



Civic Centre,
Arnot Hill Park,
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Agenda

Cabinet

Date: **Thursday 19 February 2015**

Time: **12.30 pm**

Place: **Reception Room**

For any further information please contact:

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Senior Elections and Members' Services Officer

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Cabinet

Membership

Chair Councillor John Clarke

Vice-Chair Councillor Michael Payne

Councillor Peter Barnes
Councillor Kathryn Fox
Councillor Darrell Pulk
Councillor Henry Wheeler

Observers: Councillor Chris Barnfather
Councillor Paul Hughes

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Report to Cabinet

Subject: Prudential and Treasury Indicators and Treasury Strategy 2015/16

Date: 19 February 2015

Author: Corporate Director (Chief Financial Officer)

Wards Affected

All

Purpose

To present, for members' approval, the Council's Prudential Code Indicators and Treasury Strategy for 2015/16.

Key Decision

This is not a key decision.

Background

1.1 Definition of treasury management

Treasury management is defined as "the management of the local authority's investments and cash flows, its banking, money-market and capital-market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."

It is a statutory requirement for the Council to produce a "balanced budget", which broadly means that cash raised during the year will meet cash expenditure. The Localism Act 2011 places a duty on a local authority to calculate its "council tax requirement" for each financial year, and this includes the revenue costs which result from the capital investment decisions of the authority.

Part of the treasury management service is to ensure that cashflow is adequately planned, with cash available when it is needed. Surplus cash is invested with counterparties commensurate with the Council's low risk appetite, providing adequate liquidity before considering investment return.

A further treasury management function is the funding of the Council's capital plans. These plans provide a guide to the Council's borrowing needs, and require longer term cashflow planning to ensure the Council can meet its spending obligations. The management of longer term cash may involve arranging long or short-term loans or the use of longer term cashflow surpluses. On occasion, debt previously drawn may be restructured to meet the Council's risk or cost objectives.

1.2 Statutory reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

1.2.1 Prudential and treasury indicators and treasury strategy (this report)

This first, and most important report covers:

- The capital plans (including prudential indicators),
- A minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time),
- The treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators,
- An investment strategy (the parameters on how investments are to be managed).

1.2.2 Mid-year treasury management report

This updates members on the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is appropriate or whether any policies require revision. The Council has long adopted a policy of presenting quarterly treasury management reports to Cabinet, and this exceeds the minimum requirement.

1.2.3 Annual treasury report

This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

1.2.4 Scrutiny

All treasury management reports are initially considered by Cabinet, before being recommended to Council for approval. The TMSS is part of the Council's Budget and Policy Framework and accordingly the Chair of the Overview and Scrutiny Committee has also been notified. Any comments received will be taken into account before referral to Council.

1.3 Treasury management strategy for 2015/16

The strategy for 2015/16 covers two main areas:

Capital issues:

- the capital plans and the prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management Issues:

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Communities and Local Government (CLG) MRP Guidance, the CIPFA Treasury Management Code and CLG Investment Guidance.

1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny and the Chief Financial Officer will arrange training as required.

The training needs of officers involved with treasury management are reviewed periodically.

1.5 Treasury management consultants

The Council uses Capita Asset Services (CAS) as its treasury management advisors, recognising that there is value in employing external providers in order to acquire access to specialist skills and resources. The Council will ensure that the terms of appointment and the methods by which value will be assessed are properly agreed and documented, and subjected to regular review. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and will ensure that undue reliance is not placed upon the external service providers.

Proposal

2.1 The Prudential Indicators 2015/16 to 2017/18

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members to overview and confirm such capital expenditure plans. The indicators for 2015/16 to 2017/18 are attached at Appendix 1.

2.1.1 Capital expenditure

The indicator includes a summary of the proposed capital expenditure plans for 2015/16 to 2017/18.

Portfolio Capital Expenditure	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
	£	£	£
Community Developm't	0	0	0
Health & Housing	689,000	689,000	689,000
Public Prot'n & Comm'n	73,900	0	0
Environment	1,889,400	962,000	463,000
Leisure & Development	219,300	0	0
Finance & Performance	355,800	150,000	150,000
Equipm't Replacement	0	150,000	150,000
Service Devel. Bids	0	100,000	100,000
Total Expenditure	3,227,400	2,051,000	1,552,000

The table below summarises the above capital expenditure plans and how these are being financed by capital or revenue resources. Any shortfall of resources results in a borrowing need.

Resources £	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
	£	£	£
Capital Exp £m (above)	3,227,400	2,051,000	1,552,000
Financed by:			
Capital receipts	1,815,000	1,318,000	781,000
Capital grants & contributions	862,400	464,000	464,000
Direct Revenue Financing	550,000	0	0
Net borrowing need	0	269,000	307,000

2.1.2 The Council's borrowing need – the Capital Financing Requirement (CFR)

In simple terms, the CFR is the total historic outstanding capital expenditure which has not yet been paid for, from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure in the tables above, which has not immediately been paid for by way of capital receipts, grants or contributions, will increase the Council's CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

The CFR can include any other long term liabilities, for example finance leases and PFI schemes. Whilst these would increase the CFR, and therefore the borrowing requirement, such schemes would include their own borrowing facilities and the Council would not be required to separately borrow for them. The Council has no such schemes within its CFR.

	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
	£	£	£
Capital Financing Requirement (CFR):			
Closing CFR	11,894,200	11,619,500	10,384,000
Movement in CFR	-562,900	-274,700	-1,235,500
The movement on the CFR is represented by:			
Net financing need for the year	0	+269,000	+307,000
Application of LAMS capital receipt	0	0	-1,000,000
Less Gross MRP	-562,900	-543,700	-542,500
Movement in CFR	-562,900	-274,700	-1,235,500

2.1.3 Minimum Revenue Provision (MRP) Policy Statement

The Council is required to pay off an element of the accumulated General Fund capital spending (CFR) each year by way of a minimum revenue provision (MRP). It is also allowed to make an additional voluntary revenue provision if it wishes (VRP).

CLG regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options is provided to councils, but there

must be “prudent provision”. The guidance does not, however, define “prudent”, instead making recommendations on the interpretation of the term. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent MRP, having had regard to the guidance and its own circumstances, the broad aim being to ensure that borrowing is repaid over a period that reflects the useful lives of the assets acquired. The Council is obliged to have regard to the CLG guidance, but it is not prescriptive. The Council is recommended to approve the following MRP Statement for 2015/16.

- a. The Council will assess MRP in accordance with the recommendations within the guidance issued under section 21(1A) of the Local Government Act 2003.
- b. Option 2, the CFR method, will be used for calculating MRP in respect of all capital expenditure incurred up to and including 31 March 2008. This is the simplest approach available, being calculated as a straightforward 4% of the relevant element of the CFR at the end of the previous year. In the current economic climate the Chief Financial Officer considers that the use of Option 2 is prudent.
- c. Option 3, the Asset Life Method, will be used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. An equal instalment approach will be adopted.
- d. The Chief Financial Officer will determine estimated asset lives. Where expenditure of different types is involved, it will be grouped together in a manner which best reflects the nature of the main component of expenditure. It will only be divided up in cases where there are two or more major components, with significantly different asset lives.
- e. Since April 2012 the Council has operated cash-backed Local Authority Mortgage Schemes (LAMS), each scheme based on a five-year advance to Lloyds TSB to match the five-year life of the indemnity. Each advance placed with Lloyds provides an integral part of the mortgage lending, and is treated as capital expenditure, and a loan to a third party, therefore the Capital Financing Requirement (CFR) will increase by the amount of the advance. Each advance is to be returned at maturity and the funds will be classed as a capital receipt, and the CFR will then reduce accordingly. As advances are temporary (5-year) arrangements, there is no need to set aside prudent provision to repay the debt liability in the interim period, and there is accordingly no MRP application.
- f. In view of the economic climate and significant budgetary pressures, the Council will not provide for an additional voluntary contribution to MRP in 2015/16.

Based on the above policy, the net MRP charge for 2015/16 has been calculated as £561,700 as detailed below, and this sum has been included in the Council's 2015/16 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

	£
Option 2 – CFR Method	£260,300
Option 3 – Asset Life Method	£302,600
Gross MRP	£562,900
Funded by NCC-transferred debt	(£1,200)
Net MRP	£561,700

2.1.4 Capital Affordability Prudential Indicators

The previous sections cover the overall “capital” and “control of borrowing” prudential indicators, but within this framework additional prudential indicators are required to further assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The 2015/16 Capital Programme report, an item elsewhere on this agenda, provides full details of the proposed programme. The indicators, which can be found at Appendix 1, represent capital investment plans that are affordable, prudent and sustainable, and which have been fully factored into the Council's Medium Term Financial Plan, and include:

- a. Capital expenditure
- b. Capital Financing Requirement (CFR)
- c. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. Estimates of financing costs include current commitments and the proposals in this budget report.

- d. Incremental Impact of capital investment decisions on Council Tax

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report, compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

As detailed in the Capital Programme report elsewhere on this agenda, a £500,000 contribution from the revenue budget is recommended to finance the 2015/16 capital programme. This is required to bridge the funding gap arising from the reduced capital receipt generation forecast which was part of the 2014/15 budget reduction proposals. The £500,000 contribution is assessed as affordable, following the early delivery of some of the planned 2014/15 revenue budget reduction proposals creating an underspend in 2013/14, and its usage enables the overall delivery of the planned capital and revenue budget reduction programme to remain within the targets set.

The impact of the £500,000 contribution is reflected in indicators (c) and (d) above, and represents a neutral impact on the taxpayer over an 8-year asset life.

e. Gross borrowing requirement and CFR

The Council must ensure that its gross debt does not, except in the short term, exceed the total of the opening capital financing requirement, plus estimates of any additional CFR for the year in question and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

2.2 Borrowing

The capital expenditure plans set out above provide details of the Council's service activity. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this activity. This will involve both the organisation of the cash flow and, where necessary, the organisation of appropriate borrowing facilities. The Treasury Strategy covers the relevant treasury and prudential indicators, the current and projected debt positions and the annual investment strategy.

2.2.1 Projected portfolio position

The Council's forward projection on its treasury portfolio position is summarised below. This shows the actual external debt, ie. the treasury management operations, against the underlying capital borrowing need, ie. the Capital Financing Requirement (CFR), highlighting any over or under borrowing.

Actual Gross Debt compared to CFR	2015/16 Estimate £000s	2016/17 Estimate £000s	2017/18 Estimate £000s
Debt 1 April	9,812	7,812	6,812
Change in debt in year	-2,000	-1,000	0
Other long term liabilities	0	0	0
Gross Debt 31 March	7,812	6,812	6,812
Closing CFR	11,894	11,620	10,384
Under/(over) borrowing	4,082	4,808	3,572

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. As detailed at 2.1.4 (e) above, to comply with the “gross debt” indicator, the Council must ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any **additional** CFR for 2015/16 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.

The Chief Financial Officer can report that the Council has complied with this prudential indicator during the current year, 2014/15, and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

Gross Borrowing Requirement & CFR	2015/16 Estimate £000s	2016/17 Estimate £000s	2017/18 Estimate £000s
Opening CFR (closing CFR preceding year)	12,457	11,894	11,620
Additions (only) in-year + following 2 years	0	260	878
Maximum Gross Debt	12,457	12,154	12,498
Est. debt at 31 March	7,812	6,812	6,812
Under/(over) borrowing	4,645	5,342	5,686

2.2.2 Treasury indicators – affordability limits to borrowing (Appendix 1)

a. The Operational Boundary for external debt

This is the limit which external debt is not “normally” expected to exceed. In most cases, this would be a similar figure to the CFR, but it may be lower or higher depending on the levels of actual debt.

b. The Authorised Limit for external debt

This limit represents a control on the “maximum” level of borrowing. It is the statutory limit determined under s3 (1) of the Local Government Act 2003 and represents the limit beyond which external debt is prohibited. The Authorised Limit must be set, and revised if necessary, by Full Council. It reflects a level of external debt which, while not desirable, could be afforded in the short term, but is not sustainable in the longer term. The Government retains an option to control either the total of all councils’ plans, or those of a specific council, although this power has not yet been exercised.

2.2.3 Prospects for Interest Rates

The Council has appointed Capita Asset Services (CAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the CAS central view as at 5 January 2015 and further information on interest rates can be found at Appendix 2.

Date	Bank Rate %	PWLB Rates (including Certainty Rate adjustment)		
		5 Year	25 Year	50 Year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

UK growth surged during 2013 and the first half of 2014. Since then it seems to have subsided somewhat, but still remains strong by UK standards and is expected to continue into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting for this recovery to become more firmly established. A drag on the economy has been that wage inflation has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to 1% in

November and to 0.5% in December. Inflation is expected to stay very low for most of the next year and this will help improve consumer disposable income and underpin economic growth in 2015, however, labour productivity needs to improve substantially to enable wage rates to increase and further support disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases.

The United States (the world's biggest economy) has generated annualised growth rates of 4.6% in Q2 2014 and 5% in Q3. This is hugely promising for the outlook for strong growth going forward and it seems the US is now firmly on a path to full recovery from the financial crisis of 2008. Consequently, it is now expected that the US will be the first major western economy to start on central bank rate increases by mid-2015.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications.

- The general election in Greece on 25 January brought to power a party which is anti-EU and anti-austerity. If this eventually results in Greece leaving the Euro it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the fallout to just Greece. However, the indirect effects of the likely strengthening of anti-EU and anti-austerity political parties throughout the EU are much more difficult to quantify.
- General concerns in respect of a major crisis for the Eurozone subsided in 2013, however the downturn in growth and inflation during the second half of 2014 together with worries over Ukraine, the Middle East and ebola have led to a resurgence of those concerns as risks increase that the Eurozone could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address the fundamental issue of low growth, international uncompetitiveness and the need for overdue reforms of the economy. It is therefore possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risk therefore remains elevated and continues to suggest the use of higher quality counterparties for shorter time periods.
- Investment returns are likely to remain relatively low during 2015/16 and beyond.

- Borrowing rates have been volatile during 2014 as alternative bouts of good and bad news have promoted optimism and then pessimism in financial markets. The closing weeks of 2014 saw gilt yields dip to historically low levels after inflation plunged, a flight to quality from equities (especially in the oil sector), and from the debt and equities of oil-producing emerging market countries, and an increase in the likelihood that the European Central Bank (ECB) would start quantitative easing in early 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years, however this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times when authorities will not be able to avoid new borrowing to finance new capital expenditure or to replace maturing debt.
- There will remain a cost to carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

2.2.4 Borrowing Strategy

a. The Strategy

The Council is currently maintaining an under-borrowed position (see 2.2.1 above). This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This represents "internal borrowing". This strategy is prudent as investment returns remain low, and counterparty risk relatively high.

Against this background and the risks within the economic forecast outlined above, caution will be adopted with the 2015/16 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.*
- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn*

whilst interest rates are still lower than they will be in the next few years.

Any new borrowing will be discussed with CAS, and any decisions will be reported to Cabinet at the next available opportunity.

b. Treasury Indicators - prudent limits on borrowing activity (Appendix 1)

There are three debt related treasury activity limits (see Treasury Indicators (c) to (e) at Appendix 1), the purpose of which is to restrain the activity of the treasury function within agreed limits, thereby managing risk and reducing the impact of adverse movement in interest rates. However, if limits are set to be too restrictive they will impair opportunities to reduce costs or improve performance.

- An upper limit on fixed interest rate exposure. This identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- An upper limit on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.

Members are asked to note that additional local indicators are also given for debt and investment individually, expressed as a percentage of the relevant totals.

- The maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

2.2.5 Policy on borrowing in advance of need

The Council will not borrow more than, or in advance of, its needs purely to profit from the investment of the extra sums borrowed, since this is illegal. Any decision to borrow in advance of need will be within the forward-approved CFR estimates, and will be considered carefully to ensure value for money can be demonstrated, and that the Council can ensure the security of such funds.

In determining whether borrowing will be undertaken in advance of need, the Council will ensure that there is a clear link between the capital programme and the maturity profile of the existing debt portfolio which supports the need to take funding in advance of need. It will ensure that the on-going revenue liabilities created, and the implications for future plans and budgets have been considered, and evaluate the economic and market factors that might influence the manner and timing of any decision to borrow. The advantages and disadvantages of alternative forms of funding will be considered, together with the most appropriate periods

over which to fund.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

2.2.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)

Consideration will also be given to identifying any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to Cabinet at the earliest meeting following action.

2.2.7 Municipal Bond Agency

It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB) and the Chief Financial Officer will consider the use of such a facility as and when it becomes available.

2.2.8 Annual Investment Strategy 2015/16

The intention of the Annual Investment Strategy is to provide security of investment and minimisation of risk. The aim is to generate a list of highly creditworthy counterparties which will also enable diversification and thus the avoidance of concentration risk.

a. Investment Policy

The Council's investment policy has regard to the CLG's guidance on

Local Government Investments (“the guidance”), and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes (“the CIPFA TM Code”).

All investments will be made in sterling, and the Council’s general policy objective is the prudent investment of its treasury balances. The Council’s investment priorities are (in order of priority)

- The security of capital
- The liquidity of its investments
- The rate of return

The risk appetite of the Council is low, in order to give priority to the security of its investments.

The borrowing of monies purely to invest or on-lend and make a return remains unlawful, and the Council will not engage in such activity.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on the ratings applied to institutions, which will result in the key ratings used to monitor counterparties being the short-term and long-term ratings only. Viability, financial strength and support ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment, but rather a change of method in response to regulatory changes (see the creditworthiness policy below).

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology uses the CAS ratings service whereby banks’ ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

The Council’s officers recognise that ratings will not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by CAS.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The overall aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

Investment instruments identified for use in the financial year are listed at Appendix 3 under “Specified” and “Non-Specified” categories. An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and the payment or repayment is only payable in sterling.
- The investment is not a long-term investment, ie. it is made for less than one year.
- The making of the investment is not defined as capital expenditure.
- The investment is made with a body of high credit quality, or with the UK government, a local authority or a parish council.

Only minimal reference need be given to specified investments in the Annual Investment Strategy, and they will generally be used for cash-flow management.

Non-specified investments are all those not meeting the criteria for specified investments. Accordingly, they may be simple investments made with the same counterparties as specified investments, being “non-specified” only by way of the maturity period being over one year. Alternatively they may be more complex instruments, or those offering slightly higher risk or lower liquidity. If used at all, non-specified investments will tend only to be used for the longer-term investment of core-balances.

Appendix 3 also sets out:

- The advantages and associated risk of investments under the non-specified category.
- The upper limit to be invested in each non-specified category.
- Those instruments best used after consultation with the Council’s treasury advisers.

Counterparty investment limits will be as set out in the Council’s Treasury Management Practices (Schedules).

b. Creditworthiness policy

The primary principles governing the Council's creditworthiness criteria are:

- Security of capital
- Liquidity of capital
- Return on investment

With regard to security, policies are maintained for the "categories" of investment to be used, and these are set out at Appendix 3, specified and non-specified investments. For the purpose of liquidity, policies are in place for determining the maximum periods for which funds may prudently be committed with counterparties.

The Chief Financial Officer maintains a "counterparty list" using rating information provided by CAS, and this is monitored constantly. The CFO has delegated authority to amend the minimum criteria as he sees fit, and will report any such amendments to Cabinet for information as necessary. The minimum criteria the Council will use in selecting its counterparties are currently based on based on Fitch ratings of:

- Short term rating of F1
- Long term rating of A
- Viability rating of BBB
- Support rating of 1

The main rating agencies (Fitch, Moody's and Standard & Poors) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated that they may remove these "uplifts". This process may commence during 2014/15 or 2015/16, but the actual timing of the changes is still subject to discussion.

It is important to stress that the rating agency changes do not reflect any change in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings during the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger, and less prone to failure in an economic crisis.

Fitch has already started assessing its support ratings, with a clear expectation that all institutions will drop to "a bank for which there is a possibility of external support, but it cannot be relied on". There is thus likely to be little to no differentiation to be had by assessing support ratings.

The CFO will take advice from CAS regarding the timing of changes to the ratings provided and make changes to the minimum levels to be applied by the Council as necessary. Any such changes will be reported to Cabinet as soon as possible after the change.

As well as minimum Fitch ratings (above) the Council also makes use of the creditworthiness service provided by CAS. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. Credit ratings are supplemented with “overlays” as follows:

- credit watches and credit outlooks from credit rating agencies.
- CDS (credit default swaps) spreads to give early warning of likely changes in credit ratings.
- sovereign ratings to select counterparties from only the most creditworthy countries.

The CAS approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested maximum durations for its investments with a counterparty meeting the minimum rating criteria.

- Yellow 5 years (AAA rated Government debt or its equivalent)
- Dark pink 5 years (enhanced money market funds scoring 1.25)
- Light pink 5 years (enhanced money market funds scoring 1.5)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

The creditworthiness service uses a wider array of information than just primary ratings, and by using a risk weighted scoring system, does not give undue preponderance to just one agency’s ratings.

All credit ratings are monitored weekly and the Council is alerted to changes to ratings of all three agencies through its use of the CAS creditworthiness service. If a downgrade results in the counterparty no longer meeting the Council’s minimum criteria, its further use for new investment will be withdrawn immediately.

Sole reliance will not be placed on the use of the CAS external service. In addition the Council will also use market data and market

information, information on government support for banks and the credit ratings of that supporting government.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA minus. Appendix 4 sets out the countries currently meeting the criteria for investment by the Council. However, for some time the CFO has adopted a policy to lend only to UK registered institutions, and this is expected to continue for 2015/16. The UK currently has an AA+ sovereign rating.

Given the extreme volatility of market conditions, this policy will of course be subject to on-going review by the CFO, in conjunction with advice from CAS. The list will be added to, or deducted from, by officers should ratings change in accordance with this policy

Under the cash-backed Local Authority Mortgage Scheme, launched in April 2012, the Council has made two advances of £1m each to Lloyds Banking Group, each for a period of five years, to match the life of the indemnities. These are classified as “service investments”, rather than treasury management investments, and are therefore outside the Specified/Non specified categories discussed above.

c. Investment Strategy

The Council's in-house managed funds are mainly cash-flow derived however, there has for some time been a core balance available for investment over a 2-3 year period, if appropriate. In addition, any borrowing undertaken in advance of need at favourable interest rates may add to the funds available.

