



Civic Centre,  
Arnot Hill Park,  
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Nottinghamshire,  
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# Agenda

## Cabinet

Date: **Thursday 15 February 2018**

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Time: **12.30 pm**

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Place: **Chappell Room**

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For any further information please contact:

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Service Manager Democratic Services

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# 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**

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Report of the Senior Leadership Team on behalf of the Leader of the Council
- 6 Any other items the Chair considers urgent.**

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## Report to Cabinet

**Subject:** Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2018/19

**Date:** 15 February 2018

**Author:** Deputy Chief Executive and Chief Financial Officer

### Wards Affected

All

### Purpose

To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2018/19, for referral to Full Council.

### Key Decision

This is a key decision.

### Background

#### 1.1 Definition of treasury management

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

Investments in the definition above include all the Council's financial assets (treasury investments) as well as other non-financial assets (non-financial investments) held primarily for financial returns, such as investment property portfolios. They may therefore include investments that are not managed as part of normal treasury management function. All investments require appropriate risk management under the Treasury Management Code, and the key principle of the control of risk and optimisation of returns should be applied across all investment activities, including those that are more commercially based.

The Council is required to operate a "balanced budget", which broadly means that cash raised during the year will meet cash expenditure. The

Localism Act 2011 places a duty on a local authority to calculate its “council tax requirement” for each financial year, and this includes the revenue costs which result from the capital investment decisions of the authority.

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

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

## **1.2 Statutory reporting requirements**

As a minimum, the Treasury Management Code requires that Council receives and approves three main reports each year, which incorporate a variety of policies, estimates and actuals.

### **1.2.1 Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) - this report**

This first, and most important report covers:

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

### **1.2.2 Mid-year Treasury Management Report**

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

### 1.2.3 Annual Treasury Report

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

### 1.2.4 Scrutiny

All treasury management reports are required to be adequately scrutinised before being recommended to Council. This role is undertaken by Cabinet. The TMSS is part of the Council's Budget and Policy Framework and accordingly the Chair of the Overview and Scrutiny Committee must also be consulted. Any comments received will be taken into account before referral to Council.

### 1.2.5 Capital Strategy

CIPFA issued revised Prudential and Treasury Management Codes in December 2017. The revised Prudential Code includes the explicit requirement for the preparation of a Capital Strategy, which is intended to provide the following:

- A high level overview of how capital expenditure, capital financing and treasury management activities contribute to the provision of services;
- An overview of how the associated risk is managed;
- The implications for future sustainability.

The aim of this report is to ensure that all elected Members, ie. Full Council fully understand the overall strategy, governance procedures and risk appetite entailed in the strategy. The Capital Strategy will include capital expenditure, investments and liabilities, and treasury management, in sufficient detail to allow all Members to understand how stewardship, value for money, prudence and sustainability and affordability will be secured. Reference will be made, if appropriate, to significant purchases of non-financial investments (eg. commercial property), indicating how these have been financed and what powers have been used to undertake them.

The Council already produces a Capital Programme and Capital Investment Strategy, which can be found elsewhere on this agenda. This document will be reviewed during 2018/19 to ensure that any additional requirements of the revised Code are implemented in future reports.

In the light of the requirements of both the Treasury Management Code and the revised Prudential Code, it is currently envisaged that the TMSS and the Capital Programme and Capital Investment Strategy reports will be combined to avoid duplication, particularly with regard to the Prudential Indicators, however this is subject to the review of both documents and no final decision has yet been taken.

### **1.3 Treasury management strategy for 2018/19**

The treasury management strategy for 2018/19 covers two main areas:

Capital issues:

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

Treasury management Issues:

- The current treasury position
- Treasury indicators which limit the treasury risk and activities of the Council
- Prospects for interest rates
- The borrowing strategy
- Policy on borrowing in advance of need
- Debt rescheduling
- The investment strategy
- Creditworthiness policy
- Policy on use of external service providers

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

### **1.4 Training**

The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for Treasury Management, ie. Cabinet, and the Chief Financial Officer will arrange training for Members as required. The Council's treasury management advisers, Link Asset Services-Treasury Solutions (LAS), will provide more detailed training sessions for Members as appropriate.

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

### **1.5 Treasury management consultants**

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

## Proposal

### 2.1 The Capital Affordability and Prudential Indicators 2018/19 to 2020/21

The Council's capital expenditure plans are the key driver of treasury management activity.

The output of the Council's capital expenditure plans is reflected in prudential indicators, which are designed to assist Members to overview and confirm such capital expenditure plans. The indicators for 2018/19 to 2020/21 are attached at Appendix 1.

#### 2.1.1 Capital expenditure

The indicator includes a summary of the proposed capital expenditure plans for 2018/19 to 2020/21, including both those agreed previously and those forming part of this budget cycle. Expenditure includes sums for "non-financial" investments, eg. commercial investment property, the management of which is not part of the treasury management function.

<b>Portfolio Capital Expenditure:</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>
Housing, Health & Wellbeing	760,300	0	0
Public Protection	900,000	900,000	900,000
Environment	1,723,200	589,000	205,000
Growth & Regeneration	1,890,500	0	0
Resources & Reputation	2,950,000	150,000	2,650,000
Equipment Replacement	150,000	150,000	150,000
Development Bids	0	100,000	100,000
<b>Total Capital Expenditure</b>	<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>

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

<b>Financing of Capital Expenditure:</b>	<b>2018/19 Est Estimate £</b>	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>
<b>Capital Exp £m (above)</b>	<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>
<b>Financed by:</b>			
Capital receipts	1,010,000	710,000	605,000
Capital grants & contributions	2,815,100	900,000	900,000
Direct Revenue Financing	0	0	0
<b>Net Borrowing Need</b>	<b>4,548,900</b>	<b>279,000</b>	<b>2,500,000</b>

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

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

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

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

<b>Capital Financing Requirement (CFR):</b>	<b>2018/19 Estimate £</b>	<b>2019/20 Estimate £</b>	<b>2020/21 Estimate £</b>
Closing CFR	15,086,500	14,592,200	16,354,800
<b>Movement in CFR in year</b>	<b>+2,953,200</b>	<b>-494,300</b>	<b>+1,762,600</b>
<b>The movement in the CFR is represented by:</b>			
Net financing need for the year (borrowing)	4,548,900	279,000	2,500,000
Application of Local Authority Mortgage Scheme (LAMS) capital receipt (LAMS 2)	-1,000,000	0	0
Less Gross MRP	-595,700	-773,300	-737,400
<b>Movement in CFR in year</b>	<b>+2,953,200</b>	<b>-494,300</b>	<b>+1,762,600</b>

### 2.1.3 Minimum Revenue Provision (MRP) Policy Statement

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

CLG regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options is provided to councils, but there must be "prudent provision". The guidance does not, however, define

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

CLG has consulted on changes to the guidance for investments and MRP, with the aim of ensuring that local authorities continue to make borrowing and investment decisions in a way that is commensurate with their statutory responsibilities, and their best value duty. The primary issues raised in the consultation relate to investment in non-core functions; the principles of prioritising security and liquidity over yield in respect of investment in non-financial assets, eg, property; the ability to borrow to finance any investment that does not deliver statutory or strategic objectives, and changes to MRP guidance to ensure that prudent provision is made for the repayment of debt. The outcome of the consultation, and the new guidance, is still awaited so the full impact is not yet known, however the proposals in respect of MRP are considered to be prudent and have been applied in the preparation of the 2018/19 budget. The main area of uncertainty relates to potential controls on borrowing to finance the acquisition of investments that are not in delivery of core functions, eg. investment property outside the borough, however there are currently no proposals for this type of investment.

