and spending leisure time**".

**Priorities**

The Council's updated priorities have been updated have been developed within the context of national, regional and countywide plans and priorities with the aim being to align these with our own aspirations wherever possible.

The Council's priorities are **Housing; Business Growth; Environment; Health; and Community Safety**.

Underpinning the above and all of the Council's work is a series of values which the Council has adopted, namely:

**G**oing the extra mile: *a strong, caring focus on the needs of communities*

**R**eady for change: *innovation and readiness for change*

**E**mployees: *valuing our employees and enabling the active involvement of everyone*

**A**lways improving: *continuous improvement and delivering value for money*

**T**ransparent: *integrity and professional competence*.

**Objectives**

Each priority area is underpinned by its strategic objectives. Each strategic objective has targeted outcomes against which progress can be monitored.

Each priority area is underpinned by its strategic objectives. Each strategic objective has targeted outcomes against which progress can be monitored.

The priorities and objectives for **Housing** are 'a good quality affordable home for all residents of Broxtowe':

- Increase the rate of house building on brownfield sites
- Become an excellent housing provider
- Improve the quality and availability of the private rented stock to meet local housing need.

The priorities and objectives for **Business Growth** are ‘new and growing businesses providing more jobs for people in Broxtowe and improved town centres’:

- Increase the number of new business starting in Broxtowe
- Help our town centres to compete and attract more visitors
- Complete the regeneration of Beeston town centre and seek opportunities to regenerate town centres throughout Broxtowe

The priorities and objectives for **Environment** are ‘The environment in Broxtowe will be protected and enhanced for future generations’:

- Reduce litter and fly tipping to make Broxtowe cleaner
- Maintain and improve the green infrastructure of the Council
- Increase recycling, composting, renewable and energy efficiency projects as resources allow

The priorities and objectives for **Health** are ‘People in Broxtowe enjoy longer, active and healthy lives:

- Increase the number of people who have active lifestyles
- Work with partners to improve the health of the local population
- Reduce alcohol related harm in Broxtowe

The priorities and objectives for **Community Safety** are ‘Broxtowe will be a place where people feel safe and secure in their communities’:

- Reduce the amount of anti-social behaviour in Broxtowe
- Reduce domestic violence in Broxtowe

## APPENDIX 1b

**REVENUE BUDGET 2019/20****CLASSIFICATION OF EXPENDITURE**

The classification of expenditure shown in the revenue estimates is based on the C.I.P.F.A. Standard Accounting Classification. The following statement shows the type of expenditure charged to each heading:

EMPLOYEE EXPENSES	Salaries and Wages National Insurance Pensions
PREMISES RELATED EXPENSES	Repairs, Alterations and Maintenance of Buildings, Fixed Plant and Grounds Energy Costs Rents National Non-Domestic Rates Water Charges Fixtures and Fittings Cleaning & Domestic Supplies
TRANSPORT RELATED EXPENSES	Direct Transport Costs Recharge of Pooled Transport Costs Travelling Allowances
SUPPLIES AND SERVICES	Equipment, Furniture and Materials Clothing, Uniforms and Laundry Printing, Stationery and General Office Expenses Postages Telephones Insurances Grants and Subscriptions Miscellaneous Expenses
THIRD PARTY PAYMENTS	Other Local Authorities Private Contractors Charges from Trading Services
TRANSFER PAYMENTS	Housing and Council Tax Benefits
CENTRAL, DEPARTMENTAL AND TECHNICAL SUPPORT SERVICES	Administrative Buildings Expenses Central Departmental Support Departmental Administration
CAPITAL FINANCING COSTS	Operating Lease Charges Asset Register Charges

**APPENDIX 2a**

The change in the 2019/20 base budget for total net expenditure when compared with the 2018/19 revised estimate is primarily a consequence of the following items:

	<b>Change (£)</b>
The 2018/19 budget included savings of £1.7mil, which have been achieved through the business strategy. The first phase of savings totalling £1.32mil. savings were achieved in 2018/19, with a balance of savings of £0.38mil achieved during the second phase in 2019/20.	382,700
The cost to the Council of Discretionary Housing Payments (DHPs) that are funded by a Government grant are now disclosed separately.	135,000
The 2019/20 Base Budget includes a £200,000 vacancy rate target as opposed to £300,000 in the 2018/19 revised estimate. This is intended to better reflect the level of staff turnover and recruitment within the Organisation.	100,000
New Homes Bonus to be received from central government in 2019/20 is lower than in 2018/19.	63,600
The 2019/20 base estimate includes an increased Minimum Revenue Provision charge in respect of the Council's General Fund borrowing in accordance with the Council's MRP policy.	28,550
Third Party payments in 2019/20 will be lower than 2018/19 due to a number of establishment changes including the termination of the shared service arrangement for Revenues, Benefits and Customer Services (£87,000) agreed by Policy and Performance Committee on 12 December 2018. The costs arising from such measures will be included within employees expenses.	(98,250)
The distribution from the Bramcote Crematorium will increase from £400,000 in 2018/19 to £500,000 in 2019/20. The costs of cemeteries and welfare funerals of £107,700 are offset by the distributed achieved at Bramcote Crematorium.	(100,000)

<b>Finance and Resources Portfolio - Revenue Budgets</b>		
<b>Cost Centre</b>	<b>2018/19 Revised Budget (as at December)</b>	<b>2019/20 Base Budget (as at December)</b>
Employees	4,556,600	4,512,530
Premises	276,250	233,550
Transport	45,750	31,600
Supplies & Services	1,547,021	1,968,270
Transfer Payments	21,555,683	20,587,250
Third Party Payments	173,000	94,750
Central Support Recharges	3,465,600	3,513,890
Capital Charges	3,938,150	3,876,750
Income	(12,010,431)	(11,814,337)
Income (Benefits)	(21,627,811)	(20,559,550)
	<b>1,919,812</b>	<b>2,444,703</b>

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## FINANCE AND RESOURCES CAPITAL PROGRAMME

No.	Scheme	Start	Finish	Estimated Total Cost				Net Revenue Costs in 2019/20	Full Years Revenue Effect of (6)	Net Effect of (5)
					2019/20	2020/21	2021/22			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
				£	£	£	£	£	£	£
1.	<u>ICT AND BUSINESS TRANSFORMATION</u> Replacement and Development Programme	Ongoing		270,000	90,000	90,000	90,000	0	0	0
2.	Technical Infrastructure Architecture	Apr 19	Mar 22	250,000	50,000	150,000	50,000	0	0	0
3.	E-Facilities Initiatives	Apr 19	Mar 22	120,000	40,000	40,000	40,000	2,150	2,150	2,150
				640,000	180,000	280,000	180,000	2,150	2,150	2,150
4.	<u>OTHER</u> Beeston Square Redevelopment Works Fees	Apr 19	Mar 22	9,436,500	1,836,500	5,700,000	1,900,000	0	0	0
				1,000,000	600,000	300,000	100,000	0	0	0
				10,436,500	2,436,500	6,000,000	2,000,000	0	0	0
5.	Civic Suite Audio Visual Equipment	Apr 19	Mar 22	100,000	100,000	0	0	0	0	0
6.	NWOW Planning, Finance & Estates Works Fees	Apr 19	Mar 22	180,000	180,000	0	0	0	0	0
				20,000	20,000	0	0	0	0	0
				200,000	200,000	0	0	0	0	0
7.	<u>CAPITAL CONTINGENCY</u> Works Capital Salaries	Ongoing		150,000	50,000	50,000	50,000	0	0	0
				15,000	5,000	5,000	5,000	0	0	0
				165,000	55,000	55,000	55,000	0	0	0
<b>Finance and Resources Total</b>				<b>11,541,500</b>	<b>2,971,500</b>	<b>6,335,000</b>	<b>2,235,000</b>	<b>2,150</b>	<b>2,150</b>	<b>2,150</b>

**FINANCE AND RESOURCES CAPITAL PROGRAMME 2019/20**Scheme  
Number1. ICT Replacement programme (£90,000)

This budget provides for the replacement of PCs, laptops, servers, printers and scanners in accordance with the Council's planned ICT replacement programme. It also contains a small contingency to address minor developments such as a PC for a new employee or where there is a business case for providing additional ICT resource.

2. Technical Infrastructure Architecture (£50,000)

This budget provides for the replacement of key elements of the Council's technical infrastructure architecture. As core security and infrastructure technologies approach the end of their useful life they will no longer be supported, unless they are replaced, there is a risk of both equipment failure and the Council's security arrangements being compromised.

3. E-Facilities : Flexible Working Initiatives (£40,000)

This budget is for a range of digital projects intended to enhance efficiency across the Council and promote the New Ways of Working initiative.

4. Beeston Square Redevelopment (£2,436,500)

This budget is for part of the scheme over a number of years to redevelop Beeston town centre on land commonly referred to as The Square Phase 2. The Council will act directly as developer for the cinema plus the food and beverage elements of the scheme.

5. Civic Suite Audio Visual Equipment (£100,000)

Given the age and condition of the current audio visual equipment in the Civic Suite, this budget is for its replacement with modern equipment better suited to the Council's anticipated future needs This would have been required irrespective of any decision made with regards to the future of the Town Hall.

6. NWOW Planning, Finance & Estates (£200,000)

This budget is for the rollout of the New Ways of Working (NWOW) initiative intended to introduce more modern working practices as well as a reduction in office space to the Planning, Finance and Estates departments.

7. CAPITAL CONTINGENCY (£55,000)

This budget is intended to meet the cost of unforeseen General Fund capital items that may arise during the year.



**RESOURCES – REVIEW OF FEES, CHARGES AND ALLOWANCES**

*All fees and charges are quoted exclusive of VAT, which will be added where applicable.*

1. Fees for Local Land Charges/Enquiries

The existing and proposed fees are as follows:

	<u>Present</u> <u>2018/19</u> £	<u>Proposed</u> <u>2019/20</u> £
Land Charges Search/Standard Enquiries *	105.00	105.00
Additional enquiries (standard)	10.00	10.00
Additional enquiries (other)	15.00	15.00
Additional parcels	12.00	12.00

\*The proposed figure for 2019/20 includes £26.45 payable to Nottinghamshire County Council in respect of questions answered by the County Council.

Since April 2017 VAT has been payable on CON29 information.

2. Use of Council Accommodationi) Present

<b>Accommodation</b>	<b>Weekdays per hour (up to 5pm) £</b>	<b>Weekdays per hour (after 5pm) £</b>	<b>Saturday per hour £</b>	<b>Daily Rate Weekdays Only (up to 5pm) £</b>	<b>Half Day Rate Weekdays Only £</b>
Old Council Chamber	31.00	38.50	38.50	77.00	51.50
Committee Room	31.00	38.50	38.50	77.00	51.50
New Council Chamber	38.50	43.00	43.00	92.50	56.50

a. Proposed

<b>Accommodation</b>	<b>Weekdays per hour (up to 5pm) £</b>	<b>Weekdays per hour (after 5pm) £</b>	<b>Saturday per hour £</b>	<b>Daily Rate Weekdays Only (up to 5pm) £</b>	<b>Half Day Rate Weekdays Only £</b>
Old Council Chamber	32.00	39.65	39.65	79.30	53.00
Committee Room	32.00	39.65	39.65	79.30	53.00

New Council Chamber	39.65	44.30	44.30	95.30	58.20

iii) Room hire categories and uses

The basis for charging for room hire and approved uses was last considered by the then Finance and General Purposes Committee in 1998. Since that time use has decreased and the types of functions for which requests for use have been received have also changed. It is therefore proposed that lettings categories and approved uses be updated as follows:

ORGANISATION	CURRENT LETTING CATEGORY*	PROPOSED LETTING CATEGORY*
Other local authorities**	C	A & C
Police Authority	A	A
Borough Council's political groups (internal Council business only)	C	C
Other political groups**	R	A or C
Local authority staff professional organisations	C	C
Traffic Commission	A	A
Nottingham Health Authority	A	A
MPs' and members' surgeries	R	Members – R; MPs** – A & C
Broxtowe based community groups	R	R
Other community groups	B	A
Other organisations	A	A

\* - Letting categories

A	Full scale charge
B	50% scale charge
C	No charge
R	Recovery of caretaking costs

\*\* - The charging category will depend on whether the room hire is in connection with matters relating to the Borough Council or Broxtowe generally. If the hire is in respect of such business, category C will apply, otherwise the full charge will need to be paid by the hirer.

Approved uses:

Meetings  
Inquiries and Tribunals  
Hearings  
Exhibitions  
Consultations  
Conferences

Use of Council accommodation by political groups shall be for activities which do not publicise any individual political party and which will not result in any adverse effect on the Council.

3. Summons Charges

In line with the majority of Nottinghamshire and Lincolnshire authorities, the Council levies a charge of £44 for a summons and £31 for a liability order.

4. Mortgage References

Each year the Council receives a small number of requests for references in connection with mortgage applications. A charge of £30 per enquiry was fixed with effect from 1 April 2018.

The increase in charges is anticipated to generate negligible additional income in 2018/19.

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## REVENUES, BENEFITS AND CUSTOMER SERVICES BUSINESS PLAN 2019–2022

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan 2016-2020 priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but will be revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken twice-yearly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

**The Council's Vision for Broxtowe is 'a great place where people enjoy living, working and spending leisure time'.**

**The Council's Values are:**

- **G**oing the extra mile: **a strong, caring focus on the needs of communities**
- **R**eady for change: **innovation and readiness for change**
- **E**mployees: **valuing our employees and enabling the active involvement of everyone**
- **A**lways improving: **continuous improvement and delivering value for money**
- **T**ransparent: **integrity and professional competence**

**Broxtowe Borough Council's Priorities and Objectives are as follows:**

**Housing – A good quality affordable home for all residents of Broxtowe**

**Business Growth – New and growing businesses providing more jobs for people in Broxtowe and improved town centres**

**Environment – The environment in Broxtowe will be protected and enhanced for future generations**

**Health – People in Broxtowe enjoy longer, active and healthy lives**

**Community Safety – Broxtowe will be a place where people feel safe and secure in their communities**

## 1. PUBLISHED STRATEGY AND POLICY DOCUMENTS SUPPORTING THE DELIVERY OF PRIORITIES AND OBJECTIVES

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Corporate Plan 2016-2020	The Council's overarching plan for its priorities, targets and objectives. The plan sets out priorities to achieve the vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time" with focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.	April 2020	Chief Executive
Business Strategy 2019/20 to 2021/22	Deigned to ensure that the Council is: <ul style="list-style-type: none"> <li>• Lean and fit in its assets, systems and processes</li> <li>• Customer focused in all its activities</li> <li>• Commercially minded and financially viable</li> <li>• Making best use of technology.</li> </ul>	Updated annually	Deputy Chief Executive
Medium Term Financial Strategy 2019/20 to 2021/22	The Council's key financial planning document. In detailing the financial implications of the Corporate Plan, the MTFS provides a reference point for corporate decision-making and helps to ensure that the Council can optimise the balance between its financial resources and the delivery of its priorities. The MTFS informs the annual budget-setting process, ensuring that each year's budget is considered within the context of the Council's ongoing sustainability over the entirety of the planning period.	Updated annually	Deputy Chief Executive Head of Finance Services
Commercial Strategy 2017-2020	Promote and support a change in organisational culture towards a more business-like approach to the delivery of services. Overall, commercialism will enable departments to adopt a business-like approach with the focus firmly on delivering the best services possible for residents and businesses within the Borough whilst at the same time maximising income generation.	April 2020	Deputy Chief Executive Commercial Manager

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Capital Strategy	An overarching summary document which encompasses all capital and treasury activity including the capital programme, financing planning, accounting policies and asset management.	Updated annually	Deputy Chief Executive Head of Finance Services
Corporate Debt Policy	Provides a statement of fairness and intent	On changes to relevant legislation	Head of Revenues, Benefits and Customer Services
Benefit Overpayments and Recovery Policy	Explains the service intentions when an overpayment of benefit has been made and the subsequent processes of recovery	On changes to relevant legislation	Head of Revenues, Benefits and Customer Services
Discretionary Rate Relief policy guidelines	Highlights the priorities for supporting business through discretionary rate relief and hardships relief. Provides guidance on the award of relief in the Enterprise Zone.	On changes to relevant legislation	Head of Revenues, Benefits and Customer Services
Local Council Tax Support Scheme	Sets out the rules governing the calculation and award of local council tax support.	Each year in January	Head of Revenues, Benefits and Customer Services
Council Tax Discretionary Discounts S13A Policy	Provides a set of guidelines for the creation of discretionary council tax discounts.	On changes to relevant legislation	Head of Revenues, Benefits and Customer Services
Service Level Agreement with Ashfield District Council	Sets out NNDR partnership agreement with Ashfield.	Reviewed five annually	Head of Revenues, Benefits and Customer Services
Customer Access Strategy	Summarise and set out the detail of the Customer Access Strategy.	September 2019	Head of Revenues, Benefits and Customer Services

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Customer Services Training Strategy	Set out the Department's vision for maintaining and enhancing the skills and capabilities of staff.	Reviewed regularly	Head of Revenues, Benefits and Customer Services
Pre-eviction protocol for rent arrears	Ensures that the Council is able to properly collect rent in an efficient and effective way and discharge its legal duties while doing so	Reviewed annually January	Head of Revenues, Benefits and Customer Services
Counter-fraud policy documents	Sets out the Council's approach to protecting its assets from fraud.	On changes to relevant legislation	Deputy Chief Executive Chief Audit and Control Officer
Council Tax Care Leavers Discretionary Discount	Sets out the Council's guidelines to assisting care leavers within the Borough through Council Tax reductions.	On changes to relevant legislation	Head of Revenues, Benefits and Customer Services



