



Civic Centre,
Arnot Hill Park,
Arnold,
Nottinghamshire,
NG5 6LU

Agenda

Cabinet

Date: **Thursday 2 November 2017**

Time: **12.30 pm**

Place: **Chappell Room**

For any further information please contact:

Alec Dubberley

Service Manager Democratic Services

0115 901 3906

Cabinet

Membership

Chair Councillor John Clarke

Vice-Chair Councillor Michael Payne

Councillor Peter Barnes
Councillor David Ellis
Councillor Gary Gregory
Councillor Jenny Hollingsworth
Councillor Henry Wheeler

Observers: Councillor Chris Barnfather

AGENDA

Page

- 1 Apologies for Absence.**
- 2 To approve, as a correct record, the minutes of the meeting held on 12 October 2017.** 5 - 12
- 3 Declaration of Interests.**
- 4 Quarter 2 Budget Monitoring, Performance Digest & Virement Report** 13 - 50
Report of the Senior Leadership Team.
- 5 Prudential Code Indicator Monitoring 2017/18 and Quarterly Treasury Activity Report for Quarter ended 30 September 2017** 51 - 70
Report of the Deputy Chief Executive and Chief Financial Officer
- 6 Arnold Market** 71 - 82
Report of the Service Manager Growth and Economic Development.
- 7 Forward Plan** 83 - 86
Report of the Service Manager Democratic Services.
- 8 Progress Reports from Portfolio Holders.**
- 9 Member's Questions to Portfolio Holders.**
- 10 Any other items the Chair considers urgent.**

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MINUTES CABINET

Thursday 12 October 2017

Councillor John Clarke (Chair)

Councillor Michael Payne
Councillor Peter Barnes
Councillor David Ellis

Councillor Gary Gregory
Councillor Jenny Hollingsworth
Councillor Henry Wheeler

Observers: Councillor Chris Barnfather

Officers in Attendance: J Robinson, H Barrington, M Hill, S Palmer, A Solley,
D Wakelin and A Dubberley

33 APOLOGIES FOR ABSENCE.

None.

**34 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE
MEETING HELD ON 7 SEPTEMBER 2017.**

RESOLVED:

That the minutes of the above meeting, having been circulated, be approved as a correct record.

35 DECLARATION OF INTERESTS.

None

**36 PROPOSED SALE OF PART OF THE FORMER BOWLING GREEN
AT HAYWOOD ROAD, MAPPERLEY**

The Chief Executive introduced a report, which had been circulated prior to the meeting, seeking approval to sell part of the former Bowling Green at Haywood Road, Mapperley.

Councillor Payne said that he had had time to consider the matter further and had witnessed the strength of feeling in the local community and despite the significant financial challenges facing the Council, was minded to recommend that the bowling green should be retained as an open space and that the council should not proceed with its sale. He therefore proposed an amended recommendation.

RESOLVED to:

- 1) Retain the whole of the Haywood Road bowling green in the Council's ownership and instead of progressing a scheme of housing development, to instruct the Service Manager Parks and Street Care to draw up design options for making the bowling green publicly accessible for the whole community including play provision for children and young people;
- 2) Receive a further report with a proposed scheme of works, costing and funding sources to the February 2018 Cabinet meeting; and
- 3) Welcome the progress that has been made to increase participation at Haywood Road Community Centre and re-affirm support for asset transfer of the centre to a new community association.

Councillors Hollingsworth and Payne left the meeting.

37

SELECTIVE LICENSING SCHEME CONSULTATION

The Food, Health and Housing Manager introduced a report, which had been circulated prior to the meeting, seeking authorisation to start the process declaring a selective licensing scheme for privately rented property in the Netherfield Ward.

RESOLVED to:

- 1) Note the scheme of Selective Licensing as outlined in the Proposal to Declare a Selective Licensing Designation within the Private Rented Sector at Appendix 1 to the report;
- 2) Approve the Proposal to Declare a Selective Licensing Designation within the Private Rented Sector contained at appendix 1 to be issued for a 12 week public consultation; and
- 3) Support the proposed fees and resource requirements outlined in financial implications section of this report, subject to the result of the public consultation.

38

REPORT AND RECOMMENDATIONS ELDERLY PERSONS SCRUTINY WORKING GROUP

Councillor Doyle introduced a report, which had been circulated prior to the meeting, informing Cabinet members and relevant Portfolio Holders of the findings and recommendations of the Elderly Persons' Scrutiny Working Group. Members commented on the findings of the group.

Councillor Wheeler thanked the group for their report and suggested that Councillor Doyle attends the Health and Well-being delivery group in

order to discuss how to progress work to deliver the recommendations in the report.

RESOLVED:

- 1) To thank the working group for their efforts and the recommendations and
- 2) To refer the report to the appropriate Cabinet Member in order for a response to be made to the Overview and Scrutiny Committee at the meeting scheduled to take place on 20 November 2017.

39 REPORT AND RECOMMENDATIONS OF THE INCOME GENERATION SCRUTINY WORKING GROUP

Councillor Lawrence introduced a report, which had been circulated prior to the meeting, informing Cabinet members and relevant Portfolio Holders of the findings and recommendations of the income generation scrutiny working group.

RESOLVED to:

- 1) Thank the working group for their recommendations; and
- 2) Refer the report to the appropriate Cabinet Member in order for a response to be made to the Overview and Scrutiny Committee at the meeting scheduled to take place on 20 November 2017.

Councillor Payne re-joined the meeting.

40 GEDLING'S HERITAGE BROUGHT ALIVE

The Director for Health and Community Wellbeing introduced a report, which had been circulated prior to the meeting, seeking approval to spend funding acquired through an application to Heritage Lottery Fund to deliver a project working with local history groups to create the story of the Borough's heritage.

RESOLVED to:

- 1) Approve spending the funding acquired through the application to Heritage Lottery Funding to deliver a project working with local history groups to create the story of the Borough's heritage and disseminate it in various formats for visitors and the wider community; and
- 2) Establish, by virement, the expenditure and financing budgets for Gedling's Heritage Brought Alive project.

41 GEDLING DYNAMIC COUNCIL

The Deputy Chief Executive introduced a report, which had been circulated prior to the meeting, seeking approval for a new organisational change programme.

RESOLVED to:

- 1) Approve the new 'Dynamic Council' framework and authorise officers to develop and implement new processes and changes to deliver the Council's corporate objectives;
- 2) Note the Digital Strategy 2016-2019;
- 3) Approve the Agile Working Strategy;
- 4) Approve the Demand Management Strategy;
- 5) Approve the Commercialisation Strategy; and
- 6) Note the working groups terms of reference.

42 BUSINESS RATES BRIEFING

The Revenues Manager introduced a report, which had been circulated prior to the meeting, informing members of recent changes to the business rates system.

RESOLVED to note:

- 1) The update in relation to recent changes to the business rates system; and
- 2) The future plans to create a new Property Inspector role, designed to maximise the income generated from business rates.

43 RISK MANAGEMENT STRATEGY & FRAMEWORK

The Deputy Chief Executive and Director of Finance introduced a report, which had been circulated prior to the meeting, proposing the adoption of a new Risk Management Strategy and Framework.

RESOLVED:

To approve the Risk Management Strategy.

44 FORWARD PLAN

Consideration was given to a report of the Service Manager, Democratic Services, which had been circulated prior to the meeting, detailing the Executive's draft Forward Plan for the next four month period.

RESOLVED:

To note the report.

45

PROGRESS REPORTS FROM PORTFOLIO HOLDERS.

Councillor Peter Barnes (Environment)

- Works at Carlton cemetery are now well underway to improve facilities for visitors.
- The new Country Park continues to receive positive feedback.
- Well done to one of the Council's refuse crews who recently went above and beyond the call of duty to help at a road accident when on shift.

Councillor Gary Gregory (Community Development)

- An Allotments Association meeting recently took place which was well attended.
- Christmas market in Arnold is being planned and promises to be well worth a visit.
- Had recently visit the Cornwater Club in Ravenshead which does excellent work in the community.
- The recently established Seniors' Council would welcome more wider public participation.

Councillor Henry Wheeler (Housing, Health and Well-being)

- There had been an increased number of swimming customers at Arnold Leisure Centre since recent refurbishment works. The Swim Tag product would launch there soon.
- Sugar awareness week later was happening later on in October and events were planned.
- World mental health day was this week and mindfulness sessions for staff were now regularly held.
- Temporary accommodation continues to be under pressure.

Councillor Michael Payne (Resources and Reputation)

- Customer services week was held last week. A big thank you to frontline staff for all their hard work.
- The new customer service point at Carlton Fire Station is now open on Wednesdays initially. Officers need look at demand before deciding on future service.
- Congratulations to Rob McCleary who had recently been named Communicator of the year at a recent national event.

Councillor David Ellis (Public Protection)

- An officer debrief had been held after recent incidents of traveller encampments. One learning point is that information needs to be shared more quickly between agencies.
- Crime figures have overall seen a reduction, although remain inconsistent due to new recording methods.
- An anti-social behaviour banning injunction was recently successfully served against a resident of Netherfield who was particularly disruptive to the local community. Thanks to officers involved with this.

Councillor John Clarke (Leader of the Council)

- The former Gedling School site on Woolaton Avenue had recently been handed back to the County Council and it was anticipated that the site would be developed in the future.
- Disappointingly, the electrification of the Midland Mainline has been scrapped by government. Councillor Clarke and other local politicians are keen to lobby central government to reverse this decision.

46 MEMBER'S QUESTIONS TO PORTFOLIO HOLDERS.

In response to a question from Councillor Lawrence, Councillor Ellis said that work was taking place to try and get the banning order for car cruising at Netherfield Retail Park extended beyond the current end date of March 2018.

47 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 2.35 pm

Signed by Chair:
Date:

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Report to Cabinet

Subject: Quarterly Budget Monitoring, Performance Digest & Virement Report

Date: 2 November 2017

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

- To update Cabinet on the likely outturn of the Revenue and Capital Budgets for the 2017/18 financial year. The budgets include all carried forward amounts from the 2016/17 financial year.
- To request Cabinet approval for the budget changes outlined in this report.
- To inform Cabinet of the position against Improvement Actions and Performance Indicators in the 2017/19 Gedling Plan.

Key Decision

This is a Key Decision.

Background

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have all been brought together and are now embedded in the way the Council works.
- 1.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instances where targets may not be secured.
- 1.4 As usual, comprehensive details about current performance against the Gedling Plan can be accessed through the following link on the Council's website:-

<http://www.gedling.gov.uk/council/aboutus/prioritiesplansandperformance/howweredoing/>

Members are recommended to view this document which provides valuable background detail to this summary paper. It provides a more in-depth review of indicators, actions and outcomes for quarter 2.

- 1.5 A full set of papers that appear on the website have been printed and these reports are available in the Members' Room. They contain explanations of variances from expected performance together with trend arrows for all the performance indicators within the Gedling Plan (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value) and progress bars for all Gedling Plan actions showing progress made against project milestones.
- 1.6 The assessment criteria used for actions and indicators is based on red, amber and green traffic light symbols. To be assessed as green performance indicators must be in line with their expected performance at this stage of the year, whilst actions must be on target against the "completed" or "in progress" milestones determined within the performance management system.