The Council is recommended to approve the following MRP Statement for 2018/19:

- a. *The Council will assess MRP in accordance with the recommendations within the guidance issued under section 21(1A) of the Local Government Act 2003.*
- b. *The CFR method, will be used for calculating MRP in respect of all capital expenditure incurred up to and including 31 March 2008. This is the simplest approach available, being calculated as a straightforward 4% of the relevant element of the CFR at the end of the previous year. In the current economic climate the Chief Financial Officer considers that use of the CFR Method is prudent.*
- c. *The Asset Life Method, will be used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. An equal instalment approach will be adopted.*
- d. *The Chief Financial Officer will determine estimated asset lives. Where expenditure of different types is involved, it will be grouped together in a manner which best reflects the nature of the main component of expenditure. It will only be divided up in cases where there are two or more major components, with significantly different asset lives.*

- e. *The Council currently operates a cash-backed Local Authority Mortgage Scheme (LAMS), based on a five-year advance to Lloyds TSB to match the five-year life of the indemnity. Lloyds TSB terminated all active LAMS schemes on 31 July 2016 and no further applications have been accepted since that date, however the Council's advance with Lloyds remains in place pending its maturity in June 2018. The advance provides an integral part of the mortgage lending under the LAMS scheme, and is treated as capital expenditure and a loan to a third party, therefore the Capital Financing Requirement (CFR) increases by the amount of the advance. When the advance is returned at maturity in June 2018, the funds will be classed as a capital receipt, and the CFR will reduce accordingly. As the advance is a temporary (5-year) arrangement, there is no need to set aside prudent provision to repay the debt liability in the interim period, and there is accordingly no MRP application.*
- f. *In view of the economic climate and significant budgetary pressures, the Council will not provide for an additional voluntary contribution to MRP in 2018/19.*
- g. *Based on the above policy, the net MRP charge for 2018/19 has been calculated as £595,700 as detailed below, and this sum has been included in the Council's 2018/19 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.*

<b>Minimum Revenue Provision (MRP)</b>	<b>2018/19 £</b>
CFR Method	230,300
Asset Life Method	365,400
<b>Gross MRP</b>	<b>595,700</b>

#### 2.1.4 Other Capital Affordability Prudential Indicators

Sections 2.1.1 and 2.1.2 above cover the Prudential Indicators for overall “capital” and “control of borrowing”, but within the Prudential framework additional indicators are required to further assess the affordability of the Council's capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances and are detailed below. The indicators can be found at Appendix 1.

- Ratio of financing costs to net revenue stream - This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs, net of investment income) against the net revenue stream. Estimates of financing costs include current commitments and the proposals included in the Gedling Plan report elsewhere on this agenda. As detailed in the Capital Programme report elsewhere on this agenda, no



contributions from the revenue budget are available to finance the 2018/19 capital programme.

- Incremental Impact of capital investment decisions on Council Tax

Following the December 2017 revision of the Prudential Code, this indicator has been removed to allow focus on a longer term, and more informed, view of affordability, rather than placing reliance on a specific indicator.

- Maximum Gross Debt

The Council must ensure that its gross debt does not, except in the short term, exceed the total of the opening capital financing requirement, plus estimates of any additional CFR for the year in question and the following two financial years (reductions are ignored). This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. Please see 2.2.1 below.

The 2018/19 Capital Programme and Capital Investment Strategy report provides full details of the proposed capital programme, including non-treasury investments, ie. commercial property investment. All the capital prudential indicators can be found at Appendix 1, and represent capital investment plans that have been fully factored into the Council's Medium Term Financial Plan, and are assessed as affordable, prudent and sustainable, subject to securing the commitment to delivering an efficiency programme in the medium term, as proposed in the Gedling Plan report.

## **2.2 Treasury Strategy 2018/19 - Borrowing and Investment**

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

### **2.2.1 Projected portfolio position**

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

<b>Projected Gross Debt compared to CFR</b>	<b>2018/19 Estimate £000s</b>	<b>2019/20 Estimate £000s</b>	<b>2020/21 Estimate £000s</b>
Estimated Debt 1 April	7,812	10,312	11,312
Estimated change in debt	2,500	1,000	2,500
Other long term liabilities	0	0	0
<b>Estimated Gross Debt 31 March</b>	<b>10,312</b>	<b>11,312</b>	<b>13,812</b>
Estimated Closing CFR	15,086	14,592	16,355
<b>Under/(over) borrowing</b>	<b>4,774</b>	<b>3,280</b>	<b>2,543</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. As detailed at 2.1.4 above, to comply with the “gross debt” indicator, the Council must ensure that its gross debt does not, except in the short term, exceed the total of the closing CFR in the preceding year plus the estimates of any **additional** CFR for 2018/19 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue, or for speculative purposes.

The Chief Financial Officer can report that the Council has complied with this prudential indicator during the current year, 2017/18, and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

<b>Maximum Gross Debt</b>	<b>2018/19 Estimate £000s</b>	<b>2019/20 Estimate £000s</b>	<b>2020/21 Estimate £000s</b>
Opening CFR (ie. closing CFR in preceding year)	12,133	15,086	14,592
Additions (only) in-year + following 2 years	4,716	1,912	1,912
<b>Maximum Gross Debt</b>	<b>16,849</b>	<b>16,998</b>	<b>16,504</b>
Estimated GBC debt at 31 March	10,312	11,312	13,812
<b>Under/(over) borrowing</b>	<b>6,537</b>	<b>5,686</b>	<b>2,692</b>

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

### a. The Operational Boundary for external debt

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

b. The Authorised Limit for external debt

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

2.2.3 Prospects for Interest Rates

The Council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the LAS central view as at 22 January 2018 and further information on interest rates can be found at Appendix 2.

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
5yr PWLB rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

The Monetary Policy Committee (MPC) increased Bank Rate from 0.25% to 0.5% in November 2017 reversing the emergency cut in August 2016 following the EU referendum result. It also gave forward guidance that two further increases in Bank Rate were expected, and the LAS forecast above includes increases of 0.25% in November 2018 and 0.25% in November 2019.

The overall long run trend is for gilt yields and PWLB rates to rise gently. A protracted move from bonds to equities has long been expected, after a 25 year trend of falling bond yields. The action of central banks since the financial crash of 2008 in implementing substantial Quantitative Easing (QE), has added further impetus to the downward trend in bond yields and rising bond prices. QE has also led directly to a rise in equity values as investors search for higher returns, and take on riskier assets.

Until 2015, monetary policy was focused on stimulating economic growth but has since started to refocus on countering the threat of rising inflationary pressures. The US Federal Reserve (The Fed) has started raising interest rates and this trend is expected to continue during 2018 and 2019.

Gilt yields, and therefore PWLB rates, are subject to exceptional levels of

volatility due to geopolitical, sovereign debt crises and emerging market developments. Such volatility could occur at any time during the forecast period.

Economic and interest rate forecasting remains difficult with many external influences weighing on the UK. The LAS forecasts above (and MPC decisions) may change depending how economic data and developments in the financial markets play out over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments. The overall balance of risk to economic recovery in the UK is to the downside (ie. recovery is slower than anticipated), particularly with the current level of uncertainty over the final terms of Brexit.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than currently anticipated;
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows;
- A resurgence of the Eurozone sovereign debt crisis, possibly in Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system;
- The weak capitalisation of some European banks;
- The result of the October 2017 Austrian general election is likely to result in a strongly anti-immigrant coalition government. In addition, the expected new Czech prime minister is strongly against EU migrant quotas and refugee policies. Both these developments could provide impetus to other countries to unite and create a major block to progress on EU integration and the centralisation of EU policy. This, in turn, could impact on the Euro, EU financial policy and financial markets;
- Rising protectionism under President Trump;
- A sharp Chinese downturn and its impact on emerging market countries.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include:

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and therefore allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a more rapid series of increases in Bank Rate;
- UK inflation returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields;
- The Fed causing a sudden shock in financial markets by misjudging the pace and strength of increases in its own rate, and in the pace and strength of

reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

Investment returns are likely to remain low during 2018/19 but then to be on a gently rising trend over the following few years.

Borrowing rates increased sharply after the General Election in June 2017, and again after the September MPC meeting when financial markets accelerated their expectations of the timing of Bank Rate increases. Otherwise there has been little general trend in rates during the current financial year. The policy of postponing new borrowing by using spare cash balances has served well, however this will need to be reviewed to avoid higher borrowing costs in the future when borrowing to finance capital expenditure or refinance maturing debt may become unavoidable.

There will remain a revenue cost of carry to any new longer term borrowing that causes a temporary increase in cash balances, ie the difference between the borrowing cost and the investment return.