## 2. SERVICE LEVEL OBJECTIVES LINKED TO CORPORATE OBJECTIVES

Service Areas covered by this Plan	Service Objectives
<b>Revenues</b>	
Revenue Collection	<p>Billing, collection and recovery of all the Council's locally raised revenues - Council Tax, Non Domestic Rates, Council Housing Rents and Sundry Debts.</p> <p>Work in partnership with Housing Officers to support tenancy sustainment while ensuring timely recovery of all rents due.</p> <p>Accurate and timely completion of the key government and pool returns: NNDR, CTB and QRC.</p> <p>Provide accurate financial and statistical data to the Council and Government.</p> <p>Canvass, inspect and process correspondence to maintain accurate records to support accurate and timely billing and recovery processes.</p>
<b>Benefits</b>	
Benefits	<p>Assessing and paying Housing Benefit and Council Tax Support (CTS) in an accurate and timely manner.</p> <p>Provide benefit advice to members of the public.</p> <p>Calculating Housing benefit and CTS overpayments.</p> <p>Accurate and timely completion of the relevant Housing Benefit subsidy returns.</p> <p>Lead the Council's approach to welfare reform providing information training and technical briefings to members and senior management.</p> <p>Provide the single point of contact for liaison with the DWP's single fraud investigation service</p>

Service Areas covered by this Plan	Service Objectives
<b>Quality and Control</b>	
Quality and Control	<p>Bill, collect and recover all Sundry Debts owed to the Council.</p> <p>Manage the claim and assessment process for Discretionary Housing Payments (DHP).</p> <p>Prepare and represent the council at Appeal Tribunals and DHP member panels.</p> <p>Provide key relevant financial reconciliations.</p>
<b>Customer Services</b>	
Customer Services	<p>Be the Council's first point of contact for face-to-face and telephone contact</p> <p>The provision of effective customer access channels, with emphasis on channel shift through automation and enabling of online self-service</p> <p>The provision of inbound telephony services and face to face interviews for a range of high volume services</p> <p>Improving the quality of transactions by increasing the percentage of enquiries answered at first point of contact, reducing queuing and average handling times and increasing the range of services provided.</p>

### 3. MEASURES OF PERFORMANCE AND SERVICE DATA

#### Context – Baseline Service Data

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
<b>Revenues and Benefits</b>					
FRData_01	Total revenues collected	£102.3m	£106.0m	£107.4m	Revenue continues to increase in line with charges
FRData_31	Court cases	2,946	2,856	2,710	Climate for revenue collection remains difficult
FRData_32	Evictions	4	13	13	Now distinct from abandonments
FRData_36	NoSP's served	421	244	223	Working to the new Rent Arrears Policy has seen a reduction in the number of NoSP's served
FBData_01	Total support/benefit paid	£29.48m	£28.41m	£27.38m	Reduction is related to a reduction in Council tenant rents of 1% and the gradual introduction of Universal Credit
FBData_03	Benefit claims received	3,899	3,705	3,288	With the roll out of Universal Credit, the Council expects to see this reduction continue
FBData_11	Changes of Circumstances received	40,696	37,572	37,361	With the roll out of Universal Credit, the Council expects to see this reduction continue
FBData_07	Applications for DHP	307	335	397	Proactively targeting customers that would benefit from Discretionary Housing Payments
FBData_09	Appeals received	39	31	16	Reduction as a result of greater clarity over decisions.

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
<b>Customer Services</b>					
CSDData_01	Calls offered ( <i>Total demand for calls, i.e. those answered and abandoned in both the Contact Centre and in the back offices</i> ).	103,215	118,403	118,218	Significant increase in demand for the Council Tax, Housing Rents and Refuse collection services
CSDData_02	Calls handled ( <i>Answered in Contact Centre</i> )	78,923	81,809	90,192	Calls in to the Contract Centre have increased in line with the services provided.
CSDData_06	Calls de-queued	18,802	29,056	28,117	Calls dealt with in the back office remains higher than expected. New procedures have been introduced to ensure the contact centre is the area that most calls will be deal with.
CSDData_07	Calls de-queued abandoned	10,390	18,228	15,954	Capacity within some back offices fell so resources were not available to handle increased demand
CSDData_03	Calls abandoned ( <i>Abandoned in the Contact Centre</i> )	5,490	7,538	6,124	Whilst the calls answered increased, the calls abandoned in the contact centre reduced.
CSDData_04	Average telephone handle time	8:05	8:25	7:42	Staff development is highlighted in the reduction in time spent handling calls.
CSDData_05	Average telephone speed of answer (seconds)	79	81	78	Improvement in speed of answering.
CSDData_08	Face-to-face visits offered	6,070	5,330	4,504	Increased Customer Service Officer presence on reception has resulted in less enquiries being passed through to the Contact Centre to deal with.

<b>Pentana Code</b>	<b>Service Data Description</b>	<b>Actual 2015/16</b>	<b>Actual 2016/17</b>	<b>Actual 2017/18</b>	<b>Comments including benchmarking data</b>
CSDData_09	Average face-to-face handle time	21:30	24.31	21.30	Staff development is highlighted in the reduction in time spent handling face to face enquiries
CSDData_10	Average face-to-face speed of answer	8:37	7:50	10:33	There has been an increase in the time to answer face to face enquiries. Steps have been taken to reduce this going forward.

## Critical Success Indicators (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Critical Success Indicators (CSI)								
Council Tax collected in year %	BV9	98.4%	98.5%	98.5%	98.5%	98.5%	98.5%	Head of Revenues, Benefits and Customer Services  The Council achieved its highest ever collection rate in 2017/18
Non-domestic rates collected in the year %	BV10	98.7%	98.7%	98.8%	98.8%	98.8%	98.8%	Head of Revenues, Benefits and Customer Services  Performance is in line with target

## Performance Indicators

Priority leaders are to identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT/Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring purposes at a service level.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Key Performance Indicators (KPI)								
Average time to process Benefit claims (days)	BV78a	18	14	13	12	12	12	Head of Revenues, Benefits and Customer Services  Performance continues to improve reflected in the 2017/18 average of 13 days
Average time to process Benefit change of circumstances	BV78b	8.3	5.9	5.0	5	5	5	Performance continues to improve reflected in the 2017/18 average of 5.0 days
HB Overpayments (HBO) recovered as a percentage of the total amount of HBO outstanding	BV79b(ii)	27.4%	27.8%	29.3%	29%	29%	29%	Significant improvements have been made in this area which is reflected in the percentage performance improvement.
Calls handled	CSDData02	78,923	81,809	84,068	84,000	80,000	78,000	With an increase in online capability, it is expected that demand will reduce in future.
Overall abandonment rate	CSDData03	15.4%	21.8%	18.7%	18.0%	15%	14%	Expected increase in electronic transactions will help to reduce abandonment levels.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Management Performance Indicators (MPI)								
Council tax payers paying by Direct Debit %	FRLocal_01	70%	70%	71%	71%	72%	72%	This continues to increase and is currently above 70%
Council tax written off as 'not collectable' as a proportion of the gross debit	FRLocal_06	0.01%	0.24%	0.35%	0.25%	0.25%	0.25%	All possible recovery options attempted before writing off.
NNDR written off as not collectable as a proportion of the gross debit %	FRLocal_07	0.92%	0.30%	0.5%	0.5%	0.5%	0.5%	All possible recovery options attempted before writing off
Housing Benefit Overpayments written off %	BV79Biii	5.11%	5.30%	6.56%	5%	5%	5%	All possible recovery options attempted before writing off
Recoverable HB Overpayments that are recovered during period %	BV79Bi	68.3%	79.8%	84.1%	80%	80%	80%	Performance will continue to be monitored in view of improvement
Outstanding sundry debtors at year end	FPLocal_10	£1.35m	£1.58m	£1.46m	£1.30m	£1.20m	£1.10m	In 2016/17 Sundry Debts was transferred to the Quality and Control team. This is being developed and improvement is expected in future
Sundry debtors collected in year as a proportion of the annual debit	FPLocal_02	88.5%	80.5%	83.2%	90%	90%	90%	The improvement made during 2017/18 is expected to continue through 2018/19 and be closer to the 90% target.



#### 4. KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2019/20 – 2021/22 INCLUDING COMMERCIAL ACTIVITIES

Priority leaders are to consider potential **commercial activities** in their priority areas when setting the key tasks and priorities for 2019/20 to 2021/22. In doing so priority leaders should consider:

- In which service areas could new commercial activities be undertaken?
- How much additional income could be generated from the new commercial activities?
- Would additional resources (employees, equipment, systems etc.) be needed to undertake the new commercial activities? If yes, outline these with estimates of costs.
- How will these new commercial activities link into the Council's Medium Term Financial Strategy, Capital Programme, Business Strategy and Commercial Strategy?
- Will the new commercial activities affect existing Revenue and Capital budgets? If yes, then remember to include the net income or costs to Section 5 'Link Key Tasks and Priorities for Improvement to the Financial Budgets'.
- Please identify new '**commercial activities**' in the comments column.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
RBCS 1620_01	Manage the introduction of Universal Credit (UC)	Transfer of working age HB claims to UC will be administered by the DWP	Other Council Departments, system suppliers and DWP	Head of Revenues, Benefits and Customer Services March 2020	No effect on benefit costs but subsidy income could fall by 40% by 2020/21
RBCS 1620_02	Replace the current CRM system (Meritec)	More effective system to record and refer customer contact.	Work with e-form supplier to develop new system.	Head of Revenues, Benefits and Customer Services May 2019	Develop system for implementation in May 2019

<b>Pentana Code</b>	<b>Description</b>	<b>Targeted Outcome</b>	<b>Partnership/ Procurement Arrangement</b>	<b>Officers Responsible/ Target Date</b>	<b>Budget Implications/ Efficiencies/Other comments</b>
RBCS 1620_03	Widen the use of e-forms	Aim for the public to self-serve, reducing costs to the Council	Work with e-form supplier to develop more self-serve forms	Head of Revenues, Benefits and Customer Services May 2019	This project will be linked to the implementation of the replacement CRM system.
RBCS 1620_04	Update the Council's face to face customer contact	Devise appropriate ways to handle visitors to the new reception in the council offices	Work with partners and other council departments.	Head of Revenues, Benefits and Customer Services March 2019	Implementation is partly dependent on progress of the New Ways of Working Project and the availability of finance to make physical changes to reception
RBCS 1620_05	Implement Analyse Local	Allow the Council to estimate their NNDR appeals provision timely and consistently with other Nottinghamshire Councils.	Work with Analyse Local	Head of Revenues, Benefits and Customer Services  September 2019	The software will cost an additional £6,000 per annum but work will be carried out to see if the Nottinghamshire NNDR pool will cover the cost.
RBCS_06	Property Inspector	Review the rateable value of Business premises within the area to ensure fair and accurate billing	Joint venture between 5 Nottinghamshire Authorities	Head of Revenues, Benefits and Customer Services  March 2020	The 5 Authorities will look to split the cost evenly meaning an approximate additional cost of £20,000 for each Council. The project will allow the inspector to identify properties that are not correctly being charged generating additional income of approximately

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
					£100,000 to Broxtowe Borough Council
RBCS_07	Single Person Discount Review	To review cases of SPD where it is considered the discount is no longer applicable	The Council will have to carry out a procurement exercise.	Head of Revenues, Benefits and Customer Services  March 2019	Initial estimates consider the cost to be approximately £19,000.  Return is based on the number of discounts removed, which is unknown. Due to the Council's share of the Council Tax being 9%, then the return might be limited. Discussions could take place with Nottinghamshire County Council to see if they will contribute as they will be the greatest beneficiaries.

## 5. LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
<b>Budget Implications</b>				
Implementation of Analyse Local	RBCS 1620_05	(6,000)	(6,000)	(6,000)
Reduction in Housing Benefit Administration Grant	RBCS 1620_01	(10,000)	(18,000)	(23,000)
Property Inspector	RBCS_06	(20,000)	(20,000)	(20,000)
Single Person Discount Review	RBCS_07	(19,000)	(19,000)	(19,000)
<b>Efficiencies Generated</b>				
Staffing reductions as a result of Universal Credit	RBCS 1620_01	20,000	30,000	30,000
<b>New business/increased income</b>				
Property Inspector	RBCS_06	100,000	100,000	100,000
Single Person Discount Review	RBCS_07	10,000	10,000	10,000
<b>Net Change in Revenue Budgets</b>		<b>75,000</b>	<b>77,000</b>	<b>72,000</b>

## 6. SUMMARY OF KEY RISKS

Priority leaders are to identify three strategic risks for the Business area and to determine whether these have been/or should be considered on the Council's Strategic Risk Register.

Key Strategic Risk	Is this already covered by an existing Strategic Risk?	What action can be taken/is required to mitigate/minimise the risk or threat
Failure to mitigate the impact of the Government's welfare reform agenda	Yes -15	The Council will continue to work with the DWP, MHCLG and CAB to ensure the Welfare Reform Agenda is implemented successfully for the people of the borough.
Corporate and/or political leadership adversely impacting upon service delivery	Yes - 17	Working with GMT and political leaders to ensure that relevant guidance is given at appropriate times.

Also, the top five risks (strategic or operational) arising from the key tasks and priorities for improvement should be identified. Whilst, it will be expected that detailed risks will be considered as part of the project planning process for each key task, it is anticipated that there will be 'common themes' identified which should enable the key risks to be limited to the top five. An earlier example has been included for reference.

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
RBCS1	Universal Credit introduction	DWP will remove significant resources despite the Council still administering CTS and HB for pension age	15 – Failure to mitigate the impact of the Government's welfare reform agenda	Local Authorities must protect their interests to ensure sufficient employees and resources remain to provide service
RBCS1	Universal Credit introduction	Paying claimant direct will impact on rent and council tax collection.	15 – Failure to mitigate the impact of the Government's welfare reform agenda	More time, effort and money will have to be spent on collecting Council Tax and Housing Rents

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
RBCS4	Replace the current CRM system	Lack of resource to drive a large project.	21 - Failure to fully utilise investment in ICT infrastructure	Sound project management and senior buy in should ensure success
RBCS6	Update the Council's face-to-face customer contact	New reception arrangements do not develop as planned or do not facilitate effective operation of customer services	No	Involvement of key stakeholders in development of reception area

**List of Strategic Risks** (<https://intranet.broxtowe.gov.uk/media/2127/strategic-risk-register-as-at-august-2018.pdf>):

- Risk 1 - Failure to maintain effective corporate performance management
- Risk 2 - Failure to obtain adequate resources to achieve service objectives
- Risk 3 - Failure to deliver the HRA Business Plan
- Risk 4 - Failure of strategic leisure initiatives
- Risk 5 - Failure to complete the re-development of Beeston town centre
- Risk 6 - Not complying with domestic or European legislation
- Risk 7 - Failure of Financial Management and/or budgetary control
- Risk 8 - Failure to maximise collection of income due to the Council
- Risk 9 - Failure of key ICT systems
- Risk 10 - Failure to implement private sector element of Housing Strategy in accordance with Government and Council expectations
- Risk 11 - Failure to engage with partners and the community to implement Broxtowe's Sustainable Community Strategy 2010 – 2020
- Risk 12 - Failure to implement effective Crime & Disorder Reduction Strategy
- Risk 13 - Failure to provide housing in accordance with the LDF
- Risk 14 - Natural disaster or deliberate act, which affects major part of the Authority
- Risk 15 - Failure to mitigate the impact of the Government's welfare reform agenda
- Risk 16 - Failure to maximise opportunities and recognise the risks in shared services arrangements
- Risk 17 - Corporate and/or political leadership adversely impacting upon service delivery
- Risk 18 - High levels of sickness

- Risk 19 - Lack of skills and/or capacity to meet increasing initiatives and expectations.
- Risk 20 - Inability to attract or retain key individuals or groups of staff
- Risk 21 - Failure to fully utilise investment in ICT infrastructure
- Risk 22 - Processes or procedures not followed leading to ill informed decisions and/or abuse of Council facilities
- Risk 23 - Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.
- Risk 24 - Failure to ensure appropriate levels of data quality
- Risk 25 - Unauthorised access of data
- Risk 26 - High volumes of employee or client fraud
- Risk 27 - Failure to effectively communicate either externally or internally

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## ICT AND BUSINESS TRANSFORMATION BUSINESS PLAN 2019–2022

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan 2016-2020 priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but will be revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

**The Council's Vision for Broxtowe is 'a great place where people enjoy living, working and spending leisure time'.**

**The Council's Values are:**

- **G**oing the extra mile: **a strong, caring focus on the needs of communities**
- **R**eady for change: **innovation and readiness for change**
- **E**mployees: **valuing our employees and enabling the active involvement of everyone**
- **A**lways improving: **continuous improvement and delivering value for money**
- **T**ransparent: **integrity and professional competence**

**Broxtowe Borough Council's Priorities and Objectives are as follows:**

**Housing – A good quality affordable home for all residents of Broxtowe**

**Business Growth – New and growing businesses providing more jobs for people in Broxtowe and improved town centres**

**Environment – The environment in Broxtowe will be protected and enhanced for future generations**

**Health – People in Broxtowe enjoy longer, active and healthy lives**

**Community Safety – Broxtowe will be a place where people feel safe and secure in their communities**

## 1. PUBLISHED STRATEGY AND POLICY DOCUMENTS SUPPORTING THE DELIVERY OF PRIORITIES AND OBJECTIVES

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Corporate Plan 2016-2020	The Council's overarching plan for its priorities, targets and objectives. The plan sets out priorities to achieve the vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time" with focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.	April 2020	Chief Executive
Business Strategy 2019/20 to 2021/22	Deigned to ensure that the Council is: <ul style="list-style-type: none"> <li>• Lean and fit in its assets, systems and processes</li> <li>• Customer focused in all its activities</li> <li>• Commercially minded and financially viable</li> <li>• Making best use of technology.</li> </ul>	Updated annually	Deputy Chief Executive
Medium Term Financial Strategy 2019/20 to 2021/22	The Council's key financial planning document. In detailing the financial implications of the Corporate Plan, the MTFS provides a reference point for corporate decision-making and helps to ensure that the Council can optimise the balance between its financial resources and the delivery of its priorities. The MTFS informs the annual budget-setting process, ensuring that each year's budget is considered within the context of the Council's ongoing sustainability over the entirety of the planning period.	Updated annually	Deputy Chief Executive Head of Finance Services
Commercial Strategy 2017-2020	Promote and support a change in organisational culture towards a more business-like approach to the delivery of services. Overall, commercialism will enable departments to adopt a business-like approach with the focus firmly on delivering the best services possible for residents and businesses within the Borough whilst at the same time maximising income generation.	April 2020	Deputy Chief Executive Commercial Manager