Investments will be made with careful reference to any remaining core balance, to cash-flow requirements, and to the outlook for short-term interest rates (ie. for investments up to 12 months).

Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 4 of 2015. Bank Rate forecasts for financial year ends are:

- 2014/15 0.50%
- 2015/16 0.75%
- 2016/17 1.25%
- 2017/18 2.00%

There are downside risks to these forecasts (ie. the start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken there could be an upside risk.

CAS have suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:

- 2015/16 0.60%
- 2016/17 1.25%
- 2017/18 1.75%
- 2018/19 2.25%

The Council's outturn equated rate for 2014/15 is expected to be around 0.77%. As a result of fixed investments already secured and the expectation that rates will start to rise a little later in 2015/16, the budgeted equated rate for 2015/16 is 0.79%. Both these rates are in slightly excess of those suggested above.

An investment treasury indicator and limit must be set for the maximum principal funds invested for periods in excess of 364 days in the forthcoming and two subsequent years (ie. new non-specified investments). The limit for each year is set with regard to the Council's liquidity requirements.

The treasury indicator and limit for new non-specified investments in each of 2015/16, 2016/17 and 2017/18 is £3m, as detailed at Appendix1 (f), subject always to the overall limit for total non-specified investments held at any one time indicated at Appendix 3.

d. Investments defined as capital expenditure

The acquisition of share capital or loan capital in a body corporate is defined as capital expenditure under regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003. Such investments will have to be funded out of capital or revenue resources, and will be classified as non-specified investments.

Investments in "money market funds", which are collective investment schemes, and bonds issued by "multilateral development banks", both defined in SI 2004 No 534, will not be treated as capital expenditure.

A loan or grant or financial assistance by this Council to another body for capital expenditure by that body will be treated as capital expenditure.

e. Provision for credit-related loss

If any of the Council's investments appear to be at risk of loss due to default, this is a "credit-related loss" and not a loss resulting from a fall in price due to movements in interest rates. In such an instance, the

Council will make revenue provision of an appropriate amount.

f. End of Year Investment Report

At the end of the year, the Council will report on its investment activity as part of its Annual Treasury Report.

g. Policy on the use of external service providers

The Council uses CAS as its external treasury management advisers, however it recognises that responsibility for treasury management decisions remains with the organisation at all times, and will ensure that undue reliance is not placed upon external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review

2.2.8 Gedling Borough Council scheme of delegation

Full Council is responsible for:

- Receiving and reviewing reports on treasury management policies, practices and activities
- Approval of the annual strategy (TMSS)
- Annual budget approval

Cabinet is responsible for:

- Approval of/amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices
- Budget consideration and virement approval
- Approval of the division of responsibilities
- Receiving and reviewing regular Treasury Management monitoring reports, and acting on recommendations
- Approving the selection of external service providers and agreeing terms of appointment.

Audit Committee is responsible for:

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

2.2.9 The role of the section 151 officer

The Chief Financial Officer is the Council's nominated S151 Officer.
The role of the S151 (responsible) officer includes the following:

- Recommending clauses, treasury management policy/practices for approval, reviewing these regularly, and monitoring compliance
- Submitting regular treasury management policy reports
- Submitting budgets and budget variations
- Receiving and reviewing management information reports
- Reviewing the performance of the treasury management function
- Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- Ensuring the adequacy of internal audit, and liaising with external audit
- The appointment of external service providers

Alternative Options

There are no alternative options, this report being a statutory requirement.

Financial Implications

No specific financial implications are attributable to this report.

Appendices

1. Prudential and Treasury indicators for 2015/16 to 2017/18
2. Interest rate forecasts
3. Specified and non-specified Investments
4. Approved countries for investment

Background Papers

None identified.

Recommendation

That:

Members note the Prudential Indicators and Treasury Strategy 2015/16 as detailed in the report, and refer it to Full Council for approval as required by the regulations.

Reasons for Recommendations

To comply with the requirements of the Local Government Act 2003, the CIPFA Prudential Code, CLG MRP guidance, the CIPFA Treasury Management Code and CLG investment guidance.

For more information, please contact:

Alison Ball, Financial Services Manager, on 0115 901 3980

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	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
<u>Prudential Indicators - capital affordability</u>			
a) Capital Expenditure:	£ 3,227,400	£ 2,051,000	£ 1,552,000
b) Capital Financing Requirement:	£ 11,894,200	£ 11,619,500	£ 10,384,000
c) Ratio of Financing Costs to Net Revenue Stream:	10.39%	5.33%	4.67%
d) Incremental Impact of 2015/16 Capital Investment Decisions:	£16.43	-£1.79	-£1.79
e) Gross Borrowing Requirement & CFR:	£ 12,457,100	£ 12,154,500	£ 12,498,200
<u>Treasury Indicators -</u>			
<u>Affordability limits to borrowing</u>			
a) Operational Boundary for External Debt:			
Borrowing	£ 13,500,000	£ 13,200,000	£ 13,500,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Operational Boundary	£ 15,000,000	£ 14,700,000	£ 15,000,000
b) Authorised Limit for External Debt:			
Borrowing	£ 14,500,000	£ 14,200,000	£ 14,500,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Authorised Limit	£ 16,000,000	£ 15,700,000	£ 16,000,000
<u>Prudent limits on borrowing activity</u>			
c) Upper limit for fixed interest rate exposure: (Maximum outstanding net BORROWING)	£ 12,500,000	£ 12,200,000	£ 12,500,000
Additional Local Indicator - Investment Only	100%	100.00%	100.00%
Additional Local Indicator - Borrowing Only	100%	100.00%	100.00%
d) Upper limit for variable interest rate exposure: (Maximum outstanding net BORROWING)	£ 2,000,000	£ 2,000,000	£ 2,000,000
Additional Local Indicator - Investment Only	100%	100.00%	100.00%
Additional Local Indicator - Borrowing Only	50%	50.00%	50.00%
e) Upper limits for the maturity structure of o/s Borrowing during 2015/16 (Lower limit 0%)			
Under 1 Year	40%		
1 Year to 2 Years	40%		
2 Years to 5 Years	50%		
5 Years to 10 Years	50%		
Over 10 Years	100%		
f) Investment treasury indicator and limit - Maximum NEW principal sums invested in-year for periods OVER 364 days (ie. non-specified) subject to maximum non-specified per counterparty of £3m AND to the prevailing overall counterparty limit, and to the total non-specified limit of £5m.	£ 3,000,000	£ 3,000,000	£ 3,000,000

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INTEREST RATE FORECASTS 2015 – 2018

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PW IB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PW IB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PW IB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PW IB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-
Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012													

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LOCAL GOVERNMENT INVESTMENTS (England) page1

SPECIFIED INVESTMENTS 2015/16

All "Specified Investments" listed below must be sterling-denominated.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating	Capital Expenditure?	Circumstance of use	Maximum period
Debt Management Agency Deposit Facility (DMADF) This facility is at present available for investments up to 6 months	No	Yes	Govt-backed	NO	In-house	1 year
Term deposits with the UK government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year	No	Yes	High security, although Local Authorities not credit rated.	NO	In-house	1 year
Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	No	Yes	Yes—various Minimum (Fitch) Short-term F1, Long Term A Viability BBB Support 1	NO	In-house	1 year
Certificates of Deposit issued by credit-rated deposit takers (banks and building societies) up to 1 yr. <i>Custodial arrangement required prior to purchase</i>	No	Yes	Yes—various Minimum (Fitch) Short-term F1, Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/advice from Capita Asset Services (CAS)	1 year
Gilts with maturities up to 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	Buy and hold to maturity. To be used in-house after consultation/advice from CAS	1 year

LOCAL GOVERNMENT INVESTMENTS (England) page 2

SPECIFIED INVESTMENTS 2015/16 (CONTINUED)

All “Specified Investments” listed below must be sterling-denominated.

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / ‘High’ Credit Rating criteria	Capital Expenditure?	Circumstance of use	Maximum period
Money Market Funds Collective investment schemes as defined in SI 2004 No 534 <i>These funds do not have any maturity date</i>	No	Yes	AAA	NO	In-house	<i>The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements</i>
Treasury bills Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	In-house	1 year
Bonds issued by a financial institution that is guaranteed by the United Kingdom Government (as defined in SI 2004 No 534) with maturities under 12 months <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	Buy and hold to maturity. To be used in-house after consultation/advice from CAS	1 year
Bonds issued by multilateral development banks (as defined in SI 2004 No 534) with maturities under 12 months <i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	NO	Buy and hold to maturity. To be used in-house after consultation/advice from CAS	1 year

LOCAL GOVERNMENT INVESTMENT (England) page 3

NON-SPECIFIED INVESTMENTS 2015/16

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating **</u>	<u>Capital</u> <u>Exp?</u>	<u>Circumstance</u> <u>of use</u>	<u>Maximum</u> <u>Investment</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid - as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	In-house	£3m any one counterparty AND £5m in total. Also subject to the prevailing <u>overall</u> maximum investment with any one counterparty	3 years
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/ advice from CAS	£3m	3 years
Fixed Term Deposits with variable rates and variable maturities with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/ advice from CAS	£3m	3 years in aggregate

LOCAL GOVERNMENT INVESTMENT (England) page 4

NON-SPECIFIED INVESTMENTS 2015/16 (Continued)

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/</u> <u>Loan</u> <u>Capital?</u>	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating **	Capital Exp?	Circumstance of use	Maximum investment	Maximum maturity of investment
UK government gilts with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Excellent credit quality. (ii) Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	NO	Buy and hold to maturity. To be used in-house after consultation/ advice from CAS	£3m	Maturity limit 5 years
Sovereign issues ex UK govt gilts - any maturity <i>Custodial arrangement required prior to purchase</i>	(A) (i) Excellent credit quality. (ii) Liquid. (iii) If held to maturity, known yield (rate of return) per annum ~ aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	AAA	NO	Buy and hold to maturity. To be used in-house after consultation/ advice from CAS	£3m	5 years

LOCAL GOVERNMENT INVESTMENT (England) page 5

NON-SPECIFIED INVESTMENTS 2015/16 (Continued)

Investment	(A) Why use it? (B) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating **	Capital Exp?	Circumstance of use	Maximum Investment	Maximum maturity of investment
Bonds issued by a financial institution that is guaranteed by the United Kingdom Government (as defined in SI 2004 No 534) with maturities in excess of 1year <i>Custodial arrangement required prior to purchase</i>	<p>(A) (i) Excellent credit quality. (ii) relatively liquid (but not as liquid as gilts)</p> <p>(iii) If held to maturity, known yield (rate of return) per annum which would be higher than that on comparable gilt - aids forward planning, enhanced return compared to gilts.</p> <p>(iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)</p> <p>(B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss.</p> <p>(ii) Spread versus gilts could widen</p>	Yes	Yes	AAA / government guaranteed	NO	Buy and hold to maturity. To be used in-house after consultation/ advice from CAS	£3m	5 years
Bonds issued by multilateral development banks (as defined in SI 2004 No 534) with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i>	<p>(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts)</p> <p>(iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts.</p> <p>(iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)</p> <p>(B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss.</p> <p>(ii) Spread versus gilts could widen</p>	Yes	Yes	AAA or government guaranteed	NO	Buy and hold to maturity. To be used in-house after consultation/ advice from CAS	£3m	5 years

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APPROVED COUNTRIES FOR INVESTMENT

AAA

- Australia
- Canada
- Denmark
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium
- Saudi Arabia

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Report to Cabinet

Subject: Capital Programme 2015/16

Date: 19 February 2015

Author: Senior Leadership Team on behalf of the Leader

Wards Affected

Borough wide.

Purpose

This report summarises the proposed capital programme for 2015/16 and future years in light of the Council's priorities and the resources available.

The capital programme determined by Cabinet at this meeting will be referred to the Council Budget meeting on the 3 March 2015 for final approval. The detailed capital programme proposals are shown in Appendix 1 to this report.

Key Decision

This is a Key Decision.

Background

- 1.1 The prudential framework for Local Authority Capital Investment was introduced through the Local Government Finance Act 2003.
- 1.2 This prudential framework sets out the following key objectives:
 - The capital investments plans of local authorities are affordable, prudent and sustainable. Affordability has regard to the implications of capital expenditure for Council Tax, whilst prudence and sustainability have regard to the implications for external borrowing.
 - Treasury management decisions are taken in accordance with good professional practice.
 - Local strategic planning, asset management and proper option appraisal are supported.

Proposal

2.1 Draft Capital Programme

The following table summarises the proposed Capital Programme for 2015/16. The full programme of schemes is presented in Appendix 1.

Portfolio	2015/16 £	2016/17 £	2017/18 £
Community Development	0	0	0
Health & Housing	689,000	689,000	689,000
Public Protection and Communication	73,900	0	0
Environment	1,889,400	962,000	463,000
Leisure & Development	219,300	0	0
Finance & Performance	355,800	150,000	150,000
Future Equipment Replacement	0	150,000	150,000
Future Service Development Bids	0	100,000	100,000
Total Capital Programme	3,227,400	2,051,000	1,552,000

2.2.1 The proposed capital programme includes:

- a) Resource developments bids which meet the Council priorities i.e.

£350,000 for a Depot Office and Welfare Facility to meet health and safety and staff working condition requirements

And

£15,000 for CCTV in Newstead consistent with public protection priorities;

- b) New schemes funded by specific resources i.e.

£200,000 Gedling Country Park projects - funded by a capital receipt which is restricted by legal agreement for investment in the park.

And

£109,400 contribution to the Calverton Parish Council Pavilion Project funded by S106 contributions which can only be used in Calverton.

This is a contribution towards a major Parish Council project investing £1.064m to construct a new Community and Sports Centre within the William Lee Recreation Ground;

- c) Replacement equipment/vehicles to ensure continuation of existing service provision;
- d) Approved ongoing budgets i.e. Disabled Facilities Grants and the Asset Management Fund which is used to maintain the Council's assets to a safe and usable standard;
- e) Provisions for future equipment replacement and development bids in 2016/17 and 2017/18;
- f) 2014/15 schemes totalling £667,500, approved for slippage to 2015/16 by Cabinet at its meeting on 12 February 2015.

2.3 Capital Resources

2.3.1 Capital Receipts

When the Council sells General Fund assets it is permitted to use this income to fund capital expenditure.

A major review of the revenue budget was undertaken during 2014/15 with the objective of addressing the revenue grant reductions and delivering a sustainable medium term financial plan. As part of that review, one strategy identified to reduce the pressure on the revenue budget was the sale of surplus non-operational land holdings to generate capital receipts. The capital receipts will be used to finance the capital programme and therefore avoid previously planned borrowing which in turn reduces pressure on the revenue budget by reducing principal and interest payments.

Estimated capital receipts to be generated between 2014/15 and 2017/18 from the sale of surplus non-operational land holdings totals £3.4m. This is £1.2m lower than originally estimated in the 2014/15 budget review due to reduced market valuations. The anticipated timetable for securing the capital receipts has also faced some delays and a revised forecast is now reflected in the capital financing budget.

In addition to the sale of land and buildings the Council also generates capital receipts from improvement grant repayments, mortgage repayments and preserved Right To Buy (RTB) receipts, which together are estimated to generate £153,000 per annum over the next 3 years. Preserved RTB receipts are those that the Council has negotiated to retain, for a period of 10 years, as part of the LSVT of housing stock. Preserved RTB receipts are not subject to usual housing pooling requirements, requiring a proportion to be paid to Central Government, and are fully usable to finance capital expenditure.

In addition a capital receipt of £200,000 has been secured which is restricted by legal agreement for investment in the Gedling Country Park as detailed in 2.2.1

above.

Estimated usage of capital receipts is detailed in the table at paragraph 2.3.5 below.

2.3.2 Direct Revenue Financing

As a result of the reduced capital receipts generation forecast detailed in paragraph 2.3.1 above, it is proposed that part of the funding gap be bridged by the use of a £500,000 contribution from the revenue budget. The £500,000 contribution is assessed as affordable following the early delivery of some of the planned 2014/15 revenue budget reduction proposals creating an underspend in 2013/14, and its usage enables the overall delivery of the planned capital and revenue budget reduction programme to remain within targets set. This contribution is contained within the Gedling Plan 2015/16 revenue budget estimates, an item elsewhere on this agenda, and is subject to approval of that report.

In addition, a £50,000 contribution from the earmarked revenue reserve for CCTV monitoring for the upgrade of the equipment will be completed. This scheme is approved for deferral from the 2014/15 capital programme.

2.3.3 Capital Grants and Contributions

External funds such as the Disabled Facilities Grant and contributions from other authorities continue to be important in the funding of capital expenditure besides schemes partly financed in this way are included in the programme.

Grants and contributions estimated for financing the 2015/16 programme total £862,400 and include:

	£
Disabled Facilities Grant	464,000
Performance Reward Grant – Shopmobility	100,000
S106 Developer Contributions – Gedling Country Park (£150k) and Calverton Parish Council Pavilion (£109.4k)	259,400
Rushcliffe Borough Council – HR/Payroll System contribution	39,000
Total Grants and Contributions 2015/16	862,400

With effect from 2015 Disabled Facilities grant funding will be paid to top tier authorities. Indications from Nottinghamshire County Council suggest that they plan to passport future grant allocations from 2015/16 to District Councils to continue its administration. This is assumed in the forward programme.

Expenditure in the capital programme has been grossed up and the

contributions are shown in the table below as adding to the resources available to finance the programme.

2.3.4 Prudential Borrowing

Due to the proposed strategy of generating capital receipts, as detailed in paragraph 2.3.1 above, there are no requirements to use Prudential borrowing to finance the capital programme in 2015/16. However, it is now projected that small amounts of prudential borrowing will be required to fund the forward capital programmes for 2016/17 and 2017/18 with amounts of £269,000 and £307,000 respectively. However, this requirement will be subject to review as part of the annual budget process for each respective year.

This level of borrowing to fund the programme has become necessary due to higher than estimated development bids and equipment replacement items in 2015/16 and a lower estimate for capital receipts.

The Council's Prudential Indicators for the financial years 2015/16 – 2017/18 are contained within the Treasury Management Strategy Statement, an item elsewhere on this agenda, which will be referred to Council for approval. These Prudential Indicators, in conjunction with the calculations within the Medium Term Financial Plan, show that this level of borrowing is affordable and sustainable.

2.3.5 Capital Resources Summary

An estimate of resources for financing the 2015/16 programme and the following two years is summarised below:

	2015/16	2016/17	2017/18
	£	£	£
Use of Capital Receipts	1,815,000	1,318,000	781,000
Direct Revenue Financing	550,000	0	0
Capital Grants and Contributions	862,400	464,000	464,000
Total Cash Resource	3,227,400	1,782,000	1,245,000
Prudential Borrowing	0	269,000	307,000
Total Financing	3,227,400	2,051,000	1,552,000

Alternative Options

- 3 As the resources for financing the capital programme are limited there is no capacity to implement new service developments which are not funded by

specific grants and/or contributions, therefore no alternative options are available.

Financial Implications

4 As detailed in the report.

Appendices

5 Appendix 1 – Draft Capital Programme 2015/16 – 2017/18

Background Papers

- Treasury Management Strategy
- Gedling Plan 2015/16

Recommendations

THAT:

- (a) The capital financing available for 2015/16 be noted;
- (b) The likely resources available for 2016/17 and 2017/18 be noted;
- (c) The Capital Programme for 2015/16 detailed at Appendix 1 be agreed for referral to Council for approval.

Reasons for Recommendations

7 To obtain approval of the draft Capital Programme which supports delivery of the 2015/16 Gedling Plan.

DRAFT CAPITAL PROGRAMME 2015/16 - 2017/18

SCHEME DESCRIPTION	Ref	CAPITAL BUDGET REQUIREMENT		
		2015/16	2016/17	2017/18
		£	£	£
HEALTH AND HOUSING				
Disabled Facilities Grant	Ongoing	689,000	689,000	689,000
Total Health and Housing		689,000	689,000	689,000
PUBLIC PROTECTION AND COMMUNICATION				
CCTV Newstead	Dev Bid	15,000		
CCTV Monitor Room Upgrade	Slip 14/15	50,000		
Self Service Kiosk (reception alterations)	Slip 14/15	8,900		
Total Public Protection and Communication		73,900	0	0
ENVIRONMENT				
Depot Offices and Welfare Facility	Dev Bid	350,000		
Gedling Country Park Projects	Slip + Dev	350,000		
Calverton Parish Council Pavilion Project	S106	109,400		
Relocation of Shopmobility	Slip 14/15	150,000		
Vehicle Replacement				
Replace Ford Transit/Tipper FH08GRK		30,000		
Replace Ford Transit/Tipper FN58UFB		30,000		
Replace VW Light Van FE57FHJ		42,000		
Volvo Gravedigger		30,000		
Replace Mercedes Econic FJ57FTX		175,000		
Replace Mercedes Econic FN07BVD		175,000		
Replace Transit/Box Van FN58UEM		26,000		
Replace Dennis Kerbsider VO08RZF		150,000		
Replace Ford Transi Connect		42,000		
Replace Swingo Sweeper AE60DYV		70,000		
Replace Ford Connect		14,000		
Exhaust Fans		20,000		
Replace Schmidt Sweeper AJ58RPO	Slip 14/15	68,000		
Replace Hayter Triple Mower FJ08HJY	Slip 14/15	28,000		
Replace VW Caddy FD07XPP	Slip 14/15	30,000		
Replacement Vehicles			962,000	463,000
Total Environment		1,889,400	962,000	463,000
LEISURE AND DEVELOPMENT				
Arnold LC - Replace Theate Audio Visual Equipment	Replacement	52,000		
Arnold LC Boiler/Plant Room Upgrade	Replacement	84,700		
Carlton Forum Health Suite	Slip 15/16	82,600		
Total Leisure and Development		219,300	0	0
FINANCE AND PERFORMANCE				
Replacement Payroll/HR System	Replacement	105,800		
Asset Management Fund	Slip + New Prog	250,000	150,000	150,000
Total Finance and Performance		355,800	150,000	150,000
Future Equipment Replacement			150,000	150,000
Future Development Bids			100,000	100,000
TOTAL CAPITAL PROGRAMME		3,227,400	2,051,000	1,552,000

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Report to Cabinet

Subject: Gedling Plan 2015/16 (including General Fund Revenue Budget)

Date: 19 February 2015

Author: Senior Leadership Team on behalf of Leader of the Council

Wards Affected

Borough wide.