#### 2.2.4 Borrowing Strategy

##### The Strategy

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

However, against this background and the risks within the economic forecast outlined above, and the potential cost of carry (see 2.2.5 below), caution will be adopted with the 2018/19 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- If it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around a relapse into recession, or of risks of deflation), then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
- If it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from

an acceleration in the rate of increase in central rates in the UK and US, an increase in world economic activity or a sudden rise in inflation risk, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they are projected to be in the next few years.

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

#### 2.2.5 Policy on borrowing in advance of need

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

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

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

#### 2.2.6 Debt rescheduling

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

The reasons for any rescheduling to take place will include:

- The generation of cash savings and / or discounted cash flow savings
- Helping to fulfil the Treasury Strategy;
- Enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

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

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

#### 2.2.7 Municipal Bond Agency

The Municipal Bond Agency may offer loans to local authorities for infrastructure and housing, at borrowing rates potentially lower than those offered by the Public Works Loan Board (PWLB). The Council may make use of this source of borrowing if appropriate, but only with advice from its advisers, LAS.

#### 2.2.8 Annual Investment Strategy 2017/18

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

As discussed at 1.2.5 above, the revised Prudential Code will result in a review of the TMSS and Capital Programme and Capital Investment Strategy reports to ensure that both treasury and non-treasury investments are included. For 2018/19 these remain separate reports and the paragraphs below refer only to treasury investments.

##### a. Investment Policy

The Council's investment policy has regard to the CLG's guidance on Local Government Investments ("the guidance"), and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). At the time of writing, the results of a CLG consultation on investment guidance which closed on 22 December 2017 were still awaited, however the consultation focussed particularly on non-treasury investments (investment property etc).

In accordance with the guidance, and in order to minimise the risk to investments, the Council applies minimum acceptable criteria in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus the avoidance of concentration risk. The Council has clearly stipulated below at 2.2.8 (c) the minimum acceptable credit quality of counterparties for inclusion on its lending list. The Council utilises the LAS creditworthiness methodology, whereby banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

All investments will be made in sterling, and since the risk appetite of the Council with regard to its investments is very low, its general policy objective is the prudent investment of treasury balances. The Council's investment priorities are (in order of priority):

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

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

Investment instruments identified for use during the financial year are listed at Appendix 3 under “Specified” and “Non-Specified” categories.

#### Specified Investments:

An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and the payment or repayment is only payable in sterling.
- The investment is not “long-term”, ie. it is made for up to one year, ie. a maximum term of **365 days** (previously 364 days).
- The making of the investment is not defined as capital expenditure.
- The investment is made with a body of high credit quality, or with the UK government, a local authority or a parish council.

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

#### Non Specified Investments:

Non-specified investments are all those not meeting the criteria for specified investments above. Accordingly, they may be simple investments made with the same counterparties as specified investments, being “non-specified” only by way of the maturity period being over one year (ie. over 365 days). Alternatively they may be more complex instruments, or those offering slightly higher risk or lower liquidity, for example a property fund. If used at all, non-specified investments will tend only to be used for the longer-term investment of core-balances.

Appendix 3 also sets out:

- The advantages and associated risk of investments under the non-specified category.
- The upper limit to be invested in each non-specified category.



- Those instruments best used only after consultation with the Council's treasury advisers.

b. Investment Limits:

Investment counterparty limits for 2018/19 will generally be **£3m** per individual counterparty, however a higher limit of **£4m** per Money Market Fund is considered prudent since such funds are already by definition highly diversified investment vehicles. The CFO has delegated authority to amend investment limits as he sees fit, and will report any such amendments to Cabinet for information as part of the next quarterly Treasury Management Report following the change.

With regard to the Council's own banker, HSBC, for transactional purposes if the bank was to fall below the standard creditworthiness criteria below, cash balances would be minimised both in monetary size and in duration of deposit.

c. Creditworthiness policy

To reiterate, the primary principles governing the Council's creditworthiness criteria are:

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

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

The Chief Financial Officer maintains a "counterparty list" and this is monitored constantly. The CFO has delegated authority to amend the minimum criteria as he sees fit, and will report any such amendments to Cabinet for information as part of the next quarterly Treasury Management Report following the change.

The Council applies the creditworthiness methodology provided by LAS for the selection of investment counterparties. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies (Fitch, Moody's and Standard & Poor's). The credit ratings of counterparties are supplemented with overlays for:

- Credit watches and credit outlooks from rating agencies.
- Credit default swap (CDS) spreads to give early warnings of likely changes in credit ratings.

- Sovereign ratings to select counterparties from only the most creditworthy countries.

The LAS modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the output is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested maximum duration of investments with a given counterparty. The colour bandings used by the Council 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

The LAS creditworthiness service uses a wider array of information than just “primary” ratings. Furthermore, by using a risk weighted scoring system it does not place undue reliance on one agency’s rating. All credit ratings are monitored weekly and the Council is also alerted to interim changes via its use of the LAS creditworthiness service. If a downgrade deems counterparties no longer acceptable, their use for new investments will be withdrawn immediately.

Ratings under the LAS methodology will not necessarily be the sole determinant for the use of a counterparty. Other information sources used will include market data, 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 Council will use approved UK counterparties subject to their individual credit ratings under the LAS methodology. The Council may also use approved counterparties from countries with a minimum sovereign credit rating of **AA**. No more than £3m will be placed with each non-UK country at any time. The list of countries that currently qualify is shown at Appendix 4, however this list will be adjusted by officers in accordance with this policy should ratings change. The CFO has delegated authority to amend the minimum sovereign credit rating as he sees fit, and will report any such amendment to Cabinet for information as part of the next quarterly Treasury Management Report following the change.

**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.**

Under the cash-backed Local Authority Mortgage Scheme, launched in April 2012, the Council made two advances of £1m each to Lloyds Banking Group, each for a period of five years, to match the life of the indemnities. The first advance matured in April 2017 but the other remains active. This advance is classified as a “service investment”, rather than a treasury management investment, and is therefore outside the Specified/Non specified categories discussed above.

d. Investment Strategy

The Council’s in-house managed funds are mainly cash-flow derived however, there has for some time been a core balance available for investment over a longer period, if appropriate. In addition, any borrowing undertaken in advance of need at favourable interest rates may add to the funds available for investment (see 2.2.5 above).

Investments will be made with careful reference to any remaining core balance, to cash-flow requirements, and to the outlook for short-term interest rates (ie. for investments up to 365 days).

Bank Rate is forecast to remain unchanged at 0.50% until Q4 of 2018, and not to rise above 1.25% by Q1 of 2021. Bank Rate forecasts for financial year ends (31 March) are:

- 2018/19 0.75%
- 2019/20 1.00%
- 2020/21 1.25%

LAS have suggested the following budgeted investment earnings rates for investments up to 100 days for the next four years:

- 2018/19 0.60%
- 2019/20 0.90%
- 2020/21 1.25%
- 2021/22 1.50%

The overall balance of risk to these forecasts is currently to the upside but they are dependent on how strong GDP growth turns out, how quickly inflation pressures rise, and how quickly and positively the Brexit negotiations move forward.

In the light of the continuing low interest rate environment, Council approval was obtained in November 2017 to add the use of property funds to the schedule of instruments available for non-specified investments. Subsequently an investment of £1m was made on 1 December 2017 in the CCLA Local Authority Property Fund, which is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). This is deemed a long term

investment, as property is not a liquid asset and it may take time to realise the investment. Whilst the risks associated with such an investment are higher than those with simple term deposits, the returns are potentially significantly higher. The property fund investment purchased a number of units, determined by the unit price on the entry date and this valued the initial investment of £1m at £936,000, setting the entry fee at £64,000. As the property fund investment is for the long-term, it is expected that this will be recovered as the fund grows.

The inclusion of the property fund investment has resulted in an overall estimated equated rate for 2018/19 of 0.84%. The Council will use the average 7-day and 3-month LIBID rates to benchmark its equated investment rate.