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Capital Strategy	An overarching summary document which encompasses all capital and treasury activity including the capital programme, financing planning, accounting policies and asset management.	Updated annually	Deputy Chief Executive Head of Finance Services
ICT <i>at a glance</i> leaflets	Provides policy / service information about ICT Services in an easily digestible format.	Reviewed annually updated as necessary	ICT & Business Transformation Manager
ICT Business Continuity Plan	Outlines the procedures to enable the Council to recover the ICT service where a partial or complete loss of equipment has taken place	Reviewed/tested annually updated as necessary	ICT & Business Transformation Manager
ICT Services Strategies	These strategies are based on the ITIL principles including for example Change, Problem, Incident, Capacity, Availability, Continuity, and Service Management. They are emerging strategies that remain live and are adjusted as necessary to changing threat and risk levels.	Reviewed annually updated as necessary	Assistant ICT Manager
ICT Strategy	Determines the direction and timescales in which the Council will develop its ICT facilities	March 2021	Chief Information Officer
ICT Security Guide	Describes security measures that are in place and the procedures to be followed to ensure the security of the ICT function	Reviewed annually updated as necessary	Assistant ICT Manager
Policy Centre	Acts as a repository for all ICT and Information Security Policies	Reviewed annually updated as necessary	ICT & Business Transformation Manager

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Project Centre	Provides guidance and standard templates in support of effective project management for all Council projects.	Reviewed annually updated as necessary	ICT & Business Transformation Manager
ICT Technical Architecture	Sets out the technical strategy and standards for the development of the Technical Infrastructure Architecture	Reviewed annually updated as necessary	Assistant ICT Manager
Information Management Strategy	Provides the framework for the Council to introduce effective Information Management arrangements to ensure that information assets are known, maintained, enhanced, shared, and used to inform decision making.	Reviewed annually updated as necessary	Chief Information Officer

## 2. SERVICE LEVEL OBJECTIVES LINKED TO CORPORATE OBJECTIVES

Service Areas covered by this Plan	Service Objectives
<b>Business Transformation</b>	
Business Transformation	To ensure that the Council is using technology to support/deliver service improvement and business transformation, to identify and realise business benefits both cashable and non-cashable
<b>Development</b>	
Development	To ensure the Council has the ability to support software solutions including integration and complex reporting. To provide capacity to develop solutions that meet the Council's business needs that are not commercially available or economically obtained.
Web Development and Content Management	To ensure the Council has a transactional website and intranet that provides an easy to navigate and up-to-date site. To continue to develop and maintain the Council's website and intranet, including the policing, editing and coordination of its contents. Managed by the Corporate Communications Manager.
<b>ICT</b>	
ICT Hardware / PCs	To implement and support PC service delivery. To support all areas of the Council including elected members in order to maximise PC knowledge
ICT Service Desk and Operations	To ensure corporate computer operations are timely, controlled and meet the requirements of the Business Continuity Plan. To provide operational support to ensure optimum service delivery
ICT Security	To provide ICT expertise to secure the Council's environment against such as Cyber threats
ICT Support	To provide ICT expertise to all areas of the Council and to elected members in order to facilitate service delivery. To develop and monitor the Council's network infrastructure. To maximise the availability of the network. To provide network expertise enabling controlled development to facilitate service delivery.

Service Areas covered by this Plan	Service Objectives
<b>Information Management</b>	
Information Management	Assuring the protection, integrity and retention of the authority's data and information assets ensuring legal compliance. Developing the supply and distribution of information (Business Intelligence) to improve decision making and efficient Service Delivery.
<b>Partnerships</b>	
Partnerships	To ensure that the Council is able to take opportunities that arise through partnership working to create efficiencies and improve service levels to our customers.
<b>Portfolio Management</b>	
Programme and Project Management	To ensure the Council has full programme and project management. To maximise ICT resources to enable the Council to successfully implement its facilities and plans. To ensure the Council's ICT processes comply with legislation

### 3. MEASURES OF PERFORMANCE AND SERVICE DATA

#### Context – Baseline Service Data

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
ITData_01	Service Desk support calls	7,635	7,095	5076	Sourced from ICT Management KPI Statistics March 2018
ITData_02	Number of PC's	575	593	620	Sourced from Asset Register and corporate management systems (SCCM and AD)
ITData_05	Virus Attacks – Number of prepared or blocked instances of malicious or infected content	3,974	1,485	895	Sourced from ICT Management KPI Statistics March 2018
ITData_06	Number of security incidents recorded through ICT Service Desk	30	60	166	Sourced from security incidents recorded in service desk platform
ITData_07	Volume of emails received by the Council	1,045,074	1,123,712	1,111,346	Sourced from ICT Management KPI Statistics March 2018
ITData_08	SPAM – Volume of Spam emails intercepted	117,007	80,022	77,620	Sourced from ICT Management KPI Statistics March 2018
ITData_09	Software Upgrades successfully applied to the ICT application estate	46	32	43	Sourced from the release control spreadsheet
ITData_10	System Change Requests – Volume of change requests completed by ICT Services	239	205	206	Sourced from ICT Management KPI Statistics March 2018
ITData_11	Third Party Account Management Meetings	6	16	11	Based on number of account meeting minutes/notes recorded

<b>Pentana Code</b>	<b>Service Data Description</b>	<b>Actual 2015/16</b>	<b>Actual 2016/17</b>	<b>Actual 2017/18</b>	<b>Comments including benchmarking data</b>
ITData_12	Systems reviewed to ensure continued fitness for purpose	6	4	4	Sourced from System Review report 2017/18
ITData_13	Employee involvement in ICT, Business Engagement Events	35	36	34	Based on number of unique attendees at business account meeting. Based on minutes/ notes recorded.
ITData_15	Employees receiving ICT induction	35	31	73	Sourced from ICT induction programme (per training section)
ITData_16	Total savings achieved from ICT Shared Services	£1.46m	£1.63m	£1.64m	Sourced from ICT Shared Service statistics.



## Critical Success Indicators (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Critical Success Indicators (CSI)								
System Availability	ITLocal_01	99.7%	98.9%	97.7%	99.5%	99.5%	99.5%	ICT & Business Transformation Manager
Virus Protection	ITLocal_05	100%	100%	100%	100%	100%	100%	ICT & Business Transformation Manager

## Performance Indicators

Priority leaders should identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT and Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring at a service level.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Key Performance Indicators (KPI)								
Service Desk Satisfaction	ITLocal_02	99.2%	98.0%	100%	99%	99%	99%	ICT & Business Transformation Manager
BBSi Programme Completion	ITLocal_04	97.9%	86.0%	100%	100%	100%	100%	ICT Manager and Business Transformation Manager

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Management Performance Indicators (MPI)								
Service Desk SLA	ITLocal_03	98.7%	98.5%	97.3%	98%	98%	98%	ICT & Business Transformation Manager
Telephony Abandonment – ICT Services	ITLocal_09	9.3%	7.0%	7.2%	7%	7%	7%	ICT & Business Transformation Manager

#### 4. KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2019/20 – 2021/22 INCLUDING COMMERCIAL ACTIVITIES

Priority leaders are asked to consider potential **commercial activities** in their priority areas when setting the key tasks and priorities for 2019/20 to 2021/22. In doing so priority leaders should consider:

- In which service areas could new commercial activities be undertaken?
- How much additional income could be generated from the new commercial activities?
- Would additional resources (employees, equipment, systems etc.) be needed to undertake the new commercial activities? If yes, outline these with estimates of costs.
- How will these new commercial activities link into the Council's Medium Term Financial Strategy, Capital Programme, Business Strategy and Commercial Strategy?
- Will the new commercial activities affect existing Revenue and Capital budgets? If yes, then remember to include the net income or costs to Section 5 'Link Key Tasks and Priorities for Improvement to the Financial Budgets'.
- Please identify new '**commercial activities**' in the comments column.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT1920_01	<b>Digital Strategy Implementation</b> Implementation of the technology and processes required to provide digital services our customers prefer to use by default.	To enable organisational transformation, creating customer focused online service delivery and gaining maximum business efficiency.	Common Digital Strategy / Access Strategy adopted across partnership with common reporting tools implemented	Chief Information Officer	Includes leveraging the benefits from replacement Customer Relationship Management system, Committee Management system, Legal Case Management system, and Online and Self Service telephony.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
IT1920_02	<b>ICT Security Compliance:</b> PCI-DSS & Government Connect - Maintain compliance with latest Security standards and support annual assessments.	Compliance with latest Government and Payment Card Industry security standards.	ICT security solutions are researched/ implemented partnership wide.  Shared learning re cyber incidents.	ICT & Business Transformation Manager	Government Code of Connection is being replaced with TLS based system in March 2019. The Partnership is collaborating and taking active steps to ensure all necessary controls are implemented to manage this change effectively.
IT1920_03	<b>E-Facilities:</b> Purchase/implement the necessary hardware and software to enable the development of the Council's Mobile Working approach and facilities. Include the initiation of pilot projects to trial available mobile working facilities across business functions. In subsequent years to enable the continued development of the e-facilities capabilities.	To demonstrate through pilots and proof of concept exercises the service improvement, capacity building and efficiencies that are achieved through the investment in technology.  Assist the delivery of the appropriate technology to support agile working.  Support staff with the transition to more extensive use of mobile technologies and mobile working.	Pilot results are shared in order to inform approach	ICT & Business Transformation Manager	Estimated Costs. Business case and report to Committee will be required in order to obtain capital funding in the following years:  2019/20 £40,000 2020/21 £40,000 2021/22 £40,000
????	<b>New Ways Of Working</b> Implement appropriate hardware and	To deliver a flexible working environment including monitors, laptops, soft phones, and audio visual	Learning from partner site will inform approach	ICT & Business Transformation Manager	Costs built into replacement and Development Program and Technical Infrastructure

<b>Pentana Code</b>	<b>Description</b>	<b>Targeted Outcome</b>	<b>Partnership/ Procurement Arrangement</b>	<b>Officers Responsible/ Target Date</b>	<b>Budget Implications/ Efficiencies/Other comments</b>
	infrastructure to support agile working	arrangements. Enabling an agile			

## 5. LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS

Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
<b>Budget Implications</b>				
E-Facilities	IT1920_03	40,000	40,000	40,000
<b>Efficiencies Generated</b>				
Digital Strategy Implementation and E-Facilities (Cashable Savings)	IT1920_01 IT1920_03	(61,400)	(53,800)	(53,800)
<b>New business/increased income</b>				
None		0	0	0
<b>Net Change in Revenue Budgets</b>		<b>(21,400)</b>	<b>(13,800)</b>	<b>(13,800)</b>

## 6. SUMMARY OF KEY RISKS

Priority leaders are to identify three strategic risks for the Business area and to determine whether these have been/or should be considered on the Council's Strategic Risk Register.

Key Strategic Risk	Is this already covered by an existing Strategic Risk?	What action can be taken/is required to mitigate/minimise the risk or threat
1. Replacement and Development:	Yes	Portfolio / Project management
2. ICT Security Compliance:	Yes	Portfolio / Project management
3. Information Strategy, Standards & Procedures:	Yes	Portfolio / Project management best practice standards, communication, and training

Also, the top five risks (strategic or operational) arising from the key tasks and priorities for improvement should be identified. Whilst, it will be expected that detailed risks will be considered as part of the project planning process for each key task, it is anticipated that there will be 'common themes' identified which should enable the key risks to be limited to the top five. An earlier example has been included for reference.

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
IT1920 _01	Digital Strategy Implementation	Risk of lack of resources, technical skills and supplier facilities	Risks 2, 19 and 20	Training programme and early engagement with ICT suppliers, Portfolio/ Project management
IT2920 _02	Replacement and Development programme	Resources (ICT), Budget, Employee Continuity	Risks 2, 19 and 20	Portfolio / Project management

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
IT1920_03	Technical Infrastructure Architecture:	Resources (ICT), Budget, Employee Continuity	Risks 2, 19 and 20	Third Party technical expertise, Portfolio / Project management
IT1920_14	ICT Security Compliance:	Resources (ICT), Technical Skills, Supplier facilities, On-going and increasing threat of cyber breach	Risks 2, 19 and 20	Training, Information Management Strategy, Membership of Cyber-security Information Sharing Partnership (CiSP) / Warning and Reporting Point (WARP), Third Party technical expertise, Portfolio / Project management

**List of Strategic Risks** – Extract (<https://intranet.broxtowe.gov.uk/media/2127/strategic-risk-register-as-at-august-2018.pdf>):

Risk 2 - Failure to obtain adequate resources to achieve service objectives

Risk 19 - Lack of skills and/or capacity to meet increasing initiatives and expectations.

Risk 20 - Inability to attract or retain key individuals or groups of staff



## FRESOURCES BUSINESS PLAN 2019–2022

This Business Plan details the projects and activity undertaken in support of the Council's Corporate Plan 2016-2020 priorities.

The Corporate Plan prioritises local community needs and resources are directed toward the things they think are most important. These needs are aligned with other local, regional and national plans to ensure the ambitions set out in our Corporate Plan are realistic and achievable.

The Business Plan covers a three-year period but will be revised and updated annually. Detailed monitoring of progress against key tasks and outcome measures is undertaken quarterly by the Finance and Resources Committee. The Policy and Performance Committee also receives a high level report of progress against Corporate Plan priorities on a quarterly basis.

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## 1. PUBLISHED STRATEGY AND POLICY DOCUMENTS SUPPORTING THE DELIVERY OF PRIORITIES AND OBJECTIVES

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Corporate Plan 2016-2020	The Council's overarching plan for its priorities, targets and objectives. The plan sets out priorities to achieve the vision to make "Broxtowe a great place where people enjoy living, working and spending leisure time" with focus on the priorities of Housing, Business Growth, Community Safety, Health and Environment.	April 2020	Chief Executive
Business Strategy 2019/20 to 2021/22	Deigned to ensure that the Council is: <ul style="list-style-type: none"> <li>• Lean and fit in its assets, systems and processes</li> <li>• Customer focused in all its activities</li> <li>• Commercially minded and financially viable</li> </ul> Making best use of technology.	Updated annually	Deputy Chief Executive
Medium Term Financial Strategy 2019/20 to 2021/22	The Council's key financial planning document. In detailing the financial implications of the Corporate Plan, the MTFS provides a reference point for corporate decision-making and helps to ensure that the Council can optimise the balance between its financial resources and the delivery of its priorities. The MTFS informs the annual budget-setting process, ensuring that each year's budget is considered within the context of the Council's ongoing sustainability over the entirety of the planning period.	Updated annually	Deputy Chief Executive Head of Finance Services
Commercial Strategy 2017-2020	Promote and support a change in organisational culture towards a more business-like approach to the delivery of services. Overall, commercialism will enable departments to adopt a business-like approach with the focus firmly on delivering the best services possible for residents and businesses within the Borough whilst at the same time maximising income generation.	April 2020	Deputy Chief Executive Commercial Manager

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
Capital Strategy	An overarching summary document which encompasses all capital and treasury activity including the capital programme, financing planning, accounting policies and asset management.	Updated annually	Deputy Chief Executive Head of Finance Services
<b>Finance Services</b>			
Medium Term Financial Strategy	Provides a three-year forecast of expenditure and income along with the use of reserves	Annually	Deputy Chief Executive
Annual Budget Book	Sets out the Council's financial plans for the forthcoming year	Annually	Chief Accountant
Annual Statement of Accounts	Summarises the Council's finances at the end of each financial year	Annual	Head of Finance Services
Housing Revenue Account (HRA) Business Plan	Provides a 30-year forecast of revenue and capital expenditure and income on the Council's landlord functions	Annually	Head of Finance Services
Internal Audit Charter	Key document defining the role of the Internal Audit service. It sets out the mission, purpose, regulatory basis, ethics, authority, independence/objectivity and responsibilities of Internal Audit.	Annually	Chief Audit and Control Officer
Internal Audit Strategy and Plan	Provides a framework for reviewing the Council's control systems based on an assessment of risks within each system, with the plan detailing the audit activity for the forthcoming year	Annually	Chief Audit and Control Officer
Capital Strategy	Sets out the approach to setting capital budgets and monitoring the programme	Annually	Deputy Chief Executive
Treasury Management Policy Statement	Provides the framework for undertaking all of the Council's treasury management activities	Annually	Head of Finance Services

<b>Strategy/Policy Document</b>	<b>Purpose of Document</b>	<b>Renewal Date</b>	<b>Responsible Officer/Contact</b>
Treasury Management Strategy	Sets out the anticipated borrowing and investment activities for the forthcoming year	Annually	Head of Finance Services
Investment Strategy	Ensures investment decisions fulfil pre-set criteria relating to security, liquidity and yield	Annually	Head of Finance Services
Statement on Prudential Indicators	Sets parameters designed to ensure that borrowing activity is affordable	Annually	Head of Finance Services
Risk Management Strategy	Defines the Council's attitude to risk and sets out the framework within which risks will be managed and monitored. Effective risk management will help to ensure that the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver priorities, improve outcomes for residents and mitigating legal action and financial claims against the Council and subsequent damage to its reputation.	December 2021	Head of Finance Services
Strategic Risk Register	Identifies key strategic risks to the achievement of the Council's corporate priorities and objectives.	Quarterly	Head of Finance Services
Commissioning and Procurement Strategy	Provides a framework for the approach to commissioning and procurement and ensures that these activities contribute to the Council's corporate priorities and objectives.	June 2019	Deputy Chief Executive Chief Audit and Control Officer