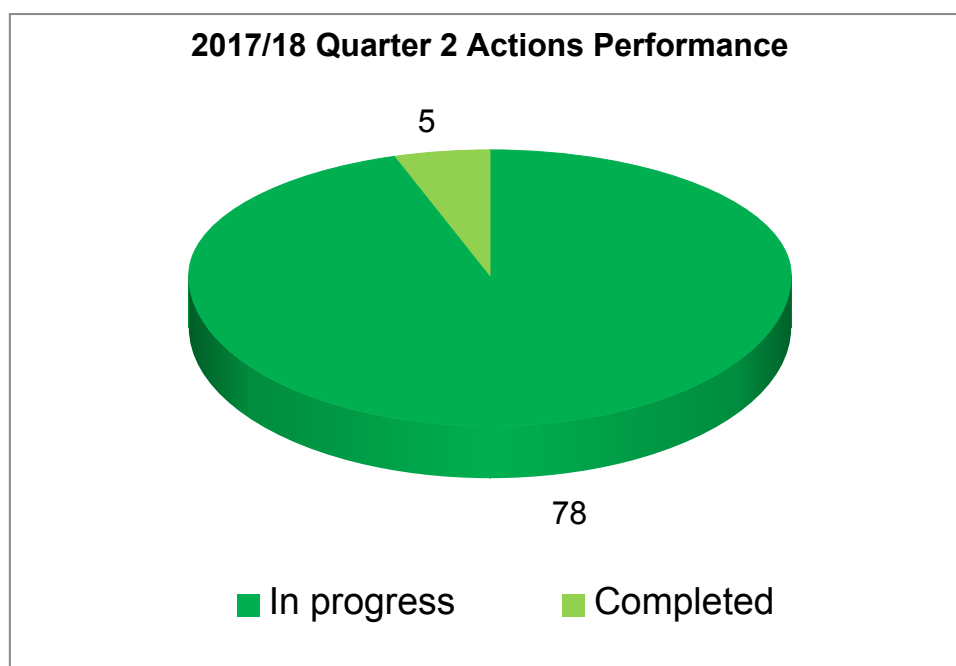
Proposal

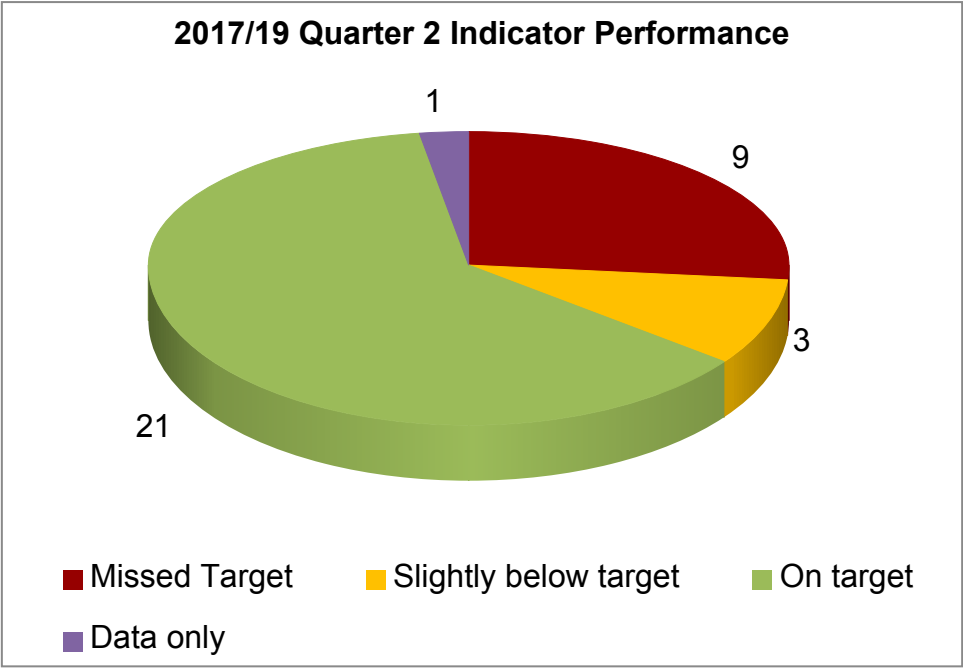
2 Quarterly Progress Report

2.1 Performance Information

Current Performance

- 2.1.1 Overall performance at quarter 2 against the 2017/19 Gedling Plan actions and indicators shows the following:



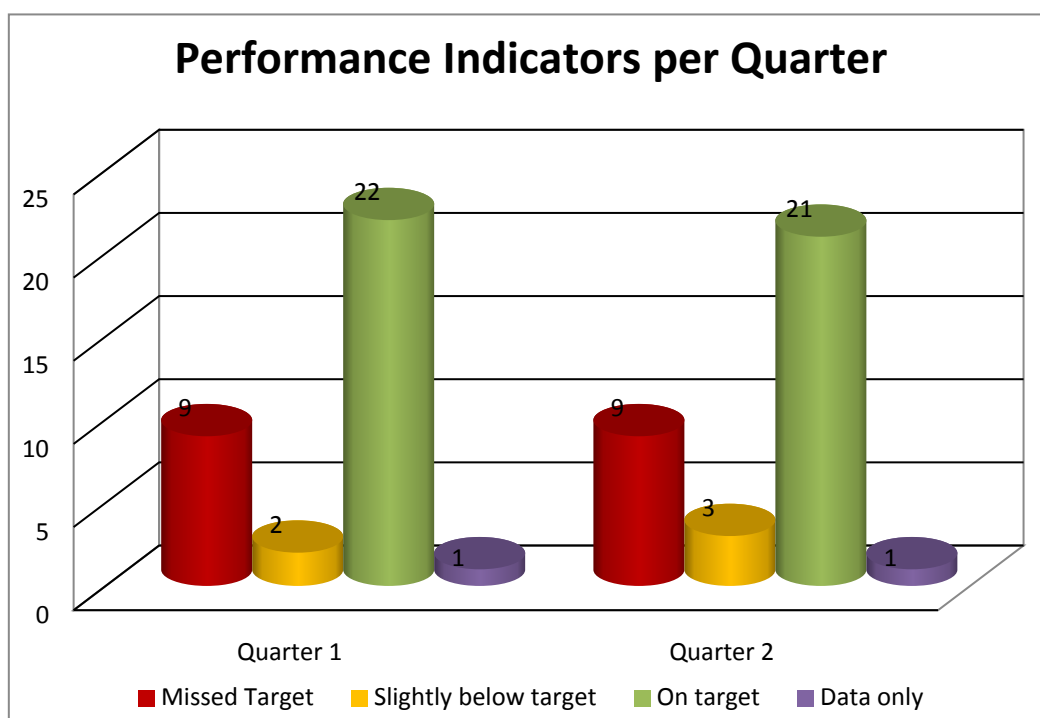


Actions

- 2.1.2 Five of the 83 Gedling Plan actions are completed, with the remaining either in progress or assigned to an Officer. It must be noted that the data in this report refers to the second quarter of the financial year only and it is expected that actions identified for the year will be met.

Indicators

- 2.1.3 As can be seen from the graph below, there has been limited movement in performance indicators between Quarters 1 and 2.



- 2.1.4 Examples of particularly positive performance during quarter 2 include:

- The average number of DNA members at 4,250 is already well above the annual target of 3,800.
- The proportion of households who considered themselves as homeless that the Council were able to help resolve their situation at 17.26% continues to be significantly higher than the 13% target.
- The time taken to process Housing and Council Tax Benefit claims and change events has improved to 5 days against a target of 6 days.
- 88% of One Stop shop customers seen within 15 minutes against a target of 83%.
- 6,415 people attended Bonington Theatre productions against a target of 6,200.
- 6 empty homes were returned to use against a target of 3, significantly higher than the 2 achieved during quarter 1.
- 100% of Major planning applications were processed within 13 weeks, higher than the 90% target.

- 182 theatre events/shows took place at the Bonington Theatre against a target of 125.

2.1.5 Of the 9 indicators shown red at the end of quarter 2, 5 are expected to improve and be on target at year end and 1 is expected to improve but be slightly behind target at year end. However Service Managers have indicated that 3 indicators are expected to be behind target at year end, despite management action. The following performance indicators which missed their target at quarter 2 are worthy of note at this stage:

Crime levels

a) Level of overall crime

The level of overall crime across the borough has increased to 13.1 incidents per 1,000 population, higher than the 11.43 target. This represents an increase of 26.2% compared to the same period of time in 2016-2017 equating to 631 more crimes. There has been a large increase in vehicle crime and also overall violence that in itself is in a large part related to changes in Police recording practices.

Homelessness

b) Average time to process homeless applications (number of working days)

Loss of two members of staff has partly contributed to missing this target, but with re-allocation/reprioritisation of resources, it is expected that performance will improve and meet the target by the end of the year.

Housing

c) Net additional homes provided

While the target was missed during quarter 2, we are seeing encouraging signs of housing activity. The increase in the number of housing starts, with a figure of 134 for Quarter 2, is the highest recorded figure we have so the picture moving forward is a positive one.

Also the adoption of the emerging Local Plan Document (anticipated summer 2018) will release additional sites for development which will help to increase housing starts and completions.

Achievements

- 2.1.6 A separate report is produced highlighting key achievements delivered during quarter 2, focusing on areas where the Council has made a real difference to people's lives. This is attached as Appendix 4 and is available on the Council's website and in hard copy in the Members' Room. The following outcomes are identified for particular attention:

Dealing effectively with illegal encampments – the Public Protection team, working in partnership with colleagues in Legal and Parks and Street Care successfully dealt with 4 illegal encampments.

- Colwick Recreation Ground during July 2017.
- Burton Road Recreation Ground during August on site for approximately 2 weeks later.
- Carlton Forum Playing fields during August. This was Redhill Academy land however Gedling Borough Council became involved to help deal with the eviction
- Thackeray's Lane Recreation Ground September.

Skate Jam 2017 - Following an approach by a young man at the Arnold Carnival asking for some kind of "organised" competition for those who have left school and are either at work or university/college but still had a love of BMX, scooters and skateboards, a successful Awards for All bid of £9,500 was obtained by the Friends of Arnot Hill Park. The Community Relations Service supported the Friends Of Group to commission Extreme Wheels to deliver a series of drop in sessions and skate-jams at local parks with a finale to be held at the Joshua Dale skate-park in Colwick. Events were held at the Play Days and across Arnold and Carlton. Bestwood Village also saw a drop-in event. This was the first Skate Jam programme of its kind to be delivered anywhere in the country.

Average attendance at the drop in sessions was 20-35 and at the skate-jam events approximately 40-55. The finale at Colwick attracted nearly 100 riders with additional activities and catering provided by the local Scout group.

Carlton Forum Health Suite - In the first 200 days of being open (up to 31st July) the Carlton Forum Health Suite had

- 5,778 users, which is 29 users per day on average.
- A net income of £1,774.86
- 196 DNA members took up health suite membership running alongside their other memberships.

2.2 Financial Information

- 2.2.1 Appendices 1 and 3 set out details of the current financial position on the Council's General Fund Revenue Budget and the Capital Programme 2017/18.

2.2.2 General Fund Revenue Budget

The following table summarises the overall financial position of the General Fund Revenue Budget and the expected total spend for the year. This information has been compiled using the best information made available to Financial Services by the relevant spending officers as at 30 September 2017. In summary the Council's General Fund outturn is projected to be underspent by £71,200 against the approved budget.

General Fund Revenue Budget 2017/18 – Change Analysis

	£
Net Council Budget for 2017/18 approved by Council on 1 March 2017 and Cabinet's Maximum Budget is:	12,481,100
Up to the end of September 2017 expenditure less income totalled	5,452,360
In the remaining 6 months of year we expect net expenditure to be	6,957,540
Total net revenue spend for the year is currently expected to be	12,409,900
Projected Revenue (Under)/Overspend 2017/18	(71,200)

Appendix 1 outlines how the General Fund Revenue budget is divided between the Portfolios of the Council and includes a detailed variance analysis identifying the current proposed changes for quarter two against the approved budget for each Portfolio area. Cabinet is recommended to approve these changes.

The major variances detailed in Appendix 1 include:

- Leisure – early delivery of efficiencies, increased DNA membership and utility savings in Leisure Centres (£70,900);
- Reduction in volume of Land Charge Searches resulting in reduced income of £30,000;
- Office space at Home Brewery no longer required giving a rental saving of (£30,000);
- Projected borrowing not undertaken in 2016/17 giving an interest saving of (£29,000);
- Early delivery of efficiency savings in Financial Services, originally anticipated for 2018/19 (£20,700).
- Site development work for New Farm, Top Wighay and Rolleston Drive funded by HCA Grant (£195,000);

Attached at Appendix 2 are details of the budget virements authorising the usage of Earmarked Reserves and Revenue Budget Funds as approved by the Chief Financial Officer and Corporate Director in accordance with Financial Regulations. No virements were approved by Portfolio Holders for amounts of £50,000 or less during quarter two.

Efficiency/Budget Reduction Programme 2017/18 – Progress Update

At its meeting on 1 March 2017, Council approved a programme of efficiency/budget reductions totalling £1,694,200 for delivery over the period 2017/18 to 2021/22. Of the total programme, £532,200 was approved for delivery in 2017/18 and quarter two monitoring indicates that £10,000 will not be achieved and a further £32,500 will be delayed until 2018/19. However, this will be fully offset by the early delivery of some proposals, totalling £43,400, which were initially planned for 2018/19.

In terms of the overall programme, 2017/18 to 2021/22, it is now anticipated that projects totalling £124,500 will not be achievable. This remains within the overall risk provision of £140,000 approved by Council in March 2017. The provision was agreed by Council in recognition of the risks in being able to deliver the full amount of savings. Delivery of the programme will continue to be monitored and updates provided in future reports.

2.2.3 Capital Programme

Appendix 3 details the current projected position on the Capital Programme and its' financing for 2017/18, analysed by Portfolio, and this is summarised in the table below. Cabinet is recommended to approve these changes.