Prior to the December 2017 revisions to the Treasury Management Code there was a requirement to set indicators for the Council's maximum exposure to fixed and variable interest rates for net borrowing (ie. external borrowing less investments). This requirement has now been removed in favour of a statement in the TMSS stating how interest rate exposure is managed and monitored, and this is given below:

*The Council has a general preference for fixed rate borrowing in order to minimise uncertainty and ensure stability in the charge to revenue, however it is acknowledged that in certain circumstances, some variable rate borrowing may be prudent, for example if interest rates are expected to fall. The Council's investments are generally for cashflow purposes and accordingly a mix of fixed and variable rates will be used to maximise flexibility and liquidity. Interest rate exposure will be managed and monitored on a daily basis by the Chief Financial Officer.*

An investment treasury indicator and limit must be set for the maximum principal funds invested for periods in excess of one year (365 days) in the forthcoming and two subsequent years (ie. new non-specified investments). The limit for each year is set with regard to the Council's liquidity requirements.

The treasury indicator and limit for new non-specified investments in each of 2018/19, 2019/20 and 2020/21 is £3m, as detailed at Appendix 1 (treasury indicators), but this is subject to an overall limit of £5m for the total non-specified investments held by the Council at any one time, as detailed at Appendix 3. The individual counterparty limit of £3m also applies.

e. Investments defined as capital expenditure

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

resources, and will be classified as non-specified investments.

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

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

f. Provision for credit-related loss

If any of the Council’s investments appear to be at risk of loss due to default, this is a “credit-related loss” and not a loss resulting from a fall in price due to movements in interest rates. In such an instance, the Council will make revenue provision of an appropriate amount.

g. End of Year Investment Report

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

h. Policy on the use of external service providers

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

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

2.2.9 Gedling Borough Council scheme of delegation

**Full Council** is responsible for:

- Receiving and reviewing reports on Treasury Management policies, practices and activities;
- Approval of the annual Strategy (TMSS);
- Annual budget approval.

**Cabinet** is responsible for:

- Approval of, and amendments to, the Council’s adopted clauses, Treasury Management Policy Statement and Treasury Management Practices;
- Budget consideration and virement approval;

- Approval of the division of responsibilities;
- Receiving and reviewing regular Treasury Management monitoring reports, and acting on recommendations;
- Approving the selection of external service providers and agreeing terms of appointment.

**Audit Committee** is responsible for:

- Reviewing the Treasury Management policy and procedures, and making recommendations to the responsible body through the Internal Audit process.

#### 2.2.10 The role of the section 151 officer

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

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

Implicit in the December 2017 changes to the Prudential and Treasury Management Codes is a major extension of the function of the S151 role, especially in respect of non-financial investments (which Cipfa has defined as being part of treasury management). The S151 officer role is also now responsible for:

- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management over a significant timeframe;
- Ensuring that the capital strategy is prudent, sustainable and affordable in the long term, and provides value for money;
- Ensuring that due diligence has been carried out on all treasury and non-financial investments, and is in accordance with the risk appetite of the authority;
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investment which exposes it to an excessive level

of risk compared to its financial resources;

- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- Provision to Members of a schedule of all non-financial investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- Ensuring that Members are adequately informed and understand the risk exposure taken on by the authority;
- Ensuring that the authority has adequate expertise, either in-house or externally provided, to carry out any non-financial investments;
- The creation of Treasury Management Practices which specifically deal with how non-financial investments will be carried out and managed.

### **Alternative Options**

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

### **Financial Implications**

No specific financial implications are attributable to this report.

### **Appendices**

1. Prudential and Treasury indicators for 2018/19 to 2020/21
2. Interest rate forecasts
3. Specified and non-specified investments
4. Approved countries for investment

### **Background Papers**

None identified.

### **Recommendation**

That:

Members approve the Prudential and Treasury Indicators and Treasury Management Strategy Statement 2018/19, which includes the key elements below, and refer it to Full Council for approval as required by the Regulations.

1. The Minimum Revenue Provision (MRP) Policy Statement (2.1.3);
2. The Borrowing Strategy (2.2.4);
3. The Annual Investment Strategy (2.2.8);

4. Capital Affordability Prudential Indicators (Appendix 1);
5. Treasury Indicators including affordability limits to borrowing (Appendix 1).

### **Reasons for Recommendations**

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

### **For more information, please contact:**

Alison Ball, Financial Services Manager, on 0115 901 3980



	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
<b><u>Prudential Indicators - Capital Affordability</u></b>			
a) Capital Expenditure:	£ 8,374,000	£ 1,889,000	£ 4,005,000
b) Capital Financing Requirement:	£ 15,086,500	£ 14,592,200	£ 16,354,800
c) Ratio of Financing Costs to Net Revenue Stream:	7.49%	9.94%	11.00%
d) Maximum Gross Debt	£ 16,849,000	£ 16,998,000	£ 16,504,100
<b><u>Treasury Indicators -</u></b>			
<b><u>Affordability Limits to Borrowing</u></b>			
a) Operational Boundary for External Debt:			
Borrowing	£ 17,800,000	£ 18,000,000	£ 17,500,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Operational Boundary	<b>£ 19,300,000</b>	<b>£ 19,500,000</b>	<b>£ 19,000,000</b>
b) Authorised Limit for External Debt:			
Borrowing	£ 18,800,000	£ 19,000,000	£ 18,500,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Authorised Limit	<b>£ 20,300,000</b>	<b>£ 20,500,000</b>	<b>£ 20,000,000</b>
<b><u>Prudent Limits on Borrowing Activity</u></b>			
c) Upper limits for the maturity structure of total o/s Borrowing (fixed/variable) during 2018/19: (Lower limit 0% in all cases)			
Under 1 Year	40%		
1 Year to 2 Years	40%		
2 Years to 5 Years	50%		
5 Years to 10 Years	50%		
Over 10 Years	100%		
d) Investment treasury indicator and limit -			
Maximum NEW principal sums invested in-year for periods OVER 365 days (ie. non-specified), subject to the overall TOTAL non-specified limit of £5m, AND to the individual counterparty limit of £3m.			
	£ 3,000,000	£ 3,000,000	£ 3,000,000

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## INTEREST RATE FORECASTS TO MARCH 2021 (As at 22 January 2018)

Link Asset Services Interest Rate View													
	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
3 Month LIBID	0.40%	0.40%	0.40%	0.60%	0.60%	0.60%	0.70%	0.90%	0.90%	1.00%	1.20%	1.20%	1.20%
6 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.30%	1.30%	1.40%
12 Month LIBID	0.80%	0.80%	0.90%	1.00%	1.00%	1.10%	1.10%	1.30%	1.30%	1.40%	1.50%	1.50%	1.60%
5yr PWLB Rate	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
10yr PWLB Rate	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
25yr PWLB Rate	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%
Bank Rate													
Link Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%
Capital Economics	0.50%	0.75%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%	2.00%	2.25%	2.25%	-
5yr PWLB Rate													
Link Asset Services	1.60%	1.60%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.10%	2.10%	2.20%	2.30%	2.30%
Capital Economics	1.70%	1.90%	2.10%	2.40%	2.40%	2.40%	2.40%	2.40%	2.40%	2.65%	2.65%	2.90%	-
10yr PWLB Rate													
Link Asset Services	2.20%	2.30%	2.40%	2.40%	2.50%	2.60%	2.60%	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%
Capital Economics	2.20%	2.40%	2.60%	2.80%	2.80%	2.80%	2.80%	2.80%	2.80%	3.05%	3.05%	3.30%	-
25yr PWLB Rate													
Link Asset Services	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%	3.50%	3.50%	3.60%	3.60%
Capital Economics	2.60%	2.90%	3.10%	3.30%	3.30%	3.30%	3.35%	3.35%	3.35%	3.60%	3.60%	3.80%	-
50yr PWLB Rate													
Link Asset Services	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%

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# LOCAL GOVERNMENT INVESTMENTS (England) page1