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
<b>Legal Services</b>			
Enforcement Protocol	Framework for the conduct of enforcement throughout the Council		Monitoring Officer
Constitution	Outlines how the Council operates and relates to other bodies and the wider community		Monitoring Officer
Information Sharing Protocol	Facilitate the sharing of information with Nottinghamshire Police		Chief Executive
RIPA Strategy	Ensure proper conduct of investigations to acquire court evidence		Monitoring Officer
<b>Administrative Services</b>			
Complaints Systems Service Standard	Provides standards and targets for the delivery of services	Annually	Democratic Services Manager
Local Land Charges Service Standard	Provides standards and targets for the delivery of services	Annually	Head of Administrative Services
Electoral Services Service Standard	Provides standards and targets for the delivery of services	Annually	Head of Administrative Services

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
<b>Human Resources</b>			
People Strategy 2019-22	Strategic direction and actions for development and planning of skills and capacity to deliver services now and in the future	April 2019-22	Head of Public Protection
Single Status Conditions of Service	Comprehensive set of employment policies, practices and conditions of service for all employees	Ongoing review	Human Resources Manager
Pay Policy	Sets out the Council's approach to remuneration, pay and conditions of employment	Annually	Payroll Manager
Learning and Development Policy	Policy, principles and procedure for the delivery of corporate training and development needs across the Council	December 2021	Human Resources Manager
Equal Opportunities Policy	Statement of intent, responsibilities and actions in respect of equality and diversity for employees and services provided by the Council	December 2021	Human Resources Manager
Equality and Diversity Policy	Outlines the Council's legal duties and sets out the corporate framework for work on equality and diversity.	December 2021	Human Resources Manager
<b>Council Property</b>			
Asset Management Strategy	Guide the Council's future strategic property decisions and inform more detailed management plans relating to individual assets. Establishes strategic principles to enable the Council to manage its assets more effectively and share its property strategies and accommodation needs with other organisations more easily.	March 2020	Deputy Chief Executive Estates Manager

Strategy/Policy Document	Purpose of Document	Renewal Date	Responsible Officer/Contact
<b>Health and Safety</b>			
Health and Safety Policy	Statement of intent, responsibilities and actions in respect of all health and safety issues	Annual	Health and Safety Manager
Health and Safety Codes of Practice	Provision of practical advice and guidance	Various dates	Health and Safety Manager
Safe Systems of Work Procedures	Guidance on safe systems of work and best practice	Ongoing	Health and Safety Manager

## 2. SERVICE LEVEL OBJECTIVES LINKED TO CORPORATE OBJECTIVES

Service Areas covered by this Plan	Service Objectives
<b>Finance Services</b>	
Financial Management	Manage the Council's finances in an efficient manner such that the Council has sufficient financial resources to enable it to successfully implement its policies and plans
Accountancy Services	Prepare and monitor the Council's detailed financial plans and pay all creditors and collect all income due to the Council promptly
Internal Audit	A key component of the Council's governance framework to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. Internal Audit provides independent and objective assurance to the Council on its operations; and adds value by assisting management in improving the delivery of the Council's objectives and operations through evaluating and challenging the effectiveness of risk management, control and governance processes
Treasury Management and Banking	Manage the Council's debt portfolio, investments and banking arrangements, manage the risks associated with these activities and pursue optimum performance consistent with these risks
Business Planning and Performance Management	Co-ordinate the Council's business planning and performance management framework, including support with the preparation of Business Plans and the suite of performance indicators and targets and the monitoring of these through the performance management system.
Insurance and Risk Management	Identify, arrange and monitor insurance requirements and implement risk management initiatives which minimise the risk of injury or loss to customers, employees and other stakeholders and safeguard the Council's assets.
Commissioning and Procurement	Improve the delivery and cost effectiveness of high quality services across the organisation through the promotion of effective, prudent and innovative commissioning and procurement practices.
Grant Aid	Process applications for grant aid from voluntary organisations and individuals involved in sports or the arts.



Service Areas covered by this Plan	Service Objectives
<b>Legal Services</b>	
Legal	Provide an experienced and high quality legal service to all departments in the Council, members in order to assist in achieving the Council's five corporate objectives
Services to Parishes	Ensure that relevant advice and assistance is available to parish councils in connection with complaints
Standards	Provide an effective monitoring officer service to the Council and to parish and town councils
Attendance at Full Council, Planning Committee, and other Committees as required	To advise Members and Officers to support the decision making processes of the Authority.
<b>Administrative Services</b>	
Complaints	Co-ordinate and respond to formal complaints from members of the public.
Land Charges	Maintain a register of Local Land Charges relating to all identifiable properties within the borough. Provide a comprehensive service to the public and to the conveyancing industry as to the provision of that information.
Democratic Representation	Provide a comprehensive committee administration service to Council, Committees and the public. Ensure compliance with the Council's constitution.
Attendance at Committees	Support the decision making processes of the Authority.
Electoral Services	Ensure that as many electors as possible are included in the Register of Electors. Ensure that facilities are available to enable all electors to vote.

Service Areas covered by this Plan	Service Objectives
<b>Administrative Services (continued)</b>	
Information Management (including Freedom of Information; Environmental Information Regulations; Reuse of Public Sector Information; Information Assets and Transparency Code)	<p>Ensure that requests for information and re-use of information are dealt with in accordance with statutory deadlines.</p> <p>Ensure that the Council's Information Assets Register is up to date.</p> <p>Ensure that all information required to be published is on the Council's website.</p>
<b>Human Resources</b>	
Human Resources	To ensure that the Council complies with all relevant legislation and supports positive employment practices through the provision of advice, guidance and support on all aspects of HR service delivery relating to terms and conditions of employment, employment law and codes of practice in accordance with corporate aims and objectives.
Learning and Development	To increase learning across the organisation through the delivery of a wide range of corporate learning and development programmes and initiatives which enable employees to successfully deliver efficient and effective services.
Payroll and Job Evaluation	To ensure that the Council is compliant with all Council and HMRC requirements. Management of corporate job evaluation system to maintain a fair and transparent pay and grading process.
Human Resources	To ensure that the Council complies with equalities law and promotes equality and diversity through the delivery of a programme of initiatives which link to the aims of the Council's Equality and Diversity policy and framework and objectives.

Service Areas covered by this Plan	Service Objectives
<b>Council Property</b>	
Estates	Manage the Council's land and building assets in an efficient manner to ensure the operational assets are fit for purpose and that the potential for income is maximised.
<b>Health and Safety</b>	
Health and Safety	Promote a positive safety culture and encourage ownership of health and safety responsibilities at all levels by developing appropriate strategies, capturing and reviewing relevant data with a view to identifying improvements and providing advice and guidance where necessary.

### 3. MEASURES OF PERFORMANCE AND SERVICE DATA

#### Context – Baseline Service Data

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
<b>Finance Services</b>					
FPData_01	Debtor invoices raised	5,107	4,983	4,831	
FPData_02	Creditor payments made	41,194	39,677	36,273	Payments made on behalf of Liberty Leisure are excluded.
FPData_03	Insurance claims received	54	63	59	
FPData_04	Long-term Debt at 31 March	£82.8m	£84.8m	£82.8m	
FPData_05	Investments at 31 March	£9.0m	£8.9m	£12.8m	
<b>Legal Services</b>					
DSDData_10	Section 106 Agreements completed	10	5	4	Joint working with Planning
LADData_11	Contracts completed	n/a	n/a	8	Data not available for 2015/16 and 2016/17.
LADData_13	Council house sales completed	28	20	39	
LADData_14	Court cases dealt with in the Magistrates Court	18	14	10	

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
LADData_15	Court cases dealt with in the County Court (including Sundry Debt cases)	50	n/a	6	Data not available for 2016/17. The new Case Management System will assist with data collation and reporting.
LADData_21	No. of Standards Complaints received by Legal Services	-	12	10	NEW Indicator introduced in 2018
LADData_22	Standards Complaints investigated by Legal Services	-	0	2	NEW Indicator introduced in 2018
LADData_23	Requests to issue Statutory Notices from Council Services	-	-	-	NEW Indicator introduced in 2018.
<b>Administrative Services</b>					
LADData_02	Land Charges searches processed	1,315	1,258	750	
LADData_03	Personal Land Charges searches processed	1,072	1,110	1,650	
LADData_07	Freedom of Information requests	707	770	776	
LADData_08	Complaints determined by Ombudsman	6	1	0	
LADData_10	Formal complaints handled internally	16	11	22	
LADData_20	Occasions when a meeting was cancelled as legal requirements have not been met	0	0	0	

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
<b>Human Resources</b>					
HRData_01	Average learning days per employee	2.4	3.7	2.3	The focus on increasing BLZ courses means shorter training sessions. Also, slightly lower overall staff numbers.
HRData_01a	Training sessions attended by members	178	36	35	Training normally put on for Portfolio Holders, licensing and Appeals members, and bespoke one-on-one regular training sessions as and when required by members.
HRData_02	Work experience placements provided	28	19	9	Applications are down since there is now no formal requirement for work experience from schools. 15 places offered. 9 taken.
HRData_05	Applications received for vacancies	1,151	569	626	25% increase in recruitment. 80 jobs advertised
HRData_06	Applications received electronically	1,087	551	618	25% increase in recruitment. 80 jobs advertised
HRData_07	Applications received in the post	64	18	8	25% increase in recruitment. 80 jobs advertised
HRData_08	Permanent appointments	38	37	42	25% increase in recruitment. 80 jobs advertised
HRData_09	Permanent leavers	105	214	63	26% reduction in permanent leavers excluding previous Liberty Leisure TUPE transfers
HRData_10	Temporary appointments (excluding relief positions)	22	14	5	25% increase in recruitment

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
HRData_18	ICT training sessions delivered internally	174	108	117	Focus on BLZ and Appraisals. No new Corporate Systems launched
HRData_19	ICT training sessions delivered externally	5	14	0	No requests in 2017/18 from Parish Councils or other local councils.
HRData_24	Apprentices in post at 31 March	14	6	1	Apprenticeships came to an end
HRData_25	Broxtowe Learning Zone courses available	24	47	52	New Courses launched
HRData_26	Broxtowe Learning Zone courses completed	3,343	6,093	4,039	Since launch in November 2014 a cumulative total of 15,413 courses completed
HRData_16	Staff working beyond age of 65	14	11	10	Leavers and retirements
HRData_21	Top 5% of earners who are women	31%	29%	27%	BBC Gender Pay Gap 6.63%
HRData_22	Top 5% of earners from black and minority ethnic communities	0%	3.5%	0%	
HRData_23	Top 5% of earners with a disability	11.7%	12.5%	9.1%	
<b>Council Property</b>					
CPData_01	Commercially Let Industrial Units	60	73	73	
CPData_02	Property Assets excluding HRA	152	153	153	
CPData_03	Asset Value of Council Property excluding HRA	£25.4m	£30.8m	£ 30.6m	

Pentana Code	Service Data Description	Actual 2015/16	Actual 2016/17	Actual 2017/18	Comments including benchmarking data
<b>Health and Safety</b>					
H&SData_02	No. of accidents	43	41	29	
H&SData_03	No. of reportable accidents	8	6	4	



## Critical Success Indicators (CSI)

Priority leaders should work corporately to **define** the **outcome objective** for each priority area and **identify an outcome indicator** or indicators which will be **Critical Success Indicators**. There will be a maximum of two CSI for each corporate priority.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Critical Success Indicators (CSI)								
Invoices paid within 30 Days %	BVPI 8	99.2%	99.1%	99.5%	99%	99%	99%	Head of Finance Services
Complaints determined by the Local Government/ Housing Ombudsman against the Council	LALocal_07	7	3	2	0	0	0	Democratic Services Manager  Indicator redefined from 2016/17 and target amended accordingly
Freedom of Information requests replied to within 20 working days %	LALocal_12	97.2%	95.3%	95.0%	100%	100%	100%	Head of Administrative Services
Working days lost due to sickness absence	BVPI 12	9.39	9.73	13.64	7.50	7.50	7.50	Chief Executive

## Performance Indicators

Priority leaders are to identify two sets of performance indicators namely **Key Performance Indicators (KPI)** for reporting to GMT/Members and **Management Performance Indicators (MPI)** for use in business planning and performance monitoring purposes at a service level.

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Key Performance Indicators (KPI)								
Finance Services								
Invoices paid within 20 days	FPLocal_09	97.8%	97.4%	98.5%	98%	98%	98%	Head of Finance Services
Sundry creditors paid by BACS %	FPLocal_01	86.3%	87.6%	89.9%	90%	91%	92%	Chief Accountant
Sundry debtors raised in any one financial year paid in that year	FPLocal_02	88.5%	80.5%	83.2%	90%	90%	90%	Chief Accountant
Planned internal audits completed in year	FPLocal_03	92%	91%	89%	90%	90%	90%	Chief Audit and Control Officer
Legal Services								
Prosecutions where a sentence is imposed in the Magistrates Court	LALocal_13	90%	87%	100%	90%	90%	90%	Chief Solicitor and Deputy Monitoring Officer
Statutory Notices issued as a result of requests from Council Services	LALocal_14	-	-	-	8	-	-	Monitoring Officer NEW Indicator

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Administrative Services								
Individually registered electors in the borough	LALocal_08	82,204	84,621	84,167	86,500	87,000	87,500	Head of Administrative Services  84,617 registered electors as at 1/12/2018
Complaints acknowledged within 3 working days	LALocal_04	89%	82%	93%	100%	100%	100%	Democratic Services Manager
Human Resources								
Level of Equality Framework for Local Government to which the Council conforms	BVPI 21	Ach.	-	Ach.	Ach.	Exc.	Exc.	Human Resources Manager Ach.=Achieving Exc.=Excellent
Employees declaring that they meet the Equality Act 2010 disability definition	BVPI 16a	8.08%	7.46%	7.09%	10%	10%	10%	Human Resources Manager
Ethnic minority representation in the workplace	BVPI 17a	6.76%	7.04%	6.87%	8.0%	8.0%	8.0%	Human Resources Manager
Annual employee turnover	HRLocal_06	16.6%	16.3%	13.1%	10%	10%	10%	Human Resources Manager
Employees qualified to NVQ Level 2 and above	HRLocal_07	84%	85%	85%	88%	89%	90%	Human Resources Manager

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Council Property								
Industrial Units vacant for more than 3 months	CPLocal_01	0.0%	0.5%	1.6%	5%	2%	2%	Estates Manager
Industrial Unit tenants with rent arrears	CPLocal_02	0.0%	0.12%	6.6%	3%	2%	2%	Estates Manager
Beeston Square Shops vacant for more than 3 months %	CPLocal_05	n/a	15%	15%	0%	0%	0%	Estates Manager
Net rental income yield from The Square, Beeston shops	CPLocal_06	n/a	£53k	£252k	£250k	£250k	£250k	Head of Property Services
Management Performance Indicators (MPI)								
Finance Services								
Achieve a 5% reduction in insurance claims when compared to the average claims in the last five years	FPLocal_06	54	63	59	58	55	52	Chief Audit and Control Officer
Closed claims over a three year period settled at nil cost to the Council	FPLocal_07	51.8%	54.2%	51.1%	60%	60%	60%	Chief Audit and Control Officer
Reduce the potential cost of outstanding claims when compared with the average year-end balance	FPLocal_08	11.7%	(63.8%)	1.9%	(5%)	(5%)	(5%)	Chief Audit and Control Officer

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Administrative Services								
Challenges to the accuracy of the minutes	LALocal_09	4	4	5	0	0	0	Democratic Services Manager
Human Resources								
Applications received from BME Groups	HRLocal_01	19.6%	21.4%	23%	20%	20%	21%	Human Resources Manager
Appointments from BME Groups	HRLocal_02	17.8%	37.9%	14.2%	13%	14%	14%	Human Resources Manager
Applications received from self-declared disabled people	HRLocal_03	4.1%	4.0%	6.9%	8%	8%	8%	Human Resources Manager
Appointments from self-declared disabled applicants	HRLocal_04	6.4%	5.9%	14.2%	7%	7%	8%	Human Resources Manager
Apprentice positions offered	JBGLocal_02	19	3	0	6	6	6	Human Resources Manager
Work experience opportunities offered	JBGLocal_01	28	19	15	26	27	28	Human Resources Manager
Staff Satisfaction at being led by managers	HRLocal_09	-	-	-	NEW	100%	100%	Human Resources Manager

Indicator Description	Pentana Code	Achieved			Target			Indicator Owner and Comments (incl. benchmarking)
		2015/16	2016/17	2017/18	2018/19	2019/20	Future Years	
Staff level of trust and confidence in their managers	HRLocal_10	-	-	-	NEW	100%	100%	Human Resources Manager
Extent to which employees feel that the Council is committed to equality and values diversity	HRLocal_11	-	-	-	NEW	100%	100%	Human Resources Manager
% of staff receiving an annual appraisal	HRLocal_12	-	-	-	100%	100%	100%	Human Resources Manager
% of staff who have undertaken equality & diversity training (i.e. current validation)	HRLocal_13	-	-	-	100%	100%	100%	Human Resources Manager
Gender Pay Gap	HRLocal_14	-	-	7.92%	0%	0%	0%	Payroll Manager/Human Resources Manager
% of managers who have received Mental Health Awareness Training	HRLocal_15	-	-	-	100%	100%	100%	Human Resources Manager
No of Days lost as a result of work related stress	HRLocal_16	-	-	-	0%	0%	0%	Human Resources Manager

#### 4. KEY TASKS AND PRIORITIES FOR IMPROVEMENT 2019/20 – 2021/22 INCLUDING COMMERCIAL ACTIVITIES

Priority leaders are to consider potential **commercial activities** in their priority areas when setting the key tasks and priorities for 2019/20 to 2021/22. In doing so priority leaders should consider:

- In which service areas could new commercial activities be undertaken?
- How much additional income could be generated from the new commercial activities?
- Would additional resources (employees, equipment, systems etc.) be needed to undertake the new commercial activities? If yes, outline these with estimates of costs.
- How will these new commercial activities link into the Council's Medium Term Financial Strategy, Capital Programme, Business Strategy and Commercial Strategy?
- Will the new commercial activities affect existing Revenue and Capital budgets? If yes, then remember to include the net income or costs to Section 5 'Link Key Tasks and Priorities for Improvement to the Financial Budgets'.
- Please identify new '**commercial activities**' in the comments column.