Capital Budget 2017/18 - Change Analysis

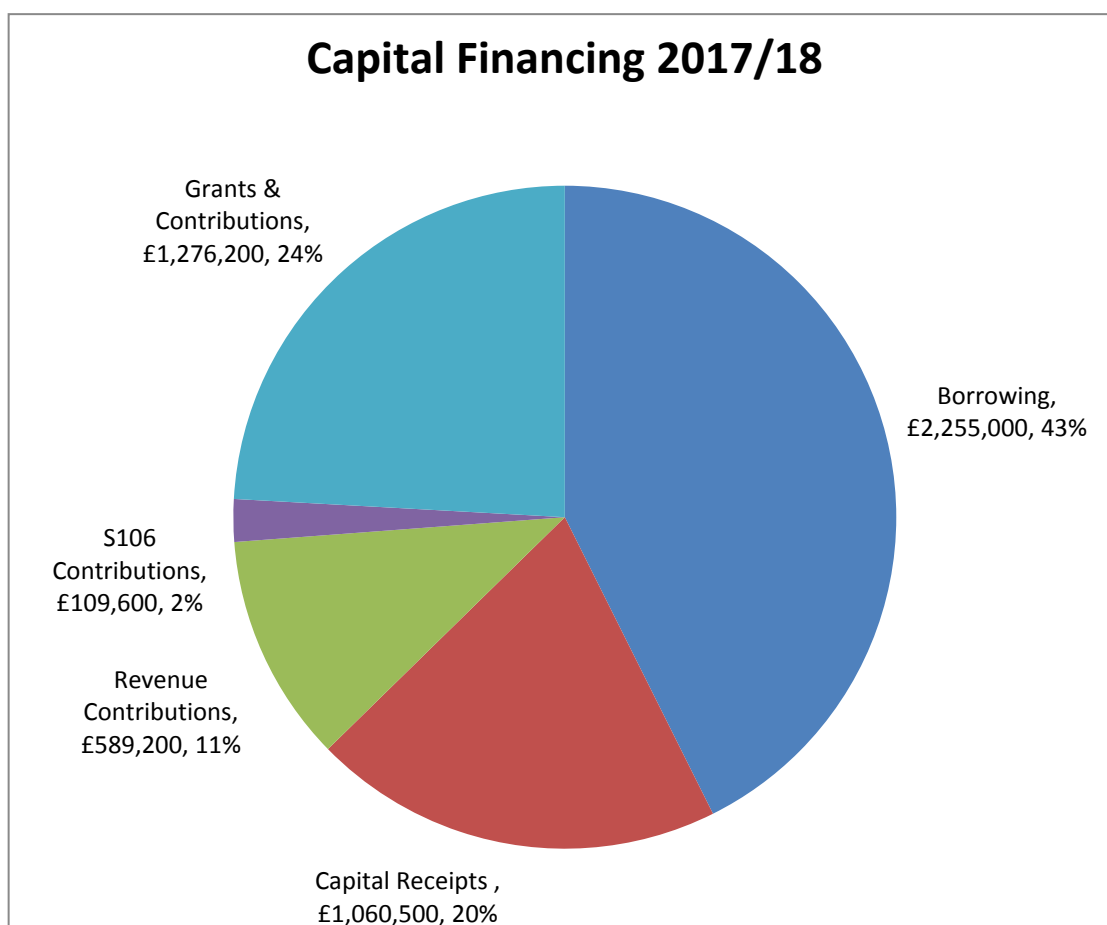
	£
Original 2017/18 budget approved by Council on 1 March 2017	4,967,900
Approved Capital Carry Forwards from 2016/17	507,100
Addition to Arnold LC Roof & Ceiling Replacement funded from Asset Management and Risk Reserves	50,000
Quarter 1 Amendments	227,000
Current approved budget for 2017/18	5,752,000

<u>Proposed Quarter 2 Amendments to the 2017/18 Programme</u>	
Additional Schemes:	
Arnot Hill Park Play Area – 100% funded by S106 Grant and WREN Grant	124,800
Valeside Gardens, Colwick Multi Use Games Area – 100% funded by WREN Grant	50,000
Cinder Path Netherfield - 100% funded by WREN Grant	46,000
Schemes identified for removal:	
CCTV Monitor Room upgrade funded from the CCTV reserve.	(50,000)
Schemes identified for deferral:	
All Weather Pitch Carlton Le Willows – delay in grant bid timetable set by the Football Foundation means that the scheme will be delivered in 2018/19	(300,000)
Civic Centre Public Toilets scheme to be slipped to 2018/19 due to alternatives now being considered.	(22,000)
Affordable Housing scheme fully funded by S106 to slip to 2018/19 as further work required before scheme can be identified.	(150,000)
Starter Homes Station Road, Carlton 100% funded by grant slip to 2018/19 due to changes in grant conditions allowing alternative delivery	(160,300)
Total Proposed Amendments to the Capital Programme	(461,500)
Proposed Revised Capital Programme 2017/18	5,290,500
Actual Expenditure to Quarter 2 2017/18	1,941,315
Estimated Expenditure Quarter 3-4 2017/18	3,349,185
Projected Outturn 2017/18	5,290,500
Projected Capital Programme Variance 2017/18	0

There is a bi-monthly capital monitoring of the projects chaired by the S151 officer and attended by finance officers and project officers. This meeting is pro-active in ensuring that the existing capital projects are delivered as efficiently and quickly as possible.

Capital Programme Financing

The projected method of financing the current capital programme requirement of £5,290,500 is detailed in Appendix 3 and summarised in the chart below:



Capital Receipt Monitoring

When the Council sells General Fund assets it is permitted to use this income to fund capital expenditure. The initial capital receipts estimate for 2017/18 projected that £1,209,000 will be generated with the whole amount to be used in financing the capital programme in 2017/18. The latest monitoring position indicates that £1,060,500 will be achieved, £148,500 less than the original estimate due to reduced land sales partly offset by additional preserved right to buy receipts.

Community Infrastructure Levy (CIL) Monitoring

Officers have been requested to report to Cabinet on the progress with the Community Infrastructure awards. In total, since the implementation of CIL (15 October 2015), 77 liability notices have been issued and 61 Self-Build Reliefs have been granted either for new dwellings, residential extensions over 100 square metres or residential annexes.

Since 15 October 2015 to 30 September 2017 the Council has received 21 payments across 16 developments totalling £102,960. Of this £15,444 (15%) is to be spent on the locality it has been collected via Neighbourhood Funding. £5,148 (5%) is to be set aside to cover the administration costs as permitted under the Regulations and the remaining £82,368 is to be spent on the strategic infrastructure projects that are identified on the Regulation 123 list.

Up to the 30 September the Council has issued liability notices totalling £1,446,948 of which £1,343,988 is still to be collected. This is reliant upon the developments commencing and the applicants complying with the notice. Each individual case for the outstanding monies is reviewed regularly and where appropriate followed up by the CIL officer.

As at the 17 October a further CIL receipt of £290,652 has been received taking the total receipts to date to £393,612.

Alternative Options

- 3 Option – Not to amend the original Council approved budgets during the year to reflect the latest projected outturn position.

Advantages:

- The final outturn position of the Council can be easily compared to its original intentions when the budget was set and areas of budget risk identified.

Disadvantages:

- Budgets not aligned to current budget pressures resulting in increased likelihood of budget overspend and emerging Council priorities not being addressed.
- Restrict the effectiveness of medium term planning process and preparation of the forward budget if pressures and areas of efficiency are not readily identifiable during budget preparation.
- Budget not reflective of latest performance information.

Reason for rejection – the option is not likely to result in the best outcomes in financial management or support delivery of priorities.

Financial Implications

- 4 The nature of the report is such that it has significant resource implications across the Council. The report itself demonstrates how resources are being managed.

Appendices

- 5 Appendix 1 – General Fund Revenue Budget 2017/18 – Budgetary Control Report

Appendix 2 – Use of Earmarked Reserves and Revenue Budget Funds

Appendix 3 - Capital Programme 2017/18 – Budgetary Control Report

Appendix 4 – Examples of Outcomes achieved during Quarter 2 2017/18

Background Papers

- 6 Detailed Quarterly Budgetary Control Exception Reports

Recommendations

Members are **recommended**:

- a) To note the progress against Improvement Actions and Performance Indicators in the 2017/19 Gedling Plan;
- b) To approve the General Fund Revenue Budget virements included in Appendix 1;
- c) To note the use of reserves and funds during quarter two as detailed in Appendix 2;
- d) To approve the changes to the capital programme included in paragraph 2.2.3.

Reasons for Recommendations

- 7 To align the budgets to the current pressures and priorities and ensure the delivery of Council objectives is supported.

Grand Summary**Revenue Quarterly Budgetary Control Report****Period September 2017**

	Current Approved Budget	Profiled Budget	Actual to date	Variance	%	Projected Outturn	Projected Annual Variance
	£	£	£	£		£	£
Community Development	1,600,500	601,750	502,523	-99,227	-16	1,599,200	-1,300
Housing, Health & Well-being	2,530,500	503,991	293,869	-210,122	-42	2,453,300	-77,200
Public Protection	1,703,800	402,783	365,632	-37,151	-9	1,703,800	0
Environment	4,723,800	1,389,753	1,360,120	-29,633	-2	4,771,700	47,900
Growth & Regeneration	967,700	348,883	94,449	-254,434	-73	1,023,700	56,000
Resources & Reputation	1,791,400	2,933,248	2,835,767	-97,482	-3	1,696,100	-95,300
Total Portfolio Budget	13,317,700	6,180,409	5,452,360	-728,049	-12	13,247,800	-69,900
Transfer to/ -from Earmarked Reserves	-779,100	-3,300	0	3,300	-100	-779,100	0
Total General Fund at Quarter 2	12,538,600	6,177,109	5,452,360	-724,749	-112	12,468,700	-69,900
Net Council Budget (Cabinet's General Fund Maximum Budget)	12,481,100					12,409,900	-71,200

COMMUNITY DEVELOPMENT PORTFOLIO**BUDGETARY CONTROL REPORT - SEPTEMBER 2017****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Leisure Development</u>	£'000	£'000			
Revenue Income	(108.9)	(111.3)	2.4		RPI increase on rental of Mapperley Golf Club.
<u>Community Centres</u>					
Employee Expenses	149.0	150.1		1.1	Additional caretaking hours required to cover long term sickness. Vacant Caretaking hours being covered casually and only when necessary.
<u>All other budget heads</u>					
Including items previously reported	1,560.4	1,560.4			
PORTFOLIO TOTAL	1,600.5	1,599.2	2.4	1.1	Net Portfolio Total £1.3K Favourable

HOUSING, HEALTH & WELLBEING PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Calverton Leisure Centre</u>	£'000	£'000			
Employee Expenses	365.1	361.7	3.4		Additional efficiency savings arising from a review of leisure staffing. Saving on instructors due to amended programming Increase in number of parties and increase in DNA membership at this site.
Revenue Income	(379.0)	(390.0)	11.0		
<u>Carlton Forum Leisure Centre</u>					
Employee Expenses	756.0	743.2	12.8		Additional efficiency savings arising from a review of leisure staffing. DNA membership has increased at this site, there has also been a shift in the membership base. This is partially offset by reduced income in the aerobics studio, the fitness suite and the main hall. Swimming Lesson income has increased due to the number of participants on each course increasing.
Revenue Income	(1,160.1)	(1,175.4)	15.3		
<u>Redhill Leisure Centre</u>					
Employee Expenses	388.9	398.7		9.8	Review of leisure staffing has increased resourcing at this site (offset by additional efficiencies secured at other sites). Reduced costs for gas supply Reduced income in the aerobics studio and fitness suite has been partially offset with additional income from DNA membership which has increased at this site.
Premises Related Expenses	122.1	120.1	2.0		
Revenue Income	(535.8)	(529.2)		6.6	

HOUSING, HEALTH & WELLBEING PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Arnold Theatre</u>	£'000	£'000			
Supplies and Services	31.4	37.0		5.6	Additional income in the cinema due to increased patrons and increased ticket sales for productions, this is partially offset by the additional production costs. Due to the increase in number of performances the opportunities to hire the theatre for parties has reduced, resulting in less income for this area.
Revenue Income	(97.4)	(107.9)	10.5		
<u>Arnold Leisure Centre</u>					
Employee Expenses	462.1	451.1	11.0		Additional efficiency savings arising from a review of leisure staffing. Due to closure of pool for refurbishment utility savings have been realised DNA membership has increased at this site, there has also been a shift in the membership base resulting in additional income.
Premises Related Expenses	179.1	167.9	11.2		
Revenue Income	(368.1)	(371.2)	3.1		
<u>Richard Herrod Centre</u>					
Employee Expenses	330.5	328.5	2.0		Additional efficiency savings arising from a review of leisure staffing. Electricity charges are lower than anticipated due to the centre generating electricity through the solar panels. Bar drink sales have continued to fall. Fewer bookings in the day time has reduced the income in the millennium suite. Reduced lease income from Bowls Club.
Premises Related Expenses	130.0	114.0	16.0		
Revenue Income	(357.4)	(342.0)		15.4	

HOUSING, HEALTH & WELLBEING PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Health & Exercise</u>	£'000	£'000			
Employee Expenses	13.6	0.0	13.6		Early delivery of efficiency saving originally anticipated in 2018/19 Classes and memberships now being managed by Leisure Centres, therefore reduced income offset above.
Revenue Income	(11.6)	0.0		11.6	
<u>Housing Benefit Administration</u>					
Employee Expenses	537.1	527.1	10.0		Saving due to vacant posts
Income	(518.1)	(522.4)	4.3		Additional grant re Universal Credit
All other budget heads Including items previously reported	2,642.1	2,642.1			
PORTFOLIO TOTAL	2,530.5	2,453.3	126.2	49.0	Net Portfolio Total £77.2K Favourable