## SPECIFIED INVESTMENTS 2018/19

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

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating	Capital Expenditure?	Circumstance of use	Maximum period
<b>Debt Management Agency Deposit Facility (DMADF)</b> This facility is at present available for investments up to 6 months	No	Yes	Govt-backed	NO	In-house	365 days
<b>Term deposits</b> with the UK government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year	No	Yes	High security, although Local Authorities are not credit rated.	NO	In-house	365 days
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year (365 days)	No	Yes	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	NO	In-house	365 days
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) up to 1 yr. <i>Custodial arrangement required prior to purchase</i>	No	Yes	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	NO	To be used in-house after consultation/advice from Link Asset Services (LAS)	365 days
<b>Gilts</b> with maturities up to 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

# LOCAL GOVERNMENT INVESTMENTS (England) page 2

## SPECIFIED INVESTMENTS 2018/19 (CONTINUED)

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

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / ‘High’ Credit Rating criteria	Capital Expenditure?	Circumstance of use	Maximum period
<b>Money Market Funds (MMFs)</b> Collective investment schemes as defined in SI 2004 No 534  From 21 July 2018 there will be 3 structural options for MMFs, CNAV (Constant Net Asset Value) LVNAV (Low Volatility Net Asset Value) and VNAV (Variable Net Asset Value) <i>These funds do not have any maturity date</i>	No	Yes	AAA	NO	In-house with advice from LAS  New rules strengthen the requirements for portfolio diversification and transparency for all MMFs. Advice will be taken from LAS but the assumption is that only CNAV and LVNAV funds will be used	<i>The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements</i>
<b>Treasury bills</b> Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	In-house	365 days
<b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities under 12 months  <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	NO	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

LOCAL GOVERNMENT INVESTMENTS (England) page 3

**SPECIFIED INVESTMENTS 2018/19 (CONTINUED)**

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

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / ‘High’ Credit Rating criteria	Capital Expenditure?	Circumstance of use	Maximum period
<b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities under 12 months  <b><i>Custodial arrangement required prior to purchase</i></b>	No	Yes	AAA	NO	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

# LOCAL GOVERNMENT INVESTMENT (England) page 4

## **NON-SPECIFIED INVESTMENTS 2018/19**

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



**NON-SPECIFIED INVESTMENTS 2018/19 (Continued)**

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

# LOCAL GOVERNMENT INVESTMENT (England) page 6

## **NON-SPECIFIED INVESTMENTS 2018/19 (Continued)**

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

# LOCAL GOVERNMENT INVESTMENT (England) page 7

## **NON-SPECIFIED INVESTMENTS 2018/19 (Continued)**

Investment	(A) Why use it? (B) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating	Capital Exp?	Circumstance of use	Maximum Investment	Maximum maturity of investment
<p><b>Property Funds</b> Collective investment Schemes. The Local Authority Property Fund is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11).</p> <p><i>These funds do not have any maturity date</i></p>	<p>Property Funds allow a property element to be introduced into an investment portfolio, without the direct purchase of assets and the associated risks.</p> <p>The value of Property Fund investments fluctuate, and can go down as well as up since past performance is no guarantee of future returns. There is therefore inevitably some risk to the capital sum. The timing of investment in a Property fund poses some additional risk.</p> <p>Property is not a liquid asset and it may take time to realise an investment.</p>	No	No	Property Funds are not rated, due to their diverse portfolios and structures	Investment in the LAPF is NOT deemed capital expenditure and ONLY such schemes will be used	To be used in-house after consultation/ advice from LAS and appropriate due diligence	£3m	Property Funds do not have any maturity dates and therefore no maximum period of investment. A minimum period of 5 years is envisaged to take account of the property cycle.

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## APPROVED COUNTRIES FOR INVESTMENT

The Council will use any UK Counterparties subject to their individual credit ratings under the CAS methodology.

The Council may also use counterparties from countries with a minimum AA sovereign rating. No more than £3m will be placed with any non-UK country at any time.

### AAA

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

### AA+

- Finland
- Hong Kong
- USA

### AA

- Abu Dhabi (UAE)
- France
- UK

List provided by Link Asset Services as at 15 January 2018, based on the lowest rating from Fitch, Moody's and Standard & Poor's.

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## Report to Cabinet

**Subject:** Capital Programme and Capital Investment Strategy 2018/19 to 2020/21

**Date:** 15 February 2018

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

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### Wards Affected

Borough wide.

### Purpose

This report summarises:

- a) The proposed Capital Investment Strategy for 2018/19 to 2020/21; and
- b) The proposed Capital Programme for 2018/19 to 2020/21 in light of the Council's priorities and the resources available.

The Capital Investment Strategy and Capital Programme determined by Cabinet at this meeting will be referred to the Council Budget meeting on the 5 March 2018 for final approval. The detailed capital programme proposals are shown in Appendix 2 to this report.

### Key Decision

This is a Key Decision.

### Background

- 1.1 The prudential framework for Local Authority Capital Investment was introduced through the Local Government Finance Act 2003.
- 1.2 This prudential framework incorporates four statutory codes. These are:
  - The Prudential Code prepared by CIPFA
  - The Treasury Management Code prepared by CIPFA
  - The Statutory Guidance on Local Authority Investments prepared by DCLG
  - The Statutory Guidance of Minimum Revenue Provision (MRP) prepared by DCLG

- 1.3 During 2017/18 both CIPFA and DCLG have undertaken consultation on proposed changes to all of the above codes. This has been completed in recognition of the changing landscape in which Councils are now required to deliver public services, i.e. the increasing move to commercialism following the sustained period of reduced public funding. The consultations seek to ensure that the key objectives of codes remain relevant and that they can continue to be fulfilled in the context of this changing landscape and the emerging activities that local authorities are now embarking upon e.g. investment in property as a tool to generate financial returns.
- 1.4 CIPFA has consulted on, and published, updated Prudential and Treasury Management Codes which are reflected in each of the Budget Cabinet reports which appear on this agenda to ensure fully integrated revenue, capital and treasury management planning.
- 1.5 The Prudential Code underpins the systems of capital finance and planning and is the primary document which provides the framework for the development of the capital programme which is proposed in this report. The key issue addressed in the consultation process was how Councils will ensure prudence, in respect of longer term planning, the MRP, increasing commercialisation, understanding of risk and the ability to raise council tax.
- 1.6 The revised Prudential Code sets out the following key objectives, to ensure that:
- local strategic planning, asset management planning and proper option appraisal are supported;
  - The capital investment plans of local authorities are affordable, prudent and sustainable. Affordability has regard to the implications of capital expenditure for Council Tax, whilst prudence and sustainability have regard to the long term implications for external borrowing considering the actual impact, and potential impact on overall fiscal sustainability;
  - Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved;
  - The authority is accountable, by providing a clear and transparent framework.

To provide a clear and transparent framework authorities are now required by the Code to formulate a Capital Strategy which more closely links together two current Gedling documents i.e. the Capital Investment Strategy and the Treasury Management Strategy. The strategy will set out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and their impact on priority outcomes. CIPFA recognises that a longer lead in time may be required for full implementation of the Capital Strategy and accept that this may not be available until the 2019/20 financial year. For 2018/19 the main principles of the new codes have been applied in the current strategies and an updated Capital Investment Strategy is proposed in paragraph 2.



- 1.7 The DCLG has consulted on changes to guidance for investments and the MRP with the aim of ensuring that local authorities continue to make borrowing and investment decisions in a way that is commensurate with their statutory responsibilities and the best value duty. The primary issues raised in the consultation relate to: investment in non-core functions; the principles of prioritising security and liquidity over yield in respect of investment in non-financial assets e.g. property; the ability to borrow to finance any investment that does not deliver statutory or strategic objectives and changes to MRP guidance to ensure that prudent provisions are made for the repayment of debt. The outcome of the consultation and new guidance is still awaited so full impact is not yet known but the proposals in respect of MRP are considered to be prudent and have been applied in production of the 2018/19 budget. The main area of uncertainty relates to potential controls over borrowing to finance the acquisition of investments that are not in delivery of core functions e.g. investment property outside of the borough. However, there are currently no proposals for this type of investment.