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
<b>Finance Services</b>					
FP1922_01	Produce final accounts by end of May	Final Accounts to be produced for external auditors to scrutinise by end of May 2019		Head of Finance Services May 2020	Within existing budgets
FP1922_02	Implement web based Financial Management Software	Introduction of web based accounts management to support New Ways of Working	Civica	Head of Finance Services June 2019	Within existing budgets
FP1922_03	Introduce Intelligent Scanning to all Departments	Reduction in time taken to process invoices received	Civica	Chief Accountant September 2019	Efficiency expected with improved accuracy of processing

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
FP1922_04	Produce a refreshed Procurement Strategy for approval by Members	A new Procurement Strategy to be adopted by the Council.		Chief Audit and Control Officer July 2019	Approval required at Policy and Performance Committee
FP1922_05	Determine the Council's approach to procurement to ensure that it meets needs and objectives	Review current procurement arrangements to ensure that the Council has sufficient expertise to maintain compliance with regulations.	To be determined	Head of Finance Services Chief Audit and Control Officer September 2019	May require additional resources – Impact to be determined.
<b>Legal Services</b>					
LA1821_01	Implement and Manage the Case Management System	Improve the management of cases and records. Production of case load reports.		Chief Solicitor and Deputy Monitoring Officer September 2019	
LA1821_02	Progress the completion of First Registration of Council owned Land	Achieve 100% registration of unregistered Council land	Land Registry	Chief Solicitor and Deputy Monitoring Officer March 2020	May require additional resources
LA1922_01	Embed an effective joint Debt Recovery Service to continue to reduce levels of debt.	Maintain low levels of outstanding debt and focus on those with a realistic prospect of recovery		Chief Solicitor and Deputy Monitoring Officer Head of Revenues and Benefits March 2020	May require additional resources to undertake the task



Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
LA1922_02	Rewrite the Council's Constitution	Update the Council's constitution to reflect the Council's day to day business	Chief Officers Democratic Services	Chief Solicitor and Deputy Monitoring Officer September 2019	
<b>Administrative Services</b>					
DEM1922_01	Roll out phase 2 of the committee management system	More efficient and effective production and distribution of agendas and improved website information		Democratic Services Manager May 2019	Phase 1 completed resulting in improved efficiencies. Further development work on accessible documents ongoing.
DEM1518_02	Transfer of land charges function to Land Registry	Fully electronic register and successful transfer to Land Registry		Head of Administrative Services January 2020	Some of the land searches function will remain with the Council but no income will be received. The level of funding from the government to compensate is unknown at this stage
DEM1518_01	Community Governance Review	Revision of all parish boundaries so that existing anomalies are removed wherever possible		Head of Administrative Services December 2021	It is not anticipated that any additional resources will be required to support the review
<b>Human Resources</b>					
HR1720_01	Introduce 20 new online Broxtowe Learning opportunities	Expand the range of opportunities to develop employee skills	Learning Pool	ICT Trainer March 2020	Within existing budgets

Pentana Code	Description	Targeted Outcome	Partnership/ Procurement Arrangement	Officers Responsible/ Target Date	Budget Implications/ Efficiencies/Other comments
HR1417_03	Review payroll processes to include the introduction of e-forms and expand employee self-service system	Streamlining of processes, reduced paperwork and achievement of efficiencies for employees and managers	Frontier Software	Payroll Manager March 2018	E forms for mileage and expenses claims introduced April 2018.
NEW	Achieve Level 3 (Leader) Status for Disability Confident Employer Scheme	Become a champion within local/business communities in terms of appointing, keeping, and developing disabled employees	Dept for Work and Pensions		
<b>Council Property</b>					
CP1620_03	Implement the asset Management Plan 2016-21	Increased income from commercial assets and maximum efficiency for non-commercial assets	Tenant and Leaseholders	Estates Manager April 2021	Potential increase of up to £40,000 in commercial rents, with efficiencies of £50,000. Re-establish value of Beeston Square properties £150,000.

## **5. LINK KEY TASKS AND PRIORITIES FOR IMPROVEMENT TO THE FINANCIAL BUDGETS**

*Priority leaders should ensure that key tasks and priorities (including commercial activities) that have a financial implication are included in the analysis below.*

Revenue and Capital Budget Implications/Efficiencies Generated	Pentana Action Code	2019/20 Budget £	2020/21 Budget £	2021/22 Budget £
<b>Budget Implications</b>				
...	X	x,000	x,000	x,000
...	X	x,000	x,000	x,000
<b>Efficiencies Generated</b>				
CMS implementation	X	(x,000)	(x,000)	(x,000)
Asset Management	X	(x,000)	(x,000)	(x,000)
Reduction in external legal costs	X	(x,000)	(x,000)	(x,000)
Reduction in sickness (non-cashable service)		248,000	248,000	248,000
<b>New business/increased income</b>				
...	X	(x,000)	(x,000)	(x,000)
...	X	(x,000)	(x,000)	(x,000)
...	X	(x,000)	(x,000)	(x,000)
...	X	(x,000)	(x,000)	(x,000)
...	X	(x,000)	(x,000)	(x,000)
<b>Net Change in Revenue Budgets</b>		<b>(xxx,000)</b>	<b>(xxx,000)</b>	<b>(xxx,000)</b>

## 6. SUMMARY OF KEY RISKS

*Priority leaders are to identify three strategic risks for the Business area and to determine whether these have been/or should be considered on the Council's Strategic Risk Register.*

Key Strategic Risk	Is this already covered by an existing Strategic Risk?	What action can be taken/is required to mitigate/minimise the risk or threat
Failure to obtain adequate resources to achieve service objectives	Yes – Risk 2	Regular updating of Medium Term Financial Strategy and pursuing actions within various strategies including Commissioning and Procurement Strategy, Capital Strategy and Asset Management Strategy
Failure of financial management and/or budgetary control	Yes - Risk 7	Production of monthly budgetary control reports (revenue/capital) plus reviews of systems and processes by Internal Audit
Not complying with domestic or European legislation	Yes – Risk 6	Interpreting and advising on the application of all new legislation and using external support (specialists, professional bodies, networks etc) where appropriate
Inability to attract or retain key individuals or groups of staff	Yes – Risk 20	Review reasons why staff are leaving and seek ways to minimise any impact. Collate and analyse additional data from those employees leaving the organisation.
High levels of sickness absence	Yes – Risk 18	Regular review of sickness absence levels at senior level ensuring Council processes are followed. Additional training provided through BLZ and review of Attendance Management Policy.
Natural disaster or deliberate act which affects major part of the authority	Yes – Risk 14	Reviewing, testing and updating various plans

*Also, the top five risks (strategic or operational) arising from the key tasks and priorities for improvement should be identified. Whilst, it will be expected that detailed risks will be considered as part of the project planning process for each key task, it is anticipated that there will be 'common themes' identified which should enable the key risks to be limited to the top five. An earlier example has been included for reference.*

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
<b>Finance Services</b>				
FP1922_01	Produce final accounts by end of May	Staff absences or other work demands impacting on ability to meet deadlines	6- Not complying with domestic or European legislation	Final accounts timetable re-written and tasks brought forward where possible
FP1922_02	Implement web based Financial Management Software	Staff absences or other work demands impacting on ability to meet deadlines	19 – Lack of skills and or capacity to meet increasing initiatives and expectations	Detailed plans and training provided by software provider.
FP1922_03	Introduce Intelligent Scanning to all Departments	Staff absences or other work demands impacting on ability to meet deadlines	19 – Lack of skills and or capacity to meet increasing initiatives and expectations	Detailed plans and training provided by software provider.
<b>Administrative Services</b>				
DEM 1518_01	Implementation of committee management system	System does not deliver the anticipated benefits	No	Implementation plan including testing and training
DEM 1518_02	Transfer of land charges function to Land Registry	Funding from Government will not cover the loss of income	2 – Failure to obtain adequate resources to achieve service objectives	Include within Medium Term Financial Strategy

Code	Key Task	Risk or Threat to Key Task	Covered by an existing Strategic Risk?	Action taken/required to mitigate/minimise the risk or threat
<b>Human Resources</b>				
HR0912_01	Implement core abilities framework and PDR system across workforce within Broxtowe Learning Zone (BLZ)	Failure to implement could impact on employees' ability to competently undertake their role and managers' ability to effectively lead in accordance with objectives	19 – Lack of skills and/or capacity to meet increasing initiatives and expectations	Ensure Learning and Development section is focussed on programme plan in order to achieve deadlines set.
HR1620_02	Implement new People Strategy	Failure to implement could impact on staff engagement levels and effectiveness of service delivery	17 – Corporate and/ or political leadership adversely impacting upon service delivery	Ensure new strategy reflects corporate objectives and is communicated across the workforce.
HR1620_01	Review opportunities for shared HR working with other local authorities	Failure to review could result in efficiencies not being achieved	16 – Failure to maximise opportunities and recognise the risks in shared services arrangements	Ensure opportunities for collaboration are explored and considered at a senior level.

**List of Strategic Risks** (<https://intranet.broxtowe.gov.uk/media/2127/strategic-risk-register-as-at-august-2018.pdf>):

- Risk 1 - Failure to maintain effective corporate performance management
- Risk 2 - Failure to obtain adequate resources to achieve service objectives
- Risk 3 - Failure to deliver the HRA Business Plan
- Risk 4 - Failure of strategic leisure initiatives
- Risk 5 - Failure to complete the re-development of Beeston town centre
- Risk 6 - Not complying with domestic or European legislation
- Risk 7 - Failure of Financial Management and/or budgetary control
- Risk 8 - Failure to maximise collection of income due to the Council
- Risk 9 - Failure of key ICT systems
- Risk 10 - Failure to implement private sector element of Housing Strategy in accordance with Government and Council expectations
- Risk 11 - Failure to engage with partners and the community to implement Broxtowe's Sustainable Community Strategy 2010 – 2020
- Risk 12 - Failure to implement effective Crime & Disorder Reduction Strategy
- Risk 13 - Failure to provide housing in accordance with the LDF
- Risk 14 - Natural disaster or deliberate act, which affects major part of the Authority
- Risk 15 - Failure to mitigate the impact of the Government's welfare reform agenda
- Risk 16 - Failure to maximise opportunities and recognise the risks in shared services arrangements
- Risk 17 - Corporate and/or political leadership adversely impacting upon service delivery
- Risk 18 - High levels of sickness
- Risk 19 - Lack of skills and/or capacity to meet increasing initiatives and expectations.
- Risk 20 - Inability to attract or retain key individuals or groups of staff
- Risk 21 - Failure to fully utilise investment in ICT infrastructure
- Risk 22 - Processes or procedures not followed leading to ill informed decisions and/or abuse of Council facilities
- Risk 23 - Failure to comply with duty as a service provider and employer to groups such as children, the elderly, vulnerable adults etc.
- Risk 24 - Failure to ensure appropriate levels of data quality
- Risk 25 - Unauthorised access of data
- Risk 26 - High volumes of employee or client fraud
- Risk 27 - Failure to effectively communicate either externally or internally



### Report of the Interim Deputy Chief Executive

#### **GRANTS TO VOLUNTARY AND COMMUNITY ORGANISATIONS, CHARITABLE BODIES AND INDIVIDUALS INVOLVED IN SPORTS, THE ARTS AND DISABILITY MATTERS 2018/19**

##### 1. Purpose of report

To consider requests for grant aid in accordance with the provisions of the Council's Grant Aid Policy.

##### 2. Applications and financial position

Details of the grant application received are included in appendix 1 for consideration. The amount available for distribution in 2018/19 is as follows:

	£
Revenue Grant Aid Budget	168,800
Less: Estimated requirements for:	
Outstanding Rent Awards and Others	44,850
Less: Grant Awards to Date	91,265
<b>BALANCE AVAILABLE FOR DISTRIBUTION</b>	<b><u>32,685</u></b>

(#) – 'Outstanding Rent Awards' includes provisions in respect of the applications from 2<sup>nd</sup> Beeston Sea Scouts, 2<sup>nd</sup> Kimberley Scout Group, 5<sup>th</sup> Stapleford Scout Group, Age Concern Eastwood, Beeston Shopmobility, Bramcote Cricket Club, Broxtowe Play Forum, Chilwell Community Association, Eastwood People's Initiative, Stapleford Community Association and Toton Coronation Hall Community Association.

A summary of the grants awarded under delegated authority since October 2018 is included for information at appendix 2. An update on the Broxtowe Lotto and the Community Fund is provided in appendix 3.

#### **Recommendation**

**The Committee is asked to:**

- 1. Consider the request in appendix 1 and RESOLVE accordingly.**
- 2. NOTE the grants awarded under delegated authority in appendix 2 and the progress made relating to Broxtowe Lotto in appendix 3.**

#### Background papers

Nil

## APPENDIX 1

**Applications**

The following grant applications have been received for consideration in 2018/19:

<u>Applicant</u>		<u>Grant Award 2017/18</u>	<u>Grant Request 2018/19</u>
		£	£
Age Concern Eastwood	1	9,000	9,000 #
Voluntary Action Broxtowe	2	Nil	7,000
Broxtowe Women's Project	3	6,000	6,000
Eastwood People's Initiative	4	2,500	2,500 #
Bramcote Cricket Club	5	865	865 #
Kimberley Institute Cricket Club	6	Nil	750
Phoenix Football Club	7	Nil	1,000
Chilwell Community Association	8	3,150	3,150 #
Stapleford Community Association	9	3,000	3,000 #
Toton Coronation Hall Community Association	10	7,000	7,000 #
Beeston Shopmobility	11	14,500	8,500 #
2 <sup>nd</sup> Beeston Sea Scouts	12	1,750	1,750 #
2 <sup>nd</sup> Kimberley Scout Group	13	6,500	6,500 #
5 <sup>th</sup> Stapleford Scout Group	14	4,500	4,500 #
Broxtowe Play Forum	15	5,500	5,500 #
Greasley Gathering, The	16	1,000	1,000
		<b>Total</b>	<b>68,015</b>

The total request is made up of £23,165 in 'cash' from the balance available with £44,850 being for rents and other commitments as covered by the provisions below.

- # The estimated outstanding rent awards includes provisions for the applications from 2<sup>nd</sup> Beeston Sea Scouts (£1,750), 2<sup>nd</sup> Kimberley Scout Group (£6,500), 5<sup>th</sup> Stapleford Scout Group (£4,500), Age Concern Eastwood (£3,850), Beeston Shopmobility (£7,000), Bramcote Cricket Club (£850), Broxtowe Play Forum (£5,500), Chilwell Community Association (£3,150), Eastwood People's Initiative (£1,750), Stapleford Community Association (£3,000) and Toton Coronation Hall Community Association (£7,000).

**Age Concern Organisations****1. AGE CONCERN EASTWOOD**

Age Concern Eastwood was established in 1954 and is based at The Colin Dyson Centre on Edward Road in Eastwood. These premises are owned by the Council. The group generates its membership from Eastwood and the surrounding area. Currently, 82 clients are using its services with the majority being Broxtowe residents aged 60 years or over. Age Concern Eastwood provides welfare facilities to local elderly residents. Its clientele includes some disabled users, others who are suffering with dementia and Alzheimer's and those who may be isolated.

The group aims to provide a quality meeting place, companionship, socialising, entertainment and advice for its elderly users by offering a wide variety of activities such as a luncheon club (the group currently serves over 100 meals per week, Monday to Thursday), social events and activities, arts and crafts and festive parties. A trustee also provides a Sunday lunch for up to 18 members on a regular basis and has recently started a Friday pie day to serve meals to those in need. A Christmas party was held for 26 members with wrapped gifts, a turkey roast dinner, games and a party atmosphere. The group provides its own volunteer driving scheme that provides transport for its more isolated members. It works in partnership with Broxtowe Mental Health and Nottinghamshire County Social Services who recommend their service to potential new members.

Age Concern Eastwood has spent over £40,000 in recent years on improving the building interior and facilities for its clients to enjoy. The main hall has been redecorated by professional decorators. Also, to help save on heating costs and improve sound, the group has installed a suspended ceiling.

For the year ended 31 March 2018, income totalling £48,454 was generated from grants and donations, meals and drinks income, fundraising and hall hire. Expenditure of £51,585 mainly related to employee costs (£16,963), volunteer expenses (mileage), equipment, repairs and renewals, meals and catering, rent, utilities, insurances and other general running costs. Cash at bank and in hand as at 31 March 2018 was £43,214. This figure will include the residual balance of a significant legacy of received in 2009/10 that is continuing to be used towards projects that may sustain and improve future income streams, such as building and facility improvements. Over £25,000 of this legacy has already been spent, including upgrading of the toilet facilities.

The Council has supported Age Concern Eastwood for many years with grants towards its premises and transport costs. The grants awarded in the past four years were as follows:

2017/18	£9,000
2016/17	£9,000
2015/16	£9,000
2014/15	£9,000

For 2018/19, Age Concern Eastwood has requested a grant of £9,000 towards its running costs, including the rental of the Edward Road premises. Any grant award in respect of the premises rental (£3,850) would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged. Any additional award for other running costs however will have to be funded from the grant aid budget.