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
<u>All other budget heads</u> Including items previously reported PORTFOLIO TOTAL					No variances to report
	1,703.8	1,703.8			
	1,703.8	1,703.8	-	-	Net Portfolio Total £0 Variance

ENVIRONMENT PORTFOLIO

Appendix 1

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
<u>Waste Management</u>					
Employee Related Expenses	1,527.4	1,540.9		13.5	Additional agency staff required to cover long term sickness.
<u>Parks</u>					
Premises	231.4	260.8		29.4	Maintenance of railway tunnel near Gedling Country Park and repair of Burton Road Wall - both required for Health & Safety purposes.
Third Party Payments	25.0	30.0		5.0	Match funding for Arnot Hill Park play area scheme.
<u>All other budget heads</u> (including items previously reported)	2,940	2,940			
PORTFOLIO TOTAL	4,723.8	4,771.7	-	47.9	Net Portfolio Total £47.9K Adverse

GROWTH & REGENERATION PORTFOLIO**BUDGETARY CONTROL REPORT - SEPTEMBER 2017****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
<u>Land Charges</u>					
Income	(140.9)	(110.9)		30.0	Reduction in volumes of Land Charge searches.
<u>Economic Development</u>					
Supplies and Services	180.9	375.9		195.0	Additional HCA Capacity Funding for New Farm, Top Wighay and Rolleston Drive for viability studies and surveys to assist site delivery.
Income	(178.1)	(373.1)	195.0		
<u>Development Management</u>					
Employees	391.3	401.3		10.0	Non delivery of efficiency proposal - sharing of CIL officer not possible.
Supplies & Services	92.8	108.8		16.0	Additional legal fees for the Wind Turbine legal challenge.
<u>All other budget heads</u> (including items previously reported)	621.7	621.7			
PORTFOLIO TOTAL	967.7	1,023.7	195.0	251.0	Net Portfolio Total £56K Adverse

RESOURCES & REPUTATION PORTFOLIO**BUDGETARY CONTROL REPORT - SEPTEMBER 2017****REVENUE ITEMS TO BE REPORTED**

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
<u>Registration of Electors</u>					
Supplies and services	23.8	48.6		24.8	Additional expenditure for postages for general election reimbursed by Government.
Revenue Income	(1.9)	(26.7)	24.8		
<u>Postages</u>					
Supplies and Services	55.3	50.3	5.0		Reduction in usage of franking machine as now using prepaid envelopes.
<u>Estates & Valuation</u>					
Employee Expenses	117.1	106.5	10.6		Savings from vacant post and superannuation.
Supplies & Services	37.7	57.7		20.0	Development work to facilitate land sales.
<u>Public Land & Buildings</u>					
Income	(164.4)	(169.4)	5.0		One off payment as part of lease renegotiations.
<u>Public Offices</u>					
Premises	356.0	326.0	30.0		Rental of office at Home Brewery terminated.
<u>Financial Services</u>					
Employee Expenses	645.2	624.5	20.7		Early delivery of efficiency savings initially anticipated in 2018/19.

RESOURCES & REPUTATION PORTFOLIO

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable £'000	Adverse £'000	
<u>Customer Services</u>	£'000	£'000			
Supplies and Services	17.5	20.4		2.9	Access to work equipment funded by grant
Income	(14.0)	(16.9)	2.9		
<u>Corporate Income & Expenditure</u>					
Capital Interest	318.2	289.2	29.0		Projected borrowing not required due to additional capital receipts in 2016/17. Additional interest from positive investment management
Income	(52.7)	(57.7)	5.0		
<u>Revenues - Local Taxation</u>					
Employee Expenses	436.9	426.9	10.0		Saving due to vacant posts
Supplies and Services	106.8	118.8		12.0	
Income	(344.2)	(356.2)	12.0		Business Rates software upgrade - grant funded
<u>All other budget heads</u> (including items previously reported)	254.1	254.1			
PORTFOLIO TOTAL	1,791.4	1,696.1	155.0	59.7	Net Portfolio Total £95.3K Favourable

EARMARKED RESERVES

BUDGETARY CONTROL REPORT - SEPTEMBER 2017

REVENUE ITEMS TO BE REPORTED

Budget Head	Current Approved Budget	Latest Projected Outturn	Net Budget Variance		Reason for Variance (New Items Only)
			Favourable	Adverse	
	£'000	£'000	£'000	£'000	
<u>Transfer to/from Reserves</u>					
RESERVES TOTAL	0.0	0.0	0.0	0.0	Net Reserves Total £0.0 Net Contribution from Reserves

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Transfers to/from Earmarked Reserves and Revenue Budget Funds

Quarter Ended September 2017

As approved by Chief Financial Officer and Corporate Director in Accordance with the delegations outlined in the Financial Regulations.

Usage of Earmarked Reserves		
		£
1.	Community Development	
	Funding for Fire Risk Assessments at Community Centres	5,300
	Contribution from Risk Management Reserve	(5,300)
2.	Community Development	
	Funding to deliver Street Games within the Borough	23,600
	Contribution from Earmarked Grants Reserve	(23,600)
3.	Public Protection	
	Funding for CCTV Cameras	50,000
	Contribution from CCTV Reserve	(50,000)
4.	Environment	
	Funding for repairs at Jumelles Drive	1,000
	Contribution from Risk Management Reserve	(1,000)
5.	Growth & Regeneration	
	Funding for Apprenticeship Grants	12,000
	Contribution from Economic Development Fund	(12,000)
6.	Growth & Regeneration	
	Funding for legal advice on the Local Planning Document	2,000
	Contribution from LDF Fund	(2,000)
7.	Resources & Reputation	
	Funding for Asbestos Management Survey	2,200
	Contribution from Risk Management Reserve	(2,200)
8.	Resources & Reputation	
	Funding for Destin Software from New Burdens grant	2,300
	Contribution from New Burdens Reserve	(2,300)
9.	Resources & Reputation	
	Funding for Health & Safety Training	2,100
	Contribution from Risk Management Reserve	(2,100)
	Revenue Total	100,500
	Reserves Total	(100,500)
	Net Total	0

Usage of Revenue Budget Funds		
		£
	No usage of Revenue Budget Funds in quarter 2.	
	General Fund Total	£0

FINANCIAL MANAGEMENT REPORT - CAPITAL BUDGET MONITORING

	Original Capital Programme	Carry Forwards	Quarter 1 Cabinet	Virements/ Supplements	Revised Cap Prog inc c/f & supp	Quarter 2 Proposals to Cabinet	Revised Cap Prog inc Qtr 2 Proposals	Actual To Date	Estimate for Qtr 3-4	Latest Projected Outturn
EXPENDITURE	£000's	£000's	£000's		£000's	£000's	£000's	£000's	£000's	£000's
Community Development	0.0	18.1	0.0		18.1	46.0	64.1	-2.1	66.2	64.1
Housing, Health & Wellbeing	856.0	73.0	160.3	50.0	1139.3	-310.3	829.0	435.3	393.7	829.0
Public Protection	1070.0	18.5	8.2		1096.7	-50.0	1046.7	298.1	748.6	1046.7
Environment	2016.9	397.5	58.5		2497.9	152.8	2650.7	1164.3	1486.4	2650.7
Resources & Reputation	1025.0	0.0	0.0		1000.0	-300.0	700.0	45.8	654.2	700.0
TOTAL EXPENDITURE	4967.9	507.1	227.0	50.0	5752.0	-461.5	5290.5	1941.3	3349.2	5290.5
RESOURCES										
Specific Capital Grant - Disabled Facilities Grant	1020.0	18.5	8.2		1046.7		1046.7	827.4	219.3	1046.7
Borrowing	2147.5	351.0	(70.0)		2428.5	-173.5	2255.0		2255.0	2255.0
Capital Receipts	1209.0				1209.0	-148.5	1060.5		1060.5	1060.5
Revenue Contribution	10.5	102.8			113.3		113.3	113.3		113.3
S106 Commuted Sum	150.0				150.0	-150.0	0.0	0.0		0.0
HCA Starter Homes			160.3		160.3	-160.3	0.0	0.0	0.0	0.0
S106 Gedling Country park		34.8			34.8		34.8	34.8		34.8
S106 Arnot Hill Play Area						74.8	74.8		74.8	74.8
WREN Grant - Muirfield Muga			48.5		48.5		48.5	48.5		48.5
WREN Grant - Arnot Hill Play Area					0.0	50.0	50.0		50.0	50.0
WREN Grant - Valeside MUGA					0.0	50.0	50.0		50.0	50.0
WREN Grant - Cinder Path Netherfield					0.0	46.0	46.0		46.0	46.0
Economic Development Fund	100.0				100.0		100.0	100.0		100.0
NNDR Pool Reserve	98.7				98.7		98.7	98.7		98.7
Budget Reduction Risk Reserve	100.0				100.0		100.0	100.0		100.0
Capital Reserve - ALC ceiling	82.2				82.2		82.2	82.2		82.2
Transformation Fund			45.0		45.0		45.0	45.0		45.0
Cont from Police for Jubilee House Alterations			35.0		35.0		35.0		35.0	35.0
Asset Mgmt Reserve				50.0	50.0		50.0	50.0		50.0
Contribution from Reserve for CCTV	50.0				50.0	-50.0	0.0	0.0		0.0
TOTAL RESOURCES	4967.9	507.1	227.0	50.0	5752.0	-461.5	5290.5	1499.9	3790.6	5290.5
UNDER/(OVER RESOURCED)	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0

NOTES :-

All budgets are grossed up with any contribution from outside bodies shown as income in the Resources section.

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Examples of Achievements and Activities

During

Quarter 2 2017/18

PEOPLE

Reduce antisocial behaviour, crime and fear of crime

Dealing effectively with illegal encampments – the Public Protection team, working in partnership with colleagues in Legal and Parks and Street Care successfully dealt with 4 illegal encampments (an increase from none during 2016) at

- Colwick Recreation Ground during July 2017.
- Burton Road Recreation Ground during August on site for approximately 2 weeks later.
- Carlton Forum Playing fields during August. This was Redhill Academy land however Gedling Borough Council got involved to help deal with the eviction
- Thackeray's Lane Recreation Ground September.

They ensured the encampments were removed as quickly as possible, whilst keeping all informed of the actions through regular briefings. Two were resolved within 2 weeks.

Reducing crime – the amount of anti-social behaviour reported to the police over the last 12 months has reduced by 23.2%. There has also been a significant reduction in drug offences which have fallen by 22.4% over the same period.

Flying High Performing Arts Summer School - The Council worked in partnership with Flying High Expressive Arts Company to offer a four day dance and drama summer school for children aged 8-16 years old. Sessions took place at Pond Hills Lane Community Centre culminating in a performance at the Bonington Theatre. Sixteen young people attended with a number of those signing up to regular weekly Flying High sessions.

Carnival Workshops with City Arts - City Arts offered two workshop sessions in Arnot Hill Park to families over the summer holidays to create art work and props for the City Arts float at Nottingham Carnival, around 20 families took part.

Funding for New Youth Activities at Leisure Centres - The Community Relations Service has successfully obtained national funding to deliver StreetGames Club1 sessions in the Leisure Centres across the Borough. £6,000 of funding has been secured to engage young people into individual activities such as swimming, running and fitness sessions. A designated Club1 session will take place each week for 14-18 year olds at Calverton, Redhill and Carlton Forum.

Multi-Sports at Netherfield Youth Club - The Council teamed up with Nottinghamshire County Council Youth Service and Nottinghamshire County Football in the Community to provide a multi-sports session at Netherfield Youth Club during July. 12 young males engaged in the session and there are plans to roll out more regular sessions for young people in Netherfield.

Skate Jam 2017 - Following an approach by a young man at the Arnold Carnival asking for some kind of "organised" competition for those who have left school and are either at work or university/college but still had a love of BMX, scooters and skateboards, a successful Awards for All bid of £9,500 was obtained by the Friends of Arnot Hill Park. The Community Relations Service supported the Friends Of Group to commission Extreme Wheels to deliver a series of drop in sessions and skate-jams at local parks with a finale to be held at the Joshua Dale skate-park in Colwick. Events were held at the Play Days and across Arnold and Carlton. Bestwood

Village also saw a drop- in event. This was the first Skate Jam programme of its kind to be delivered anywhere in the country.

Average attendance at the drop in sessions was 20-35 and at the skate-jam events approximately 40-55. The finale at Colwick attracted nearly 100 riders with additional activities and catering provided by the local Scout group.

Reduce hardship and provide support to the most vulnerable

Improving homes for increasing numbers of private tenants – The authority deals with complaints from private tenants where the landlord has not carried out repairs they are legally required to do, this includes leaking roofs, unsafe stairs, insecure properties and where heating has failed. The number of housing conditions service requests have steadily increased since 2009 from 121 during 2010/11 to 186 during 2016/17. From April to the end of quarter 2 a total of 109 requests were received.