## **Proposal**

### **2. Capital Investment Strategy**

- 2.1 The Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council's priorities and objectives as set out in the Gedling Plan.
- 2.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending; and sets out how the resources and capital programme will be managed.
- 2.3 The Strategy has been updated to recognise the proposals for commercial property investment contained in the draft capital programme as detailed at paragraph 3.2(f). The Prudential Code requires details of the authority's approach to commercial activities to be included in the Capital Strategy, including:
- processes ensuring effective due diligence and defining the authority's risk appetite of these, including proportionality in respect of overall resources;
  - requirements for independent and expert advice and scrutiny arrangements;
  - Periodic re-evaluation of individual business cases to ensure current circumstances inform the overall capital strategy.
- 2.4 It is intended that commercial property investments will be governed by a Commercial Property Investment Strategy which is currently being prepared and will be presented to Cabinet for consideration at the earliest opportunity. This strategy will incorporate all of the requirements of the Prudential Code above and determine the key success criteria against which each individual property investment business case will be assessed e.g. must provide a financial return whilst ensuring an appropriate balance of risk and reward. Formal approval of the Commercial Property Investment Strategy and assessment of individual business cases will be required before any of the capital monies can be spent.
- 2.5 A copy of the proposed Capital Investment Strategy for 2018/19 to 2020/21 is attached at Appendix 1.

### 3. **Draft Capital Programme**

3.1 The following table summarises the proposed Capital Programme for 2018/19 to 2020/21. The full programme of schemes is presented in Appendix 2.

<b>Portfolio</b>	<b>2018/19 £</b>	<b>2019/20 £</b>	<b>2020/21 £</b>
Housing, Health and Wellbeing	760,300	0	0
Public Protection	900,000	900,000	900,000
Environment	1,723,200	589,000	205,000
Growth and Regeneration	1,890,500	0	0
Resources and Reputation	2,950,000	150,000	2,650,000
Future Equipment Replacement	150,000	150,000	150,000
Future Service Development Bids	0	100,000	100,000
<b>Total Capital Programme</b>	<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>

3.2 The proposed capital programme is derived from the following:

a) **Schemes already approved as part of the 2017/18 budget setting process:**

- Carlton Square Development £400,000 (an addition to this scheme of £350,000 is proposed, see development bid paragraph (e) below plus £90,000 has been re-profiled from 2017/18 as approved by Cabinet as detailed at paragraph 4, giving a total capital budget of £840,000 in 2018/19)
- Affordable Housing Scheme £120,000 (funded by S106 Contributions)

b) **Schemes re-profiled from 2017/18**

Schemes totalling **£1,430,100**, approved for deferral by Cabinet:

	2018/19	2019/20
	£	£
Affordable Housing Scheme – funded by S106	150,000	
Starter Homes, Station Road - funded by HCA	160,300	

Grant		
Calverton Soft Play Area	140,000	
Carlton Forum Gym Equipment	190,000	
Civic Centre Public Toilets	22,000	
Carlton Cemetery Expansion	273,000	
Gedling Country Park Viewing Platform	34,800	
Vehicles	58,000	12,000
Carlton Square Development	90,000	
Carlton Le Willows All Weather Pitch	300,000	
<b>Total</b>	<b>1,418,100</b>	<b>12,000</b>

c) **Ongoing Capital Programme Items (previously approved as ongoing)**

- Disabled Facilities Grants **£900,000** per annum (subject to confirmation of grant funding via Better Care Fund). This is an increase of £80,000 from the previous approved programme which is fully grant funded.
- Asset Management Fund **£150,000** per annum - used to maintain the Council's assets to a safe and usable standard.

d) **Replacement Equipment/Vehicles**

Replacement assets to ensure continuation of existing service:

	2018/19	2019/20	2020/21
	£	£	£
Vehicle Programme	999,000	577,000	205,000
Future Equipment Replacement	150,000	150,000	150,000
<b>Total</b>	<b>1,149,000</b>	<b>727,000</b>	<b>355,000</b>

e) **New resource development bids which meet the Council priorities**

The table below show schemes totalling **£1,500,500** which score 15 points and above using the Council's approved methodology as detailed in the Capital Investment Strategy (see paragraph 2 above). The approved methodology ranks schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans. They are

assessed as affordable in line with the Council's Prudential Code Indicators contained within the Treasury Management Strategy and within the overall context of the Medium Term Financial Strategy.

Description	Capital Budget 2018/19	Revenue Ongoing (Full Year Effect)	Score
	£	£	
<b>Arnold Town Centre Development</b> <i>(subject to confirmation of grant funding)</i>	1,050,500	(20,000)	43
<b>Carlton Square Development Expansion</b> <i>(subject to confirmation of grant funding)</i>	350,000	0	38
<b>Haywood Road Play Area</b> <i>(subject to confirmation of £50k grant funding)</i>	100,000	600	27
<b>Total Capital Development Bids</b>	<b>1,500,500</b>	<b>(19,400)</b>	

f) **Budget Reduction Programme – Invest to Save Schemes**

The table below shows budget reduction programme schemes totalling **£5,236,400** which require capital investment. These have been scored using the Council's approved methodology as detailed in the Capital Investment Strategy and each scheme scores above the 15 points required for entrance to the capital programme. They each represent the Council's aspiration to become more commercial.

Description	Capital Budget 2018/19	Capital Budget 2020/21	Revenue Ongoing (Full Year Effect)	Score
PASC Trees/Landscaping Equipment	171,000	0	(110,000)	28
Pet Cremation Service	65,400	0	(98,400)	23
Commercial Property Investment (Note 2)	2,500,000	2,500,000	(100,000)	18
<b>Total Invest to Save Schemes</b>	<b>2,736,400</b>	<b>2,500,000</b>	<b>(308,400)</b>	

Note 1 - There are no proposals for 2019/20

Note 2 - Subject to satisfactory business cases as per paragraph 2.4.

#### 4. **Capital Resources**

##### 4.1 **Capital Receipts**

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

The estimated annual capital receipt generation for 2018/19 to 2020/21 is detailed in the table below and it is proposed that these are fully utilised to finance the capital programme as detailed in paragraph 3.1:

	2018/19	2019/20	2020/21
	£	£	£
Land Sales	760,000	660,000	555,000
Right to Buy & Improvement Grant Repayments	250,000	50,000	50,000
<b>Total Capital Receipt Estimate</b>	<b>1,010,000</b>	<b>710,000</b>	<b>605,000</b>

##### **Land Sales**

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

If, for whatever reason, these capital receipts do not materialise, then prudential borrowing will need to be used as replacement funding. This is still affordable within the timeframe of the MTFP.

##### **Right to Buy Receipts and Improvement Grant Repayments**

The Council also generates capital receipts from improvement grant repayments and preserved Right To Buy (RTB) receipts. Preserved RTB receipts are those that the Council has negotiated to retain, for a period of 10 years, as part of the LSVT of housing stock. These receipts are due to finish in 2018/19 when the 10 year period has ended. Preserved RTB receipts are not subject to usual housing pooling requirements, requiring a proportion to be paid to Central Government, and are fully usable to finance capital expenditure.

## 4.2 Capital Grants and Contributions

External funds such as the Disabled Facilities Grant (DFG) and contributions from developers continue to be important in the funding of capital expenditure, and schemes financed in this way are included in the programme.

Grants and contributions estimated for financing the 2018/19 to 2020/21 programme include:

	2018/19 £	2019/20 £	2020/21 £
Disabled Facilities/Better Care Fund Grant (assumed ongoing 2018/19-2020/21)	900,000	900,000	900,000
N2 Growth Fund Arnold and Carlton Square Developments (subject to confirmation)	1,400,000	0	0
S106 Contribution for Affordable Housing Projects	270,000	0	0
S106 Contribution Gedling Country Park	34,800	0	0
WREN grant Haywood Road Play Area (subject to confirmation)	50,000	0	0
<b>Total Grants and Contributions</b>	<b>2,654,800</b>	<b>900,000</b>	<b>900,000</b>

Disabled Facilities/Better Care Fund grant funding is now paid by the Ministry of Housing, Communities and Local Government to Nottinghamshire County Council for distribution. The actual allocations to each District Council are agreed by the Nottinghamshire Health and Wellbeing Board. There have not yet been any grant announcements for 2018/19 so an estimated grant amount of £900,000 is included for 2018/19 and for the future programme. Any variation will be reported to Cabinet via the usual quarterly budget monitoring process.