Members should note that the grant aid policy would normally require that 'cash' grant awards of £5,000 or above to be subject to a Service Level Agreement. However, monitoring arrangements that 'measure and celebrate success' should also be tailored specifically to the organisation and can include written reports, feedback from service users and monitoring visits.

## **Volunteer Bureaux**

### **2. VOLUNTARY ACTION BROXTOWE**

Voluntary Action Broxtowe (VAB) is the voluntary sector infrastructure support provider for the Borough. It provides a wide range of practical and advice services for local voluntary and community groups across the Borough.

VAB effectively fulfils all the functions of a Council for Voluntary Service (CVS) with its mission to “provide high quality infrastructure support to local organisations and through this, help strengthen communities and deliver more appropriate and effective services for the residents of Broxtowe”. The stated aims and objectives of the charity are to promote the benefit of local inhabitants by associating together the inhabitants, local authorities, voluntary and other organisations in a common effort to improve the quality of life of said inhabitants and in particular, not exclusively, to:

- advance the education, learning and skills of volunteers through the provision of training, advice, assistance and associated activities so that they are better equipped to carry out their role and provide a valuable contribution to their community
- promote the voluntary sector and volunteering generally, the provision of education, learning and skills and services for the social benefit of the local community and similar charitable activities, and to enhance those services provided by the statutory sector by providing a wide range of infrastructure support services including the setting up of networks and forums to facilitate partnerships.

VAB is a fully accredited Volunteer Centre providing volunteer recruitment, support, training and placement with other organisations. The benefits of volunteering are considerable as it enables people to overcome the challenges they face, to learn skills through specialist training and find solutions that benefit the wider community. For older people volunteering is a social activity and thus provides a means to counter social isolation and loneliness. Local organisations also benefit from the experience, expertise, capacity and commitment of older people. Volunteering is a recognised route back into paid employment. VAB regularly assists young people, typically students, with volunteer placements to assist them in gaining work experience and new skills.

VAB responds to over 1,000 enquiries for volunteering each year. VAB directly supports specialist volunteer placements, which currently include 80 placements. It has developed specialist volunteering opportunities through an innovative Day Service Framework Agreement. This service offers training and volunteer opportunities with health and social care support for people with disabilities and long-term conditions, such as learning disabilities, mental health, Down's Syndrome, Asperger's etc. This service has recently started and, once established over the next 18 months, it will contribute towards the financial sustainability of VAB.

VAB also delivers a preventative support service to people over-75 who live in Broxtowe who are socially isolated. *Caring Companions* is staffed by trained volunteers who visit isolated older people in their own homes on a weekly basis to provide company and to monitor their well-being and safety. VAB is currently supporting eight older people and has 12 active volunteers. This service links to the Vintage Cafe providing further support to this cohort of service users.

Over 600 individual residents and volunteers from across the Borough benefit from VAB services each year. These include around 40 people, aged over 75 years, who are isolated and receive befriending services on a weekly basis to provide company and to monitor their well-being and safety.

Another scheme, 'Move It', assists older people when moving into residential and care homes, as well as supporting families who require low cost services to move locally. Around 150 people per annum benefit from this service.

VAB has established ESOL classes, employment workshops and a language café promoting social integration. These interventions enable resettled people such as Syrian refugees to learn English and employment skills to fully integrate into the community. The project promotes social inclusion; contributing to Community Safety by raising awareness of the value cultural differences can bring. Participants speak 35 different languages. A range of partners are involved with the project: Public Protection, Police Fire Service, Sure Start, schools and Broxtowe Celebrations Community Group.

VAB currently supports over 200 voluntary and community sector organisations across the Borough. VAB helps to ensure that these groups are kept well informed, well-funded and are working safely and in line with current charity legislation. VAB has provided essential courses and qualifications in health and safety, first aid, food safety and health awareness to over 200 volunteers and staff from a range of community organisations.

VAB also provides free, dedicated meeting space for small business start-ups and fledgling community organisations to develop and deliver business ideas. These measures contribute to a more vibrant town centre, attracting new visitors and local businesses to Broxtowe. Six local organisations operate from Oban House, namely Age Friendly Nottingham, Barnardo's, Beeston Shopmobility, Chilwell and Toton Neighbourhood Forum, Beeston and District Local History Society and Global Grains. VAB also provides a weekly vintage tea room for older people to meet and socialise.

In 2010, VAB moved into Oban House on Chilwell Road in Beeston, having secured a ten year lease from private owners. The decision to move to Oban House has provided VAB more spacious accommodation and provided the opportunity to diversify and maximise a greater variety of income streams through renting out meetings rooms, training facilities and office space to other community groups and charities.

VAB has provided its annual report and financial statements for the year ended 31 March 2018 for scrutiny. The charity separates its accounts between restricted and unrestricted funds. Total income generated in the year amounted to £208,070. This included £92,050 of unrestricted core funding from grants and donations, rent/room hire, sales income and a grant of £25,000 from Nottinghamshire County Council to provide infrastructure services as part of the Nottingham Together consortium. Other sizeable restricted funding was received from the Big Lottery Fund (£78,337), Nottingham City Council (£11,873), Awards for All (£9,840) and Department of Health (£9,583). Total expenditure amounted to £182,186, including £64,320 in respect of core funds. This mainly related to staff costs (£95,526 for an average six employees), rent and services (£35,000), other premises expenses and general operating costs. Total cash/bank balances at 31 March 2018 was £92,440, with £65,285 available as unrestricted funds.

The reserve policy is that VAB carries sufficient free reserves to cover its liabilities should it ever fold. The trustees do not believe in amassing large amounts of reserves and feel that donations and other funding entrusted to VAB should be used for the benefit of those in need of its support in the community. It is suggested that the value of unrestricted fund balances held as at 31 March 2016 was sufficient to meet with this reserves policy.

VAB is applying for grant aid towards its core costs of providing volunteer services and network development support across the borough. VAB does not currently receive grants to provide infrastructure services, although it has received project funding from the Department of Health for the Befriending Project. VAB has designed services that are cost effective and innovative. Future sustainability will be achieved through contract income and commissioned services.

The Council has previously supported Voluntary Action Broxtowe although the last funding request considered by this Committee on 13 July 2017 was turned down, largely on the basis of the level of balances held by the charity and the level of employee expenses. The grants awarded in the past four years are as follows:

2017/18	£0
2016/17	No application
2015/16	No application
2014/15	£6,500

For 2018/19 Voluntary Action Broxtowe has requested a grant of £7,000 towards its general running costs to provide volunteer services and network development support across the Borough.

The grant aid budget does not include any specific provision earmarked for Voluntary Action Broxtowe. Members should note that the revised grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

**Caring Organisations Category****3. BROXTOWE WOMEN'S PROJECT**

Established in 2001, Broxtowe Women's Project Limited (BWP) is a voluntary organisation that provides a unique, community-led service offering a range of high-quality domestic abuse outreach and awareness services in response to local needs. The BWP vision is that women and their families who are affected by domestic abuse in Broxtowe are empowered to feel safe, to take control of their lives and to lead safer lives. BWP wants everyone in Broxtowe to have more awareness of all types of domestic abuse.

The main aims of BWP is to provide outreach support to women and children who are experiencing or have experienced domestic violence and to provide advice, information, training, publicity and raising awareness for local agencies, individuals and community groups.

BWP provides a critical direct service to women survivors of domestic violence, including a telephone support line, outreach services for women and children, short-term survivor support groups, awareness sessions, training and as a facilitator of partnership working across the area.

BWP currently provides a high level of outreach support to in the north of the Borough, in particular Eastwood, Kimberley and the surrounding rural areas, as well as Stapleford in the south. The project recognises that domestic violence is often an unreported crime and they work hard to raise awareness in the community to ensure it becomes a public matter and that responses are appropriate to anyone seeking support. Some women who have experienced domestic violence may find themselves living in the most deprived areas as a result of leaving the perpetrator.

In 2018 BWP received 190 referrals that were made through various channels, including self-referral, friends and family, Women's Aid, children and young people, health, adult social care and others (these referrals do not include the numbers of women supported by the legal surgery or who contacted the support line). Of these cases, 131 required ongoing support through outreach support, group support or via regular phone support. Providing support for these women has also helped their dependent children.

BWP aims to provide a quality service to women and to provide support as quickly as possible for them. The majority of referrals were received support on the day of referral, with the remainder largely being supported by the next day. All referrals were supported within one week of the referral.

Previously, BWP just provided an outreach service to women living in the north of the Borough. Since September 2016 BWP have been providing services to women throughout Broxtowe. The highest percentages are from Beeston (24%), Eastwood (20%), Stapleford (19%), Chilwell (7%) and Kimberley (6%) with the remainder from other areas in the Borough.

Outcomes are monitored. The percentage of women that reported an increase in positive outcomes as a direct result of working with BWP during this period included client empowerment (97%), increased self-esteem (78%), minimised risk of harm (77%), feeling safer (76%), improved mental health (76%) and reduced isolation (65%). These outcomes provide a strong indication of the impact the BWP has had upon the lives of survivors with whom it works. It also indicates the importance of continually developing services such as the counselling to increase the positive outcomes for women.

BWP continues to work in partnership with other service providers to help women with personal development and in changing their lives. It works with the Council and jointly alongside Midland's Women's Aid and Women's Aid Integrated Services to ensure complementary and non-duplication of services for women in the borough. BWP is regularly involved with the South Nottinghamshire Multi-Agency Risk Assessment Conferences, Broxtowe Health Partnership and South Notts Domestic Abuse Strategic Group. BWP also actively contributes to the local Sure Start Children's Centres delivery plans through input and attendance at their Local Advisory Groups.

BWP continues to support the action plan for delivery of targeted work in Eastwood South aligning with the priority geographical areas identified and supported by the South Nottinghamshire Community Safety Partnership and Eastwood South Focus Group.

BWP provides a Legal Surgery in partnership with Nelsons Solicitors to women in Broxtowe offering free legal advice in partnership with solicitors on a variety of civil matters such as child contact. The surgery has been running since 2016 and has supported over 50 women, providing 29 hours of free legal advice. Without this service women would not have been able to access this support locally.

BWP successfully delivered two Freedom Programmes, in partnership with Sure Start. This is a 12-week programme delivered in Eastwood and Stapleford examines the roles, attitudes, beliefs and actions of abusive men in addition to the responses of victims and survivors. The aim is to help them to make sense of and understand what has happened to them. The Freedom Programme also describes in detail how children are affected by being exposed to this kind of abuse and very importantly how their lives are improved when the abuse is removed.

BWP is developing a volunteer programme that will provide additional services for women experiencing Domestic Abuse. This is an opportunity for women to access excellent volunteer work experience and relevant training that will enable them to gain valuable work experience in the field. BWP has recruited volunteers to a variety of roles including trustee positions, awareness raising, fundraising, helpline and ambassador roles.

BWP is currently developing its service for children affected by domestic abuse. This service offers outreach to children and young people including a therapeutic strand offering specialist counselling to those most at need.



BWP has a support line for women to call to get advice and support from a specialised worker. During 2017 BWP received a total of 531 calls to the helpline and 774 texts, an increase of 23% and 32% respectively.

As well as direct support, BWP consistently highlights issues of domestic abuse and is committed to improving knowledge and services for women and children to seek help and support. BWP have successfully delivered a number of campaigns throughout the year raising awareness around mental health, domestic abuse and the benefits of volunteering. In November 2018 BWP worked in partnership with the Council on the 'White Ribbon Campaign' and will do so again for November 2019. In total, BWP has released 29 blogs on its website, issued four newsletters, 179 unique tweets (to its 1,282 followers), around 210 Facebook posts and 11 press releases to raise awareness of Domestic Abuse.

BWP has submitted its latest financial statements for the period ended 31 March 2018 for scrutiny. Financial activity is split between restricted and unrestricted funds. In the period, BWP generated total income of £155,465 mainly from grants and donations. The charity considers the majority of this funding to be restricted and significant grants were received from the Big Lottery Fund (£78,842), Comic Relief (£38,827), Boots Charitable Trust (£10,000), The Noel Buxton Trust (£4,000) and this Council. Expenditure for the year amounted to £228,016 and mainly related to employee costs (£164,391 with £154,600 from restricted funds), activities and premises rental and room hire costs. BWP had overall cash and bank balances of £51,034 as at 31 March 2018, with unrestricted funds amounting to £48,347. The grant funding still committed to the Business and Fundraising Manager's post is £13,000.

The project continues to apply to a range of funders for all aspects of its services and costs. Most funding is restricted to specific project costs. BWP was delighted to receive a five-year funding grant from the Big Lottery Fund in 2015 for ongoing outreach services and a three-year grant from Comic Relief to help meet the costs of the outreach service (now ended). The Boots Charitable Trust has pledged to provide three-years funding for a children's worker through its volunteer programme.

The Council has supported BWP for many years with funding towards core costs. The grants awarded in the past four years were:

2017/18	£6,000
2016/17	£6,000
2015/16	£6,000
2014/15	£6,000

For 2018/19, BWP has requested a similar grant of £6,000 to meet its rental obligations and to contribute towards other core costs. Members should note that the grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

#### 4. EASTWOOD PEOPLE'S INITIATIVE

Eastwood People's Initiative is a registered charity that was formed in 1982 that serves Eastwood and the surrounding communities in north Broxtowe. The aim of the charity is to offer practical help and emotional support for any individual, with particular regard to people on low income or unemployed. The charity provides support aimed at improving self-confidence, developing social and practical skills and enhancing employment potential. To achieve its aims, Eastwood People's Initiative operates a community facility that provides computer and phone facilities, in addition to giving users with advice on welfare rights, finances and budgeting, employment and training.

The charity offers free weekly sessions for the community, attended by around 25 people. The core component of each session is the use of ICT facilities for writing CV's and as an internet access point to online services, job, training and learning opportunities. The charity also has a free phone service for calls regarding jobs, benefits, housing and utilities. The sessions are supported by a team of volunteers, as the charity strives to develop as a community run facility. Over 3,000 people have visited the charity at its premises.

For the year ended 5 April 2018, Eastwood People's Initiative generated receipts of £16,399 from premises rental, lottery grant (£9,992), grant aid and donations. Annual expenditure of £14,116 related to costs linked to the lottery grant (£5,101), rent, ICT, telephone and utilities costs, professional/legal fees and other operating costs. The net receipts were added to investments, bank and cash balances which at 5 April 2018 amounted to £20,375. The remaining balance of the lottery grant is committed in 2019. The accounts also show that the charity has been repaid its loan of £2,000 to a local day nursery.

Eastwood People's Initiative continues to operate from Council owned premises on Scargill Walk. There is a tenancy agreement in place with the rent assessed at £1,750 per annum as part of the Council's aim to secure economic rents on its properties. The charity has suggested that it only has limited financial resources and would be unable to sustain a rental charge of this size.

The Council has supported Eastwood People's Initiative with grants towards its operating costs. The grants awarded in the past four years being as follows:

2017/18	£2,500
2016/17	£2,500
2015/16	No application
2014/15	£2,500

For 2018/19, Eastwood People's Initiative has requested a similar grant of £2,500 to cover the market rent and buildings insurance (£1,750) and other associated premises costs (£750). Any grant awarded in respect of the rental element would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget. Members should note that any additional award for the other operating costs will have to be funded from the grant aid budget.

## Sports Clubs

### 5. BRAMCOTE CRICKET CLUB

Bramcote Cricket Club was founded in 1858 and is based at Bramcote Hills Park on Ilkeston Road in Bramcote. The club currently runs a number of league cricket teams and has occasionally coached midweek junior teams.

The Club is open to anyone interested in playing or coaching cricket and currently has 41 adult members, the majority of whom live in Bramcote, Beeston, Chilwell and the surrounding areas. In addition, around 70 juniors also regularly attend to play 'kwik-cricket' and visiting clubs from Chilwell, Attenborough and Beeston also enjoy use of the Club's facilities.

Unlike some clubs in the region, Bramcote Cricket Club has experienced an increase in participants including juniors who attend for coaching sessions. Some of these juniors have joined from larger clubs where, due to the numbers involved, they have been unable to receive one-to-one coaching. The club hopes to continue to provide this opportunity for juniors to participate in cricket.

For the year ended 31 December 2018, income totalled £9,092 and was mainly generated from subscriptions, match fees, bar sales, grants and sponsorship and other fundraising activities. Expenditure amounted to £7,895 and included bar expenses, ground equipment maintenance, playing equipment, pitch hire, rent, insurances and other running costs. Total cash and bank balances as at 31 December 2018 amounted to £10,791.

The Council owns the clubhouse used by the Club on Bramcote Hills Park and as part of the Council's aim to secure economic rents on its properties the rent has been assessed at £865 per annum.

The Council has supported Bramcote Cricket Club for many years with grants towards its premises costs (including rental). The club also received a £2,500 capital grant in 2016/17 as a contribution towards the cost of renovating the all-weather wicket. The grants awarded in the past four years were as follows:

2017/18	£865
2016/17	£865 (plus £2,500 capital grant)
2015/16	£865
2014/15	£865 (plus £9,196 capital grant)

For 2018/19, Bramcote Cricket Club has requested a revenue grant of £865 towards the total cost of their annual rent obligations. This award would be for a period of one year and would be matched by allowances within the premises income budget, leaving the Council's overall budget unchanged.

## 6. KIMBERLEY INSITUTE CRICKET CLUB

Kimberley Institute Cricket Club was founded in 1878 and is based on Newdigate Street in Kimberley. The club currently has 214 playing and supporting members of all ages (including 105 junior players) from Kimberley and the surrounding areas.