Get up and Go day - Carlton Forum hosted a Get up and Go/Older Person's Day during September. Partners attending the day included Metropolitan Connect, Change Point, Notts Fire and Rescue and Eon to give advice and support. Over 20 older people were engaged in the event and 4 new participants attended the leisure centre's 50+ Club's sport and physical activity sessions.

Arnold Methodist Church Mental Health Befriending Service - The Community Relations section has continued to support the Arnold Methodist Church Befriending support group, which celebrated its one year anniversary at an event during September.

Supporting the Gedling Breathe Easy Group - The Community Relations Section has helped to provide activities for the Gedling Breathe Easy group, including talks from the Everyone Health and Wellbeing Service and Gedling Homes (Lifeline) and a singing instructor for their Christmas Singalong. The group offers the opportunity for local people living with a lung condition to make new friends with others who understand what they're going through, and learn more about living with a lung condition.

Community Health and Wellbeing Newsletter - The August edition of the Council's Community Health and Wellbeing E-Newsletter was created and sent to over 1,000 recipients and included information about Netherfield's new Dementia Memory Café, Change Point's service, Gedling Homes' Lifeline, DNA Health memberships, Gedling parkrun's, One You Active 10, Get up and Go.

Supporting Netherfield Dementia Café - The Council has been providing support and advice for a new Dementia Café in Netherfield. The café takes place at the St George's Centre, run by volunteers and supported by Gedling Homes.

Supporting Falls Prevention in Bestwood Village - The Council has supported the launch of new Falls Prevention session in Bestwood Village by promoting through the lunch club, distributing posters to the Bestwood Village Healthy Communities group, village Facebook page and newsletter and both Eden Lodge and Hawthorn Nursing homes.

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

More people watching movies at Bonington Theatre – during quarter 2 3,682 people came to the theatre to watch the 105 film screenings significantly higher than the 1,843 attendees during quarter 2 2016/17.

Gedling Country Park – Memorial Garden Sculpture Project - The Council and Friends of Gedling Country Park have appointed artist Richard Janes to produce a sculpture for the Memorial Garden funded by Supporting Local Communities at Nottinghamshire County Council. Representatives from both organisations were presented with three designs and the selected design was based on research into Gedling Colliery's 'Palm Tree Junction'. This is still located under the site of the country park and was well known by former miners and inspired a sculpture in the form of a tree. It is intended that the completed piece will be produced in core-ten steel and include laser cut images, referencing the mining history of the park and the wildlife and plant life in the park now. It is anticipated that the sculpture will be produced and installed by the end of March 2018.

New Gedling Community and Voluntary Sector E-Newsletter - The first edition of the Community and Voluntary E-Newsletter was sent out during September to 480 Community and Voluntary Sector recipients. The newsletter promotes events and volunteering opportunities within the borough and the first edition included features on

- Community Support Initiatives e.g. Get Up & Go campaign for older people.
- Council Events e.g. Halloween and Christmas Children's arts & craft events
- Opportunities for the community, information on Gedling Senior and Youth Council
- Funding opportunities for community groups to apply for
- Volunteering opportunities in Gedling and volunteering opportunities for Gedling Borough staff
- Community Centre room hire.

Exploring the Heritage of Conway Park - Netherfield's Locality Co-ordinator is working with Nottingham Archive and the University of Nottingham to uncover the history of Conway Park. The Council has plans to use its research to support an upcoming bid to heritage lottery.

Gedling Borough's Heritage Brought Alive - The Council has been successfully awarded £75,000 from Heritage Lottery Fund to deliver the 18 month Gedling Borough's Heritage Brought Alive project. The project will work with local heritage and history societies to interpret the Borough's rich heritage at the new visitor centre and on trails at Gedling Country Park. This will be complemented by an on-line hub promoting the many aspects of the Borough's heritage,

Netherfield Garden Competition and Good Neighbour Awards - During July the Netherfield Garden Competition and Good Neighbour Award was held at the Richard Herrod Centre and hosted by the Mayor of Gedling. 22 people entered the Garden Competition with 8 entering the Good Neighbour Award. The event was attended by residents, Carlton Brass Training Band and a local singer. Prizes were donated by East Midlands Trains, Waitrose, The Hilton, Sainsbury's, Morrison's, Tesco's B & Q, Wilkinsons and The Co-op.

Killisick Fun Day - Another great event with good attendance as in previous years, around 400 people attended during the afternoon. The Mighty Smith provided the main attraction but Killisick Junior School's performance in the arena was a particular highlight. There were inflatables, balloon modelling, Climbing Wall, Sports Coaches providing fun games, craft activities for the children, face painting and lots of information stalls. This continues to be a popular event!

Newstead Fun Day - This year's fun day was the biggest and best attended so far. The Mayor attended to present the prizes to the Garden Competition winners as usual and there was also a Fun Fair, amazing Fire Stunt Show and lots of stalls and activities including inflatables, balloon modelling, Climbing Wall, Sports Coaches providing games, craft stalls and activities for the children and a Fire Engine.

Tour of Britain - The Tour of Britain came through Newstead village on 6th September and Community Relations coordinated the village activities. The village was well decorated with yellow bunting and several bicycles painted bright yellow on display. The Newstead Dragon gave a warm welcome to the racers and the Primary School bike art and the dragon featured on the live ITV4 coverage. All residents on the route were given posters to display in windows and many did.

Volunteers from the Council kept everyone safe whilst Leisure (and a member of Community Relations) cycled away to welcome the tour. In the afternoon a picnic was arranged with cycling related and non cycling related activities available and Dr Bike repairing cycles. Many of the teachers from the Primary School came down along with families and time trials and racers were organised finishing off an exciting day!

Gedling Borough Arts Festival - The Gedling Borough Arts Festival returned with an extended programme, this year running over seven days instead of three. The festival was programmed by New Writers UK with support from the Council, Gedling Homes, Arnold Methodist Church, Arnold Library, Button Moon and Gedling Borough Arts Association. A significant number of other local arts and community organisations were also involved and the programme covered a wide variety of art forms. Overall the feedback from the public was positive, particularly successful events included:

- Willow Weaving workshops and after school arts activities in Arnot Hill Park
- A joint concert from Bestwood and Carlton Male Voice Choirs
- A craft market in Arnold Town Centre linked to performances in Arnold Market Place

Outdoor Theatre in Arnot Hill Park - The Friends of Arnot Hill Park with support from Arts and Parks staff at the Council hosted an outdoor performance of 'Alice Through the Looking Glass'. The event was free of charge to the public and was funded by Councillors', the Friends of Arnot Hill Park, Arts' and Parks' budgets. An estimated 250 attended the event and feedback from the audience was generally very positive. The Friends group placed collection buckets on the gate at the end of the performance and raised over £200 which they hope to use to support similar events next year.

Summer Play Days - This summer the Council worked in partnership to deliver Play Days in Calverton, Papplewick, Arnold and Carlton and Gedling. Partners who contributed funding included Calverton Parish Council, Calverton Play Day Committee, Papplewick Parish Council and Papplewick and Linby Enterprise Group. Many hundreds attended the four events enjoying a wide range of free play activities for children.

Improve health and wellbeing

Arnold Leisure Centre Works Completed – the swimming pool reopened in September 2017. A brand new external roof and internal suspended ceiling has been installed along with a new lighting system in the pool area, upgrade of the heating system and work has been carried out to improve the interior of the centre. The changing facilities have also been improved with the installation of new hair dryers and straighteners. As at the end of quarter 2 the number of swimming lesson attendees had risen to 920, only 30 fewer than the pre-closure figure.

Carlton Forum Health Suite - In the first 200 days of being open (up to 31st July) the Carlton Forum Health Suite had

- 5,778 users, which is 29 users per day on average.
- A net income of £1,774.86
- 196 DNA members took up health suite membership running alongside their other memberships.

New funding for Cinder Track in Netherfield - A bid for funding to WREN was submitted earlier this year which has resulted in £46,320 being granted for improvements to the cinder track in Netherfield. Work will commence over the next few months and will make the track more accessible for local people to enjoy.

Increasing DNA membership – To the end of Quarter 2 there were 622 more members compared to last year – the current total is 4,417 members.

Richard Herrod Wrestling to raise mental health awareness - A special wrestling event organised by Councillor Scroggie and Arnold Methodist Church at the Richard Herrod Centre took place in August to raise awareness of mental health issues and funds for the church to build a crisis café for people in need. This successful event is to be repeated again in the future.

Smoke free Killisick Fun Day - At the Killisick Fun Day there was a smoke free zone in the Beacon area which included the car park and grounds. Signs were put up on the fencing and all entrances and were honoured by the people attending. The Beacon asked for the signs to be left up at the end of the event to continue to request users to respect the smoke free zone permanently.

Drop-in Sport at Arnot Hill Park - A programme of Sport was delivered in Arnot Hill Park during August. Attendance at the drop in style sessions was high with a real interest in sports such as Rounders and Tennis.

Improver Running Track Sessions at Carlton-le-Willows Academy - An Improver Running Track Session was successfully delivered for 12 weeks over the summer at Carlton Le Willows Academy. The sessions were delivered by local qualified Run Leaders and an average of 30 participants attended each week, with 50 participants attending some weeks. All participants were over 16 and had some level of running experience. The Council supported by promoting the sessions and providing funding for the track hire. The volunteers are now looking to make this an annual summer programme.

Get Going In Gedling - The Council has supported the revision of promotional material for the long standing Get Going Gedling health walk programme led by local volunteers. The promotional leaflet has been updated and distributed around the Borough.

PLACE

Provide more homes

Increased number of homes started - During Quarter 2 a total of 125 homes were started, mainly to the Gedling Colliery/Chase Farm site (33 plots) and the Byron Street site (14 plots) next to Aldi in Arnold.

A gap funding application - was submitted to HCA to help accelerate a large derelict site in Arnold.

Create more jobs and better access to them

Jobs Fair held - During quarter two we delivered the annual Gedling Jobs Fair supporting 16 employers with their recruitment needs (in addition to 35 providers promoting training, employment and support services).

Gedling Business Partnership meetings - The Economic Growth Team attended three Gedling Business Partnership meetings to support businesses with their business support needs and D2N2 Growth Hub delivered a business surgery which three businesses accessed.

Business support initiatives - In quarter two four businesses were visited and supported to access business support initiatives. In addition, businesses that have been visited in previous months continue to receive support.

Business engagement event - A wider business engagement event for Colwick has been arranged during quarter two to take place in quarter three.

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

Speed Networking events - introducing young people to employers were held at two secondary schools. Engagement has continued with all secondary schools to plan employability events for the new academic year.

Apprenticeship Support - During this period 7 grants were awarded to businesses to support apprenticeships

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

Green Flag awards - Successful award of three 'Green Flags' at AHP, Burton Road Jubilee Park and Gedling Country Park, to recognise well managed parks and green spaces, setting the benchmark standard for the management of recreational outdoor spaces across the United Kingdom to ensure that everybody has access to appropriately managed, quality green and other open spaces, irrespective of where they live. That meet the needs of the communities that they serve.

Installation of a new 'Multi Use Games' area at Muirfield Road Recreation ground and a newly refurbished 'Children's Play Area' at Vale Road in Colwick, to give local children and teenagers attractive and enhanced recreation facilities.

Community volunteer sessions - An 'ongoing' annual programme of environmental improvement community volunteer sessions, [see attached], designed to enhance and create attractive and sustainable local environments. Involving the Arnot Hill Park Gardening Club, who maintain the ornamental areas of the park. Tree and Hedge planting at Gedling Country Park. Maintenance and tidy up of the Japanese Water Gardens at Bestwood Country Park and maintenance of the nature trail at Burton Road Jubilee Park, to include litter picking, weeding and general tidy up. To provide some examples. Tasks are suitable for those more and less physically able.

Launch of the 'Green Nudge' campaign with the help of Cllr's Clarke and Barnes. 'Green footprint' stencils are sprayed using biodegradable paint, in effect walking towards a nearby litter bin, to draw people's attention to the need to deposit litter in the bins provided rather than drop them on the floor. (See Photos attached).

Continuation of the 'Clean up after your dog' campaign, with 'Were Watching You' vinyl banners, and fluorescent glowing eyes, [Keep Britain tidy sponsored], posters and 'Clean up' after your dog biodegradable paint stencils placed at hot spot locations to deter dog fouling.

Comprehensive review of land ownership and grounds maintenance and cleansing responsibilities at 'Warren Hill' to address failings and inefficiencies, caused by organisations not taking responsibility for maintenance and cleansing. Area now fully mapped and all ownership organisations identified. Work to improve the area ongoing.

PERFORMANCE

Improve the customer experience of dealing with the Council

Increasing satisfaction with the Council – the proportion of residents that are satisfied with Gedling Borough Council has increased to 65.9% from 64%. More residents feel better informed rising to 71.2% compared to 69%. 73% of residents are satisfied with the ways they can contact us, increasing from 71% and 60% are satisfied with our response when they contacted us (rising from 57%).