Purpose

This report sets out the priorities, objectives and top actions for the Council for the forthcoming year with the associated revenue budget.

Key Decision

This is a Key Decision.

Background

- 1.1 The Constitution of the Council details the Budget and Policy Framework Procedural rules. Section 2.01 concerns budget and performance plans. It contains the specific requirement for the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed cuts.
- 1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2015/16 Gedling Plan and revenue budget proposals will be presented to Budget Council on 3 March 2015. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.
- 1.3 This report ensures these requirements will be met for the 2015/16 budget process.
- 1.4 The severe financial pressures that the authority continues to face following the prolonged downturn in the economy and the announcement of further reductions in Government Grant Settlement make this another extremely challenging budget round. As the Council relies heavily on central funding to deliver its services any

funding reductions require the Council to make budget cuts and efficiencies to deliver a balanced budget in the medium term.

Proposal

2.1 Gedling Plan

2.1.1 Appendix 1 sets out what we're trying to achieve and how we intend to go about that. Appendix 2 sets out the performance measures associated with the Gedling Plan.

2.1.2 Our forward planning continues to take place at a time of unprecedented financial challenge and our approach is based upon:

- Targeting resources at maintaining the highest levels of performance with those services that residents consider to be most important;
- Protecting services and activities that support the most vulnerable;
- Prioritising activity that helps to boost the local economy.

2.1.3 The Plan is based around the following 11 objectives, 'underneath' which sits a range of actions.

- Reduce anti-social behaviour, crime and the fear of crime
- Reduce hardship and provide support to the most vulnerable
- Improve health and well-being
- Promote and encourage pride, good citizenship and participation in the local area
- Create more jobs and better access to them
- Ensure local people are well prepared and able to compete for jobs
- Provide more homes
- Provide an attractive and sustainable local environment that local people can enjoy and appreciate
- Improve the customer experience of dealing with the Council
- Give tax payers value for money
- Maintain a positive and productive working environment and strong staff morale

- 2.1.4 Should the recommendations be agreed, progress against the above objectives and priority actions will be reported to members and to the public on line and through the Covalent performance management system. Accountability for individual actions will be shown clearly in these reports, with each action having an accountable manager, a lead director and a lead portfolio holder.

2.2 Proposed General Fund Budget 2015/16

The Council's overarching Financial Strategy sets out the framework for overall financial control and administration for the Council. It also details how individual items such as Central Government Funding, Taxation levels, Resource Developments etc. impact on the annual budget and this has been taken into account in presenting this annual budget and Medium Term Financial Plan (MTFP) Summary.

2.2.1 Local Government Finance Settlement 2015/16

The Local Government Finance Settlement determines how much grant Central Government will give to each local authority in England in 2015/16.

The provisional Settlement figures for 2015/16 were announced on 18 December 2014 and a full analysis was reported to Cabinet on 8 January 2015. The consultation period on the Settlement closed on 15 January 2015. The final Settlement figures were announced on 3 February 2015 and confirmed the figures contained in the provisional announcement as detailed in the paragraphs below.

2015/16 Settlement

The final Settlement figure, now known as the **Settlement Funding Assessment** for 2015/16 totals £4,938,471. This represents the aggregate of Revenue Support Grant of £2,146,229 and estimated retained Business Rates of £2,792,242 (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base). The Settlement Funding Assessment of £4,938,471, which includes non-ringfenced specific grants, represents a cash reduction of £926,215 or 15.8% from the comparative 2014/15 figure.

Non-ringfenced specific grants are detailed below:

- the Council Tax Freeze compensation grant of £137,753 for the 2011/12 freeze and £60,621 for the 2014/15 freeze, continue in baseline funding;
- Homelessness grant of £76,564 (a 0.4% reduction compared to 2014/15);

- Council Tax Reduction Scheme grant previously specified at £706,325 for 2013/14 (10% less than the previous benefit subsidy amount), has now been incorporated into the base settlement funding assessment but this figure is not separately identifiable in the settlement figures.

In total this further reduction in 2015/16 coupled with reductions in the previous 4 years spending round (starting 2011/12) means that this authority has had its Central Government Settlement grant reduced by £4.1m (excluding impact of council tax freeze grants) or 45% in cash terms. Government Settlement funding is now below the cash levels received in 1993 when Council Tax was introduced and is programmed to fall even lower in the next spending review period as detailed in the paragraphs below.

Future Spending Review Period 2016/17-2019/20

Public spending control remains central to the Government's commitment to reducing the deficit. The Government's fiscal assumption is that Totally Managed Expenditure (TME) for 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010/11 and 2014/15 which for Gedling equates to 34% or £1.68m. TME will then stay flat in real terms in 2018/19 and 2019/20.

Council Tax Freeze Grant

The Government have announced that funding will be available to local authorities which freeze council tax for 2015/16, which will be built into the baseline for subsequent years. Councils that do so will get a grant equivalent to raising their council tax by 1% in each year, adjusted to exclude the reductions given to those receiving council tax support, which equates to approximately £60,600 for Gedling.

Council Tax Reduction Scheme Grant

The Council Tax Benefit system was replaced on 1 April 2013 with the Council Tax Reduction Scheme (CTRS) which provides a discount on the council tax bill for eligible applicants. Gedling's initial scheme, which was approved by Council on 19 December 2012, was devised to ensure the most vulnerable are protected by making the discount receivable equivalent to the benefit which would have been payable under the previous system. The basis of the original scheme is proposed to continue for the 2015/16 financial year.

The CTRS is funded partly by Government Grant, initially set at a rate 10% less than previously available as benefit subsidy, and the remainder by introducing new tax charges for empty properties. The Council Tax Reduction Scheme non-ringfenced grant was previously specified at £706,325 for 2013/14, but this has now been incorporated into the base Settlement funding assessment and specific grant figures for CTRS are no longer identifiable.

The non-ringfenced CTRS grant includes an amount to fund the impact of taxbase reductions on local parish precepts, initially predicted at £47,500. The impact of the initial scheme on 2013/14 taxbase figures, when adjusted for Gedling's own

technical changes, resulted in a precept reduction of £28,400 for Parish Councils as a whole and grant of this amount was paid to Parish Councils to ensure no financial loss was suffered from the implementation of CTRS. The remainder of the grant was used to part establish a hardship fund for vulnerable claimants including those in Parish area. Demand on that fund is lower than anticipated and despite the Council facing a further cut of 15.8% in its funding for 2015/16, Cabinet approved in principle, at its meeting on 8 January, to make an additional grant payment to the Parish Councils of £19,100 in recognition of the work they do in their communities.

Total grant support to Parish Councils of £47,500 for 2015/16 is included in the General Fund budget at paragraph 2.2.2 below. As the CTRS grant is not protected from future funding reductions the amount of grant to be paid to Parish Councils will need to be determined on an annual basis.

Council Tax Increase Referendum Trigger

The Localism Act 2011 gives powers to the local community to either endorse or veto Council Tax rises that are above a limit which is to be set annually by the House of Commons. If a local authority decides to implement a council tax increase above the government set limit this will trigger a referendum so that local voters can either support or reject the proposed rise.

The referendum limit for 2015/16 has been set at 2%. In previous years it has also been set at 2%. Any Council which sets an increase greater than the referendum limit and does not get support from the electorate via the referendum will have to revert to a council tax level that is compliant.

New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is now a significant and permanent feature of future local government funding. The Government have committed to funding NHB from the centrally retained share of Business Rates income which will continue to be paid as a separate non-ringfenced grant.

The principles of the grant are to reward local authorities for each new property completed within their boundary. The value of the reward is linked to the average council tax band D property and each individual award will be for a six year period.

Gedling has been awarded £467,744 for 2015/16 which is in addition to the £1,563,784 awarded for 2011/12-2014/15, giving a total cumulative New Homes bonus of £2,031,528. The Council's Medium Term Financial Plan assumes a further increase in grant of £350,000 in 2016/17, reaching a cumulative total of £2,381,528 by 2016/17 which is the end of the six year period after which it is expected to stabilise at this level.

The receipt of the New Homes Bonus has enabled the Council to protect core services and to respond to local priorities by investing in its Economic Development activities through the introduction of free town centre car parking, investment in Arnold leisure centre and theatre facilities, the establishment of an increased staffing and projects resource for economic development work.

2.2.2 General Fund Budget 2015/16 Summary

In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 2. These have been included in both the annual base budget and MTFP calculations. The following table summarises the proposed General Fund Budget for 2015/16. The detailed budgets are presented at Appendix 3 together with an explanation of major variances between the original estimate for 2014/15 and the estimate for 2015/16.

General Fund Budget Summary 2015/16

Portfolio	Original Budget 2014/15 £	Base Budget 2015/16 £	Variance £
Community Development	1,605,300	1,468,900	(136,400)
Health & Housing	1,116,100	1,113,400	(2,700)
Public Protection and Communication	1,625,900	1,643,100	17,200
Environment	4,499,300	4,473,600	(25,700)
Leisure & Development	1,891,600	2,089,700	198,100
Finance & Performance	2,241,200	2,089,100	(152,100)
Base Budget	12,979,400	12,877,800	(101,600)

2.2.3 Major Budget Pressures

In addition to the expected inflationary pressures detailed in Appendix 2 the base budget and medium term financial plan include the following major budget pressures greater than £50,000:

- Waste Management - growth in number of households and increase in sickness cover £114,800;
- Planning and Building Control – additional staffing requirements and establishment of risk management reserve due to workload pressures and reduction in income £123,900;
- Community Grants – reinstatement of CVS and RCAN grants, establishment of Borough Wide Initiatives budget and Drama Outreach grant and increase

in Parish Council grants £51,600;

- Elections – cost of Borough Council election £90,000;
- Housing Benefit – reduction in admin subsidy grant and additional rent allowances £93,500.

2.2.4 Major Budget Reductions

Budget Reduction Proposals 2014/15 Budget Process – Progress Update

During the 2014/15 budget process, in response to reductions in government grant funding, a significant programme of budget reductions totalling £2.458m was approved for delivery between 2014/15 and 2016/17 to ensure achievement of a sustainable medium term financial plan. The approved budget reductions covered a range of revenue and capital related proposals using a variety of strategies i.e. efficiency, new ways of working, income generation and service cuts. It was anticipated that the programme of budget reductions would not be achievable in full so a budget reduction risk reserve was established with a final total forecast of £179,500 for non-delivery at the end of the programme implementation. Delivery of the programme has progressed well and final outturn is expected to be broadly in line with the original estimates. Items planned for delivery during 2015/16 have now been reflected in the budget and are included in the variance table at paragraph 2.2.6 below.

In order to facilitate the delivery of the budget reduction programme the 2014/15 budget report also proposed the establishment of a Transformation Reserve over 3 years i.e. £300,000 2014/15, £150,000 2015/16 and £50,000 2016/17. Therefore the budget for 2015/16 and the MTFP include the planned budgets of £150,000 and £50,000 respectively.

Other Major Budget Reductions

The base budget and medium term financial plan include the following major budget reductions greater than £50,000:

- Senior Leadership Team deletion of one Corporate Director post saving £93,000;
- Hackney Carriage Licencing net saving of £186,000 - the original budget for 2014/15 assumed a reduction in demand for taxi licencing arising from the introduction of a knowledge test for drivers. However, the expected reduction in demand from drivers licencing with us has not fallen, although indications are that the huge growth experienced in previous years has slowed. Additional income of £307,000 arising from increased demand, fee increases of 10% above inflation and fees for the delivery of safeguarding training have been partly offset by additional costs of £121,000 for staffing costs in Licencing, Fleet and Customer Services and the cost of safeguarding training.

- Members Expenses net saving of £53,300 – reduction in the number of Members reducing allowances and members pot and savings on superannuation due to regulation changes, partly offset by the inflationary increase in allowances.

2.2.5 **Proposed Revenue Resource Developments 2015/16**

Following discussions with the Leader, the Resource Developments detailed in the tables below are recommended to Cabinet for approval.

In light of the overall financial position, and the need to reduce net revenue expenditure significantly in order to achieve a balanced budget over time, revenue resource developments included in the budget proposal for 2015/16 are primarily one off project funds focussed on delivering against key priorities e.g. Economic Development. The MTFP, at paragraph 3 below, assumes no future ongoing revenue development bids. There were no other revenue development proposals for 2015/16.

Work is ongoing on developing the Council's longer term leisure centre strategy. This includes examining options for replacement and/or refurbishment of current leisure centre provision. Although this work is ongoing it is clear that a significant capital investment will be required in the medium to long term. The Council's capital resources remain limited and the current revenue position is such that significant borrowing is not currently affordable. It is therefore considered prudent to begin to make provision for future investment and consequently it is recommended that a sum of £1m is earmarked from the General Fund Balance in 2015/16 for this purpose. This is reflected in the Medium Term Financial Plan as paragraph 3 below. Additional contributions to this reserve will be considered on an annual basis.

General Fund Revenue Resource Development 2015/16

(a) One Off Resource Developments

Description	Gross Rev Bid 2015/16	Gross Rev Bid 2016/17
	£	£
<u>Environment</u>		
Environmental Projects Fund	37,500	0
<u>Leisure and Development</u>		
Economic Development Fund	220,000	0
Access to Swimming Initiative	15,000	15,000
Total One Off Resource Developments	272,500	15,000

(b) Ongoing Resource Developments

Description	Gross Revenue Bid 15/16	2016/17 Ongoing
	£	£
<u>Public Protection and Communication</u>		
ECOSTars Fleet Recognition System	7,000	7,000
Additional Edition of Contacts	12,000	12,000
Community Hub Carlton	30,000	90,000
<u>Leisure and Development</u>		
Planning Pre-Application Advice	7,200	4,500
Total Ongoing Resource Developments	56,200	113,500

2.2.6 Summary of Significant Budget Changes 2015/16

In summary, the table below highlights the areas of significant variance in expenditure/income, in excess of £10,000, per annum which have been reflected in the base budget 2015/16.

Significant Budget Changes 2015/16

	Budget Impact 2015/16 £	£
Original Budget 2014/15		12,979,400
<u>Revenue Budget Pressures</u>		
Inflation (Pay 1% 2014/15/NNDR 2%/Fuel/Contracts/Postage)	135,300	
Increased Insurance Premiums	29,900	
Holiday Pay Provision	20,000	
Borough Council Elections	90,000	
Reduced Housing Benefit Admin Grant	75,800	
Increase in Rent Allowances	17,700	
Waste Management growth and increase sickness cover	114,800	
Reduce Waste Recycling Income	13,600	
Planning and Building Control staffing and income reduction	123,900	

	Budget Impact 2015/16 £	£
Reduced Income – Leisure Centres (includes £25k loss re plant room refurbishment closure at Arnold Swimming Pool)	34,000	
Other Minor Variances (net)	13,800	
Total Pressures		668,800
<u>Revenue Budget Growth</u>		
Development Bid commitments made during 2014/15:		
• Gedling Country Park Projects (rising to £100k in 2016/17)	50,000	
• Economic Development Fund	100,000	
One off revenue development bids 2015/16 (see table above)	272,500	
Ongoing revenue development bids (see table above)(rising to £113,200 2016/17)	56,200	
Direct Revenue Financing of capital programme (one off)	500,000	
Community Grants (CVS;RCAN; Parish; Borough Wide Initiatives; Drama Outreach)	51,600	
Total Growth		1,030,300
<u>Other Base Budget Reductions</u>		
<u>Efficiency Commitments made during 2014/15 Budget Process:</u>		
Reduce grass cutting frequencies	(40,000)	
Reduction in civic expenses	(15,000)	
Reduced debt interest and minimum revenue provision	(48,700)	
Service working practice reviews – staffing savings	(149,000)	
Reduction in Senior Leadership Team	(93,000)	
Fees and Charges income inflation (see para 2.2.8)	(88,800)	
Hackney Carriage demand increase (net)	(186,000)	
Reduction in Members expenses (including members pot)	(53,300)	
Reduction in External Audit Fees	(21,900)	
Removal of Council Tax Reduction Scheme Hardship Fund	(25,000)	
Council Tax Benefit run off – net overpayment recoveries	(30,000)	
Removal of Leisure Centre Options Consultancy (one off 2014/15)	(50,000)	

	Budget Impact 2015/16 £	£
Removal of Glass Recycling Bins (one off)	(40,000)	
Removal of Budget Reduction Risk Reserve	(260,000)	
Reduction in Transformation Reserve (leaves £150k in 2015/16)	(150,000)	
Removal of 2014/15 Environmental Projects Fund (partly offset by new budget developments above)	(50,000)	
Removal of 2014/15 Economic Dev Fund (partly offset by new budgets developments above)	(500,000)	
Total Other Budget Reductions		(1,800,700)
Net Decrease in Budget 2015/16		(101,600)
Proposed 2015/16 Net Budget		12,877,800

Note: In addition to the above 2015/16 budget changes the MTFP includes the following:

- Changes to National Insurance contracted out contribution rates and rebates – £176,000 per annum from 2016/17;
- Impact of Pension Auto Enrolments £61,200 in 2017/18 rising to £122,400 2018/19;
- Service demands arising from an increasing number of households and ageing population are anticipated in the MTFP to the value of £100,000 in 2016/17 rising to £200,000 in 2017/18;
- Revenue Maintenance pressures £10,000 in 2017/18 rising to £25,000 in 2018/19;
- Assumptions about the transfer of Housing Benefit administration to the Department of Works and Pensions following the introduction of Universal Credit have been made. The net cost to the authority is expected to be £150,000 in 2016/17 rising to £200,000 by 2018/19;
- Assumptions have been made regarding the transfer of Land Charges to the Land Registry in 2017/18 which has a budget impact of £84,000.

2.2.7 Review of Balance Sheet Reserves and Provisions

Reserves and Provisions on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks.

As detailed in paragraph 2.2.4 the additions proposed to the Transformation Reserve during the 2014/15 budget process i.e. £150,000 2015/16, £50,000 2016/17 have been reflected in the 2015/16 budget and MTFP respectively. This will continue to accommodate any change management costs that arise during the planned service reviews.

2.2.8 Income Inflation

Discretionary fees and charges have been increased by 3% equating to £88,800. Specific charges are at the discretion of individual Portfolio Holders provided that the overall level of increase is achieved. Changes in expected volumes of customers, both upwards and downward have also been anticipated, again in line with market expectations.

Some of the services operated by the Council are not included in the general fee inflation increase due either to: fees being statutorily set e.g. planning fees; the sensitivity of demand to price changes e.g. Leisure DNA or; being operated on a commercial basis and therefore required to break even e.g. Trade Waste Services and Building Control. The level of fees which are set in these areas are considered separately and the base budget has been amended to ensure appropriate fees are set.

2.2.9 Financing of the Capital Programme

As detailed in the Capital Programme report earlier on this agenda it is currently forecasted that some borrowing will be required to finance part of the capital programme in 2016/17 and 2017/18. Borrowing has an impact on the revenue budget in terms of interest costs and principal repayment. This is reflected in the Medium Term Financial Plan.

As detailed in the capital programme report (an item elsewhere on this agenda), a £500,000 contribution from the revenue budget is recommended to finance the 2015/16 capital programme. This contribution is required to bridge the funding gap arising from the reduced capital receipt generation forecast which was part of the 2014/15 budget reduction proposals. The £500,000 contribution is assessed as affordable following the early delivery of some of the planned 2014/15 revenue budget reduction proposals creating an underspend in 2013/14, and its usage enables the overall delivery of the planned capital and revenue budget reduction programme to remain within targets set.

2.2.10 **Business Ratepayers Consultation**

Statutory consultation with 100 business ratepayers has been undertaken and any responses will be reported at the meeting.

3. **MEDIUM TERM FINANCIAL PLAN**

- 3.1 The implementation of the Local Government Act 2003, which introduced a requirement for the Council's Chief Financial Officer to comment on the robustness of the Council's estimates, and the need to look at the medium term (3 years) in order to produce the required indicators as detailed in the Prudential Code, means great emphasis needs to be placed on the Council's medium term financial planning. Although an absolute requirement to look over three years is required, it is considered good practice to look over as long a period as is reasonable. This Council has a history of producing a medium term financial plan over a 5 year horizon and this is still considered the appropriate period for this authority.
- 3.2 The following table identifies the impact of all the options that are proposed in this report:
- The incremental increase in base revenue expenditure from 2014/15 and budget growth items (paragraph 2.2.3 and 2.2.5);
 - Fees and charges to be increased by an average 3%;
 - The achievement of the budget reductions (paragraph 2.2.4);
 - Anticipated cost of borrowing to finance the capital programme for 2016/2017-2019/20 and a £500,000 contribution to capital in 2015/16;
 - £1m transferred from the General Fund Balance to an Earmarked Reserve in 2015/16 for future leisure centre refurbishment/replacement (paragraph 2.2.5);
 - A zero percent Council Tax increase has been assumed for 2015/16, beyond that a 1.95% increase is assumed. However, future council tax increases will be dependent upon future spending decisions, total local government funding, the achievement of efficiency savings and the continuation of the council tax freeze grant.

MEDIUM TERM FINANCIAL PLAN 2015/16 TO 2019/20-HIGH LEVEL SUMMARY

	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Total Net Projected Expenditure	12,877,800	12,386,000	12,498,100	12,721,400	13,161,600
Less: Net Settlement Funding Assess. (inc freeze grant)	(4,999,100)	(4,159,500)	(3,320,000)	(3,385,200)	(3,451,700)
New Homes Bonus	(2,031,500)	(2,381,500)	(2,381,500)	(2,381,500)	(2,381,500)
NNDR Growth/ Collection Fund (Surplus)/Deficit	385,400	(308,300)	(328,700)	(400,500)	(473,700)
Less: Amount (from)/to Balances	(781,800)	43,700	(755,000)	(705,600)	(867,400)
Council Tax Requirement	5,450,800	5,580,400	5,712,900	5,848,600	5,987,300
Percentage Council Tax increase	0%	1.95%	1.95%	1.95%	1.95%
Tax Base	35,610	35,760	35,910	36,060	36,210

Expected balances at year end	4,236,300	4,280,000	3,525,000	2,819,400	1,952,000
Required balance (7.5% projected exp)	965,800	928,900	937,400	954,100	987,000
(Surplus)/Deficit on required balances	(3,270,500)	(3,351,100)	(2,587,600)	(1,865,300)	(965,000)

4. COUNCIL TAX

- 4.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2014/15.
- 4.2 The council tax for a band D property for 2014/15 is £153.07. The level of council tax for 2015/16 depends on the extent of service reductions/developments and financial risk issues (see paragraph 5 below) that the Council decides to provide for in the budget for next year. For illustration, an increase in Council Tax by 1% provides additional funding of £54,500. In the above MTFP a freeze has been assumed which retains the Council Tax for a band D property at £153.07.
- 4.3 As detailed in paragraph 2.2.1 Council's that freeze Council Tax in 2015/16 will receive grant equivalent to a 1% increase, adjusted to exclude the reductions given to those receiving council tax support, which equates to approximately £60,600 for Gedling. Ministers have indicated that the funding for 2015/16 freeze grant will be

built into the spending review baseline and this has been assumed in the MTFP. An increase above 2% would require a referendum.