Expenditure in the capital programme has been grossed up and the contributions are shown in the table below as adding to the resources available to finance the programme.

## 4.3 Prudential Borrowing

The total borrowing that is required to finance the proposed 2018/19 to 2020/21 capital programme is £7.3m. This is an increase of £5.2m from that previously estimated which is due to the inclusion of the Invest To Save projects arising from the Budget Reduction Programme as detailed in the table at 3.2(f) above. Invest to Save projects are anticipated to fund the full costs of borrowing from the revenue income

generated by the schemes and this has been fully reflected in the Council's Medium Term Financial Plan. The proposed borrowing amounts are detailed in paragraph 4.4 below.

The Council's Prudential Indicators for the financial years 2018/19 to 2020/21 are contained within the Treasury Management Strategy Statement, an item elsewhere on this agenda, which will be referred to Council for approval. These Prudential Indicators, in conjunction with the calculations within the Medium Term Financial Plan, show that this level of borrowing is affordable and sustainable, subject to securing the commitment to delivering a budget reduction programme of £3.9m in the medium term i.e. £2.8m net from planned budget reductions plus £1.1m the new proposed efficiency target.

#### 4.4 Capital Resources Summary

An estimate of resources for financing the 2018/19 to 2020/21 programme is summarised below:

<b>Capital Resources</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Use of Capital Receipts	1,010,000	710,000	605,000
Capital Grants and Contributions	2,815,100	900,000	900,000
<b>Total Cash Resource</b>	<b>3,825,100</b>	<b>1,610,000</b>	<b>1,505,000</b>
Prudential Borrowing	4,548,900	279,000	2,500,000
<b>Total Financing</b>	<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>

#### **Alternative Options**

- 5 As the resources for financing the capital programme are limited there is no capacity to implement further service developments which are not funded by specific grants/ contributions or are not invest to save schemes, therefore no alternative options are available. However, depending upon the timing and value of expected capital receipts, borrowing may be utilised as a substitute for capital receipts to fund the programme in any one year, and vice versa.

#### **Financial Implications**

- 6 As detailed in the report.

#### **Appendices**

- 7 Appendix 1 - Capital Investment Strategy 2018/19 – 2020/21

## **Background Papers**

- Treasury Strategy 2018/19
- Gedling Plan 2016-19

## **Recommendations**

### **8 THAT:**

- (a) The Capital Investment Strategy 2018/19 to 2020/21 detailed at Appendix 1 is approved and referred to Council for approval on 5 March 2018.
- (b) The estimated capital financing available for 2018/19 to 2020/21 be noted;
- (c) The Capital Programme for 2018/19 to 2020/21 detailed at Appendix 2 is approved and referred to Council for approval on 5 March 2018;

## **Reasons for Recommendations**

- 7 To obtain approval of the draft Capital Programme and Capital Investment Strategy, which support the delivery of the 2016-19 Gedling Plan.





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**GEDLING BOROUGH COUNCIL**

**CAPITAL INVESTMENT STRATEGY**

# 2018/19 to 2020/21

## 1. INTRODUCTION

This Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment proposals. The principal aim is to deliver an affordable programme of capital investment consistent with the Council's financial strategy and that contributes to the achievement of the Council's priorities and objectives as set out in the Gedling Plan.

The Strategy defines at the highest level how the capital programme is to be formulated and designed; it identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed.

As well as detailing the approved capital investment programme over the forthcoming three years, the document also sets out the Council's ambitions over the medium to longer term.

The basic elements of the Strategy therefore include:

- A direct relationship to the Gedling Plan;
- A framework for the review and management of existing and future assets (the Property Asset Management Plan);

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- An investment programme expressed over the medium term;
- A document that indicates the opportunities for partnership working;
- A framework that prioritises the use of capital resources;
- A consideration of the need to pursue external financing (grants, contributions etc.), which reconcile external funding opportunities with the Council's priorities and organisational objectives, so that it is the achievement of the latter that directs effort to secure the former;
- A direct relationship with the Treasury Management Strategy, and the limitations on activity through the treasury management Prudential Indicators.
- A direct relationship with the Commercial Property Investment Strategy (this strategy is in development and will require approval by Cabinet prior to any commercial property investments being completed)

This document is intended for the use by all stakeholders to show how the Council makes decisions on capital investment:

- for the Cabinet and Council – to decide on capital investment policy within the overall context of investment need/opportunity and affordability;
- for Councillors – to provide an understanding of the need for capital investment and help them scrutinise policy and management;
- for Officers – to provide an understanding of the Council's capital investment priorities, to assist them in bidding for capital resources, and to confirm their role in the capital project management and monitoring arrangements;
- for taxpayers – to demonstrate how the Council seeks to prudently manage capital resources and look after its assets;
- for partners – to share with them our Vision and help to co-ordinate and seek further opportunities for joint ventures.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

The capital programme consists of:

- The General Fund Capital Programme with a proposed budget for 2018/19 of £8.374m. Of this amount, expenditure on the Council's assets totals £7.474m, and £0.900m will provide Disabled Facilities Grants to a number of private dwellings during the year.

### 2. **PRINCIPLES SUPPORTING THE STRATEGY**

The Capital Investment Strategy reflects the aspirations included within the Council's main strategic documents - principally the Gedling Plan but also other key planning documents such as the Property Asset Management Plan, Treasury Management Strategy and Prudential Code Indicators, Medium Term Financial Plan/Budget Strategy, and the ICT Strategy.

The principles that underpin the Capital Investment Strategy include:

#### Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;
- The use of a rational process for assessing the relative importance of potential schemes.

#### Financial Principles:

- The overarching commitment to affordability of investments over the longer term, considering the actual impact, and potential impact, on overall fiscal sustainability;
- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- A commitment to developing partnerships, including the pursuit of joint venture and community arrangements where appropriate, to achieve the Council's investment aspirations;
- To pursue all available external funding where there is a direct compatibility with the Council priorities;
- Value for money of investments in assets over their full life cycle.

### Asset Management Principles:

- The development of Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets;
- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the Capital Programme;
- Recognition of the value of surplus properties that are gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals;
- A process of declaring property assets as surplus will be led by the Service Manager Property in consultation with the holding department, who will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements;
- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans, in line with the Localism Act 2011;
- Management of assets to take full account of the Council's wider priorities including its environmental priorities;

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- The continuation of financial support to schemes that involve site assembly, which will potentially generate significant capital receipts in the medium term;
- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.

### Implementation and Management Principle

- The operation of robust management arrangements for the implementation, updating and review of the Strategy.

### Links to Other Financial Documents

#### Medium Term Financial Plan

The Capital Strategy is closely linked to the Medium Term Financial Plan (MTFP), where available funding and projected levels of expenditure are set out. The revenue implications of the capital programme are also included in the MTFP, and the affordability of the impact on Council Tax is demonstrated.

#### Prudential Code

The Capital Strategy sets out the framework for prioritisation of capital investment decisions. The strategy for funding this investment is underpinned by the Prudential Code for Local Authority investment, which was introduced by The Local Government Act 2003. The Prudential Code has the following key objectives:



## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- local strategic planning, asset management planning and proper option appraisal are supported;
- The capital investment plans of local authorities are affordable, prudent and sustainable having regard to the long term implications for external borrowing considering the impact, and potential impact, on overall fiscal sustainability;
- Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved;
- The authority is accountable, by providing a clear and transparent framework.

To demonstrate that these objectives have been fulfilled, the Prudential Code details the indicators that must be set and monitored. These are designed to support and record local decision-making, and not to be comparative performance indicators. The Prudential Indicators must be approved by full Council.

### Treasury Management Strategy

The Treasury Management Strategy links to the Capital Investment Strategy in determining the Council's approach to borrowing and investment, including borrowing to fund capital expenditure. The Treasury Management Strategy is closely related to the Prudential Code and Prudential Indicators discussed above.

The Authority has an integrated Treasury Management Strategy, and has adopted the CIPFA Code of Practice for Treasury Management in Public Services. The Treasury Management Strategy deals with borrowing and investment arising as a consequence of all the financial transactions of the authority, not exclusively those arising from capital spending.