New website launched – The Council's redesigned website was launched in August aimed at being easier to use and to facilitate more online/digital services for our residents.

Award winning communication – Our Media and Communications Manager won the 'Communicator of the year' in the Granicus Digital Strategy awards which recognise effective and innovative digital strategy promoting services, improving awareness, and increasing citizen involvement throughout the public sector.

Maintain a positive and productive working environment and strong staff morale

Staff Wellbeing@Work Newsletter - The latest edition of the Staff Wellbeing@Work Newsletter was circulated in July and included topics such Pilates sessions for staff, the 'Let's Do it' initiative and how to do an office work out.

Staff Pilates Sessions - Staff Pilates sessions have been re-established in September initially for a 6 week trial with the plan to continue long term providing there is a good take up to the sessions.

Being Healthy at the Employee Conference - The following speakers and activities were sourced for the Council's Employee Conference to offer advice about leading healthy lifestyles:

- Mr Singh from Keyworth Pharmacy,
- Let's Talk Wellbeing Talking Therapy Service,
- Gedling parkrun
- Nordic Walking

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Report to Cabinet

Subject: Prudential Code Indicator Monitoring 2017/18 and Quarterly Treasury Activity Report for Quarter ended 30 September 2017

Date: 2 November 2017

Author: Deputy Chief Executive and Chief Financial Officer

Wards Affected

All

Purpose

To inform Members of the performance monitoring of the 2017/18 Prudential Code Indicators, and to advise Members of the quarterly treasury activity as required by the Treasury Management Strategy.

Key Decision

This is not a key decision.

Background

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to report on its Prudential Code indicators and treasury activity. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 For 2017/18 the minimum reporting requirements are that the Full Council should receive the following reports:
 - An annual Treasury Strategy in advance of the year (the TMSS, considered by Cabinet on 16 February 2017 and subsequently approved by Full Council on 1 March 2017).
 - A mid-year treasury update report
 - An annual review following the end of the year describing the activity compared to the Strategy.

In accordance with best practice, quarterly monitoring reports for treasury activity are provided to Members, and this exceeds the minimum requirements.

- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. This report provides details of the Mid-Year position at 30 September 2017 and highlights compliance with the Council's policies.

Proposal

2.1 Economic update

The UK economy grew strongly in 2016, however 2017 has so far been disappointing, with each of Q1 and Q2 at only +0.3%. The main reason has been the sharp increase in inflation, caused by the devaluation of sterling after the EU referendum, which has fed increases in the cost of imports into the economy. This in turn has caused a reduction in consumer disposable income, so the services sector, which accounts for around 75% of GDP, has seen weak growth as consumers cut back their spending. There have been encouraging statistics from the manufacturing sector which is seeing strong growth as a result of increased demand for exports, and it has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, manufacturing only accounts for around 11% of GDP so expansion in this sector will have a muted effect on the average total GDP growth for the UK economy as a whole.

The Monetary Policy Committee (MPC) meeting on 14 September 2017 surprised markets and forecasters by switching to a more aggressive tone around its warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged that CPI inflation is expected to peak at just under 3% in 2017, before falling back to near to the target rate of 2% in two years' time. Inflation was 2.9% in August and the Bank revised its forecast for the peak to over 3% at the 14 September MPC meeting. This marginal revision hardly justified the MPC's change of tone, rather the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which it now needed to take action. The MPC also took a more tolerant view of low wage inflation, as this now seems a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour force faces competition from overseas labour eg. in outsourcing work to developing economies, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.

It therefore looks likely that the MPC will increase Bank Rate to 0.5% in November 2017 or in February 2018, and it remains to be seen whether this will be a one off increase, or the start of a series of slow but regular increases. As at the start of October, short sterling rates indicate that financial markets do not expect a second increase until May 2018, with a third increase in November 2019. However, some forecasts are for growth to improve significantly in 2017, and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power, while a strong export performance will compensate for weak services sector growth. If this scenario was to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. With so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is considered by most forecasters to be too early to be confident about how the next two years will pan out.

Economic growth in the EU, (the UK's biggest trading partner), was disappointing for several years following the financial crisis, despite the European Central Bank (ECB) cutting its main rate to -0.4% and embarking on a massive programme of Quantitative Easing. However, growth picked up in 2016 and looks to have gathered ongoing momentum thanks to this stimulus. GDP growth in 2017 has been 0.5% in Q1 and 0.6% in Q2. However, despite massive monetary stimulus, the ECB is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely that interest rates will start to rise until around 2019.

Growth in the American economy was volatile in 2015 and 2016, and 2017 is following a similar pattern with Q1 at only 1.2% but Q2 rebounding to 3.1%. Unemployment in the US has also fallen to the lowest level for many years while wage inflation pressures, and inflationary pressures in general, have been building. The Federal Reserve (Fed) has started on a gradual rise in rates with three increases since December 2016 and the possibility of one more rate rise in 2017, which would then lift the central rate to around 1.50%, and there could potentially be four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holding of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

Chinese economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems. Japan is struggling to stimulate consistent significant growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

2.2 Interest rate forecast

The Council's treasury advisers, Capita Asset Services, undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be whether the MPC stops at just withdrawing the emergency Bank Rate cut of 0.25% (made in August 2016 after the result of the EU referendum), or whether they will embark on a series of further increases in Bank Rate during 2018.

The overall balance of risk to economic recovery in the UK is currently to the downside, however significant variables remain over the coming few years, including what form Brexit will take when it is agreed with the EU.

Downside risks to current forecasts include:

- Weaker than anticipated UK economic growth and increases in inflation.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.

The potential for upside risks to current forecasts include:

- The pace and timing of rate increases by the US Fed causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

Capita Asset Services (CAS) have provided the following forecast:

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

2.3 Investment strategy

The Treasury Management Strategy Statement (TMSS) for 2017/18 was approved by Council on 1 March 2017.

The Council's investment priorities remain the security of capital and good liquidity. Whilst the Council will always seek to obtain the optimum return (yield) on its investments, this will at all times be commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate either to keep investments short term to cover cash flow needs, or to extend the period up to six months with highly rated financial institutions, selected by the use of the Capita creditworthiness methodology (see below) which includes consideration of sovereign ratings.

During the period from 1 April to 30 September 2017, significant use has been made of two Money Market Funds (MMFs). These are AAA rated investment vehicles which allow the pooling of many billions of pounds into highly diversified funds, thus reducing risk. The current rate of return on these funds is around 0.15%, and whilst this is very low, it remains higher than overnight treasury deposit rates and of the rate obtainable from the Debt Management Office (DMO).

The Treasury Activity Report for the quarter ended 30 September 2017 is attached at Appendix 1, in accordance with the Treasury Management Strategy. For reference, definitions of LIBOR and LIBID are given at Appendix 2.

Members will note that investment interest of £23,576 was generated from MMF activity and term deposits with banks and building societies during the period from 1 April to 30 September 2017. This represents an overall equated rate for the Council of 0.43% and outperforms the benchmark 7 day LIBID rate, which averaged 0.11% for the same period. In cash terms this represents additional income to the General Fund of around £17,500 and was achieved by positive investment management. Performance in respect of the longer 3 month LIBID rate, which averaged 0.18%, still represents additional income of £13,700.

Rates in the market remain very low, and this is likely to continue following the UK's vote to leave the EU. As loans mature it is challenging to replace them at similar rates since security and liquidity will always be the overriding factors in the Council's treasury management. Accordingly the equated rate may fall further during the remainder of 2017/18. Interest rates are currently not expected to start rising until Q2 of 2019, and then only gradually, and not significantly.

It is currently anticipated that the outturn for investment interest will be £45,000, an increase of £10,000 on the original estimate of £35,000 for 2017/18, mainly due to the effect of loans arranged in 2016/17 and to ongoing positive investment management. The impact of this increase is included in the Q2 revenue budget monitoring report elsewhere on this agenda.

Credit ratings advice is taken from CAS and the Chief Financial Officer has adopted the CAS credit rating methodology for the selection of investment counterparties. This employs a sophisticated modelling approach utilising credit ratings from all three of the main rating agencies to give a suggested maximum duration for investments. Accordingly it does not place undue reliance on any one agency's ratings.

The methodology subsequently applies an "overlay" to take account of positive and negative credit watches and/or credit outlook information, which may increase or decrease the suggested duration of investments. It then applies a second overlay based on the credit default swap spreads for institutions, the monitoring of which has been shown to give an early warning of likely changes in credit ratings. It also incorporates sovereign ratings to ensure selection of counterparties from only the most creditworthy countries. The current Treasury Strategy permits the use of any UK counterparties subject to their individual credit ratings under the CAS methodology. It also permits the use of counterparties from other countries with a minimum sovereign rating of AA. For information, the UK currently has a rating of AA.

The CAS modelling approach combines all the various factors in a weighted scoring system and results in a series of colour coded bands which indicate the creditworthiness of counterparties. The colour bandings are as follows:

- Yellow 5 years (UK Government debt or its equivalent)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks only)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

All credit ratings are monitored weekly and the Council is also alerted to interim changes via its use of the CAS creditworthiness service, however ratings under the methodology, including sovereign ratings, will not necessarily be the sole determinant of the quality of an institution. 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 ultimate decision on what is prudent and manageable for the Council will be taken by the Chief Financial Officer under the approved scheme of delegation.

2.4 New borrowing

No new long-term borrowing was undertaken during the quarter ended 30 September 2017.

The Council's Capital Financing Requirement (CFR) represents its underlying need to borrow to finance capital investment. Due to favourable interest rates, borrowing in advance of need is sometimes desirable, with the result that the CFR can differ to the actual borrowing planned in the year.

It is currently anticipated that £1m of new borrowing will be undertaken during 2017/18, at a point when interest rates are deemed most favourable by the Chief Financial Officer. Interest rates remain low, and the PWLB certainty rate, available to all authorities providing relevant information to CLG, allows the Council to take advantage of a discount of 20 basis points.

It is currently anticipated that the outturn for PWLB interest payable will be £277,200, a reduction of £29,000 on the original estimate of £306,200 for 2017/18, and this is due to planned borrowing at the end of 2016/17 not taking place. The impact of this reduction is included in the Q2 revenue budget monitoring report elsewhere on this agenda.

The Council is embarking upon a commercialisation programme aimed at the generation of funding to replace central government support, which is scheduled to be withdrawn by 2020. Significant additional borrowing may be required to support this commercial programme, which will be supported by individual business case assessments to demonstrate that each project generates a return sufficient to cover any borrowing costs. Advice will be taken from CAS with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some borrowing in advance of need will also be considered by the Chief Financial Officer. Whilst borrowing rates remain historically low, investment rates too are very poor, and serious consideration must be given to the cost of carrying any additional borrowing during the period prior to it being required for the financing of capital expenditure.

2.5 Debt rescheduling

Debt rescheduling opportunities are limited in the current economic climate,

and due to the structure of interest rates. Advice in this regard will continue to be taken from CAS. No debt rescheduling has been undertaken during the period from 1 April to 30 September 2017.

2.6 Compliance with Prudential and treasury indicators

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council's approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Full Council on 1 March 2017.

During the financial year to date the Council has at all times operated within the treasury limits and Prudential Indicators set out in the Council's TMSS, and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators as at 30 September 2017 are shown at Appendix 3.

a) Prudential Indicators:

These indicators are based on estimates of expected outcomes, and are key indicators of "affordability". They are monitored on a quarterly basis, and Appendix 3 compares the approved indicators with the projected outturn for 2017/18, and shows variances on some of the indicators, as described below:

i) Capital Expenditure

The latest projected outturn shows that capital expenditure is expected to be £5,290,500. This differs to the original estimate of £4,967,900 due to the inclusion of approved carry-forward requests from 2016/17 and to approved variations to the capital programme during 2017/18.

ii) Capital Financing Requirement (CFR)

The projected closing CFR for 2017/18 is £12,456,200. This is lower than the approved indicator of £13,160,400, due to savings on the 2016/17 capital programme, slippage of schemes to 2017/18, and additional capital receipts, all of which reduced the borrowing requirement in that year.

iii) Ratio of Financing Costs to Net Revenue Stream

The projected outturn of 11.11% shows an increase on the approved indicator of 11.00%. This is due to increased revenue contributions to capital expenditure, offset by reductions in MRP arising from the savings and slippage on the capital programme in 2016/17, and in PWLB interest as the planned new borrowing in 2016/17 was not undertaken.

iv) Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2017/18 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. The Council's gross debt at 30 September 2017 was £6.812m which was well within the approved indicator.

b) Treasury Management Indicators:

These indicators are based on limits, beyond which activities should not pass without management action. They include two key indicators of affordability and four key indicators of prudence.

Affordability:

i) 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.

ii) 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

Prudence:

iii) Upper limit for fixed interest exposure – represented by the maximum permitted net outstanding principal sum borrowed at fixed rates. Please note that a negative indicator represents a position of net investment.

iv) Upper limit for variable interest rate exposure – represented by the maximum permitted net outstanding principal sum borrowed at variable rates. Please note that a negative indicator represents a position of net investment.