5. FINANCIAL RISK ISSUES

- 5.1 A minimum balance of 7.5% of total projected net expenditure on the General Fund is required in accordance with the Council's approved Financial Strategy. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial process in the medium term. The minimum balance required for 2015/16 is £965,800.
- 5.2 The (surplus)/deficit on balances in the above table shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans, incorporating Council Tax freeze in 2015/16 (which is yet to be determined by Budget Council 3 March) show a surplus of £3,270,500 in 2015/16 gradually declining to a surplus on balances of £965,000 by 2019/20. Underlying this is an annual deficit, from 2017/18, between the amounts of income expected and anticipated expenditure. Although the MTFP projections show that this can be accommodated within the five-year horizon, further adjustments will be required to rectify this core imbalance with a further £867,400 reduction per annum being required to ensure balances do not fall below the minimum required beyond the term of this MTFP. The Council remains well placed to deal with this remaining challenge.
- 5.3 Projections for Council Tax increases in the MTFP are estimated at 0% for 2015/16 as the Government indicates that the Council Tax Freeze Grant Scheme will become part of mainstream Settlement funding. Therefore there is very limited scope to fund the core imbalance by increasing Council Tax as it has already been assumed that rises just below the referendum trigger amount will be applied in future years. This will need review if the Government maintains Council Tax Freeze Grants beyond the current period.
- 5.4 The current uncertainty resulting from the Government's austerity programme results in increased risks in the financial planning process. However, as the economy continues to grow these uncertainties may reduce. Specific Risks in the MTFP Assumptions include:
 - 5.4.1 The Local Government Finance Settlement has not announced indicative grant figures for the future spending review period 2016/17-2019/20. The Government's fiscal assumption is that Totally Managed Expenditure (TME) for 2016/17 and 2017/18 will fall in real terms at the same rate as between 2010/11 and 2014/15 which for Gedling equates to 34% or £1.68m. TME will then stay flat in real terms in 2018/19 and 2019/20. The grant figures included in the MTFP for 2016/17 onwards are based on these projections. However, there is also uncertainty regarding how these projections will translate to actual grant payments at a local level, given the experience of higher than projected grant reductions faced by District Councils in 2011/12-2015/16.

- 5.4.2 Central Government are implementing a number of initiatives which affect local government funding, namely Universal Credit, Localisation of Council Tax Support and Business Rates Retention:

Universal Credit – This will see a significant transfer of housing benefit expenditure and administration to the Department of Works and Pensions. This will happen in full over the lifetime of the MTFP, however many uncertainties on timing, staff transfer and residual functions exist. The Council has created a reserve to mitigate against any transfer costs arising from this change;

Localisation of Council Tax Support – 2013/14 was the first year of operation of this new discount scheme which replaces Council Tax Benefit. The Council moved to protect vulnerable groups with an extension of ‘into work’ incentives. The budget for this expenditure was based on modelling of existing caseload. As the projection for a growing economy continues the Council become less financially vulnerable to the risk of increasing caseload;

Business Rates Retention – This scheme was introduced in 2013/14 but the overall impact of tariffs, levies and surplus/deficits, along with difficulties in determining the impact of medium term growth (or decline) places greater uncertainty on the projections in the MTFP. The risks have been further evidenced through recent statutory business rates returns to Government made in the last 18 months which may prompt a future review of the minimum level of the general fund balance.

- 5.4.3 Initiatives introduced to manage within reduced resources bring increased risks both financially and in terms of service delivery. For example:

- Reduced maintenance budgets – can be accommodated in the medium term but may bring pressures in the longer term as major capital investment plans may need to be accelerated as assets deteriorate faster;
- Earmarked reserves for specific purposes/risk management have been reviewed and will be managed at minimum requirement levels providing less scope for managing emerging risks. Although additional reserves have been set aside for the potential staffing redundancy/transfer costs in respect of the move of rent allowances payments to the Universal Credit system.

- 5.5 The Council’s Pay Policy Statement indicates that employee pay levels, across all grades, are substantially below the average when compared to our nearest neighbours. As the economy grows and the job market becomes more buoyant the low level of the pay line may present a risk for the Council in terms of the ability to retain and recruit quality staff which in turn could have an adverse effect on service delivery. A budget has been earmarked in 2014/15 to undertake a review of the pay line and determine the potential for upward pressure on the Council’s employee budgets.

- 5.6 The Authority continues with activities undertaken in association with a variety of partners. This requires reliance on partnership funding and/or the delivery of integrated programmes and is an approach which is integral to the Council's efficiency programme. However, a significant number of the Council's partners are public sector organisations which are also facing significant budget pressures and changing roles. This places increasing risk on the Council both directly, in respect of possible withdrawal of partnership funding, and indirectly, with the Council potentially facing additional burdens resulting from budget cuts in other organisations.
- 5.7 Although there is increased risk arising from these assumptions, it is not considered necessary to increase minimum balances above the 7.5% of total projected net expenditure as the Council is responding to the challenges through efficiency measures and service reductions. It is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan is uncertain. However, reserves and balances remain above minimum levels for the period of the current MTFP.
- 5.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to be at a manageable level.

6 Equality Issues

The Council has a duty under the Equality Act 2010 to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between protected groups (such as disabled people or ethnic minority groups) when considering proposed new or changing policies, services or functions, including decisions on funding for services.

Service Managers have been asked to assess the equalities impact of the proposals for service changes contained in this report. It is not anticipated that there will be any significant cumulative impact on any protected group arising from these budget proposals.

Where appropriate, individual Equality Impact Assessments will be carried out in relation to specific proposals identified in this report. Any equality issues arising will be brought to the attention of the decision maker when the decisions on those proposals are made.

7 Key Decision Thresholds

In accordance with the Council's constitution, full Council will in each year determine the financial thresholds for each service or function above which expenditure or saving is regarded to be significant and should therefore be regarded as a Key Decision. Traditionally the threshold has operated at above £0.5m and it is proposed that this value be continued for 2015/16.

Alternative Options

Cabinet could consider recommending an alternative budget and service plan. Recommending an alternative budget may alter the level of recommended Council Tax for 2015/16. If Cabinet chose not to recommend a budget to Council this would be in contravention of the Council's Constitution and would not be in compliance with the Local Government Finance Act 1992.

Financial Implications

As detailed in the report.

Appendices

Appendix 1 – Gedling Plan

Appendix 2 - Gedling Plan Performance Measures

Appendix 3 – Major Price Indices – Medium Term Financial Plan

Appendix 4 – Detailed Portfolio Budgets 2015/16

Background Papers

Finance and Efficiency Strategy

Central Government Report – Local Government Finance Settlement in England 2015/16

Treasury Strategy 2015/16

Capital Programme Report 2015/16

Recommendation(s)

Cabinet are asked to recommend to Council on 3 March 2015:

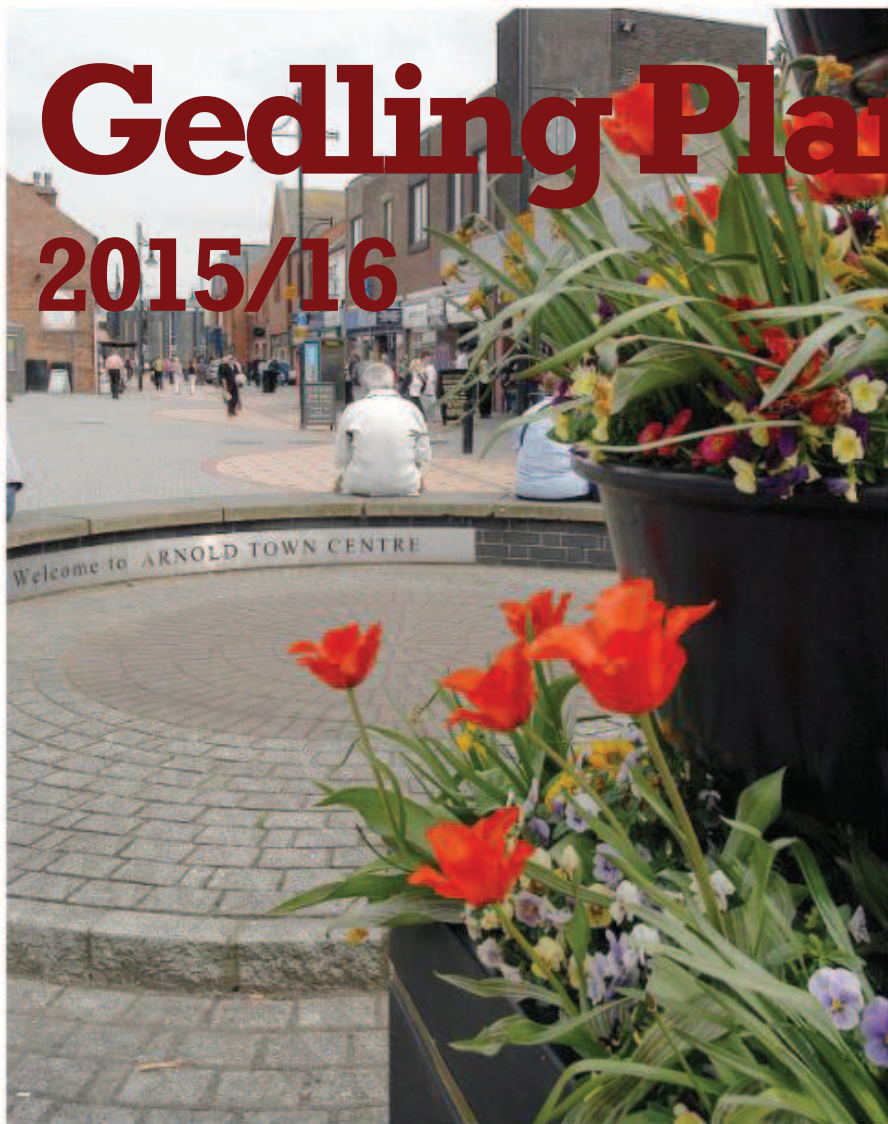
- i. the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2015/16;
- ii. a Council Tax increase of 0% which balances the financing of a Net Council Tax Requirement of £5,450,800 in 2015/16;
- iii. the detailed budget, priorities, objectives and actions and performance measures for 2015/16, as detailed in Appendices 1, 2 and 4, be approved.

Reasons for Recommendations

To obtain approval of the Gedling Plan 2015/16 for referral to Council.

Gedling Plan

2015/16



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Introduction

Welcome to the 2015/16 Gedling Plan, covering the period 1 April 2015 to 31 March 2016. The Plan sets out what we hope to achieve over the next twelve months:

- to improve the lives of people who live in Gedling or come here to visit, work or shop, and
- to ensure that the Council provides local residents and businesses with value for money.

The Plan focuses on what matters most to local people and on the ways in which the Council needs to improve. These things have been identified in a number of ways, for example, through talking to people as part of the Gedling Conversation, by analysing customer feedback about our services and by regularly assessing our performance.

Our future planning continues to take place at a time of unprecedented financial challenge. Over the past four years, the amount of money available to the Council to spend on local services has fallen by £3.2 million. Another £900,000 is coming out of our budget in 2015/16 and a further reduction of £1.7 million is expected over the period 2016/17 to 2017/18. This is a huge challenge for us but we remain ambitious to achieve the very best for the people and businesses of the Borough.

In the year ahead of us, that means progressing the implementation of the long-awaited Gedling Access Road; it means building on the opening of Gedling Country Park to secure funding for visitor attractions; it means securing local jobs for local people from a number of high profile employment and housing schemes and it means investing in activity that protects and enhances our town centres.

Delivering the Council Plan is not something that the Council can achieve on its own. We rely heavily on the support of partners across the public, private and voluntary sectors and are grateful that they share our ambitions for the place and the people we serve.

We hope that you find the plan of interest and if you have any comments, we'd love to hear from you.



Cllr John Clarke
Council Leader



John Robinson
Chief Executive



Gedling the place

Gedling Borough is located in the heart of Nottinghamshire and includes a substantial part of the Greater Nottingham conurbation. It borders Sherwood Forest to the north, the River Trent to the south east and the City of Nottingham to the south-west.

The name Gedling is taken from the present day suburban village of Gedling, which was mentioned in the Domesday survey of 1086 as Ghellinge.

The Borough has a distinctive mix of urban and rural areas. It is made up of Greater Nottingham's north and eastern suburbs along with some of Nottinghamshire's most picturesque villages.

The majority of Gedling's 113,500 population live in the main suburban areas of Arnold, Carlton, Gedling, Mapperley and Netherfield. The remainder live in the ten rural parishes of Bestwood Village, Burton Joyce, Calverton, Lambley, Linby, Newstead, Papplewick, Ravenshead, Stoke Bardolph and Woodborough. The Borough's eleventh parish, Colwick, forms part of the suburban area.

The Borough's industrial heritage is based on textiles and coal, but both industries have now all but disappeared. The entire Borough falls within the principal economic area of Greater Nottingham and the majority of the Borough's residents travel into Nottingham for work – Gedling itself has a small employment base of around 2,400 businesses. The resident population is mainly white (90%) and comparatively stable, not having experienced the growth of other parts of Nottinghamshire.

Gedling schools perform well and housing is affordable and generally of a high standard. Crime levels have fallen significantly in recent years, health outcomes are positive and there's generally easy access to the countryside and core city, all of which combine to make Gedling a very popular place to live.



Gedling Village



Mapperley Town

Gedling the place

The map below shows the urban and rural make up of Gedling borough and its proximity to Greater Nottingham.



Gedling Borough Council —What we're here for

'Serving People, Improving Lives' is a strapline that we use to encapsulate what we believe to be our core purpose, what we think we're here for – to represent the interests of local residents and local businesses and to make a difference to the quality of their lives.

Set out below is our vision for Gedling—the place and the Council. Also shown are our values, which try to capture the kind of organisation we aspire to be and that want people to experience.

Our vision

What we're aiming to create

To be the best place to live and work, and the best council around - best through the eyes of residents and staff.



Our values

The way we go about our work

A caring and fair Council that treats customers, residents, partners and staff well.

A listening Council that listens to and involves the people it serves.

An ambitious Council that is never satisfied and is constantly hungry for improvement.

A responsive Council that is sensitive to different needs and acts accordingly.

An efficient Council that is responsible with its resources, avoids waste and makes the most of what it has.



Gedling Borough Council —What we do

The table below sets out the range of local services that we provide, (or in some cases that are provided by Parish Councils) either directly using our own staff or in partnership with others. Also shown are the services provided within Gedling by Nottinghamshire County Council.

Gedling Borough Council	Nottinghamshire County Council
<ul style="list-style-type: none">• Rubbish collection and recycling• Street cleaning and graffiti removal• Parks and playgrounds• Leisure and community centres• Car parks• Sports and arts development• Planning• Environmental health• Public protection and licensing• Housing and homelessness (with Gedling Homes)• Processing benefit claims• Community events such as the Arnold Carnival	<ul style="list-style-type: none">• Road and highway repairs• Transport (including public transport and residents’ parking)• Waste disposal (recycling and landfill sites)• Libraries and museums• Schools• Caring for children and adults (for example, fostering and adoption, living at home)• Trading Standards• Country parks and tourism• Registration of births and deaths

Leadership of place

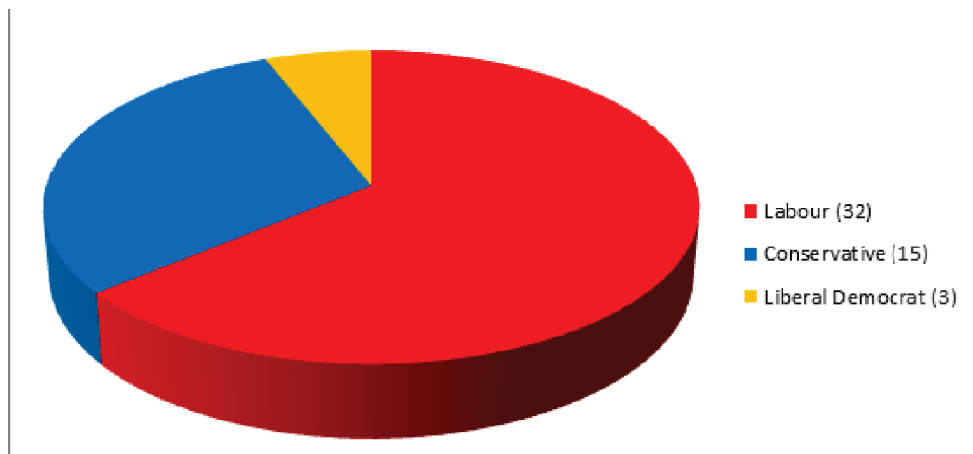
Providing services such as those shown above remains a fundamental part of what we do, however, we increasingly see our role as much broader than the services we provide and take an active interest in everything that impacts on the lives of local residents. This prompts us to get involved in things that go beyond the ‘traditional’ role of a district council - like tackling loneliness and isolation, helping local people to raise a deposit to buy a home and supporting private businesses to take on apprentices.

For a place to prosper, it needs direction and someone to champion it and to fight its corner. What’s also needed is someone to bring people and organisations together around local priorities and someone to tackle problems that cut across different organisations. These types of activities are what we describe as leadership of place and this is at the heart of what we do.



Gedling Borough Council — How we're organised

We have 50 councillors representing 22 local areas, or wards. The current party split is:



We hold elections for the full Council every four years and the next elections are coming up on 7 May 2015.

The Cabinet

Our Cabinet has a Leader and five Cabinet members. They are all members of the majority Labour Group. Each Cabinet member has responsibility for a portfolio of services and activities and has the authority to make decisions within their area of responsibility. The Group Leaders of the opposition groups attend Cabinet meetings. They can participate in discussions, but can't vote.



Council Leader Cllr John Clarke and Deputy Leader Cllr Michael Payne

Scrutiny and other committees

In addition to the Cabinet, a number of committees deal with specific business areas of the Council such as Planning and Licensing. Scrutiny bodies hold the Cabinet to account, and there is also an Audit Committee that oversees financial propriety.

Council, Cabinet and most committee meetings are held at the Civic Centre and almost all are open to the public. You can find the dates of all the meetings at www.gedling.gov.uk/councillorsmeetings

Gedling Borough Council—How we're organised

Management of the Council

Day-to-day management and operations are handled by our staff. The Chief Executive is responsible for the overall performance of the Council and for its use of resources. He is supported at a senior level by three Corporate Directors and the Council's Solicitor and monitoring officer.

Day-to-day management of our services rests with our Service Managers and their teams.



Gedling's Senior Leadership Team

Partnerships

We want the best for our residents but we can't achieve this on our own. The things that make for a good quality of life - like decent housing, good schools, a safe environment and healthy lifestyles - are things the Council looks to secure in partnership with others such as Parish Councils, Nottinghamshire Police, Gedling Homes and Nottingham North and East Clinical Commissioning Group.

Key partners from across the public, private and voluntary sectors come together at the Gedling Leader's Forum and a number of other partnerships exist to ensure a co-ordinated approach to the provision of services. These include the Employment and Skills group, South Nottinghamshire Crime and Disorder Partnership and the Developers and Landlords Forums.

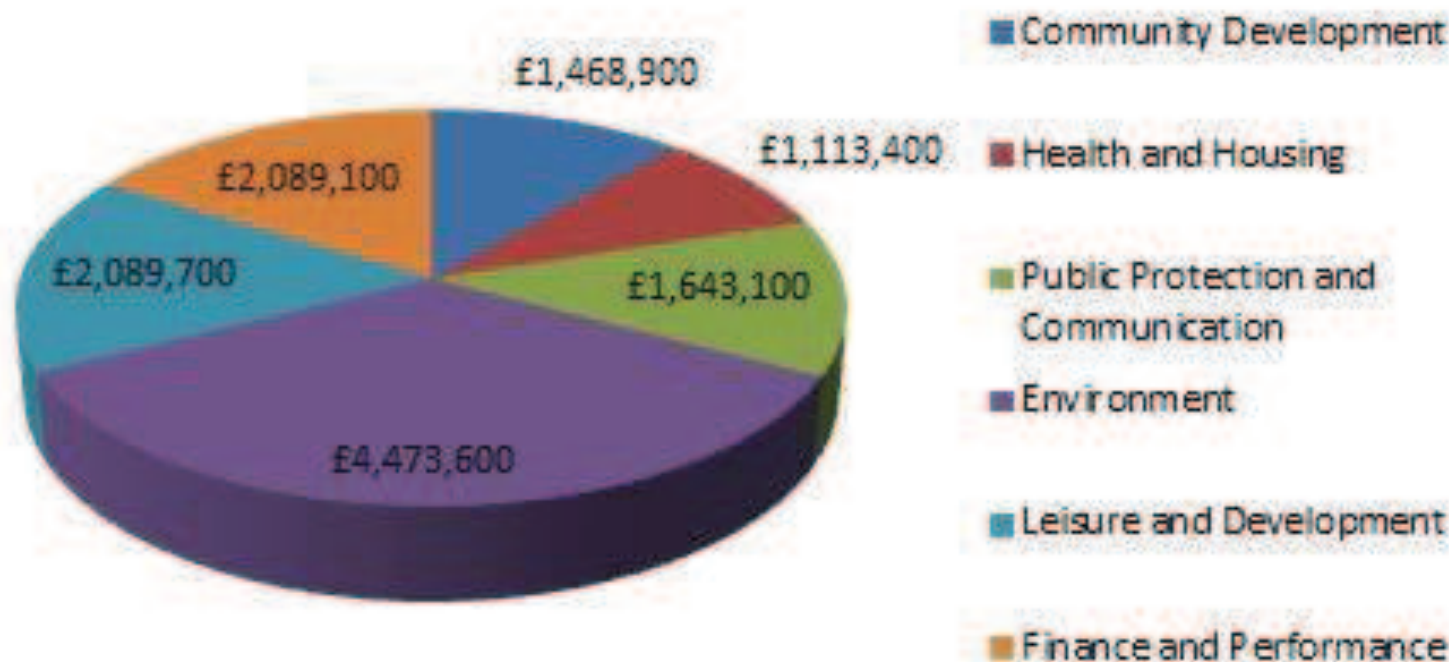


Gedling Borough Council—How we spend your money

We are a large organisation serving 113,600 people, 49,400 households and around 2,400 businesses.