The principal aim of Kimberley Institute Cricket Club is to provide cricket facilities and coaching for adults and children, delivered in both a social and competitive environment. The club, which is club mark accredited, runs four senior sides on a Saturday, with the first team playing in the Nottinghamshire Premier League and the other three sides competing in the South Nottinghamshire Cricket League. The club has one senior Sunday side that takes part in the Newark Club Cricket Alliance. The club also has a flourishing youth section, catering for boys and girls from ages five to 19, with the junior teams competing in the Nottinghamshire Youth Cricket League.

The Club would like to improve the facilities for the increasing number young players by providing a second batting cage for practice sessions. Quotations have been received for the equipment, with preferred unit costing £1,176 including VAT. The Club has requested a contribution from the Council towards the purchase, with the remaining cost being found from Club funds.

Kimberley Institute Cricket Club has provided its accounts for the year ended 30 September 2018 for scrutiny. Total income amounted to £37,961 which mainly related to fundraising, bar income and membership subscriptions. Expenditure for the year totalled £27,197 and was mainly in respect of coaches and players expenses (£7,432), utilities, ground expenditure (including groundkeeper), match fees and PAYE. Asset purchases of £4,992 (covers and dryer) were made from the surplus on activity, partially offset by loans and grants totalling £4,150. The closing reserves amounted to £18,115, with cash at bank and in hand as at 30 September 2018 being £16,684. This is earmarked towards the maintenance and improvement of facilities.

The Council has previously supported Kimberley Institute Cricket Club with grants the last being in 2011/12. For 2018/19, the club has requested a grant of £750 towards the purchase of a second batting cage for practice sessions.

## 7. PHOENIX FOOTBALL CLUB

Phoenix Football Club was formed in 2015 and is based at the Inham Nook Recreation Ground in Chilwell. In addition to the organisers, coaching staff and senior team, the club currently has over 100 junior members from Chilwell and the surrounding areas.

The objective of the Club is to provide football for adults and children, delivered in a social and competitive environment. The club runs teams at several age ranges from under 7's to 16 plus. A key aim of the club is to provide a community engagement element in a deprived area.

Inham Nook suffers from deprivation and has seen anti-social problems. The club offers an alternative outlet for some of the local children. In some cases the club has even worked with excluded children and helped find pathways into alternative education. Membership subscriptions are kept deliberately low to maximise inclusion across the estate. This inevitably leads to pressure on resources and this request would help sustain the club in the medium term.

The club would like to improve its offering for young players by purchasing new kit, footballs and training equipment. In the longer-term, the club would also like to acquire portable floodlighting to allow for evening training sessions in the winter months. This grant aid request supports these aspirations.

Phoenix Football Club has provided its accounts for the period ended 31 July 2018 for scrutiny. Total income for the season amounted to £3,279 from subscriptions and fundraising. Expenditure for the year totalled £2,892 which mainly related to pitch hire, match and league fees, referees expenses and other running costs. The surplus was added to cash and bank balances which totalled £387. These have since fallen to £120 as at 31 December 2018.

This is the first application that the Council has received from Phoenix Football Club and for 2018/19 the club has requested a grant of £1,000 towards the purchase of new kit, footballs and training equipment.

### **Community Associations**

#### **8. CHILWELL COMMUNITY ASSOCIATION**

The Chilwell Community Association was set up with its own Constitution in January 2002 and is responsible for the day-to-day management and development of the Council premises at Chilwell Community Centre on Inham Road in Chilwell.

The aim of the association is to provide facilities at a competitive cost to enable local community groups and individuals to use the premises for a variety of purposes including parent and toddler groups, craft courses and educational classes run by the local college.

The main user of the facility is the Nottinghamshire County Council Library Service and this provides an important resource and meeting place for the community. The library is well used on the week days that it is open.

For the year ended 31 March 2018, the Chilwell Community Association generated receipts of £12,716 were generated from grant aid and fees. Payments amounted to £7,767 including rent, wages (£1,974), property maintenance, utilities, insurance and other miscellaneous costs. Cash and bank balances as at 31 March 2018 had increased to £36,374. These funds are earmarked towards the enhancement of facilities at the Community Centre, including the provision of additional facilities at the Centre, and to provide initial financial support to newly formed groups using the Centre in order for them to become established for long-term use.

The association has invested in improving the facilities and the interior of the Community Centre to make it even more attractive to users. It will continue with this programme in the coming year and has allocated a proportion of its reserves to do this.

As part of the Council's aim to secure economic rents on its properties, the annual rental of Chilwell Community Centre has been assessed at £3,150. The Chilwell Community Association has suggested that with limited financial resources it would be unable to sustain a rental charge of this size.

This is the seventh application that the Council has received from the Chilwell Community Association and previously a grant of £3,150 was awarded. For 2018/19, the Association has requested a similar grant of £3,150 to cover the market rent of the Chilwell Community Centre. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget.

#### 9. STAPLEFORD COMMUNITY ASSOCIATION

The Stapleford Community Association was formed in 1954 and is responsible for the management and operation of the Council owned Community Centre on Cliffe Hill Avenue in Stapleford.

The aim of the Association is to provide a high quality, low cost centre for a variety of leisure, educational and community activities in Stapleford. A number of groups utilise the facilities for these purposes including playgroups, keep fit clubs, uniform groups, senior citizen's groups, dance classes and family groups. Around 300 people of all ages use the facilities on a weekly basis, with an estimated 80% being residents of the Borough.

For the year ended 31 December 2018, income of £10,678 was generated from hall lettings and grant aid. Annual expenditure amounted to £11,615 and included rent, repairs and renewals, cleaning and sundry expenses, insurances, heating and lighting, water charges and depreciation. Cash and bank balances as at 31 December 2018 were £24,863. Stapleford Community Association has indicated that these funds are earmarked towards ongoing maintenance projects and for unexpected emergencies.

The tenancy agreement for the Community Centre replaced the previous arrangement of charging a peppercorn rent. As part of the Council's aim to secure economic rents on its properties, the rent was assessed at £3,000 per annum. The Stapleford Community Association has suggested that it has only limited financial resources and would be unable to sustain a rental charge of this size.

The Council has previously supported Stapleford Community Association with grants towards its premises rental. The grants awarded in the past four years were as follows:

2017/18	£3,000
2016/17	£3,000
2015/16	£3,000
2014/15	£3,000

For 2018/19, Stapleford Community Association has requested a similar grant of £3,000 to cover the rental of the Community Centre on Cliffe Hill Avenue in Stapleford. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget.

#### 10. TOTON CORONATION HALL COMMUNITY ASSOCIATION

The Toton Coronation Hall Community Association is responsible for the management and operation of the Coronation Hall on Portland Road in Toton which opened in 1953.

The aim of the Association is to provide a social meeting place for Toton and the surrounding area. A variety of groups utilise the facilities for educational, recreational, leisure and sporting activities, including playgroups, keep fit clubs, uniform groups, senior citizen's groups, dance classes, martial arts clubs, family groups and parties. It is estimated that 200 people of all ages use the facilities on a weekly basis, with the majority being residents of the borough.

A new Committee was formed in March 2017 to oversee the operation of the Community Association. Since that time, there has been continued refurbishment of the Coronation Hall including redecoration, health and safety improvements, new curtains and blinds, stage curtains, new cooker and fridge and replacement furniture. There are still areas that require attention, but these are considered to be minor. The refurbishment has attracted a theatrical group to use the facilities for rehearsal and to provide tuition.

The Toton Coronation Hall Community Association has provided its annual accounts for the year ended 31 July 2018 for scrutiny. Income in the year amounted to £23,337 from hall hire and grant aid. Expenditure was inflated to £36,864 including repairs and refurbishment works (£21,321), rent, utilities, cleaning and repairs and maintenance. Cash and bank balances as at 31 July 2018 had fallen to £12,964. The Association indicated that reserves are earmarked towards the refurbishment and improvement of the premises.

The current tenancy agreement for the Coronation Hall replaced the earlier arrangement of charging a peppercorn rent. As part of the Council's aim to secure economic rents on its properties the annual rental is £7,000. The Toton Coronation Hall Community Association has suggested that it would be unable to sustain the tenancy with a rental charge of this size.

The Council has previously supported the Toton Coronation Hall Community Association with grant aid towards its premises rental with the grants awarded in the past four years being as follows:

2017/18	£7,000
2016/17	£7,000
2015/16	£7,000
2014/15	£7,000

For 2018/19, the Toton Coronation Hall Community Association has requested a grant of £7,000 to cover the market rental of the Coronation Hall. This grant award would be for a period of one year, with the potential award being matched by allowances within the premises income budget.

### **Disability Group Category**

#### **11. BEESTON SHOPMOBILITY**

Beeston Shopmobility has been operating since June 2001 and is a registered charity. The aim of Beeston Shopmobility is to enable people with temporary or permanent mobility difficulties, the freedom of movement around Beeston town centre through the loan of disability aids, manual and powered wheel chairs and scooters. The scheme helps people with disabilities to lead more independent lives and often provides a welcome respite for carers. Mobility equipment can be used to access shops and services and enables users to socialise more frequently with friends in and around Beeston.

Beeston Shopmobility is run by a team of unpaid volunteers (11), some of whom are disabled. The scheme is open daily from Monday to Saturday every week throughout the year. The scheme currently has 92 registered users (including 13 new users) and provides benefit to an estimated 70 Broxtowe residents. The charity has 11 scooters and wheelchairs which can be hired for a charge of £1 per two hour hiring or £30 for a full week. There was around 1,000 hirings in the past year.

For the year ended 30 September 2018, Beeston Shopmobility generated income of £9,565 from grants and donations. Expenditure of £10,971 mainly related to premises costs, insurances and equipment repairs. Cash at bank and in hand at 30 September 2018 was £10,359. Beeston Shopmobility indicated that funds are earmarked towards a scooter replacement programme (around £1,200 each).

This Committee previously noted a report on Beeston Shopmobility on 12 October 2017. This related to the potential ongoing revenue implications of using previously approved capital funding to relocate Beeston Shopmobility from the Council owned Cavendish Lodge into Oban House on Chilwell Road in Beeston. Oban House is privately owned and is leased in its entirety to Voluntary Action Broxtowe (VAB). VAB partly supports its annual running and rental costs by sub-leasing parts of the building to sub-tenants. Beeston Shopmobility is a sub-tenant at Oban House, paying an all-in rental of around £7,000 per annum. Beeston Shopmobility completed the move to Oban House in January 2018. Whilst these premises provide a much more suitable location for their operations, Beeston Shopmobility states that it only has limited financial resources and is unable to sustain a rental charge of this size.



The Council has supported Beeston Shopmobility for many years with the grants awarded in the past four years being as follows:

2017/18	£14,500 (including £6,000 internal rent)
2016/17	£9,650 (including £8,150 internal rent)
2015/16	£9,650 (including £8,150 internal rent)
2014/15	£9,650 (including £8,150 internal rent)

For 2018/19, Beeston Shopmobility has requested a grant of £8,500 for the cost of annual rental of premises at Oban House (£7,000) and insurance cover (£1,500). Any award for these costs will have to be funded from the existing grant aid budget. Members should note that the grant aid policy requires that grant awards of £5,000 or above may be subject to a Service Level Agreement.

### **Uniformed Groups Category**

#### **12. 2<sup>ND</sup> BEESTON SEA SCOUTS**

The 2<sup>nd</sup> Beeston Sea Scouts was established in 1928 and is based at Lilac Grove in Beeston. The group serves the South West Notts Scout District, including Attenborough, Beeston South, Beeston Rylands and Wollaton. It currently has 105 members (including 80 junior members) with the majority living in the Borough.

The aim of the 2<sup>nd</sup> Beeston Sea Scouts is to provide scouting activities, under the policy and rules of the Scout Association, with the speciality of water based activities such as canoeing, kayaking, rowing and sailing. The main activities of the group attempt to develop young people in life skills in many areas of physical, social and mental development. Water activities are held at the base on the River Trent at Barton Island.

For the year ended 31 December 2017, 2<sup>nd</sup> Beeston Sea Scouts generated receipts of £23,964 from subscriptions, grants (including £2,500 from the Scout Association), donations, fundraising activities and the sale of an asset. Total payments amounted to £17,180 and included premises expenses, such as heating and lighting and repairs and renewals, boat maintenance, cost of scouting activities, purchase of equipment and capitation.

The cash and bank balances at 31 December 2017 increased to £15,240, of which £10,200 is earmarked towards a new headquarters building fund.

As part of the Council's aim to secure economic rents on its properties, the rental of the Lilac Grove premises was assessed at £1,750 per annum. The 2<sup>nd</sup> Beeston Sea Scouts suggests that it has only limited financial resources and would be unable to sustain a rental charge of this size.

The Council has regularly supported the 2<sup>nd</sup> Beeston Sea Scouts with grant aid towards its rental obligations. The grants awarded in the past four years were as follows:

2017/18	£1,750
2016/17	£1,750
2015/16	£1,750
2014/15	£1,750

For 2018/19 the 2<sup>nd</sup> Beeston Sea Scouts has requested a similar grant of £1,750 to cover the market rental of the Lilac Grove premises. This grant award would be for a period of one year and would have no effect on the Council's overall budget, with the potential award being matched by allowances within the premises income budget.

### 13. 2<sup>ND</sup> KIMBERLEY SCOUT GROUP

The 2<sup>nd</sup> Kimberley Scout Group was established in 1955 and is based in Council owned premises at Kettlebrook Lodge on Eastwood Road in Kimberley. The Group has over 200 members (both junior members and voluntary helpers) generated from Kimberley and the surrounding areas.

The aim of the Group is to provide activities within the Scout Association organisation. The Group is responsible for the maintenance and up-keep of Kettlebrook Lodge as a community venue. The facilities are currently utilised by the Scouts and Guides organisation, a pre-school playgroup, as a blood donor centre and for other events and functions. It is estimated that over 4,000 people use the facilities every year.

The latest accounts for the year ended 31 March 2018 showed receipts of £29,794 being generated from subscriptions (less capitation), donations, grants, hire of hall, fundraising and other activities. Payments amounted to £29,596, which included premises expenses (rent, heating, lighting, repairs and maintenance), cleaning and caretaking, cost of activities and fundraising events and other expenses. The General Fund is represented by cash and bank balances, which at 31 March 2017 amounted to £10,796. This money is earmarked towards repairs, new lighting and other improvements to Kettlebrook Lodge, including development of land at the rear of the building.

The tenancy agreement for Kettlebrook Lodge replaced a previous arrangement of charging a peppercorn rent. As part of the Council's aim to secure market rental on its properties, the annual rent was assessed at £6,500. The 2<sup>nd</sup> Kimberley Scout Group has suggested that it would be unable to sustain a rental charge of this size.

The Council has previously supported 2<sup>nd</sup> Kimberley Scout Group with grant aid towards its rental obligations. The grants awarded in the past four years were as follows:

2017/18	£6,500
2016/17	£6,500
2015/16	£6,500
2014/15	£6,500

The Council also supported 2<sup>nd</sup> Kimberley Scout Group with £5,000 of capital funding in April 2018 for the full cost of replacing the boiler at Kettlebrook Lodge, with the Council's officers also providing technical support in the process of assessing the scheme and evaluating quotations.

For 2018/19 the 2<sup>nd</sup> Kimberley Scout Group has requested a grant of £6,500 to cover the market rental of Kettlebrook Lodge. This grant would be for a period of one year and would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged.

#### 14. 5<sup>TH</sup> STAPLEFORD SCOUT GROUP

The 5<sup>th</sup> Stapleford Scout Group was established in 1964 and is based at Stapleford House on Wesley Place in Stapleford. The group currently has 87 members of all ages (scouts, cubs, beavers, leaders and voluntary helpers), the majority of whom are residents of Stapleford and Bramcote.

The aim of the group is to provide activities within the scout association organisation. The group provides an interest for local children aged between 6 and 14 years to experience new adventures, learn new team and individual skills required for scouting activities, play new games and meet new friends. The group are also supported by the local community at regular fundraising events such as jumble sales and fairs.

For the year ended 28 February 2018, receipts of £15,637 were generated from subscriptions, grants, donations and fundraising and other activities. Payments amounted to £14,113 and included membership fees, equipment, premises expenses such as rent, heating, lighting, repairs and maintenance and the cost of activities and fundraising events. Cash and bank balances as at 28 February 2018 amounted to £11,778.

The group have occupied the first floor at Stapleford House since September 2014. The tenancy agreement reflects the Council's aim of securing economic rents on its properties, with the annual rent of the accommodation assessed at £4,500. The 5<sup>th</sup> Stapleford Scout Group only has limited financial resources and suggests that it would be unable to sustain a rental charge of this size.

The Council has regularly supported the 5<sup>th</sup> Stapleford Scout Group with grant aid towards its rental obligations. The grants awarded in the past four years were as follows:

2017/18	£4,500
2016/17	£4,500
2015/16	£4,500
2014/15	£4,500

For 2018/19 the 5<sup>th</sup> Stapleford Scout Group has requested a grant of £4,500 to cover the annual market rental of the accommodation at Stapleford House. This potential grant award would be for a period of one year and would have no effect on the Council's overall budget, with the award being matched in the Council's premises income budget.

**Miscellaneous****15. BROXTOWE PLAY FORUM**

Broxtowe Play Forum was established in 1983 and is based in Council owned premises at Montrose Court in Stapleford. Broxtowe Play Forum generates the majority of its membership from the borough with 130 local member groups using the facilities provided, supporting over 3,000 children and young people.

The primary aim of Broxtowe Play Forum is to support and encourage play in the borough and the group achieves this by providing play resources for children's groups. Broxtowe Play Forum also organises meetings at its premises, provides office services and craft workshop facilities and offers reasonably priced art and craft materials for sale in its play resource centre.

It is open to the general public on a Wednesday, holding a card making club for adults. Broxtowe Play Forum has also attended local play days and events in partnership with the Arts and Events team.