- v) Maximum new principal sums to be invested during 2017/18 for periods in excess of 364 days - such investments are classified as a “non-specified”. This indicator is subject to the overall limit for non-specified investments set in the TMSS.
- vi) Upper limits for the maturity structure of borrowing - set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing.

Appendix 3 shows the actual position as at 30 September 2017, and demonstrates that all activities are contained within the currently approved limits.

2.7 Other Issues

i) Amendment to the approved Treasury Management Strategy Statement

Appendix 3 to the Treasury Management Strategy Statement (TMSS) for 2017/18, approved by Full Council on 7 March 2017, sets out the investment instruments permitted for use by the Council. The TMSS states that the risk appetite of the Council with regard to its investments is very low, and this is demonstrated by the currently approved investment priorities of:

1. Security of capital
2. Liquidity
3. Rate of return

Further evidence is provided by the current policy of using only highly rated counterparties, for a maximum of 6 months, and then only up to tightly controlled maximum limits. Returns on such products remain at historically low levels and are not expected to rise significantly in the near future.

Consideration is being given to the use of a Property Fund, which would allow the Council to introduce a property element into its investment portfolio without the direct purchase of assets, however investment in such an instrument is **not** currently permitted by the TMSS, and the approval of Full Council to a variation is required **before** any investment is made.

The Local Authority Property Fund is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). Dividends are currently averaging around 4.5% per annum and are treated as revenue income, however the General Fund is protected from fluctuations in the unit price. Whilst the acquisition of share capital, including units in unregulated collective investment schemes, normally counts as capital expenditure, investments in the LAPF would fall

as long term investments. The proposed amendment to the TMSS will **only** allow the use of property funds that are so categorised.

Property Funds are not rated, due to their diverse portfolios and structures therefore, should Members approve their use, it is recommended that a selection process should be undertaken before any long-term investment is made. The Council's treasury advisers, Capita Asset Services, would be available to assist with this process, and they have recommended for example that consideration be given to funds which are diversified in terms of geographical regions and also diversified in terms of property types.

Members must fully understand the potential risks associated with Property Fund investments, should capital values fluctuate in the years ahead, since past dividend performance is no guarantee of future returns, and there is inevitably some risk to the capital sum. This would be a departure from the current policy. Members must also understand that property fund investments should be made with a time horizon of a **minimum** five years, to accommodate any potential reduction in property values in the short to medium term.

The main risk around Property Funds is the preservation of the capital sum. Evidence from recent years shows that over time the property market has been a positive long-term investment, however the market undeniably goes in cycles, and investing for short periods, ie. anything less than five years, may pose a significant risk, especially in the face of uncertainty around Brexit, government stability and the general performance of the UK economy.

The timing of an investment represents some degree of risk both in terms of the dividend and the capital sum. The key unknown is the future performance relative to the risk. If an investment is made at or near the bottom of a cycle, significant benefits might accrue from any subsequent upturn with rising dividends and increasing capital value. Conversely, should the cycle turn downwards for a significant proportion of the investment period, dividends might be lower than would be acceptable to Members - given the additional risks taken, and that the capital sum returned might be **less** than that invested.

Property is not a liquid asset and it can take time to realise an investment. Whilst Property Funds must hold a proportion of their assets as cash, in practice there may be a delay whilst the fund sells assets to realise cash with which to make a redemption payment. For this reason any investment in a Property Fund should be from core cash that is not likely to be required for at least five years, and even then not "on demand". Current projections in the medium term plan already assume the running down of cash balances, and careful consideration would therefore need to be given

to all property fund investments to ensure the Council retained sufficient liquidity within its overall investment portfolio to meet its financial requirements.

Members' approval is sought to add the use of Property Funds to the schedule of approved investments included in the TMSS for 2017/18. Investment in Property Funds would be made only at such times as the Chief Financial Officer, in conjunction with the Council's treasury advisers, considered it to be appropriate.

ii) Code of Practice Consultations

The Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November.

A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a higher level than can be attained by treasury investments (see 2.7(i) above). One recommendation is that local authorities should produce a new report to Members to give a high level summary of the overall capital strategy and to enable Members to see how the cash resources of the authority have been apportioned between treasury and non-treasury investments. Officers are monitoring developments and will report to Members when the new codes have been agreed and issued and on the likely impact on this authority.

iii) MiFID II

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under the Markets in Financial Instruments Directive (MiFID II). These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. Local authorities will be classed as "retail clients" unless they opt up to "professional status", which may be done by the completion of a form for each individual institution (investment counterparties and advisers) to confirm that a minimum investment portfolio of £10m is held at the opt-up date, and that **either** a minimum number of transactions are conducted with that institution in a year, **or** that the authority (effectively the CFO) has at least one year's experience in a professional position in financial markets which require knowledge of the transactions or services envisaged. Because opting up assumes a higher level of expertise the protections afforded by the institutions with regard to,

for example, the simplicity and frequency of communication, and the timescales for the reporting of information, are a little lower than for retail clients.

Remaining as a retail client may mean that certain investment instruments are no longer available for use. As most of Gedling's investment instruments are straightforward cash deposits with banks and building societies, which are not expected to be affected, it is not anticipated that MiFID II will have a major impact on the Council, since remaining a retail client in these circumstances should cause no difficulty.

Money Market Funds **are** however covered by the new regulations and the CFO will complete the opt-up procedure if it is deemed prudent to continue with their use. Should Members approve the use of Property Funds, these too would be covered by the regulations and would necessitate an opt-up to be completed. Opt-ups will also be required to maintain the current relationships with the Council's treasury advisers (CAS) and brokers for the arrangement of temporary borrowing (ICAP).

Alternative Options

There are no alternative options in that this report is a requirement of the Council's Treasury Management Strategy Statement (TMSS). The Council does however have the option not to use Property Funds, and instead accept minimal returns on its investments.

Financial Implications

No specific financial implications are attributable to this report.

Appendices

1. Treasury Activity Report 2017/18 for Quarter 2 (30 September 2017)
2. Definitions of LIBOR and LIBID
3. Prudential and Treasury Indicator Monitoring 2017/18 for Quarter 2 (30 September 2017).

Background Papers

None identified.

Recommendations

That:

1. Members note the report, together with the Treasury Activity Report 2017/18 for Quarter 2, at Appendix 1, and the Prudential and Treasury Indicator Monitoring 2017/18 for Quarter 2, at Appendix 3.
2. Members approve the amendment to the Treasury Management Strategy Statement (TMSS) for 2017/18, to add the use of Property Funds to the list of approved investment instruments referred to at 2.7(i) above, and refer the amendment to Full Council for approval as required by the regulations.

Reasons for Recommendations

To comply with the requirements of the Council's Treasury Management Strategy Statement.

For more information, please contact:

Alison Ball, Financial Services Manager, on 0115 901 3980

TREASURY ACTIVITY REPORT 2017/18**Quarter ended 30 September 2017**

	Position @ 1 July 2017	Loans Made During Q2	Loans Repaid During Q2	Position @ 30 Sept 2017
	£	£	£	£
Long Term Borrowing				
PWLB	6,811,577	0	0	6,811,577
Total Long Term Borrowing	6,811,577	0	0	6,811,577
Temporary Borrowing				
Local Authorities	0	0	0	0
Public Corporations	0	0	0	0
Central Government	0	0	0	0
Banks & Other Institutions	0	0	0	0
Total Temporary Borrowing	0	0	0	0
TOTAL BORROWING	6,811,577	0	0	6,811,577
Temporary Investment				
Bank of Scotland	(2,500,000)	(2,000,000)	2,500,000	(2,000,000)
Barclays	0	0	0	0
Blackrock Money Market Fund	(4,000,000)	(9,950,000)	9,950,000	(4,000,000)
Goldman Sachs	0	(2,000,000)	0	(2,000,000)
HSBC Treasury	(550,000)	(14,535,000)	14,745,000	(340,000)
Ignis Money Market Fund (Std Life)	(3,620,000)	(9,745,000)	12,295,000	(1,070,000)
Royal Bank of Scotland	0	0	0	0
Santander	(3,000,000)	(1,000,000)	1,000,000	(3,000,000)
Total Banks	(13,670,000)	(39,230,000)	40,490,000	(12,410,000)
Building Societies	(1,000,000)	0	0	(1,000,000)
Debt Management Office	0	0	0	0
Local Authorities & Other	0	0	0	0
TOTAL INVESTMENT (See below)	(14,670,000)	(39,230,000)	40,490,000	(13,410,000)
NET BORROWING / (INVESTMENT)	(7,858,423)	(39,230,000)	40,490,000	(6,598,423)

Temporary Borrowing & Investment Statistics at 30 September 2017**Investment:**

Fixed Rate Investment	(6,050,000)	(19,535,000)	17,245,000	(8,340,000)
Variable Rate Investment	(8,620,000)	(19,695,000)	23,245,000	(5,070,000)
TOTAL INVESTMENT	(14,670,000)	(39,230,000)	40,490,000	(13,410,000)

Proportion of Fixed Rate Investment	62.19%
Proportion of Variable Rate Investment	37.81%
Temporary Investment Interest Receivable	£ 23,576
Equated Temporary Investment	£ 5,488,008
Weighted Average Interest Rate Received (Interest Receivable / Equated Investment)	0.43%
7 Day LIBID (Benchmark)	0.11%
3 Month LIBID	0.18%

Borrowing:

Temporary Borrowing Interest Payable	£ 136
Equated Temporary Borrowing	£ 73,972
Weighted Average Interest Rate Paid (Interest Payable / Equated Borrowing)	0.18%
7 Day LIBOR (Benchmark)	0.24%

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LIBOR - the London Interbank Offered Rate

LIBOR is the interest rate at which the London banks are willing to offer funds in the inter-bank market. It is the average of rates which five major London banks are willing to lend £10 million for a period of three or six months, and is the benchmark rate for setting interest rates for adjustable-rate loans and financial instruments.

ie. the London banks are LENDING to each other, which affects the rate at which the banks will lend to other parties eg. local authorities, ie. Gedling are BORROWING money

LIBID - the Interbank BID (LIBID) rate

LIBID is the interest rate at which London banks are willing to borrow from one another in the inter-bank market. It is the average of rates which five major London banks willing to bid for a £10 million deposit for a period of three or six months.

ie. the London banks are BORROWING from each other, which affects the rates at which they will borrow from other parties eg. local authorities, ie. Gedling are LENDING money.

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1. Prudential Indicators

Affordability:

- a) Capital Expenditure
- b) Capital Financing Requirement
- c) Ratio of Financing Costs to Net Revenue Stream
- d) Incremental Impact of new 2017/18 Capital

Investment Decisions:

- e) Maximum Gross Debt

2. Treasury Management Indicators

- a) Operational Boundary for External Debt:

Borrowing

Other Long Term Liabilities

Total Operational Boundary

- b) Authorised Limit for External Debt:

Borrowing

Other Long Term Liabilities

Total Authorised Limit

- c) Upper limit for fixed interest rate exposure:

(Maximum outstanding net BORROWING)

Additional Local Indicator - Investment Only

Additional Local Indicator - Borrowing Only

- d) Upper limit for variable interest rate exposure:

(Maximum outstanding net BORROWING)

Additional Local Indicator - Investment Only

Additional Local Indicator - Borrowing Only

- e) Upper & Lower limits for the maturity structure of outstanding Borrowing during 2017/18:

Under 1 Year

1 Year to 2 Years

2 Years to 5 Years

5 Years to 10 Years

Over 10 Years

- f) Investment Treasury Indicator and limit:

Max. 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 the TOTAL non specified limit of £5m.

	2017/18 Original Estimate	2017/18 Position at 30-Sep-17
(Council 1/3/17)		
£	4,967,900	£ 5,290,500
£	13,160,400	£ 12,456,200
	11.00%	11.11%
	£12.92	Not Applicable
£	13,160,400	£ 6,811,577
£	14,200,000	£ 6,811,577
£	1,500,000	£ -
£	15,700,000	£ 6,811,577
£	15,200,000	£ 6,811,577
£	1,500,000	£ -
£	16,700,000	£ 6,811,577
£	13,200,000	£ 1,528,423
	100.00%	62.19%
	100.00%	100.00%
£	2,000,000	£ 5,070,000
	100.00%	37.81%
	50.00%	0.00%
U	40%, L 0%	0%
U	40%, L 0%	0%
U	50%, L 0%	0%
U	50%, L 0%	0%
U	100%, L 0%	100%
£	3,000,000	£ -

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Report to Cabinet

Subject: Arnold Market

Date: 2 November 2017

Author: Service Manager for Economic Growth and Regeneration

Wards Affected:

Located within the Borough's principal town centre, re-development of the Arnold Market site has the potential to impact on all wards within the Borough.

Key Decision

This is a Key Decision because acquisition of Arnold Market will result in the Council incurring significant expenditure and benefit residents across the Borough.