We employ 510 people and spend around £13 million a year on a wide range of services. We also administer around £28m in rent benefit payments for national government. Apart from benefits, the main areas that we spend our money on are shown in the graph below:

Main areas of council expenditure



Gedling has a long track record of delivering low cost, high quality services and our council tax charge remains lower than 62.7% of other councils.

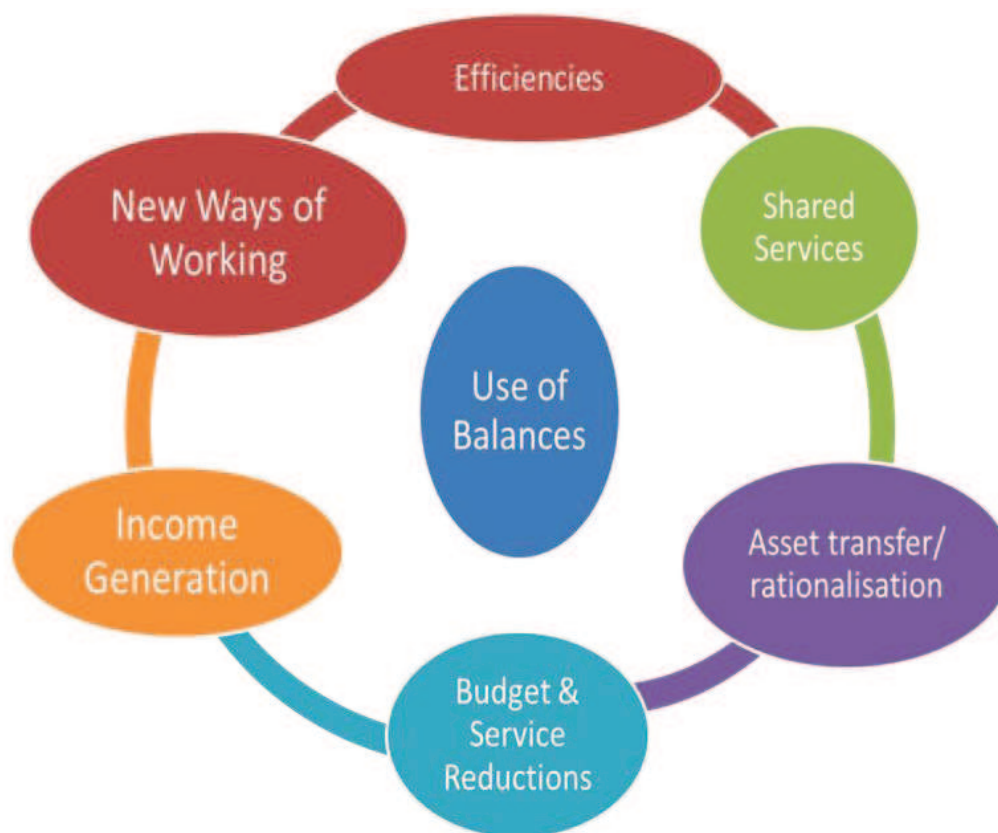
In recent years, we have faced the largest reductions in our funding from central government in living memory. Over the period 2012/13 to 2014/15 we have had government grant settlement reductions of £3.2million equivalent to a 34% cash reduction. In addition, over the period 2015/16 to 2017/18 we expect settlement funding to reduce by a further £2.6m. We have had to significantly reduce our planned expenditure and increase our delivery of efficiency savings in order to maintain service levels.

Gedling Borough Council—How we spend your money

The scale of the reductions in expenditure is such that we have had to make some difficult choices about what to spend our (council tax payers) money on but we've sought to:

- Maintain our best performance in the services that residents consider most important
- Protect services and activities that support the most vulnerable
- Prioritise activities that help to get the local economy back on its feet
- Invest in activity that influences services that are not our direct responsibility but that have a positive impact on residents' quality of life.

Despite a long and continuing period of year on year budget reductions, we have been able to avoid major cuts in services through effective long-term financial planning. Looking forward, we are well placed to steer our way through the remaining period of austerity, through a combination of the following:





Looking Backwards — what we've achieved

2014-15 has been a hugely successful year, which has seen many long term plans come into fruition, such as plans for Gedling Access Road, Gedling Country Park, Arnold Leisure Centre revamp. Over the next few pages are just a few of those successes.

Gedling Country Park is due to officially open its doors before the end of this year. Almost £1 million has been invested in the park from Gedling Homes and the Homes and Communities Agency. The wild-life haven will be accessible to all.



Arnold Leisure Centre underwent a major £1million revamp, improving the changing rooms, swimming facilities and entrance to the leisure centre — this is on the back of the £900,000 Bonington Theatre revamp.

Gedling Youth Council held its first meeting in April following an election among five local schools. There are 22 elected Youth members and they have now set their agenda.



Looking Backwards — what we've achieved



King George V Park and Skate Park officially opened in July following a £350,000 investment with a spectacular community event.

We hosted the Gedling Book Festival which returned in June with an even bigger event over three days at Bonington Theatre and the Civic Centre.



To commemorate the anniversary of the start of WW1, we hosted a series of events across the borough, which included themed play days, various walks and talks and Gedling Show. It culminated in the spectacular Poppy Proms in August.

This year for the first time we were awarded two green flags for our parks. Arnot Hill Park which collected the flag for the eighth consecutive year and Burton Road Jubilee Park achieved it for the first time.



Looking Backwards — what we've achieved



We hosted the borough's first Pride of Gedling Awards in partnership with the Nottingham Post. The event was a great success which celebrated the outstanding work of people living in the borough.

The Civic Centre officially became a community 'Hub' when a number of partner organisations moved in to share our premises. These include Citizens Advice Bureau, Gedling Homes, CCG, DWP, TravelRight, Nottingham Credit Union and the Nottinghamshire Police and Crime Commissioner.



We have supported 8 Gedling residents to do an apprenticeship and 8 Gedling employer's grow their businesses through the Gedling Apprenticeship Grant Programme.



Looking ahead — what we plan to achieve

Set out below are our council objectives—the things we are planning to achieve over the coming year. Shown against each objective is the practical action that will be taken—by the Council and often in partnership with others.

People (1)

Reduce anti-social behaviour, crime and the fear of crime	Develop and implement a programme of action to discourage environmental crime and anti-social behaviour
	Identify and evaluate options for delivering CCTV in partnership with Nottinghamshire Police and other local authorities
	Implement youth diversion activities at Leisure Centres
	Work with voluntary youth groups and the Youth Service to identify funding for detached street youth work to engage with young people at risk of getting involved in anti-social behaviour
	Deliver Gedling’s contribution to the activities and plans of the South Nottinghamshire Community Safety Partnership
	Continue the 'Love Where You Live' Campaign to educate residents and reduce incidents of environmental crime
	Implement taxi licensing improvement plan

Looking ahead — what we plan to achieve

People (2)

Reduce hardship and provide support to the most vulnerable

- Continue to support local food banks and the development of a network of Super Kitchens
- Implement Locality Plans in the Council's priority neighbourhoods
- Review local Council Tax Reduction Scheme and maximise take-up of this and other welfare benefits
- Put in place practical initiatives to address loneliness and isolation
- Ensure provision of suitable temporary accommodation.
- Make a leading contribution to the County's Troubled Families and Family Resilience Initiatives
- Work alongside the Department for Work and Pensions to put in place effective communication and guidance relating to the transition to Universal Credit

Looking ahead — what we plan to achieve

People (3)

Improve health and wellbeing

- Implement a range of activities to increase participation in sport and physical activity, including reduced rate swimming
- Support the implementation of the Clinical Commissioning Group’s health initiatives in Daybrook
- Identify options and funding sources to enhance current leisure centre provision
- Develop and implement activities to support the Council's commitment to Nottinghamshire’s Declaration on Tobacco Control
- Identify and implement practical initiatives to encourage cycling and walking
- Increase participation in allotments and community growing plots
- Implement the Health and Wellbeing Delivery Plan
- Put in place practical measures to support the Council’s commitment to becoming ‘Breast Feeding Friendly’

Looking ahead — what we plan to achieve

People (4)

Promote and encourage pride, good citizenship and participation in the local area

- Deliver a programme of community events
- Pursue asset transfer of the Council's community centres to local organisations
- Promote and encourage volunteering and residents' involvement in community activities
- Promote and encourage turnout at the Local and National elections scheduled for 7 May 2015
- Deliver a comprehensive induction programme to support new and returning Councillors following the 7 May Borough elections
- Develop the Bonington Theatre as a flagship arts venue that the local community value and use regularly
- Support further development of Gedling Youth Council and ensure young people are an integral part of the Council's decision making process
- Review current arrangements for supporting the work of parish councils and Local Area Forums

Looking ahead — what we plan to achieve

Place (1)

Create more jobs and better access to them

- Accelerate delivery of allocated employment sites and explore potential for allocation of additional employment land
- Secure implementation of first phase of Gedling Access Road
- Increase business start-ups and growth of small and medium businesses
- Develop and implement a local programme of job fairs
- Commission detailed feasibility study into provision of a Fourth Trent Crossing
- Develop Integrated Transport Plan for Gedling with a particular focus on improving access to employment

Looking ahead — what we plan to achieve

Place (2)

Ensure local people are well prepared and able to compete for jobs

Gedling Borough Council to offer a minimum of 16 pre-employment work experience placements a year

Implement a rolling programme of apprenticeships within Gedling Borough Council, offering a minimum of 5 per year

Encourage and incentivise local businesses to offer work experience and apprenticeships

Put in place Employment Agreements and pre-employment arrangements to maximise job opportunities for Gedling residents linked to new developments

Looking ahead — what we plan to achieve

Place (3)

Provide more homes

- Secure the provision of more affordable housing including homes for rent in the social housing section
- Accelerate delivery of allocated housing sites, ensuring an adequate mix of social rented and affordable homes for first time buyers and older people
- Reduce the number of empty homes in the Borough
- Ensure adoption and implementation of the Community Infrastructure Levy and supporting Supplementary Planning Document
- Secure adoption of Local Planning document

Looking ahead — what we plan to achieve

Place (4)

Provide an attractive and sustainable local environment that local people can enjoy and appreciate

Reduce the Council’s and the Borough’s energy usage

Encourage households and businesses to recycle and re-use more of their waste

Seek out funding opportunities to develop the infra-structure and facilities at Gedling Country Park

Implement Parks and Green Spaces Strategy

Explore options for improving the image and ‘offer’ of Arnold Town Centre and Carlton Square

Looking ahead — what we plan to achieve

Performance (1)

Improve the customer experience of dealing with the Council

Ensure every service area has a systematic way of gathering and using customer feedback

Improve Civic Centre face to face reception arrangements

Update and embed current Customer Services standards and charter

Undertake residents’ satisfaction survey and Gedling Conversation

Put in place measures to encourage customers to access information and services online

Identify options for a customer contact point in Carlton/the surrounding area

Looking ahead — what we plan to achieve

Performance (2)

Give tax payers value for money

- Explore and where appropriate implement new technology and digital tools to improve efficiency of services
- Continue to pursue further opportunities to reduce costs and/or improve services through collaboration with Rushcliffe and Newark and Sherwood Councils and other partners
- Maximise value from the Council’s asset base as part of ongoing long term programme
- Achieve planned efficiency/budget reduction targets and maximise income generation opportunities

Looking ahead — what we plan to achieve

Performance (3)

Maintain a positive and productive working environment and strong staff morale

Implement cross-council organisational development programme

Review current employee engagement and improve/modify where necessary

Undertake a review of pay and rewards and develop options arising from the review

Develop a range of activities to improve staff health and well-being



Making sure we deliver

Our Senior Leadership Team, Cabinet and Scrutiny Committees track the progress of the Gedling Plan on a quarterly basis.

We also publish details of our performance on our website, www.gedling.gov.uk. If you follow us on Twitter @gedlingbc or like us on Facebook (Gedling Borough), you'll receive a notification when the information is published online.

Performance targets are set for each objective, and relevant managers are held to account for delivery of these targets.

Further Information

Budget issues

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Service Planning and Performance Management

David Archer

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What do you think?

We're always keen to hear from local residents, businesses and our staff. We believe that their feedback helps us to improve.

If you think we're focusing on the wrong things, let us know.

If you think we could do things in a better or more cost effective way, please get in touch.

Having trouble reading this?

Please call 0115 901 3801 or email communications@gedling.gov.uk if you need it in large print, audio or another format or language.



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2015/16 Gedling Plan – Performance Measures

People 1 Reduce anti-social behaviour, crime and the fear of crime

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI076 Level of All Crime across Gedling Borough rate per 1000 population – quarterly cumulative figure	11.2	To be confirmed at end of current year for all crime targets	To be confirmed at end of current year for all crime targets	To be confirmed at end of current year for all crime targets	David Jayne
LI081 Level of recorded anti-social behaviour across Gedling Borough rate per 1000 population – quarterly cumulative figure	4.9	To be confirmed at end of current year for all crime	To be confirmed at end of current year for all crime	To be confirmed at end of current year for all crime	David Jayne
Percentage of residents who feel safe when outside in their local area during the day	90.6%	91%		92%	Andy Callingham
Percentage of residents who feel safe when outside in their local area after dark	65.7%	66%		67%	Andy Callingham
LI 133 - Number of fly tipping incidents reported to Gedling Borough Council	1,055 (Quarter 3)	1040	1000	980	Melvyn Cryer
LI 106 Percentage of fly tipping incidents removed within 2 working days	88%	97%	97%	97%	Melvyn Cryer

People 2 Reduce hardship and provide support to the most vulnerable

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI086 Average length of time spent in temporary accommodation (in weeks)	11 weeks	11 weeks	11 weeks	11 weeks	Alison Bennett
LI051 Average time to process homeless applications (number of working days)	20 days	19 days	18 days	17 days	Alison Bennett
NI181 Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.	6 Days	<6 Days	<5 Days	<5 Days	Duncan Adamson
LI074 Average time to process new Housing Benefit/Council Tax claims (in calendar days)	14 Days	<12 days	<12 Days	<12 days	Duncan Adamson
LI075 - Average time to process Housing Benefit/Council Tax change of circumstances (in calendar days)	5 Days	<4 days	<4 days	<4 days	Duncan Adamson
LI046 Preventing Homelessness – number of households who considered themselves as homeless, who approached the Council, and for whom housing advice resolved their situation	63	70	77	84	Alison Bennett

People 3 Improve health and wellbeing

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI 259 - Number of older people with Gedling Leisure Card	5,139	5,050	5,100	5,150	Andy Hardy
LI085 - DNA Members – Rolling 12 month average	2,975	3,000	3,150	3,300	Andy Hardy
LI027- Attendances at Leisure Centres	940,800 (13/14)	1,000,000	Plus 2% on previous year	Plus 5% on previous year	Andy Hardy

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People 4 Promote and encourage pride, good citizenship and participation in the local area

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
Number of attendances at Bonington Theatre	18,000	24,500	26,500	28,500	Andy Hardy
Number of shows at Bonington Theatre	125	210	230	250	Andy Hardy
Estimated percentage of eligible population registered to vote	Baseline to be established	Tracking indicator until baseline established			Alec Dubberley

Place 1 Create more jobs and better access to them

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
NI 152 Working age people on Job Seeker Allowance	GBC level 1.8% as at November 2014 National level 2.1%	At least 0.3% better than national average	At least 0.35% better than national average	At least 0.4% better than national average	Louise Ashby/Julie Beresford

Place 2 Ensure local people are well prepared and able to compete for jobs

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI 183 Number of pre-employment (or similar) work experience placements created	7 (at November 2014)	16	16	16	David Archer
LI 181 Number of apprenticeships hosted in the workplace	4 (at November 2014)	7	6	5	David Archer

Place 3 Provide more homes

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
NI 155 Number of affordable homes delivered (gross)	38 (Qtr 3)	90	90	90	Alison Bennett
NI 154 Net additional homes provided	264 (Qtr 3)	440	440	440	Alison Gibson /Joanna Gray
NI 157a Percentage of major applications determined within 13 weeks	90%	90%	90%	90%	Jennifer Cole
NI 157b Percentage of minor applications determined within 8 weeks	65%	70%	70%	70%	Jennifer Cole
NI 157c Percentage of other applications determined within 8 weeks	81%	80%	80%	80%	Jennifer Cole

Place 4 Provide an attractive and sustainable local environment that local people can enjoy and appreciate

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
NI 192 Percentage of household waste sent for reuse, recycling and composting	2013/14 - 38.27% At Oct 2014 - 40%	41%	42%	43%	Waste Services Manager
LI195a Local Environmental Quality Survey Litter. (Borough Wide)	3.25%	3%	3%	3%	Melvyn Cryer
LI042 Satisfaction with Street Cleansing (Borough Wide)	72.00%	73%	N/A	74%	Melvyn Cryer
LI020 Satisfaction with Parks & Open Spaces (Borough Wide)	75.00%	76%	N/A	77%	Melvyn Cryer
LI248 Reduce energy usage on Council estate	2,061,804 Kwh (13/14)	2% reduction	2% reduction	2% reduction	Vince Rimmington
LI247 ECO Stars Star Rating	<< << <<	<< << << <<	<< << << <<	<< << << <<	Mark Hurst
LI249 Reduce carbon emissions from Council owned buildings	1485410 Kg (13/14)	-2.50%	-2.50%	-2.50%	Vince Rimmington
NI 191 Residual household waste per household in Kg	530kg (13/14)	515kg	510kg	505kg	Caroline McKenzie
NEW Amount of electricity generated from renewable energy for use in the Council's own estate	99,604 Kwh	1.5%	1.5%	1.5%	Vince Rimmington

Performance 1 Improve the customer experience of dealing with the Council

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI 14a Percentage of local residents who feel they are well informed about the council and its work	82% 2013/14	85%	N/A	87%	Caroline Newson / Carolynne Watson
LI052 Percentage of calls to the contact centre answered (or call back made) - 12 month rolling total	90%	90%	90%	90%	Mark Lane
LI057-% of one stop customers seen within 15 minutes of arrival	81%	81%	81%	81%	Mark Lane
LI 252 Percentage of customers satisfied with overall customer services – Contacts Centre	85%	85%	85%	85%	Mark Lane
LI013 Percentage of citizens satisfied with the overall service provided by the authority	64.4% 2013/14	66%		68%	Caroline Newson / Carolynne Watson

Performance 2 Give tax payers value for money

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI016 Percentage of Council Tax Collected	98.50%	98.50%	98.50%	98.50%	Duncan Adamson
LI017 Percentage of Business Rates Collected	98.90%	98.80%	98.70%	98.70%	Duncan Adamson

Performance 3 Maintain a positive and productive working environment and strong staff morale

Performance measure (how are you going to measure achievement?)	Baseline 14/15	Targets			Accountable Officer
		15/16	16/17	17/18	
LI006 Reduction in absence level (FTE days lost per FTE)	10.8 (at December 14)	9	9	8.5	David Archer
Percentage of employees that state that they are satisfied with their working life at the Council	To be established	Tracking indicator until baseline established			David Archer

Major Inflation Indices - Medium Term Financial Plan

	2015/16	2016/17	2017/18	2018/19	2019/20
Grant Settlement	-15.8% -£926,215	-17.0% -£839,500	-17.0% -£839,500	2.0% £65,000	2.0% £66,000
Council Tax (Excluding Taxbase Changes)	0.00% 0	1.95% £106,100	1.95% £108,300	1.95% £110,400	1.95% £112,500
Pay Award	1.0% £116,400	2.0% £244,200	2.0% £249,100	2.0% £254,100	2.0% £259,200
Superannuation (Actuarial Inc)	% 0	% 0	% 0	% 0	% 0
Gas	0	2.5	2.5	2.5	2.5
Electricity	2	2.5	2.5	2.5	2.5
Water	2	2	2	2	2
NNDR	2	2	2	2	2
Discretionary Income	3	3	3	3	3
Service Demand - Increase in Households	£0	£100,000	£200,000	£200,000	£200,000
Vacancy Provision	-£90,000	-£90,000	-£90,000	-£90,000	-£90,000

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Portfolio Summary - Revenue Budget 2015-16

	Actual 2013-14	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Portfolio				
Community Development	1,789,452	1,605,300	1,468,900	(136,400)
Health & Housing	848,596	1,116,100	1,113,400	(2,700)
Public Protection & Communication	1,430,498	1,625,900	1,643,100	17,200
Environment	4,865,085	4,499,300	4,473,600	(25,700)
Leisure & Development	2,480,237	1,891,600	2,089,700	198,100
Finance & Performance	1,052,248	2,241,200	2,089,100	(152,100)
Total General Fund	12,466,117	12,979,400	12,877,800	(101,600)

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Consisting of				
Employee Expenses	12,355,676	12,300,800	12,427,700	126,900
Premises Related Expenses	1,623,882	1,681,000	1,808,500	127,500
Transport Related Expenses	621,155	590,200	615,500	25,300
Supplies & Services	6,155,840	5,508,200	5,133,900	(374,300)
Third Party Payments	481,227	224,100	206,500	(17,600)
Transfer Payments	26,927,689	27,752,400	27,753,000	600
Capital Interest	1,281,680	983,200	1,423,000	439,800
Revenue Income	(37,005,863)	(36,092,700)	(36,490,300)	(397,600)
Controllable	12,441,286	12,947,200	12,877,800	(69,400)