For the financial year ended 31 March 2018 income totalling £18,536 was generated from grants, membership fees, equipment hire and resource sales. Major grants received were from Nottinghamshire County Council (£9,000) and this Council. Total expenditure amounted to £9,931 and included purchase of resource sales, rent, utilities and general running costs. There were no employee costs in the year, with the former full-time resource worker having been made redundant. Total bank and cash funds as at 31 March 2018 had increased to £21,351.

Broxtowe Play Forum has occupied units at Montrose Court in Stapleford since 2014. As part of the Council's aim to secure market rental on its properties, the annual rent for the premises was assessed at £5,500. The group has limited financial resources and would be unable to sustain a rental charge of this size.

The Council has supported Broxtowe Play Forum for many years with grants towards the cost of its rent obligations. The sums awarded in the past four years were as follows:

2017/18	£5,500
2016/17	£5,500
2015/16	£5,500
2014/15	£5,500

For 2018/19, Broxtowe Play Forum has requested a similar grant of £5,500 towards the cost of its rent obligations. This grant would be for a period of one year and would be matched by allowances within the premises income budget and therefore leave the Council's overall budget unchanged.

16. GREASLEY GATHERING

A grant application has been received from the organising committee of the Greasley Gathering for assistance towards the costs of a free family fun-day multi-venue event in the parish of Greasley to be held on Bank Holiday Monday, 27 May 2019.

The Greasley Gathering event has been taking place since 2013, having been born out of the Queen's Diamond Jubilee celebrations in Greasley the previous year. The event is hugely popular with around 1,800 people attending, with the 2018 event benefitting from good weather. There were attractions all across the parish including local pubs, Colliers' Wood, Beauvale Priory, Greasley Church and Craft Fair, with the main hub being based at the Greasley Sports and Community Centre. The group organises transport (London buses) to enable everyone to get around the other venues.

The aim of the event is to strengthen local identity and mirror the wide cultural appeal of a community event, as successfully developed at the Hemlock Happening in Bramcote. The project is community driven giving voluntary organisations the perfect opportunity to showcase their work in the local community and hopefully recruit new members. It is also considered to be a platform for agencies to promote their services and plans for the future. The event has an organising committee, which includes the Chair, Secretary and Treasurer. All committee members reside in the Parish of Greasley.

The 2018 the programme offered a variety of activities, including rides around the parish in London buses, children's magician, dog agility displays, Nottingham Youth Jazz Combo, face painting, climbing Wall, Miner's Cave at Collier's Wood, The Racing Room, creation stations, Stormtroopers, Pulp Friction, Glee Choir, Rock 'n Soul singers, Friends of Collier's Wood, classic cars, Beauvale Priory (entertainment and beer festival), Scarecrow Trail, Greasley Church and craft fair, barbeque and music at local public houses and charity stalls. There were also inflatables and numerous charity and funfair stalls selling products as well as catering facilities. Warburtons Bakery provided teacakes and crumpets, which were sold in the refreshment area.

The financial statements provided by the Greasley Gathering for scrutiny related to the 2018 event. These show generated receipts of £3,941 relating to grants (including this Council and a reduced cash grant from Greasley Parish Council who provided their facilities for free), donations, stallholders and event day takings. The total spend was £4,646 for entertainment, transport hire, refreshments, printing and advertising and prizes. The deficit was taken from cash and bank balances which had reduced to £1,826.

Planning is well underway for 2019 to ensure another fun-filled event with plenty of new things to do and see, as well as some of the established popular events. The projected cost for 2019 is around £4,000. Funding is required to make sure the necessary infrastructure is in place to cover the increased cost of stewards and entertainers as well as matters such as publicity.

With a reduced budget the organisers have had to cut down on some of the more expensive providers and will try to resource more locally based entertainments.

The Greasley Gathering has requested financial backing of £1,000 to help with the running costs of the event. The group does raise money through raffles, refreshments sales and seeking sponsorship from local businesses as well as appealing for donations. However these do not cover the total expense for the day especially when entertainment is bought in to ensure that there is a variety of activities for families, especially children, to enjoy.

The initiative by The Greasley Gathering to organise and provide funding to a local event is commended. The value of these events, which are self-contained and do not require the direct involvement of this Council, is a sustainable way to develop new community initiatives.

This is the sixth application that the Council has received from the Greasley Gathering with grants of £1,000 being awarded on each occasion. For 2018/19 the group has requested a grant of £1,000 to contribute towards the cost of organising the 2019 event.

## APPENDIX 2

**Delegated Awards**

A summary of the grants awarded under delegated authority since October 2018 is included below. The Council's policy in respect of grant aid to voluntary organisations is to award the amount requested by the organisation or the maximum specified whichever is the lower. Additional consideration is given to groups who can demonstrate that they are meeting the particular needs of disadvantaged sections of the community.

All requests under the revised delegated limit of £250 are considered under delegated authority, in conjunction with the Chair of this Committee. This includes applications from individuals involved with sport and the arts.

This Committee determines all requests for grants in excess of the £250 maximum.

**Groups**

Group	Total No. of Members	No. of Broxtowe Residents	Grant Award in 2017/18	Grant Award in 2018/19	Purpose of Grant Award
Attenborough Friendship Group	36	36	£100	£100	General running costs.
Brinsley Bowls Club	24	14	Nil	£100	Match and land fees

**Individuals**

Name	Grant Award in 2018/19	Purpose of Grant Award
Luca Lacovara	£200	Shotokan Karate – Contribution towards the cost of competing in the Shotokan Karate SKIF World Championships in July 2019.

## APPENDIX 3

**Broxtowe Lotto**Background

Members will recall that the establishment of a local lottery for Broxtowe was agreed by this Committee on 15 February 2018.

The Broxtowe Lotto was launched in August 2018 and has operated successfully since. Further details relating to its operation is available on the website at <https://www.broxtowe.gov.uk/for-you/community-living/broxtowe-lotto/> and on its own dedicated website at <https://www.broxtowelotto.co.uk/>.

Progress

There are currently 24 'good causes' participating in the scheme. The good causes received 50p of every £1 ticket sold, with the anticipated money raised for these good causes in a year likely to be around £15,700. This is estimated as the number of ticket sales can change on a weekly basis. The actual money raised so far for the good causes (excluding the Community Fund below) is over £4,700.

A further 10p of each ticket sold is returned to the Council for distribution through a 'Community Fund'. So far, the actual monies generated for the Community Fund is around £1,700, although the annual sum estimated to be received is £2,900. These monies will be rolled forward into 2019/20 when this Committee will have opportunity to distribute sums in accordance with the principles of the grant aid policy.

The Lotto has seen 41 winners, most of whom received three free tickets, although seven lucky players each won £25.

The Council is looking for more good causes to support through the Lotto. The Commercial Manager is meeting with Voluntary Action Broxtowe to use its channels to promote the Lotto.



## Report of the Interim Deputy Chief Executive

### GRANT AID REQUEST FROM TROWELL PARISH COUNCIL

#### 1. Purpose of report

To consider a request for grant assistance from Trowell Parish Council.

#### 2. Grant aid application

A request for capital grant funding has been received from Trowell Parish Council towards the cost of necessary refurbishment works to the car park at the Parish Hall on Stapleford Road in Trowell. The Parish Council has asked the Council to contribute up to £3,500 towards the quoted cost of £12,368 (net). Details of the application is included in appendix 1.

The agreed protocol for assessing grant aid to parish and town councils is provided for information in appendix 2. Also provided for information is a list of grants awarded under this scheme.

#### 3. Financial position

No budgetary provision exists for grants to parish councils. If Members were minded to approve a grant, then an allocation from capital contingencies would be required for which £56,200 remains uncommitted in 2018/19 (subject to any further reports being considered by other Committees during this cycle).

### Recommendation

**The Committee is asked to consider the request and RESOLVE accordingly.**

#### Background papers

Nil

**APPENDIX 1****Capital Grants****Trowell Parish Council – Refurbishment of Car Park at Trowell Parish Hall**

A grant request has been received from Trowell Parish Council for consideration.

The parish hall on Stapleford Road in Trowell is a well-utilised facility in the village. Historically, Trowell was the 1951 Festival Village as part of the Festival of Britain Celebrations. In addition to being the offices for Trowell Parish Council and hosting parish meetings and events, the parish hall is regularly used by sports clubs for all ages, luncheon club for the elderly, dance classes, social dances, the local Women's Institute, slimming group sessions, a painting group as well as private hires for birthday celebrations and weddings receptions. The adjacent grounds and children's play park are also used by the local community.

The car park sited to the front of the building is also well used by visitors. It has 30 marked spaces, including two disabled parking bays, and provides the main pedestrian access route to the parish hall and the play park. The local school is permitted to use the car park in term-time as a drop-off/pick-up point to alleviate parking problems that would otherwise result on residential roads surrounding the school. It is also used with prior arrangement for other local events e.g. firework displays, school summer fair. Council contractors use the car park as a base when carrying out works in the village such as grass cutting and highway repairs.

Whilst the car park has been routinely repaired over the years, the surface has deteriorated and is coming to the end of its life. A full resurfacing is required to improve safety for visitors. The works would also improve the drainage, which has been a problem in recent years with large areas of standing water during periods of heavy rain.

Trowell has sought quotes for the works from a number of contractors. Its preferred contractor is Breedon Southern Limited who quoted £12,368 (net) to carry out the necessary works.

Trowell has requested grant aid of £3,500 to assist in the necessary refurbishment of the car park. Trowell has allocated £2,000 in its own draft budget for 2019/20 towards the works and is awaiting the outcome of an application to the Nottinghamshire County Council's Local Improvement Scheme (£7,000). If the bid is unsuccessful, Trowell would look at other funding streams that may be available. The Parish Council had balances totalling £98,692 as at 31 March 2018, with a net precept of £61,165 in 2017/18.

Works would commence at the earliest opportunity, likely Summer 2019. The outcome will benefit the whole community for many years to come. Trowell would be responsible for the continued maintenance of the site. The parish hall is also undergoing extensive internal refurbishment during 2019, so a well-maintained car park is crucial to achieving the overall outcome that the Parish Council wishes to achieve for its residents and other users of the venue.

**APPENDIX 2****Protocol for consideration of grant aid to parish and town councils**

The protocol for the consideration of grant aid requests from parish and town councils was agreed by Cabinet on 8 June 2010. The key provisions are:

1. Grant aid will only be given in support of specific projects or services and not as a general grant towards the services provided by a parish/town council.
2. Revenue grant aid will only be considered towards services which act as a replacement for services which otherwise Broxtowe Borough Council would have to provide or which supplement services which the borough council provides so as to reduce the costs that Broxtowe would otherwise incur.
3. In applying for grant assistance the parish/town council will need to demonstrate how the service or project in question contributes to Broxtowe's aims and objectives as laid out in the Corporate Plan and the Sustainable Community Strategy.
4. In applying for grant aid assistance the parish/town council will need to provide evidence as to why they do not have the financial resources to provide the services or project in question and what the consequences would be for local residents and businesses if the service was withdrawn or the project not completed. This will include a requirement for the parish/ town council to detail what other funding sources they have secured (or otherwise) and to provide a statement as to any reserves held and their planned use.
5. Preference will be given to support for the provision of mandatory services as compared with discretionary services.
6. Where grant aid is to cover the cost of a specified service, the parish/town council will be responsible at its own cost for providing an audited statement within six months of the end of the financial year concerned to confirm the amount of expenditure incurred and income received against which grant aid may be payable. Any grant payable would then be adjusted retrospectively if necessary following receipt of such an audited statement.
7. Grant aid will only be in respect of additional costs directly incurred by the parish/town council and will not cover the cost of any general overheads which the parish/town council would otherwise incur anyway as a result of their operations.
8. Grant aid will be cash limited in each year and the responsibility for costs increasing beyond the cash limit will normally rest with the parish/town council. Where such cost increases are considered to be unavoidable and beyond the parish/town council's control, then Broxtowe may be approached to seek a further grant award.
9. Where the parish/town council wishes to vary the service provided for which grant aid has been awarded, this should only take place after full consultation and with the agreement of Broxtowe.

10. Preference will be given towards one off capital projects rather than as a regular annual contribution towards the ongoing costs of providing services.
11. The parish/town council shall be required to provide such information as Broxtowe may reasonably request as to the actual outputs and outcomes arising from any service or project where Broxtowe makes a contribution.
12. Any grant contribution that may be awarded by Broxtowe need not be at the rate of 100% of net expenditure incurred but may be at a lesser rate to reflect such as its own corporate priorities, budgetary constraints or the availability of similar services or projects elsewhere.
13. Revenue grant aid will normally only be awarded for one year at a time although an indicative amount for the following year may be given at Broxtowe's discretion. Capital grant aid will be towards the cost of a specific one-off project.
14. Requests for grant aid in respect of a particular financial year should normally be submitted by the end of October of the preceding year at the latest to assist with forward budget planning for both Broxtowe and the parish/town council. Broxtowe will endeavour to make a decision on such requests by the end of December in the year preceding that for which grant aid is requested.

### **Grant Aid to Parish/Town Councils**

The table below lists the grants awarded under this scheme since 2010/11.

<b>Date</b>	<b>Council</b>	<b>Amount</b>	<b>Purpose</b>
07/09/10	Nuthall Parish Council	£4,650	Cemetery maintenance
08/03/11	Stapleford Town Council	£2,500	Allotment access (Capital)
29/11/11	Nuthall Parish Council	£3,900	Cemetery maintenance
29/11/11	Kimberley Town Council	£600	Play equipment insurance
19/02/13	Greasley Parish Council	£1,000	Community event
15/10/13	Kimberley Town Council	£7,000	War memorial renovation (Capital)
01/04/14	Nuthall Parish Council	£2,000	War memorial construction (Capital)
16/10/14	Nuthall Parish Council	£2,500	Cemetery maintenance
02/06/15	Cossall Parish Council	£350	Memorial plaque
19/04/16	Eastwood Town Council	£5,000	Building refurbishment works (Capital)
04/07/16	Greasley Parish Council	£4,000	Upgraded heating system (Capital)
19/09/16	Awsorth Parish Council	£5,000	Heating system replacement (Capital)
09/01/17	Brinsley Parish Council	£4,000	Play facility repairs/replace (Capital)
03/10/17	Nuthall Parish Council	£1,820	Remembrance parade
12/10/17	Greasley Parish Council	£1,000	Christmas lights event
12/10/17	Nuthall Parish Council	£3,395	Cemetery maintenance
26/04/18	Nuthall Parish Council	£12,000	Cemetery roadway surface (Capital)
26/04/18	Nuthall Parish Council	£2,000	Summer Youth Club
11/10/18	Greasley Parish Council	£647	WW1 commemoration sculpture

### Report of the Interim Deputy Chief Executive

### APPROVAL FOR PROCUREMENT OF ELECTRICITY CONTRACT

#### 1. Purpose of report

To seek approval for the delegation of approval of the procurement of the Council's electricity supply to the Interim Deputy Chief Executive in consultation with the Chair of Finance and Resources Committee.

#### 2. Background

The Council is currently using an Eastern Shires Purchasing Organisation (ESPO) framework for the supply of electricity. This contract is due to end on 30 September 2020, however ESPO require confirmation by 1 April 2019 of whether or not the contract is to be renewed. Before this decision can be taken, research into what the market can offer, needs to be undertaken. As this timeframe falls with the Purdah period for the local elections in May 2019, delegation of approval is being sought.

The Office of Government Commerce's Pan Government Energy Project recommends that it is best practice for public sector organisations to buy energy through Central Purchasing Organisation (CPO) frameworks that have aggregated volumes, can offer flexible purchasing and enable best practice risk management. Indeed, it is strongly recommended not to go it alone due to the small size of the Council, its lack of bulk purchasing powers and consequent high prices.

Due to the establishment of Central Purchasing Organisations such as ESPO and Crown Commercial Services and the availability of other frameworks let by the private sector, the Council does not need to run its own procurement process to purchase electricity supplies. The Council's Energy Procurement Strategy which was agreed on 5 January 2016 at Cabinet adopted the strategic principle that the Council will use a 'compliant' Central Purchasing Organisation framework to ensure security of supply and the use of energy market experts.

Currently a procurement exercise is taking place in order to effectively identify the best options for the Council. It is proposed that the recommendations will be placed before the Interim Deputy Chief Executive and, following consultation with the Chair of Finance and Resources who will then approve a framework which offers the most favourable electricity contract for the Council. The decision will be made in accordance with the Council's Energy Procurement Strategy and will be reported back to Finance and Resources Committee on 11 July 2019.

#### 3. Financial implications

The costs of the new electricity supply contract are as yet unknown and will be identified once an analysis of the market has been undertaken. For the 2017/18 financial year the Council spent £282,970 on electricity whereas in 2014/215 before the Council entered into a framework contract with ESPO, expenditure on electricity was £360,000.

The cost of electricity arising from the new contract will be included in the workings for the preparation of the 2020/21 budget and factored into the Council's medium term financial strategy accordingly.

#### Recommendation

**Committee is asked to RESOLVE that the delegation of approval for a broker for electricity procurement to the Interim Deputy Chief Executive in consultation with the Chair of Finance and Resources Committee, be approved.**

Background papers: Nil

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## Report of the Interim Strategic Director

### WORK PROGRAMME

#### 1. Purpose of report

To consider items for inclusion in the Work Programme for future meetings.

#### 2. Background

Items which have already been suggested for inclusion in the Work Programme of future meetings are given below. Members are asked to consider any additional items that they may wish to see in the Programme.

11 July 2019	<ul style="list-style-type: none"> <li>• Statement of Accounts Update and Outturn Position 2017/18</li> <li>• Treasury Management</li> </ul>
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#### 3. Dates of future meetings

10 October 2019

(All meetings to start at 7.00 pm)

### Recommendation

**The Committee is asked to CONSIDER the Work Programme and RESOLVE accordingly.**

#### Background papers

Nil

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