Purpose

- 1.1 Subject to budget approval by Council, this report seeks Cabinet approval for the acquisition of the Arnold Market site and associated buildings. The report seeks delegated approval for the Chief Executive to agree Heads of Terms and make a formal offer to acquire Arnold Market ("the site") as shown edged red on the attached plan at Appendix 1, for no more than the maximum price set out in Exempt Appendix 2. Approval is also sought to progress proposals to improve the site.

Background

- 2.1 Improving the image and offer of Arnold Town Centre, including Arnold Market, is a top priority for the Council and included as an action in the Gedling Plan. In December 2016, Cabinet considered a report which set out the deteriorating condition of the market, its negative impact on Arnold Town Centre and the very strong community support for improvements to the market area - the Council has previously received a petition with over 900 signatures in favour of improving the market.
- 2.2 The physical extent of the market ground and buildings is shown on the plan at Appendix 1. The site comprises of a market ground with approximately 90 fixed market stalls, five lockable kiosks, market traders

toilet, residential flat and storage area.

- 2.3 Cabinet have previously authorised officers to commence negotiations with the market owners with a view to the Council acquiring the market and undertaking direct improvements to the physical appearance of the area subject to a maximum price (this is set out in Exempt Appendix 2) with the following objectives:
- to deliver improvements to the physical environment through the removal of the fixed stalls, refurbishment or demolition of the buildings, an upgrade of the storage/bin store and linked public realm improvements including landscaping, lighting, seating and paving;
 - to boost the economic performance of the town by generating more footfall through provision of a wider choice of market goods and services;
 - to boost the economic performance of the town and its role in strengthening individual and community well-being by offering an attractive and varied programme of community events and activities.
- 2.4 Following approval to commence negotiations, a specialist property agent was appointed to act on the Council's behalf. Positive engagement has taken place with Thurland Estates, the company which owns the land, buildings and operates the market.
- 2.5 This has provided further information on the extent and nature of land and buildings to be included in any sale, the commercial activities of Thurland Estates and the principles on which acquisition might progress. In parallel, officers have commissioned an independent valuation of the land and buildings.
- 2.6 Legal advice has also been sought on the Council's powers to acquire and operate a market and to consider alternative procurement routes. Sections 226 and 227 of the Town and Country Planning Act 1990 make provision for the Council to acquire land for the purpose of redevelopment or improvement which brings about subsequent improvements to the economic, social and environmental well being of an area. Further details of the valuation and legal advice are included in Exempt Appendix 2.
- 2.7 Acquisition of the land and buildings at Arnold Market will enable the Council to deliver significant improvements to the environmental, economic and social well being of Arnold Town Centre with benefits for residents, visitors and the business community. As owner, the Council will have the ability to remove unsightly market stalls and dilapidated

buildings, improve the public realm and bring forward a greater number and wider choice of both markets and events to enhance the image and perception of Arnold Town Centre and boost economic activity in the town. This is in line with the Gedling Plan, the Greater Nottingham Aligned Core Strategy and emerging Local Planning Document (Part 2 Local Plan).

- 2.8 Should the recommendations be approved, detailed proposals for the future of the buildings, public realm and market will need to be developed and transitional arrangements for the market put in place. This may include, for example, new temporary stalls. Detailed proposals will be reported to members at a future date.
- 2.9 Cabinet have previously authorised officers to enter into negotiations to acquire the market subject to the maximum price set out in Exempt Appendix 2. Cost estimates were also provided for the operation of a Council owned market alongside estimates for initial improvements to the area. These costs are included for information within Exempt Appendix 2.

Proposal

- 3.1 It is proposed that the Council proceeds with the purchase of the site and acquires the site using powers contained in section 226 of the Town and Country Planning Act 1990.
- 3.2 A budget will need to be approved and established by Council for the purchase of the site. Subject to budget approval by Council, it is proposed that Cabinet delegates authority for the acquisition of the site to the Chief Executive (for no more than the amount set out in Exempt Appendix 2), delegates authority to approve Heads of Terms and that officers progress proposals for improvements. The maximum costs of acquisition and legal fees are set out in Exempt Appendix 2.
- 3.3 Subject to securing the acquisition of the market, further reports will be brought to Cabinet on proposals and costs for the operation and longer term future of the site including the potential to draw in external funding to support more comprehensive town centre improvements.

Alternative Options

Do nothing.

The Council has no statutory responsibility for the market and could choose to take no action. However, improving the town centre, including the market area, is an objective of the Gedling Plan. A do nothing option is also likely to lead to further deterioration of the market area.

Joint Working.

The Council has explored joint working with the current owner to bring about improvements to the market including direct investment but this was not supported by the owners.

Acquire the site by purchasing the company that owns it.

This is rejected as the Council has no experience of operating a commercial company of this type and acquisition may result in financial and operational liabilities.

Compulsory Purchase.

This is rejected, as compulsory acquisition should only be considered as a last resort and where voluntary negotiations have been exhausted. Whilst Thurland Estates are willing to sell the site it will not be necessary to commence the CPO process.

Financial Implications

The estimated costs associated with the market acquisition are set out in the attached Exempt Appendix 2.

Appendices

Appendix 1 Plan showing Arnold Market and associated buildings edged red.

Appendix 2 Exempt Appendix 2 NOT FOR PUBLICATION.

Background Papers

None

Recommendation(s)

THAT Cabinet is asked to recommend to full Council that it approves the establishment of the budget required to acquire the site (as shown on the Plan at Appendix 1) for no more than the sum set out in Exempt Appendix 2;

THAT subject to budget approval by Council, Cabinet:

- 1) Approve the acquisition of the site using the Council's powers under Section 226 of the Town and Country Planning Act 1990;
- 2) Delegate authority to the Chief Executive to agree Heads of Terms for the acquisition of the site (as shown on the Plan at Appendix 1), to make a formal offer for no more than the maximum price set out in Exempt Appendix 2, and, subject to the offer being accepted, to complete the

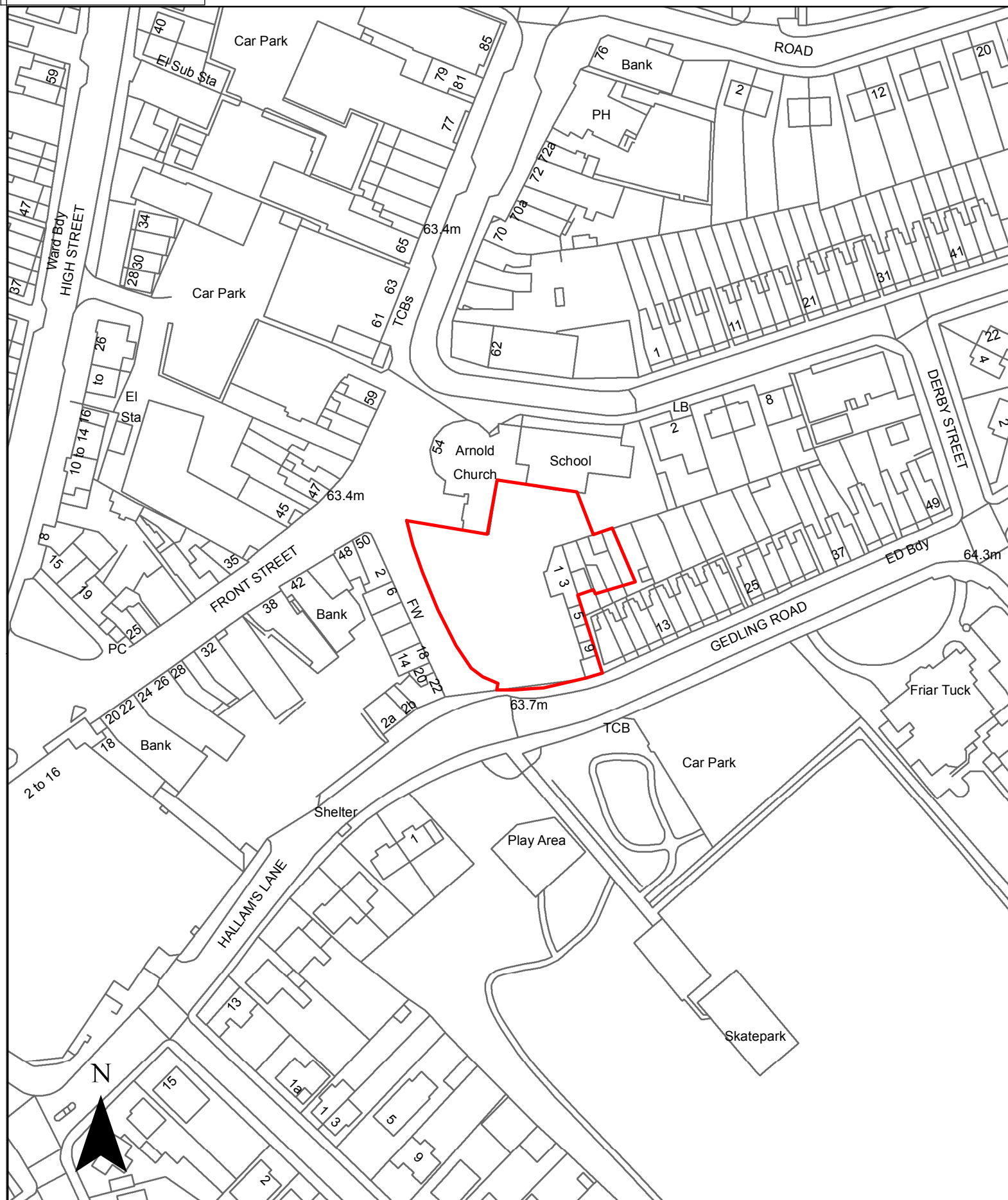
acquisition of the site;

- 3) Authorise officers to progress proposals for improvements to the appearance of the site and its operation, the details of which will be reported to members at a future date.

Reasons for Recommendations

Acquisition of the site would enable the Council to directly deliver the objectives of the Gedling Plan and bring about significant improvements to the environmental, economic and social offer of Arnold Town Centre.

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NOTE This map is provided only for purposes of site location and should not be read as an up to date representation of the area around the site.
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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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Report to Cabinet

Subject: Forward Plan

Date: 2 November 2017

Author: Service Manager, Democratic Services

Wards Affected

Borough-wide.

Purpose

To present the Executive's draft Forward Plan for the next four month period.

Key Decision

This is not a Key Decision.

Background

- 1 The Council is required by law to give to give notice of key decisions that are scheduled to be taken by the Executive.

A key decision is one which is financially significant, in terms of spending or savings, for the service or function concerned (more than £500,000), or which will have a significant impact on communities, in two or more wards in the Borough.

In the interests of effective coordination and public transparency, the plan includes any item that is likely to require an Executive decision of the Council, Cabinet or Cabinet Member (whether a key decision or not). The Forward Plan covers the following 4 months and must be updated on a rolling monthly basis. All items have been discussed and approved by the Senior Leadership Team.

Proposal

- 2 The Forward Plan is ultimately the responsibility of the Leader and Cabinet as it contains Executive business due for decision. The Plan is therefore presented at this meeting to give Cabinet the opportunity to discuss, amend or delete any item that is listed.

Alternative Options

- 3.1 Cabinet could decide not agree with any of the items are suggested for inclusion in the plan. This would then be referred back to the Senior Leadership Team.
- 3.2 Cabinet could decide to move the date for consideration of any item.

Financial Implications

- 4 There are no financial implications directly arising from this report.

Appendices

- 5 Appendix 1 – Forward Plan

Background Papers

- 6 None identified.

Recommendation(s)

It is recommended THAT Cabinet note the contents of the draft Forward Plan making comments where appropriate.

Reasons for Recommendations

- 7 To promote the items that are due for decision by Gedling Borough Council's Executive over the following four month period.

**Forward Plan for the period
November 2017 - February 2018**

Issue	Key Decision or Council Decision?	Who will decide and date of decision	Documents to be considered (only applicable to executive Key decisions)	Who will be consulted?	From whom can further information be obtained and representations made?
South Nottinghamshire Homelessness Strategy	Key	Cabinet 7 December 2017	Report of the Chief Executive		John Sheil, Housing Strategy and Development Officer john.sheil@gedling.gov.uk
Quarter 3 Budget Monitoring, Performance Digest & Virement Report	Key	Cabinet 1 February 2018	Report of the Senior Leadership Team		Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk
Gedling Plan 2017-19 (including General Fund Revenue Budget)	Key	Cabinet 15 February 2018 Council 5 March 2018	Report of the Senior Leadership Team		Alison Ball, Service Manager Finance alison.ball@gedling.gov.uk

Members of Gedling Borough Council Cabinet

Councillor John Clarke – Leader of the Council

Councillor Michael Payne – Deputy Leader and Portfolio Holder for Resources and Reputation

Councillor Peter Barnes – Portfolio Holder for Environment

Councillor David Ellis – Portfolio Holder for Public Protection

Councillor Gary Gregory – Portfolio Holder for Community Development

Councillor Jenny Hollingsworth – Portfolio Holder for Growth and Regeneration

Councillor Henry Wheeler – Portfolio Holder for Health and Wellbeing.