Consisting of				
Premises Related Recharges	123,548	111,400	129,100	17,700
Transport Related Recharges	1,470,459	1,483,600	1,461,100	(22,500)
Supplies & Services Related Recharges	236,489	192,700	306,300	113,600
Central Support and Service Admin	6,387,092	5,966,500	5,213,700	(752,800)
Internal Recharges	(8,192,756)	(7,722,000)	(7,110,200)	611,800
Recharges	24,831	32,200	0	(32,200)

Consisting of				
Capital Financing Charges	2,892,884	2,086,200	2,188,600	102,400
Capital Entries	(2,892,884)	(2,086,200)	(2,188,600)	(102,400)
Capital	0	0	0	0

Net Revenue Budget	12,466,117	12,979,400	12,877,800	(101,600)
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Community Development Portfolio

Revenue Budget 2015-16

				Variance to
	Actual	Original	Original	Original
	2013-14	Budget	Budget	Budget
	£	2014-15	2015-16	2014-15
Division		£	£	£
Democratic Mgt & Representation	687,279	688,500	686,900	(1,600)
Scrutiny Officer	0	0	0	0
Committee Services	0	0	(0)	(0)
Localities	118,848	134,000	147,100	13,100
Community Grants	218,839	147,800	261,800	114,000
Disabled Grants	4,462	6,100	7,600	1,500
Town Twinning	1,071	0	0	0
The Arts & Tourism	102,118	102,400	49,100	(53,300)
Sports Development	180,851	64,300	(600)	(64,900)
Community Centres	309,571	282,600	202,100	(80,500)
Events & Play	165,393	179,600	114,900	(64,700)
Parish Aid	1,020	0	0	0
Total Community Development	1,789,452	1,605,300	1,468,900	(136,400)

				Variance to
	Actual	Original	Original	Original
	2013-14	Budget	Budget	Budget
	£	2014-15	2015-16	2014-15
Consisting of		£	£	£
Employee Expenses	527,395	489,700	508,700	19,000
Premises Related Expenses	99,622	77,200	77,300	100
Transport Related Expenses	9,275	8,400	7,700	(700)
Supplies & Services	855,339	624,300	652,100	27,800
Transfer Payments	0	0	0	0
Revenue Income	(396,552)	(245,100)	(222,700)	22,400
Controllable	1,095,079	954,500	1,023,100	68,600

Consisting of				
Premises Related Recharges	11,560	10,400	11,200	800
Supplies & Services Related Recharges	6,064	5,800	6,000	200
Central Support and Service Admin	798,081	755,100	380,300	(374,800)
Internal Recharges	(173,836)	(169,900)	0	169,900
Recharges	641,869	601,400	397,500	(203,900)

Consisting of				
Capital Financing Charges	52,504	49,400	48,300	(1,100)
Capital	52,504	49,400	48,300	(1,100)

Total Community Development	1,789,452	1,605,300	1,468,900	(136,400)
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R140**Democratic Mgt & Representation**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	26,309	28,700	118,500	89,800
Transport Related Expenses	5,256	6,100	5,500	(600)
Supplies & Services	336,523	335,800	309,300	(26,500)
Revenue Income	(3,839)	(2,400)	(4,500)	(2,100)
Controllable	364,249	368,200	428,800	60,600
Supplies & Services Related Recharges	0	0	1,300	1,300
Central Support and Service Admin	323,030	320,300	256,800	(63,500)
Recharges	323,030	320,300	258,100	(62,200)
Democratic Mgt & Representation	687,279	688,500	686,900	(1,600)

R157**Committee Services**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	127,234	130,700	0	(130,700)
Transport Related Expenses	771	100	0	(100)
Supplies & Services	2,457	3,900	(0)	(3,900)
Revenue Income	(255)	0	0	0
Controllable	130,207	134,700	(0)	(134,700)
Supplies & Services Related Recharges	1,562	1,700	0	(1,700)
Central Support and Service Admin	39,288	33,500	0	(33,500)
Internal Recharges	(171,058)	(169,900)	0	169,900
Recharges	(130,207)	(134,700)	0	134,700
Committee Services	0	0	(0)	0

R210

Localities

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	67,727	72,600	76,700	4,100
Premises Related Expenses	10,709	9,500	9,500	0
Transport Related Expenses	418	600	600	0
Supplies & Services	12,543	32,200	30,700	(1,500)
Revenue Income	(2,882)	0	0	0
Controllable	88,515	114,900	117,500	2,600
Supplies & Services Related Recharges	859	1,000	1,100	100
Central Support and Service Admin	29,474	18,100	28,500	10,400
Recharges	30,333	19,100	29,600	10,500
Localities	118,848	134,000	147,100	13,100

R420

Community Grants

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	0	0	44,100	44,100
Transport Related Expenses	0	0	0	0
Supplies & Services	215,617	146,300	211,700	65,400
Transfer Payments	0	0	0	0
Controllable	215,617	146,300	255,800	109,500
Central Support and Service Admin	3,222	1,500	6,000	4,500
Recharges	3,222	1,500	6,000	4,500
Community Grants	218,839	147,800	261,800	114,000

R430**Disabled Grants**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Premises Related Expenses	987	1,600	1,600	0
Supplies & Services	500	3,300	3,300	0
Revenue Income	(600)	(2,000)	(2,000)	0
Controllable	887	2,900	2,900	0
Premises Related Recharges	233	200	100	(100)
Central Support and Service Admin	2,602	2,300	3,900	1,600
Recharges	2,835	2,500	4,000	1,500
Capital Financing Charges	740	700	700	0
Capital	740	700	700	0
Disabled Grants	4,462	6,100	7,600	1,500

R765**The Arts & Tourism**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	24,922	24,900	30,900	6,000
Transport Related Expenses	220	100	100	0
Supplies & Services	22,100	14,500	14,500	0
Revenue Income	(6,002)	(4,900)	(5,000)	(100)
Controllable	41,239	34,600	40,500	5,900
Supplies & Services Related Recharges	286	300	400	100
Central Support and Service Admin	60,593	67,500	8,200	(59,300)
Recharges	60,878	67,800	8,600	(59,200)
The Arts & Tourism	102,118	102,400	49,100	(53,300)

R770**Sports Development**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	130,547	71,800	41,500	(30,300)
Premises Related Expenses	1,693	1,700	1,700	0
Transport Related Expenses	1,635	1,000	1,000	0
Supplies & Services	146,357	18,300	10,600	(7,700)
Revenue Income	(225,844)	(90,300)	(66,100)	24,200
Controllable	54,388	2,500	(11,300)	(13,800)
Supplies & Services Related Recharges	1,465	600	900	300
Central Support and Service Admin	124,999	61,200	9,800	(51,400)
Recharges	126,463	61,800	10,700	(51,100)
Sports Development	180,851	64,300	(600)	(64,900)

R775**Community Centres**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	139,741	150,600	164,200	13,600
Premises Related Expenses	86,233	64,400	64,500	100
Transport Related Expenses	932	500	500	0
Supplies & Services	13,281	12,400	10,400	(2,000)
Revenue Income	(99,619)	(127,800)	(129,700)	(1,900)
Controllable	140,569	100,100	109,900	9,800
Premises Related Recharges	11,327	10,200	11,100	900
Supplies & Services Related Recharges	1,618	1,700	1,800	100
Central Support and Service Admin	108,092	121,900	31,700	(90,200)
Internal Recharges	(2,778)	0	0	0
Recharges	118,259	133,800	44,600	(89,200)
Capital Financing Charges	50,744	48,700	47,600	(1,100)
Capital	50,744	48,700	47,600	(1,100)
Community Centres	309,571	282,600	202,100	(80,500)

R780**Events & Play**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	10,915	10,400	32,800	22,400
Transport Related Expenses	44	0	0	0
Supplies & Services	104,961	57,600	61,600	4,000
Revenue Income	(57,511)	(17,700)	(15,400)	2,300
Controllable	58,409	50,300	79,000	28,700
Supplies & Services Related Recharges	275	500	500	0
Central Support and Service Admin	106,709	128,800	35,400	(93,400)
Recharges	106,984	129,300	35,900	(93,400)
Events & Play	165,393	179,600	114,900	(64,700)

Health & Housing Portfolio

Revenue Budget 2015-16

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Division				
Housing Needs	378,781	328,800	370,100	41,300
Housing Strategy	113,237	118,200	85,400	(32,800)
Council Tax Benefits	(221,009)	0	(30,000)	(30,000)
Rent Allowances	(44,785)	35,900	42,700	6,800
Housing Benefit Administration	600,387	627,700	644,900	17,200
Rent Rebates	21,986	5,500	300	(5,200)
Total Health & Housing	848,596	1,116,100	1,113,400	(2,700)

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Consisting of				
Employee Expenses	988,990	977,600	957,300	(20,300)
Premises Related Expenses	46,894	32,100	32,300	200
Transport Related Expenses	2,084	3,900	4,300	400
Supplies & Services	479,226	140,800	487,300	346,500
Third Party Payments	0	0	0	0
Transfer Payments	26,927,689	27,752,400	27,753,000	600
Revenue Income	(28,305,076)	(28,472,000)	(28,765,800)	(293,800)
Controllable	139,808	434,800	468,400	33,600

Consisting of				
Premises Related Recharges	616	700	700	0
Supplies & Services Related Recharges	11,476	12,500	13,800	1,300
Central Support and Service Admin	689,502	661,000	623,300	(37,700)
Recharges	701,594	674,200	637,800	(36,400)

Consisting of				
Capital Financing Charges	7,194	7,100	7,200	100
Capital	7,194	7,100	7,200	100

Total Health & Housing	848,596	1,116,100	1,113,400	(2,700)
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R630**Housing Needs**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	241,756	219,300	250,700	31,400
Premises Related Expenses	36,694	20,900	20,900	0
Transport Related Expenses	939	600	1,000	400
Supplies & Services	80,008	83,100	54,600	(28,500)
Revenue Income	(90,862)	(95,200)	(75,100)	20,100
Controllable	268,535	228,700	252,100	23,400
Premises Related Recharges	616	700	700	0
Supplies & Services Related Recharges	2,777	3,000	3,000	0
Central Support and Service Admin	99,659	89,300	107,100	17,800
Recharges	103,052	93,000	110,800	17,800
Capital Financing Charges	7,194	7,100	7,200	100
Capital	7,194	7,100	7,200	100
Housing Needs	378,781	328,800	370,100	41,300

R640**Housing Strategy**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	92,811	93,300	73,200	(20,100)
Premises Related Expenses	10,200	11,200	11,400	200
Transport Related Expenses	288	800	800	0
Supplies & Services	2,399	1,100	1,100	0
Revenue Income	(14,433)	(14,700)	(14,700)	0
Controllable	91,265	91,700	71,800	(19,900)
Premises Related Recharges	0	0	0	0
Supplies & Services Related Recharges	1,002	1,100	1,200	100
Central Support and Service Admin	20,970	25,400	12,400	(13,000)
Recharges	21,972	26,500	13,600	(12,900)
Housing Strategy	113,237	118,200	85,400	(32,800)

R877**Council Tax Benefits**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Transfer Payments	42,917	20,000	10,000	(10,000)
Revenue Income	(263,926)	(20,000)	(40,000)	(20,000)
Controllable	(221,009)	0	(30,000)	(30,000)
Council Tax Benefits	(221,009)	0	(30,000)	(30,000)

R880**Rent Allowances**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Supplies & Services	218,978	0	377,000	377,000
Transfer Payments	26,824,512	27,652,000	27,681,700	29,700
Revenue Income	(27,088,275)	(27,627,000)	(28,016,000)	(389,000)
Controllable	(44,785)	25,000	42,700	17,700
Central Support and Service Admin	0	10,900	0	(10,900)
Recharges	0	10,900	0	(10,900)
Rent Allowances	(44,785)	35,900	42,700	6,800

R882**Housing Benefit Administration**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	654,423	665,000	633,400	(31,600)
Transport Related Expenses	858	2,500	2,500	0
Supplies & Services	153,442	56,600	54,600	(2,000)
Third Party Payments	0	0	0	0
Revenue Income	(784,906)	(640,200)	(559,000)	81,200
Controllable	23,817	83,900	131,500	47,600
Supplies & Services Related Recharges	7,697	8,400	9,600	1,200
Central Support and Service Admin	568,873	535,400	503,800	(31,600)
Recharges	576,571	543,800	513,400	(30,400)
Housing Benefit Administration	600,387	627,700	644,900	17,200

R885**Rent Rebates**

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original Budget
	2013-14	2014-15	2015-16	2014-15
	£	£	£	£
Supplies & Services	24,400	0	0	0
Transfer Payments	60,260	80,400	61,300	(19,100)
Revenue Income	(62,674)	(74,900)	(61,000)	13,900
Controllable	21,986	5,500	300	(5,200)
Rent Rebates	21,986	5,500	300	(5,200)

Public Protection & Communication Portfolio

Revenue Budget 2015-16

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
Division		£	£	2014-15
Licencing & Hackney Carriages	45,390	100,100	58,900	(41,200)
Central Print Room	0	12,500	12,500	(0)
Environmental Protection	302,893	299,200	297,400	(1,800)
Food, Health & Safety	248,014	231,600	234,600	3,000
Comm Protection & Dog Control	551,843	554,800	578,100	23,300
Information Technology	0	88,300	88,300	0
Communications & Publicity	0	(0)	0	0
Renovation Grants	282,358	339,400	343,300	3,900
Customer Services	0	(0)	30,000	30,000
Total Public Protection & Communication	1,430,498	1,625,900	1,643,100	17,200

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
Consisting of		£	£	2014-15
Employee Expenses	1,841,054	1,830,000	1,910,000	80,000
Transport Related Expenses	17,063	18,200	19,700	1,500
Supplies & Services	1,001,187	1,125,000	1,045,600	(79,400)
Third Party Payments	82,741	92,600	77,600	(15,000)
Capital Interest	0	0	0	0
Revenue Income	(741,396)	(675,600)	(865,100)	(189,500)
Controllable	2,200,649	2,390,200	2,187,800	(202,400)

Consisting of				
Premises Related Recharges	5,043	4,800	5,400	600
Transport Related Recharges	15,687	20,900	18,000	(2,900)
Supplies & Services Related Recharges	120,517	66,100	165,700	99,600
Central Support and Service Admin	746,429	644,000	784,800	140,800
Internal Recharges	(1,888,461)	(1,785,600)	(1,780,500)	5,100
Recharges	(1,000,785)	(1,049,800)	(806,600)	243,200

Consisting of				
Capital Financing Charges	717,196	638,500	725,900	87,400
Capital Entries	(486,562)	(353,000)	(464,000)	(111,000)
Capital	230,634	285,500	261,900	(23,600)

Total Public Protection & Communication	1,430,498	1,625,900	1,643,100	17,200
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R100**Licencing & Hackney Carriages**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	118,772	135,300	170,600	35,300
Transport Related Expenses	145	0	1,000	1,000
Supplies & Services	63,399	52,000	54,000	2,000
Capital Interest	0	0	0	0
Revenue Income	(488,691)	(330,300)	(656,400)	(326,100)
Controllable	(306,375)	(143,000)	(430,800)	(287,800)
Supplies & Services Related Recharges	99,302	43,400	141,200	97,800
Central Support and Service Admin	248,423	195,700	346,500	150,800
Recharges	347,725	239,100	487,700	248,600
Capital Financing Charges	4,040	4,000	2,000	(2,000)
Capital	4,040	4,000	2,000	(2,000)
Licencing & Hackney Carriages	45,390	100,100	58,900	(41,200)

R165**Central Print Room**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	5,005	5,000	5,100	100
Transport Related Expenses	88	100	100	0
Supplies & Services	48,088	53,100	53,100	0
Revenue Income	(111)	0	0	0
Controllable	53,070	58,200	58,300	100
Supplies & Services Related Recharges	55	100	100	0
Central Support and Service Admin	10,032	8,000	7,400	(600)
Internal Recharges	(63,157)	(53,800)	(53,300)	500
Recharges	(53,070)	(45,700)	(45,800)	(100)
Central Print Room	0	12,500	12,500	(0)

R200**Environmental Protection**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	208,202	203,100	205,900	2,800
Transport Related Expenses	2,066	2,100	2,100	0
Supplies & Services	41,502	26,600	25,600	(1,000)
Third Party Payments	0	2,000	2,000	0
Revenue Income	(29,706)	(16,200)	(16,200)	0
Controllable	222,065	217,600	219,400	1,800
Transport Related Recharges	5,152	9,200	5,400	(3,800)
Supplies & Services Related Recharges	2,173	2,300	2,900	600
Central Support and Service Admin	73,503	70,100	69,700	(400)
Recharges	80,828	81,600	78,000	(3,600)
Environmental Protection	302,893	299,200	297,400	(1,800)

R205**Food, Health & Safety**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	199,114	182,000	183,300	1,300
Transport Related Expenses	4,304	4,700	4,700	0
Supplies & Services	4,881	8,500	8,700	200
Revenue Income	(2,929)	(3,400)	(5,500)	(2,100)
Controllable	205,369	191,800	191,200	(600)
Supplies & Services Related Recharges	2,348	2,500	2,500	0
Central Support and Service Admin	40,297	37,300	40,900	3,600
Recharges	42,645	39,800	43,400	3,600
Food, Health & Safety	248,014	231,600	234,600	3,000

R215**Comm Protection & Dog Control**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	278,784	285,800	270,100	(15,700)
Transport Related Expenses	1,150	1,800	1,800	0
Supplies & Services	139,585	125,300	125,300	0
Third Party Payments	76,341	75,600	75,600	0
Revenue Income	(62,621)	(30,900)	(11,900)	19,000
Controllable	433,239	457,600	460,900	3,300
Premises Related Recharges	58	0	0	0
Transport Related Recharges	10,534	11,700	12,600	900
Supplies & Services Related Recharges	4,308	4,600	4,100	(500)
Central Support and Service Admin	83,091	76,900	91,500	14,600
Recharges	97,991	93,200	108,200	15,000
Capital Financing Charges	20,613	4,000	9,000	5,000
Capital	20,613	4,000	9,000	5,000
Comm Protection & Dog Control	551,843	554,800	578,100	23,300

R300**Information Technology**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	246,460	247,600	248,900	1,300
Transport Related Expenses	1,588	1,800	1,800	0
Supplies & Services	603,523	790,600	692,700	(97,900)
Revenue Income	(97,222)	(257,800)	(145,000)	112,800
Controllable	754,348	782,200	798,400	16,200
Premises Related Recharges	4,985	4,800	5,400	600
Supplies & Services Related Recharges	2,974	3,200	3,700	500
Central Support and Service Admin	44,651	38,000	36,900	(1,100)
Internal Recharges	(854,023)	(792,400)	(782,000)	10,400
Recharges	(801,412)	(746,400)	(736,000)	10,400
Capital Financing Charges	47,064	52,500	25,900	(26,600)
Capital	47,064	52,500	25,900	(26,600)
Information Technology	0	88,300	88,300	(0)

R340**Communications & Publicity**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	148,112	158,100	158,500	400
Transport Related Expenses	37	300	300	0
Supplies & Services	41,464	39,900	56,400	16,500
Revenue Income	(3,300)	(4,000)	(4,000)	0
Controllable	186,313	194,300	211,200	16,900
Supplies & Services Related Recharges	1,784	1,900	2,300	400
Central Support and Service Admin	45,124	42,500	39,600	(2,900)
Internal Recharges	(233,221)	(238,700)	(253,100)	(14,400)
Recharges	(186,313)	(194,300)	(211,200)	(16,900)
Communications & Publicity	0	0	0	0

R600**Renovation Grants**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	84,984	78,800	78,200	(600)
Transport Related Expenses	3,687	3,000	3,500	500
Supplies & Services	45,410	17,600	17,200	(400)
Revenue Income	(44,143)	(11,700)	(11,700)	0
Controllable	89,937	87,700	87,200	(500)
Supplies & Services Related Recharges	937	1,000	1,100	100
Central Support and Service Admin	32,566	25,700	30,000	4,300
Recharges	33,504	26,700	31,100	4,400
Capital Financing Charges	645,479	578,000	689,000	111,000
Capital Entries	(486,562)	(353,000)	(464,000)	(111,000)
Capital	158,917	225,000	225,000	(0)
Renovation Grants	282,358	339,400	343,300	3,900

R820**Customer Services**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	551,621	534,300	589,400	55,100
Transport Related Expenses	4,000	4,400	4,400	0
Supplies & Services	13,335	11,400	12,600	1,200
Third Party Payments	6,400	15,000	0	(15,000)
Revenue Income	(12,673)	(21,300)	(14,400)	6,900
Controllable	562,683	543,800	592,000	48,200
Supplies & Services Related Recharges	6,635	7,100	7,800	700
Central Support and Service Admin	168,742	149,800	122,300	(27,500)
Internal Recharges	(738,060)	(700,700)	(692,100)	8,600
Recharges	(562,683)	(543,800)	(562,000)	(18,200)
Customer Services	0	0	30,000	30,000

Environment Portfolio

Revenue Budget 2015-16

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Division				
Sustainability	47,894	47,200	44,500	(2,700)
Estates & Valuation	(0)	0	0	0
Public Land & Buildings	(9,100)	8,400	(5,200)	(13,600)
Business Units	(2,699)	(24,200)	(31,700)	(7,500)
Waste Management	2,052,280	1,862,400	1,962,600	100,200
Trade Waste	(78,423)	(92,700)	(84,800)	7,900
Street Care	774,343	839,400	793,200	(46,200)
Public Conveniences	30,930	26,000	28,800	2,800
Direct Services Service Support	(0)	(0)	0	0
Technical Services	0	0	0	0
Building Services	0	0	0	0
Energy Management	0	0	0	0
Land Drainage	0	0	0	0
Programmed Maintenance	110,606	90,700	83,100	(7,600)
Car Parks	197,640	209,600	145,500	(64,100)
Fleet Management	0	0	0	(0)
Public Offices	41	29,900	1,700	(28,200)
Assets & Sustainability	507	500	0	(500)
Allotments	26,946	22,800	25,100	2,300
Parks	1,689,955	1,543,300	1,597,700	54,400
Cemeteries	24,166	(64,000)	(86,900)	(22,900)
Total Environment	4,865,085	4,499,300	4,473,600	(25,700)

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Consisting of				
Employee Expenses	3,473,592	3,293,500	3,414,100	120,600
Premises Related Expenses	767,896	781,500	824,400	42,900
Transport Related Expenses	565,076	533,200	556,400	23,200
Supplies & Services	833,847	733,100	812,500	79,400
Third Party Payments	370,169	101,600	99,000	(2,600)
Capital Interest	4,000	0	0	0
Revenue Income	(2,541,976)	(2,440,200)	(2,523,200)	(83,000)
Controllable	3,472,603	3,002,700	3,183,200	180,500

Consisting of				
Premises Related Recharges	69,019	60,900	75,000	14,100
Transport Related Recharges	1,451,287	1,458,900	1,439,900	(19,000)
Supplies & Services Related Recharges	37,111	39,400	43,500	4,100
Central Support and Service Admin	1,127,801	1,029,600	1,036,100	6,500
Internal Recharges	(2,578,819)	(2,295,500)	(2,496,600)	(201,100)
Recharges	106,399	293,300	97,900	(195,400)

Consisting of				
Capital Financing Charges	1,286,084	1,203,300	1,192,500	(10,800)
Capital	1,286,084	1,203,300	1,192,500	(10,800)

Total Environment	4,865,085	4,499,300	4,473,600	(25,700)
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R117**Sustainability**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	39,483	40,600	39,500	(1,100)
Transport Related Expenses	214	300	300	0
Supplies & Services	76	0	0	0
Controllable	39,773	40,900	39,800	(1,100)
Supplies & Services Related Recharges	432	400	600	200
Central Support and Service Admin	7,688	5,900	4,100	(1,800)
Recharges	8,120	6,300	4,700	(1,600)
Sustainability	47,894	47,200	44,500	(2,700)

R182**Estates & Valuation**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	60,093	57,200	59,400	2,200
Transport Related Expenses	193	200	200	0
Supplies & Services	10,234	8,100	13,000	4,900
Third Party Payments	0	0	0	0
Revenue Income	0	0	0	0
Controllable	70,521	65,500	72,600	7,100
Supplies & Services Related Recharges	622	600	900	300
Central Support and Service Admin	21,614	22,400	17,700	(4,700)
Internal Recharges	(92,757)	(88,500)	(91,200)	(2,700)
Recharges	(70,521)	(65,500)	(72,600)	(7,100)
Estates & Valuation	0	0	0	0

R185**Public Land & Buildings**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Premises Related Expenses	6,487	11,400	9,100	(2,300)
Supplies & Services	10,447	11,000	11,000	0
Revenue Income	(114,706)	(113,500)	(116,600)	(3,100)
Controllable	(97,772)	(91,100)	(96,500)	(5,400)
Premises Related Recharges	4,603	4,300	5,100	800
Central Support and Service Admin	77,781	88,900	79,900	(9,000)
Recharges	82,384	93,200	85,000	(8,200)
Capital Financing Charges	6,288	6,300	6,300	0
Capital	6,288	6,300	6,300	0
Public Land & Buildings	(9,100)	8,400	(5,200)	(13,600)

R410**Business Units**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Premises Related Expenses	95,909	107,800	105,900	(1,900)
Supplies & Services	834	1,000	1,000	0
Revenue Income	(159,682)	(197,500)	(200,200)	(2,700)
Controllable	(62,939)	(88,700)	(93,300)	(4,600)
Premises Related Recharges	6,111	4,500	6,400	1,900
Central Support and Service Admin	37,545	43,400	38,100	(5,300)
Recharges	43,656	47,900	44,500	(3,400)
Capital Financing Charges	16,585	16,600	17,100	500
Capital	16,585	16,600	17,100	500
Business Units	(2,699)	(24,200)	(31,700)	(7,500)

R500**Waste Management**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	1,353,133	1,226,600	1,357,500	130,900
Transport Related Expenses	355	400	400	0
Supplies & Services	136,660	113,000	72,900	(40,100)
Third Party Payments	15,538	17,000	17,700	700
Revenue Income	(630,564)	(636,400)	(625,200)	11,200
Controllable	875,121	720,600	823,300	102,700
Premises Related Recharges	0	0	300	300
Transport Related Recharges	835,027	791,100	811,500	20,400
Supplies & Services Related Recharges	14,171	15,300	15,900	600
Central Support and Service Admin	301,614	293,500	299,100	5,600
Recharges	1,150,812	1,099,900	1,126,800	26,900
Capital Financing Charges	26,347	41,900	12,500	(29,400)
Capital	26,347	41,900	12,500	(29,400)
Waste Management	2,052,280	1,862,400	1,962,600	100,200

R503**Trade Waste**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	60,501	71,300	71,900	600
Transport Related Expenses	4	0	0	0
Supplies & Services	225,766	202,800	270,300	67,500
Revenue Income	(440,797)	(448,500)	(484,400)	(35,900)
Controllable	(154,526)	(174,400)	(142,200)	32,200
Transport Related Recharges	46,596	49,200	55,600	6,400
Supplies & Services Related Recharges	716	700	1,000	300
Central Support and Service Admin	28,790	31,800	32,700	900
Internal Recharges	0	0	(31,900)	(31,900)
Recharges	76,103	81,700	57,400	(24,300)
Trade Waste	(78,423)	(92,700)	(84,800)	7,900

R505**Street Care**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	445,005	427,100	447,400	20,300
Transport Related Expenses	97	100	100	0
Supplies & Services	43,796	86,300	68,900	(17,400)
Third Party Payments	3,764	2,000	2,200	200
Revenue Income	(12,394)	(16,800)	(13,500)	3,300
Controllable	480,268	498,700	505,100	6,400
Transport Related Recharges	229,062	286,700	236,500	(50,200)
Supplies & Services Related Recharges	4,576	5,000	5,600	600
Central Support and Service Admin	60,438	49,000	46,000	(3,000)
Recharges	294,076	340,700	288,100	(52,600)
Street Care	774,343	839,400	793,200	(46,200)

R510**Public Conveniences**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Premises Related Expenses	15,090	12,700	13,100	400
Supplies & Services	657	600	600	0
Revenue Income	0	0	0	0
Controllable	15,746	13,300	13,700	400
Premises Related Recharges	984	800	500	(300)
Central Support and Service Admin	12,286	9,800	12,000	2,200
Recharges	13,270	10,600	12,500	1,900
Capital Financing Charges	1,914	2,100	2,600	500
Capital	1,914	2,100	2,600	500
Public Conveniences	30,930	26,000	28,800	2,800

R514**Direct Services Service Support**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	69,657	(0)	0	0
Transport Related Expenses	180	0	0	0
Supplies & Services	6,064	0	0	0
Controllable	75,901	(0)	0	0
Premises Related Recharges	1,440	0	0	0
Supplies & Services Related Recharges	770	0	0	0
Central Support and Service Admin	24,241	0	0	0
Internal Recharges	(102,352)	0	0	0
Recharges	(75,901)	0	0	0
Direct Services Service Support	0	(0)	0	0

R515**Technical Services**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	15,585	16,100	15,900	(200)
Premises Related Expenses	0	300	200	(100)
Transport Related Expenses	2,402	1,900	1,900	0
Supplies & Services	267	5,200	200	(5,000)
Controllable	18,254	23,500	18,200	(5,300)
Supplies & Services Related Recharges	199	200	300	100
Central Support and Service Admin	7,519	7,700	4,400	(3,300)
Internal Recharges	(25,972)	(31,400)	(22,900)	8,500
Recharges	(18,254)	(23,500)	(18,200)	5,300
Capital Financing Charges	0	0	0	0
Capital	0	0	0	0
Technical Services	(0)	(0)	(0)	0

R520**Building Services**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	107,734	112,000	109,600	(2,400)
Transport Related Expenses	212	200	200	0
Supplies & Services	272	5,400	5,400	0
Revenue Income	0	(26,800)	(15,000)	11,800
Controllable	108,218	90,800	100,200	9,400
Supplies & Services Related Recharges	1,165	1,300	1,500	200
Central Support and Service Admin	15,127	16,600	11,600	(5,000)
Internal Recharges	(128,505)	(111,800)	(116,400)	(4,600)
Recharges	(112,212)	(93,900)	(103,300)	(9,400)
Capital Financing Charges	3,994	3,100	3,100	0
Capital	3,994	3,100	3,100	0
Building Services	0	0	0	(0)

R535**Programmed Maintenance**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Premises Related Expenses	31,465	15,000	15,000	0
Supplies & Services	64,277	43,000	43,000	0
Revenue Income	(12,651)	0	0	0
Controllable	83,091	58,000	58,000	0
Central Support and Service Admin	26,907	32,100	24,500	(7,600)
Recharges	26,907	32,100	24,500	(7,600)
Capital Financing Charges	607	600	600	0
Capital	607	600	600	0
Programmed Maintenance	110,606	90,700	83,100	(7,600)

R540**Car Parks**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	77,675	52,000	18,400	(33,600)
Premises Related Expenses	99,445	105,600	106,800	1,200
Transport Related Expenses	914	0	0	0
Supplies & Services	5,740	3,000	3,000	0
Third Party Payments	267,896	50,100	50,100	0
Capital Interest	0	0	0	0
Revenue Income	(333,907)	(74,700)	(74,700)	0
Controllable	117,763	136,000	103,600	(32,400)
Premises Related Recharges	5,727	7,300	4,400	(2,900)
Transport Related Recharges	3,831	1,800	2,500	700
Supplies & Services Related Recharges	900	1,000	700	(300)
Central Support and Service Admin	35,500	29,700	28,700	(1,000)
Recharges	45,958	39,800	36,300	(3,500)
Capital Financing Charges	33,918	33,800	5,600	(28,200)
Capital	33,918	33,800	5,600	(28,200)
Car Parks	197,640	209,600	145,500	(64,100)

R555**Fleet Management**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	229,132	245,100	279,600	34,500
Transport Related Expenses	558,030	527,500	550,700	23,200
Supplies & Services	88,522	49,900	49,900	0
Third Party Payments	7,237	0	0	0
Revenue Income	(101,233)	(56,500)	(67,000)	(10,500)
Controllable	781,688	766,000	813,200	47,200
Premises Related Recharges	2,480	2,500	2,700	200
Transport Related Recharges	66,826	66,800	73,800	7,000
Supplies & Services Related Recharges	2,510	2,800	3,200	400
Central Support and Service Admin	92,168	85,800	95,800	10,000
Internal Recharges	(1,501,601)	(1,458,500)	(1,526,700)	(68,200)
Recharges	(1,337,617)	(1,300,600)	(1,351,200)	(50,600)
Capital Financing Charges	555,929	534,600	538,000	3,400
Capital	555,929	534,600	538,000	3,400
Fleet Management	0	0	0	0

R560**Public Offices**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	102,057	121,900	123,900	2,000
Premises Related Expenses	336,197	349,000	362,900	13,900
Supplies & Services	63,983	64,100	64,100	0
Third Party Payments	0	0	0	0
Revenue Income	(88,497)	(185,700)	(186,800)	(1,100)
Controllable	413,740	349,300	364,100	14,800
Premises Related Recharges	32,533	27,700	38,200	10,500
Supplies & Services Related Recharges	1,342	1,400	1,800	400
Central Support and Service Admin	122,376	102,400	121,500	19,100
Internal Recharges	(708,200)	(588,000)	(688,500)	(100,500)
Recharges	(551,949)	(456,500)	(527,000)	(70,500)
Capital Financing Charges	138,250	137,100	164,600	27,500
Capital	138,250	137,100	164,600	27,500
Public Offices	41	29,900	1,700	(28,200)

R565**Assets & Sustainability**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	0	(0)	0	0
Supplies & Services	0	0	0	0
Controllable	0	(0)	0	0
Supplies & Services Related Recharges	507	500	0	(500)
Central Support and Service Admin	0	0	0	0
Internal Recharges	0	0	0	0
Recharges	507	500	0	(500)
Assets & Sustainability	507	500	0	(500)

R710**Allotments**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	16,467	18,400	19,700	1,300
Premises Related Expenses	11,996	7,200	7,300	100
Transport Related Expenses	24	0	0	0
Supplies & Services	601	700	700	0
Revenue Income	(11,176)	(7,600)	(7,600)	0
Controllable	17,912	18,700	20,100	1,400
Supplies & Services Related Recharges	176	200	200	0
Central Support and Service Admin	8,434	3,500	4,400	900
Recharges	8,610	3,700	4,600	900
Capital Financing Charges	425	400	400	0
Capital	425	400	400	0
Allotments	26,946	22,800	25,100	2,300

R715**Parks**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	711,816	718,100	682,000	(36,100)
Premises Related Expenses	151,569	151,900	182,900	31,000
Transport Related Expenses	1,370	1,400	1,400	0
Supplies & Services	171,854	134,700	204,200	69,500
Third Party Payments	52,398	28,500	25,000	(3,500)
Capital Interest	4,000	0	0	0
Revenue Income	(290,099)	(287,100)	(331,500)	(44,400)
Controllable	802,908	747,500	764,000	16,500
Premises Related Recharges	6,171	5,200	7,400	2,200
Transport Related Recharges	225,395	225,700	222,400	(3,300)
Supplies & Services Related Recharges	6,952	7,700	8,100	400
Central Support and Service Admin	195,650	162,500	179,700	17,200
Internal Recharges	(19,432)	(17,300)	(19,000)	(1,700)
Recharges	414,736	383,800	398,600	14,800
Capital Financing Charges	472,311	412,000	435,100	23,100
Capital	472,311	412,000	435,100	23,100
Parks	1,689,955	1,543,300	1,597,700	54,400

R720**Cemeteries**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	185,253	187,100	189,300	2,200
Premises Related Expenses	19,739	20,600	21,200	600
Transport Related Expenses	1,082	1,200	1,200	0
Supplies & Services	3,795	4,300	4,300	0
Third Party Payments	23,336	4,000	4,000	0
Revenue Income	(346,269)	(389,100)	(400,700)	(11,600)
Controllable	(113,064)	(171,900)	(180,700)	(8,800)
Premises Related Recharges	8,970	8,600	10,000	1,400
Transport Related Recharges	44,550	37,600	37,600	0
Supplies & Services Related Recharges	2,071	2,300	3,700	1,400
Central Support and Service Admin	52,123	44,600	35,900	(8,700)
Recharges	107,714	93,100	87,200	(5,900)
Capital Financing Charges	29,516	14,800	6,600	(8,200)
Capital	29,516	14,800	6,600	(8,200)
Cemeteries	24,166	(64,000)	(86,900)	(22,900)

Leisure & Development Portfolio

Revenue Budget 2015-16

				Variance to
	Actual	Original	Original	Original
	2013-14	Budget	Budget	Budget
	£	2014-15	2015-16	2014-15
Division		£	£	£
Development Service Support	0	(0)	0	0
Development Management	476,678	217,900	305,200	87,300
Planning Policy	356,868	325,900	341,000	15,100
Building Control Account	68,057	61,200	59,700	(1,500)
Building Control Fee Earning Account	2,164	(30,900)	(4,200)	26,700
Strategy & Performance	0	0	0	0
Land Charges	(25,246)	(44,700)	(66,500)	(21,800)
Leisure Services Division	41,502	4,000	(0)	(4,000)
Leisure Misc Expenses/Contbn	30,703	0	0	0
Calverton Leisure Centre	249,010	239,400	274,800	35,400
Carlton Forum Leisure Centre	195,473	188,800	168,100	(20,700)
Redhill Leisure Centre	119,311	114,500	119,400	4,900
Arnold Theatre	40,941	25,100	51,100	26,000
Arnold Leisure Centre	633,826	506,500	523,800	17,300
Richard Herrod Centre	290,951	283,900	317,300	33,400
Total Leisure & Development	2,480,237	1,891,600	2,089,700	198,100

				Variance to
	Actual	Original	Original	Original
	2013-14	Budget	Budget	Budget
	£	2014-15	2015-16	2014-15
Consisting of		£	£	£
Employee Expenses	2,918,991	3,064,500	3,037,600	(26,900)
Premises Related Expenses	681,328	756,700	836,000	79,300
Transport Related Expenses	20,503	20,900	20,900	0
Supplies & Services	1,233,307	716,100	554,000	(162,100)
Third Party Payments	0	0	0	0
Capital Interest	352,073	0	0	0
Revenue Income	(3,503,725)	(3,363,700)	(3,307,500)	56,200
Controllable	1,702,478	1,194,500	1,141,000	(53,500)

Consisting of				
Premises Related Recharges	37,310	34,600	36,800	2,200
Supplies & Services Related Recharges	34,322	39,800	43,000	3,200
Central Support and Service Admin	1,117,203	1,045,900	754,000	(291,900)
Internal Recharges	(594,306)	(609,500)	(98,200)	511,300
Recharges	594,529	510,800	735,600	224,800

Consisting of				
Capital Financing Charges	183,231	186,300	213,100	26,800
Capital	183,231	186,300	213,100	26,800

Total Leisure & Development	2,480,237	1,891,600	2,089,700	198,100
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R105**Development Service Support**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	57,830	61,400	68,800	7,400
Transport Related Expenses	0	0	0	0
Supplies & Services	6,231	7,100	7,100	0
Revenue Income	0	0	0	0
Controllable	64,061	68,500	75,900	7,400
Supplies & Services Related Recharges	670	700	900	200
Central Support and Service Admin	33,462	30,200	21,400	(8,800)
Internal Recharges	(98,192)	(99,400)	(98,200)	1,200
Recharges	(64,061)	(68,500)	(75,900)	(7,400)
Development Service Support	0	0	0	0

R110**Development Management**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	318,360	275,200	332,400	57,200
Transport Related Expenses	3,703	5,700	5,700	0
Supplies & Services	290,835	39,800	39,800	0
Revenue Income	(419,026)	(372,500)	(340,400)	32,100
Controllable	193,872	(51,800)	37,500	89,300
Supplies & Services Related Recharges	4,925	5,200	4,800	(400)
Central Support and Service Admin	277,880	264,500	262,900	(1,600)
Recharges	282,805	269,700	267,700	(2,000)
Development Management	476,678	217,900	305,200	87,300

R115**Planning Policy**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	216,446	248,500	253,100	4,600
Premises Related Expenses	11	0	0	0
Transport Related Expenses	716	700	700	0
Supplies & Services	123,220	17,200	10,200	(7,000)
Revenue Income	(70,629)	(600)	(600)	0
Controllable	269,763	265,800	263,400	(2,400)
Supplies & Services Related Recharges	2,642	2,800	3,500	700
Central Support and Service Admin	79,663	56,300	73,100	16,800
Recharges	82,305	59,100	76,600	17,500
Capital Financing Charges	4,800	1,000	1,000	0
Capital	4,800	1,000	1,000	0
Planning Policy	356,868	325,900	341,000	15,100

R120**Building Control Account**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	48,878	47,500	40,900	(6,600)
Transport Related Expenses	3,085	3,100	3,100	0
Supplies & Services	2,448	2,800	2,800	0
Third Party Payments	0	0	0	0
Revenue Income	(772)	0	0	0
Controllable	53,639	53,400	46,800	(6,600)
Supplies & Services Related Recharges	556	600	600	0
Central Support and Service Admin	13,862	16,000	12,300	(3,700)
Internal Recharges	0	(8,800)	0	8,800
Recharges	14,418	7,800	12,900	5,100
Building Control Account	68,057	61,200	59,700	(1,500)

R121**Building Control Fee Earning Account**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	104,651	103,800	112,000	8,200
Transport Related Expenses	6,549	6,800	6,800	0
Supplies & Services	2,871	5,400	5,400	0
Third Party Payments	0	0	0	0
Revenue Income	(155,165)	(184,700)	(167,700)	17,000
Controllable	(41,094)	(68,700)	(43,500)	25,200
Supplies & Services Related Recharges	1,205	1,300	1,400	100
Central Support and Service Admin	42,053	36,500	37,900	1,400
Recharges	43,258	37,800	39,300	1,500
Building Control Fee Earning Account	2,164	(30,900)	(4,200)	26,700

R172**Land Charges**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	27,727	28,000	24,500	(3,500)
Transport Related Expenses	5	0	0	0
Supplies & Services	45,669	18,200	18,200	0
Revenue Income	(120,906)	(126,700)	(132,000)	(5,300)
Controllable	(47,505)	(80,500)	(89,300)	(8,800)
Supplies & Services Related Recharges	1,906	2,000	2,400	400
Central Support and Service Admin	20,353	33,800	20,400	(13,400)
Recharges	22,259	35,800	22,800	(13,000)
Land Charges	(25,246)	(44,700)	(66,500)	(21,800)

R700**Leisure Services Division**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	332,128	290,000	0	(290,000)
Transport Related Expenses	2,179	1,600	0	(1,600)
Supplies & Services	79,563	101,300	0	(101,300)
Revenue Income	(515)	(300)	0	300
Controllable	413,355	392,600	0	(392,600)
Premises Related Recharges	241	100	0	(100)
Supplies & Services Related Recharges	680	4,100	0	(4,100)
Central Support and Service Admin	123,339	108,500	0	(108,500)
Internal Recharges	(496,114)	(501,300)	0	501,300
Recharges	(371,854)	(388,600)	0	388,600
Capital Financing Charges	0	0	(0)	(0)
Capital	0	0	(0)	(0)
Leisure Services Division	41,502	4,000	(0)	(4,000)

R725**Calverton Leisure Centre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	273,148	274,000	315,800	41,800
Premises Related Expenses	135,087	111,100	128,600	17,500
Transport Related Expenses	442	800	1,100	300
Supplies & Services	142,993	67,700	67,900	200
Capital Interest	36	0	0	0
Revenue Income	(385,568)	(301,600)	(305,400)	(3,800)
Controllable	166,139	152,000	208,000	56,000
Premises Related Recharges	4,220	4,200	4,600	400
Supplies & Services Related Recharges	2,958	3,200	4,300	1,100
Central Support and Service Admin	73,693	73,400	51,400	(22,000)
Recharges	80,871	80,800	60,300	(20,500)
Capital Financing Charges	2,000	6,600	6,500	(100)
Capital	2,000	6,600	6,500	(100)
Calverton Leisure Centre	249,010	239,400	274,800	35,400

R730**Carlton Forum Leisure Centre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	615,528	691,600	732,400	40,800
Premises Related Expenses	201,190	252,900	256,800	3,900
Transport Related Expenses	568	600	1,000	400
Supplies & Services	304,362	199,800	198,600	(1,200)
Capital Interest	115	0	0	0
Revenue Income	(1,145,520)	(1,124,900)	(1,134,300)	(9,400)
Controllable	(23,755)	20,000	54,500	34,500
Premises Related Recharges	8,905	8,600	8,000	(600)
Supplies & Services Related Recharges	7,236	7,700	9,300	1,600
Central Support and Service Admin	155,410	140,200	80,700	(59,500)
Recharges	171,551	156,500	98,000	(58,500)
Capital Financing Charges	47,677	12,300	15,600	3,300
Capital	47,677	12,300	15,600	3,300
Carlton Forum Leisure Centre	195,473	188,800	168,100	(20,700)

R735**Redhill Leisure Centre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	335,868	327,600	364,000	36,400
Premises Related Expenses	78,476	82,500	107,100	24,600
Transport Related Expenses	774	700	1,000	300
Supplies & Services	85,844	106,300	79,700	(26,600)
Capital Interest	23	0	0	0
Revenue Income	(508,475)	(514,600)	(514,900)	(300)
Controllable	(7,490)	2,500	36,900	34,400
Premises Related Recharges	3,610	3,500	4,500	1,000
Supplies & Services Related Recharges	3,532	3,700	4,600	900
Central Support and Service Admin	115,823	101,000	56,900	(44,100)
Recharges	122,965	108,200	66,000	(42,200)
Capital Financing Charges	3,836	3,800	16,500	12,700
Capital	3,836	3,800	16,500	12,700
Redhill Leisure Centre	119,311	114,500	119,400	4,900

R740**Arnold Theatre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	33,349	50,400	64,900	14,500
Premises Related Expenses	0	3,500	3,500	0
Transport Related Expenses	0	100	200	100
Supplies & Services	12,214	13,200	13,400	200
Capital Interest	9	0	0	0
Revenue Income	(11,247)	(47,800)	(52,900)	(5,100)
Controllable	34,325	19,400	29,100	9,700
Supplies & Services Related Recharges	0	300	900	600
Central Support and Service Admin	6,616	5,400	20,300	14,900
Recharges	6,616	5,700	21,200	15,500
Capital Financing Charges	0	0	800	800
Capital	0	0	800	800
Arnold Theatre	40,941	25,100	51,100	26,000

R745**Arnold Leisure Centre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	291,288	382,200	411,100	28,900
Premises Related Expenses	156,010	198,200	195,800	(2,400)
Transport Related Expenses	2,002	200	400	200
Supplies & Services	44,079	56,700	47,800	(8,900)
Capital Interest	351,790	0	0	0
Revenue Income	(382,432)	(342,800)	(307,200)	35,600
Controllable	462,736	294,500	347,900	53,400
Premises Related Recharges	10,626	9,400	10,200	800
Supplies & Services Related Recharges	4,693	4,700	5,600	900
Central Support and Service Admin	100,789	105,200	60,500	(44,700)
Recharges	116,108	119,300	76,300	(43,000)
Capital Financing Charges	54,982	92,700	99,600	6,900
Capital	54,982	92,700	99,600	6,900
Arnold Leisure Centre	633,826	506,500	523,800	17,300

R750**Richard Herrod Centre**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	263,790	284,300	317,700	33,400
Premises Related Expenses	110,554	108,500	144,200	35,700
Transport Related Expenses	480	600	900	300
Supplies & Services	62,276	80,600	63,100	(17,500)
Capital Interest	100	0	0	0
Revenue Income	(303,471)	(347,200)	(352,100)	(4,900)
Controllable	133,729	126,800	173,800	47,000
Premises Related Recharges	9,708	8,800	9,500	700
Supplies & Services Related Recharges	3,319	3,500	4,700	1,200
Central Support and Service Admin	74,259	74,900	56,200	(18,700)
Recharges	87,286	87,200	70,400	(16,800)
Capital Financing Charges	69,936	69,900	73,100	3,200
Capital	69,936	69,900	73,100	3,200
Richard Herrod Centre	290,951	283,900	317,300	33,400

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Finance & Performance Portfolio

Revenue Budget 2015-16

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Division				
Arnold Master Plan	0	0	0	0
Organisational Development	0	(0)	(0)	0
Audit, Risk Management, Health & Safety	5,026	0	0	0
Corporate Management	979,936	962,400	973,000	10,600
Emergency Planning	12,754	14,400	15,800	1,400
Legal Services	0	0	0	0
Postages	(0)	1,100	1,100	0
Economic Development	103,226	673,800	507,000	(166,800)
Registration Of Electors	189,073	187,300	131,000	(56,300)
Elections	77,097	71,100	121,500	50,400
Procurement	(0)	0	0	0
Corporate Administration	(0)	0	0	(0)
Financial Services	(4,000)	0	0	(0)
Corporate Finance	0	0	0	0
Insurance Premiums	50,000	(0)	(0)	(0)
Revenues-Local Taxation	489,879	498,800	417,500	(81,300)
Concessionary Fares	0	0	0	0
Central Provisions Account	11,300	575,000	205,000	(370,000)
Non Distributed Costs	164,553	134,400	134,400	0
Corporate Income & Expenditure	(60,992)	268,300	245,700	(22,600)
Movement in Reserves (MiRs)	(965,603)	(1,145,400)	(662,900)	482,500
Total Finance & Performance	1,052,248	2,241,200	2,089,100	(152,100)

	Actual	Original	Original	Variance to
	2013-14	Budget	Budget	Original
	£	2014-15	2015-16	Budget
		£	£	2014-15
				£
Consisting of				
Employee Expenses	2,605,654	2,645,500	2,600,000	(45,500)
Premises Related Expenses	28,142	33,500	38,500	5,000
Transport Related Expenses	7,152	5,600	6,500	900
Supplies & Services	1,752,935	2,168,900	1,582,400	(586,500)
Third Party Payments	28,317	29,900	29,900	0
Capital Interest	925,608	983,200	1,423,000	439,800
Revenue Income	(1,517,139)	(896,100)	(806,000)	90,100
Controllable	3,830,669	4,970,500	4,874,300	(96,200)

Consisting of				
Transport Related Recharges	3,485	3,800	3,200	(600)
Supplies & Services Related Recharges	26,998	29,100	34,300	5,200
Central Support and Service Admin	1,908,076	1,830,900	1,635,200	(195,700)
Internal Recharges	(2,957,334)	(2,861,500)	(2,734,900)	126,600
Recharges	(1,018,774)	(997,700)	(1,062,200)	(64,500)

Consisting of				
Capital Financing Charges	646,675	1,600	1,600	0
Capital Entries	(2,406,322)	(1,733,200)	(1,724,600)	8,600
Capital	(1,759,647)	(1,731,600)	(1,723,000)	8,600

Total Finance & Performance	1,052,248	2,241,200	2,089,100	(152,100)
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R130**Organisational Development**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	293,189	257,600	238,000	(19,600)
Transport Related Expenses	712	500	500	0
Supplies & Services	31,381	22,400	22,400	0
Revenue Income	(6,702)	(9,200)	(10,300)	(1,100)
Controllable	318,580	271,300	250,600	(20,700)
Supplies & Services Related Recharges	3,116	3,300	3,100	(200)
Central Support and Service Admin	106,656	106,000	56,800	(49,200)
Internal Recharges	(428,352)	(380,600)	(310,500)	70,100
Recharges	(318,580)	(271,300)	(250,600)	20,700
Organisational Development	0	0	0	0

R135**Audit, Risk Management, Health & Sa**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	166,608	163,700	166,100	2,400
Transport Related Expenses	642	400	700	300
Supplies & Services	48,880	37,600	37,600	0
Revenue Income	(1,990)	0	0	0
Controllable	214,140	201,700	204,400	2,700
Supplies & Services Related Recharges	1,645	1,900	1,800	(100)
Central Support and Service Admin	35,899	30,200	31,000	800
Internal Recharges	(246,659)	(233,800)	(237,200)	(3,400)
Recharges	(209,114)	(201,700)	(204,400)	(2,700)
Audit, Risk Management, Health & Sa	5,026	0	0	0

R145**Corporate Management**

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	593,242	598,900	518,800	(80,100)
Transport Related Expenses	2,654	2,500	2,500	0
Supplies & Services	148,395	160,500	143,800	(16,700)
Revenue Income	(339)	0	0	0
Controllable	743,951	761,900	665,100	(96,800)
Supplies & Services Related Recharges	6,524	7,000	8,500	1,500

Central Support and Service Admin	867,475	854,400	832,900	(21,500)
Internal Recharges	(638,014)	(660,900)	(533,500)	127,400
Recharges	235,985	200,500	307,900	107,400
Corporate Management	979,936	962,400	973,000	10,600

R150

Emergency Planning

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Supplies & Services	827	500	500	0
Third Party Payments	7,243	9,200	9,200	0
Controllable	8,070	9,700	9,700	0
Central Support and Service Admin	4,684	4,700	6,100	1,400
Recharges	4,684	4,700	6,100	1,400
Emergency Planning	12,754	14,400	15,800	1,400

R160

Legal Services

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Employee Expenses	266,183	269,400	273,100	3,700
Transport Related Expenses	746	400	700	300
Supplies & Services	67,663	48,800	48,100	(700)
Revenue Income	(9,875)	(8,600)	(9,800)	(1,200)
Controllable	324,717	310,000	312,100	2,100
Supplies & Services Related Recharges	2,790	3,000	3,800	800
Central Support and Service Admin	71,115	66,900	88,000	21,100
Internal Recharges	(398,622)	(379,900)	(403,900)	(24,000)
Recharges	(324,717)	(310,000)	(312,100)	(2,100)
Legal Services	0	0	0	0

R170

Postages

	Actual 2013-14 £	Original Budget 2014-15 £	Original Budget 2015-16 £	Variance to Original Budget 2014-15 £
Supplies & Services	62,211	53,900	67,900	14,000
Revenue Income	(1,330)	(100)	(100)	0
Controllable	60,880	53,800	67,800	14,000

Community Development Portfolio

Revenue Budget Summary 2015-16

Major Variances in Net Controllable Expenditure

Democratic Mgt & Representation

Variance mainly due to employees re-allocated from Committee Services following the Election & Member Services restructure (see below), partly offset by a 2015/16 planned efficiency reduction in Mayoral transport and Civic budgets. Additional variance due to a reduction in the number of members and the removal of the superannuation budget due to legislation changes.

Committee Services

Variance due to re-allocation of employees direct to service area, following Election & Member Services restructure.

Localities

Variance due to additional employee expenses arising from the Community Relations restructure.

Community Grants

Variance mainly due to additional employee expenses arising from the Community Relations restructure, the increase and transfer of Parish Grants from the Finance & Performance Portfolio and the reinstatement of the Gedling CVS and Rural Community Action Nottingham grants, an additional Arts grant, the continuation of the Borough Wide Initiatives grant, offset by a reduction to the Members Pot following the lowering of Member numbers down from 50 to 41.

Disabled Grants

No major variance.

The Arts & Tourism

Variance due to additional employee expenses following the Community Relations restructure.

Sports Development

Variance mainly due to the removal of the Exercise Referral budgets as this scheme has ended. Additional variance arising from the planned cuts in 2015/16 to staffing and projects budgets.

Community Centres

Variance mainly due additional employee expenses arising from the Community Relations restructure, partly offset by increased room hire income and the realignment of the base maintenance budget.

Events & Play

Variance mainly due to additional employee expenses arising from the Community Relations restructure, the transfer of the residual Youth Co-ordination budget to Play Days project and the transfer of ice cream vendor income to Parks in the Environment Portfolio.

Health & Housing Portfolio
Revenue Budget Summary 2015-16

Major Variances in Net Controllable Expenditure

Housing Needs

Variance due to additional employee expenses following the Housing and Community Relations restructure. There has also been a reduction in the demand for temporary homelessness accommodation resulting in lower bed and breakfast costs and a reduction in the number of council leased properties.

Housing Strategy

Variance due to realignment of Service Manager salary to Housing needs.

Council Tax Benefits

Variance due to increased income from benefit overpayment recoveries and a reduction in Council Tax benefit payments.

Rent Allowances

Variance mainly due to an increase in bad debt provision and rent allowance payments mainly offset by an increase in rent allowance overpayment recoveries.

Housing Benefit Administration

Major variance is due to a reduction in the Local Council Tax Admin Subsidy. This is offset by the realignment of 2014/15 salary efficiencies, with Revenues Taxation, following the restructure review and further planned employee efficiencies in 2015/16.

Rent Rebates

Variance due to a reduction in the need for homelessness accommodation.

Public Protection & Communication Portfolio

Revenue Budget 2015-16

Major Variances in Net Controllable Expenditure:

Licencing & Hackney Carriages

Variance due to additional income from the continued demand for Taxi licencing, an additional 10% inflationary increase to licencing fees and additional income from the introduction of safeguarding and customer services training, partly offset by the introduction of 2 new licencing posts required to deal with the increased demand.

Central Print Room

No major variance.

Environmental Protection

Variance due to planned reductions to the contaminated land investigation/remedial budget, partly offset by a resource development bid for the Eco stars project.

Food, Health & Safety

Additional income from the introduction of mobile homes licencing.

Comm Protection & Dog Control

Variance due to the removal of the Troubled Families Admin Post and the associated grant for this post.

Information Technology

Variance due to the reduction in the IT replacement fund, offset by a reduced contribution from reserve. Additional variance due to savings on renegotiated Northgate and Covalent licences offset by inflationary increases on other software licences and transfer of IT software budgets from other departments.

Communications & Publicity

Variance due to a development bid for an additional edition of the Contacts magazine and the introduction of Pride of Gedling awards.

Renovation Grants

No major variance.

Customer Services

The major variance is due to additional Customer Service Assistants posts to support the increased demand for Taxi Licencing. Also additional budget required for the introduction of a new Customer Service Hub in the Carlton area. This is partly offset by planned 2015/16 staffing efficiencies and an increased contribution for the NCC Customer Services point. The budget for expansion of the CAB service has been removed along with the contribution from reserves.

Environment Portfolio

Revenue Budget Summary 2015-16

Major Variances in Net Controllable Expenditure

Sustainability

No major variance.

Estates & Valuation

Variance due to additional consultancy budget transferred from Technical Services and additional staffing hours.

Public Land & Buildings

Variance mainly due to increased shop rent income and the removal of the NNDR budget as all shop units are currently fully occupied, this is partly offset by a reduction in rental income following a rent review of Bestwood Lodge Hotel.

Business Units

Variance mainly due to increased income from Service Charges and the removal of the NNDR budget as full unit occupancy is anticipated.

Waste Management

Variance mainly due to increased employee costs as a consequence of growth of rounds. Additional variance due to reduced recycling income following a reduction in tonnages collected, mainly as a result of supermarkets removing permission for our recycling bins to be sited on their grounds and the removal of the one off bins budget for the introduction of monthly glass collection rounds. Remaining variance due to additional income from increased uptake to the Garden Waste scheme and Bulky Waste collections.

Trade Waste

Variance due to increased Waste Disposal costs as result of an increase in both tonnage rate and tonnages collected. Fully offset by increased Trade Waste income due to a price increase applied to account for inflation and increased waste disposal costs and additional income from new customers.

Street Care

Variance due to additional staffing costs arising from revised salary splits for Parks and Street Care staff and a reduction in income, partly offset by a reduction in the Environmental Projects Fund.

Public Conveniences

No major variance.

Direct Services Service Support

No major variance.

Technical Services

Variance due to the transfer of Consultancy budget to Estates.

Building Services

Variance due to a reduction in project work for Parish Councils.

Programmed Maintenance

No major variance.

Car Parks

Variance due to a planned efficiency saving implemented in the Audit & Asset Management restructure.

Fleet Management

Variance mainly due to the introduction of a Vehicle Testing Mechanic to accommodate the continued demand for Taxi Licencing and due to increased vehicle costs as a result of the closure of Dorket Head, partly offset by additional income from the sale of vehicles as part of the vehicle replacement programme.

Public Offices

Variance due to Utilities inflation, and additional employee and premises costs due to the new depot offices and welfare facility.

Allotments

No major variance.

Parks

The major variance is due to additional project funding for Gedling Country Park (14/15 Resource development bid). This has been offset by savings on Agency staff as a result of the 15/16 planned cut in grass cutting frequencies, and revised percentage splits for Parks and Street Care staff. The Waste Disposal budget has been increased to reflect increased volumes and the closure of Dorket Head. Also budgets have been put in to reflect the S106 contribution to Calverton Parish Council for the William Lee Memorial Par Pavilion.

Cemeteries

Variance is due to income budgets being increased by 3% inflation.

Leisure & Development Portfolio

Revenue Budget Summary 2015-16

Major Variances in Net Controllable Expenditure

Development Service Support

Variance due to salary protection costs on Service Support Assistant post.

Development Management

Variance due to a additional staffing resources being allocated due to demand, anticipated 2014/15 efficiency savings not delivered and a reduction in income due to reduced major planning applications. A review of the workload and the staffing requirement is being progressed.

Planning Policy

Variance due to software budget transferred to IT.

Building Control Account

No major variance.

Building Control Fee Earning Account

Variance due to a reduction in building control income and an increase in staffing costs.

Land Charges

Variance due to staff recruited on a lower SCP and an increase in Land Charges income due to an increase in volumes.

Leisure Services Division

Variance due to Community Relations restructure with remaining salary and operational budgets have been apportioned directly to leisure centres. Additional variance due to the removal of the Leisure Strategy one off consultancy budget.

Calverton Leisure Centre

Variance due to salary budget being allocated directly from Leisure Services Admin Division following the Leisure restructure. Base Maintenance budget has been reallocated based on forecast demand. Water recharges increased based on current rates. Additional variance due to the anticipated loss of income following the introduction of the Access to Swimming Initiative.

Carlton Forum Leisure Centre

Variance due to salary budget being allocated directly from Leisure Management following the Leisure restructure partly offset by planned front line staffing efficiencies. Base Maintenance budget has been reallocated based on forecast demand. Utility recharges decreased based on current rates. Additional variance due to the anticipated loss of income following the introduction of the Access to Swimming Initiative, a reduction in bookings and reduced swimming and holiday activities due to the removal of the subsidised holiday programme, partly offset by an increase in DNA customers. Additional budget for the gym equipment maintenance contract.

Redhill Leisure Centre

Variance due to salary budget being allocated directly from Leisure Management following the Leisure restructure, partly offset by a reduction in staffing due to the transfer of the bar to the academy and planned front line staffing efficiencies.. Base Maintenance budget has been reallocated based on future demand. Fitness Suite equipment maintenance budget removed due to the equipment being replaced and warranty included. Additional variance due to a reduction in income following the transfer of the bar back to the academy, partly offset by an increase in income from the Joint Use agreement.

Arnold Theatre

Variance due to casual salary budget for parties and bar moved from Arnold Leisure Centre and salary budget being allocated directly from Leisure Management following the Leisure restructure. Additional variance due to the replacement of sound and projection equipment, generating an expected increase in income from an enlarged cinema programme.

Arnold Leisure Centre

Variance due to salary budget being apportioned directly from Leisure Management following the Leisure restructure, partly offset by planned front line staffing efficiencies and the transfer of staffing budgets to Arnold Theatre. Gas recharges to library have been removed as they are having their own supply. Base Maintenance budget has been reallocated based on forecast demand. Increased income from Telecommunications mast, offset by reduction in utility recharge income. Additional variance due to the anticipated loss of swimming income during capital works to the Plant Room, and the introduction of the Access to Swimming Initiative.

Richard Herrod Centre

Variance due to salary budget being apportioned directly from Leisure Management following the Leisure restructure and planned front line staffing efficiencies. Base Maintenance budget has been reallocated based on forecast demand. Income increased by inflation at 3%. Further variance due to a reduction in income from casual customers in the main bar, mainly offset by increased bookings in the Millenium Suite and associated bar sales.

Finance & Performance Portfolio

Revenue Budget 2015-16

Major Variances in Net Controllable Expenditure:

Organisational Development

Variance mainly due to planned employee efficiency saving, partly offset by additional staffing costs for taxi driver training. Increased income from the provision of external courses has been mainly offset by the removal of previous year's Notts County Council contribution to Covalent Licensing.

Audit, Risk Management, Health & Safety

Variance due to incremental increases for staff and additional mileage budget as a result of increased areas of responsibility.

Corporate Management

Variance mainly due to efficiency savings from the deletion of one Corporate Director post, partly offset by the pay award. Additional variance due to a reduction in Audit Fees.

Emergency Planning

No major variance.

Legal Services

Variance mainly due to the pay award and an incremental increase, partly offset by increased income from legal fee recharges.

Postages

Variance reflects the increase in charges for postages.

Economic Development

Variance due to the reduction in the Economic Development Fund.

Registration of Electors

No major variance.

Elections

Variance due to the General, Local and Parish Election, which will be part funded by Central Government for the General Election element and by Parish Councils for the Parish Election

Procurement

No major variance.

Corporate Administration

Variance due to staffing efficiencies.

Financial Services

Variance due to reduced income from renegotiations with Rushcliffe BC regarding Payroll Services offset by reduced IT software recharges.

Insurance Premiums

Variance due to an increase in Insurance Premiums as a result of contractual changes and inflationary increases.

Revenues - Local Taxation

The major variance is on Supplies & Services due to the removal of the Council Tax Reduction Scheme Hardship Fund, transfer of Parish Grants to Community Grants and a reduction in Court Fees. This is partly offset by the continuation of the Empty Homes Review and realignment of 2014/15 salary efficiencies, with Housing Benefit Administration, following the restructure review.

Central Provisions Account

Variance due to the planned reduction of the Transformation Reserve and the Budget Reduction Risk Reserve and the removal of the Superannuation Auto Enrolment Provision. Partly offset by the establishment of a Holiday Pay Provision.

Non Distributed Costs

No variance.

Corporate Income & Expenditure

Variance due to a reduction in the PWLB interest paid, partly offset by reduced investment interest due to continued low rates.

Movement In Reserves (MIRS)

Variance due to a Revenue Contribution to Capital budget, partly offset by a reduction in the Minimum Revenue Provision due to slippage in the capital programme.

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