### Commercial Property Investment Strategy (still in development)

The Commercial Property Investment Strategy will link to the Capital Investment Strategy in determining the Council's approach to commercial property investment, including:

- processes ensuring effective due diligence and defining the authority's risk appetite of these, including proportionality in respect of overall resources;

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- requirements for independent and expert advice and scrutiny arrangements;
- Periodic re-evaluation of business cases to ensure current circumstances inform the overall Capital strategy.

### Statement of Accounts

The capital expenditure carried out in the year is reflected in the Balance Sheet of the Statement of Accounts ensuring stewardship of assets is demonstrated. The accurate monitoring and recording of capital expenditure ensures that this document is free from material error. The Statement of Accounts is externally audited at the end of each financial year to certify that it presents a true and fair view of the financial position of the Council.

### Procurement Strategy

The manner in which capital monies are spent is determined by the Procurement Strategy, which along with the Contract Standing Orders and Financial Regulations, looks at who can be used to supply goods and services to the Council, and how these goods and services should best be obtained to secure value for money.

## 3. **CAPITAL INVESTMENT PRIORITIES**

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Gedling Plan 2016-19 sets out the vision for Gedling. This Vision is intended to be external facing and clearly indicates the Council's ambition for the district and the people within. Underpinning the Council's contribution to the Gedling Plan vision are the priorities. These are:

### People

- Reduce anti-social behaviour, crime and fear of crime.
- Reduce hardship and provide support to the most vulnerable.
- Improve health and wellbeing.
- Promote and encourage pride, good citizenship and participation in the local area.

# CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

## Place

- Create more jobs and better access to them.
- Ensure local people are well prepared and able to compete for jobs.
- Provide more homes.
- Provide an attractive and sustainable environment that local people can enjoy and appreciate.

## Performance

- Improve the customer experience of dealing with the Council.
- Create a stronger commercial and entrepreneurial culture.
- Maintain a positive and productive working environment and strong staff morale.

## 4. **FINANCIAL CONTEXT**

### **Comprehensive Spending Review**

The Chancellor announced the comprehensive spending review on 25 November 2015, with further cuts in Central Government Funding being applied to all Local Authorities, including Gedling. This detailed the removal of the Revenue Support Grant to Councils over the period of this parliament, and instead moving to 100% funding by business rates income, i.e. a system of Local Government funded by local taxation. More recently the local government finance settlement 2018/19 now suggests that local authorities will retain 75% (rather than 100%) of business rates from 2020/21. Changes to the New Homes Bonus (NHB) were announced by Government in the local government finance settlement 2017/18 which effectively reduce Gedling's NHB to zero over the next four years.

What this means in practice is that local authorities will find it much harder to fund capital expenditure, resulting from less government funding, more expensive borrowing, and reduced capital receipts in the current economic climate.

In response to these significant pressures, local authorities must now explore alternative sources of funding capital expenditure. These various options can be summarised as follows:

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- External partners – Traditionally Section 106 monies have been levied on private contractors where funds have been required to deliver (amongst other things) capital projects necessary to make a planning application acceptable e.g. to upgrade highways infrastructure, within the district. These opportunities are now extended to include the Community Infrastructure Levy (CIL), which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed to deliver new development. The infrastructure to be funded by CIL must be clearly set out and can include transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres.
- Grants – Capital grants are made available by the central government and other public sector bodies that could be used to fund capital expenditure. Unfortunately capital grants are now diminishing in number as further cuts are enforced on Local Government. For example, as detailed above, changes to the New Homes Bonus, which is an established non-ringfenced grant is not expected to be a source of capital funding going forward.
- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment.
- Local Asset Backed Vehicles (LABVs) – This is a form of public and private sector partnership that allows public sector bodies to use their assets (usually land and buildings) to attract long term investment from the private sector in order to deliver socio-economic development and regeneration. They are designed to encourage parties to pool resources, such as finance, planning powers, land and expertise, in order to deliver regeneration with an acceptable balance of risk and return for all those involved. They are increasingly being looked at as a potential model to help local authorities meet their regeneration aspirations.
- Tax Increment Financing (TIF) – This is an initiative that allows a local authority to borrow money against the predicted future growth in local business rates income.
- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced re-offending, and CCTV based on reduced anti-social behaviour and crime levels.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- Community Involvement – The Localism Act 2011 introduced the concept of “community asset transfer”, “community right to challenge” and “community right to bid” for services. These changes in legislation have opened up the whole spectrum of opportunities of private sector investment in community-led capital projects, where deemed appropriate.
- Collaborative Working – a move away from the traditional development agreement structure and towards a more collaborative approach, either to enhance marketing prospects for a site or to enhance its redevelopment value by addressing planning issues. This type of approach encourages interest from expert developers to promote a site or work together on the planning and infrastructure process, to enhance the attractiveness of the site to end users.

### **Financial Process**

The Council’s financial and service planning process ensures decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach.

The funding of capital schemes is via the following hierarchy:

- External grants and contributions;
- Capital receipts from the disposal of fixed assets;
- Borrowing;
- Leasing finance; (where applicable)
- Revenue contributions.

The following paragraphs examine the current and prospective means of financing projects and the range of choices available.

**External Grants and Contributions** - Some capital projects are financed wholly or partly through external grants and contributions that are specific to projects and cannot be used for other purposes.

Grants from external sources are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of capital developments that would otherwise have been unable to progress. Given the scale of the Council’s ambitions to improve and add to its asset base much will depend on our ability to secure external funding.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

The most significant grants that the Council is now likely to receive are from Section 106 monies and the Community Infrastructure Levies from development sites. Section 106 agreements are contributions from developers tied into new construction projects, such as funding a new play area when building a housing development. These agreements can be complex and difficult to monitor, and the provision of the funding can be contingent upon a certain stage in the development being met. Once contributions have been received, there is usually a time limit within which they must be spent. Where there is a revenue element to provide for ongoing maintenance of facilities, it needs to be correctly reflected in directorate revenue budgets.

**Capital Receipts** - The Council also generates its own capital resources through the sale of surplus land and buildings and these resources can be used by the Council to invest in new capital projects. However, the Council is not asset rich and the ability to realise significant capital receipts is becoming limited. Moreover, the current economic climate will restrict the capital value of any sale. Decisions to dispose of assets at less than full value should therefore be tested against the opportunity cost of the capital spending given up as a consequence.

All capital receipts arising from the sale of land and buildings will feed directly into the corporate capital pot for reinvestment. Generally capital receipts will be treated as a corporate resource.

The Council will ring-fence capital receipts to specific schemes where there is a legal requirement to do so i.e. whether it arises from the terms under which the asset was acquired, or from a statutory requirement. Exceptionally the Council may ring-fence receipts where there is a close link between the receipt and reinvestment.

**Borrowing** – Prudential borrowing is where the debt costs have to be funded from the Council's revenue resources. The principle of affordability is therefore a key consideration.

Prudential borrowing will be tightly controlled due to the financial impact it will have on a revenue budget that already operates to very tight margins. The planning assumption for the three-year programme is that the Council may use borrowing for 'long life' assets, or as an alternative for leasing, or for an 'invest to save' scheme. This must, however, be proven to be affordable within the revenue budget through the production of a robust business case.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

**Revenue Funding** - The Council can also use revenue resources to fund capital projects, although pressures on the revenue budgets limit the ability to fund schemes from this source.

### **Leasing**

Leasing does not currently play a part in funding the Council's capital expenditure, as vehicles are now purchased rather than leased when they are replaced. This falls outside the prioritisation and scoring mechanism, and checks need to be made to ensure that vehicle replacements form part of a coherent overall strategy that provides value for money.

**Other Sources of Capital Financing** - The Council will continue to explore the potential for developing partnerships and private sector involvement. In all cases the resulting revenue costs of these sources of funding are tested for relative Value for Money alongside debt financing.

The Council recognises that certain services have greater potential for attracting capital finance from external sources. The Council aims to ensure that it maximises the opportunities to attract partnership or third party funding where appropriate and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

The table below shows the estimated use of these resources over the three-year period.

FUNDING SOURCE	2018/19	2019/20	2020/21
	£	£	£
Grants & Contributions	2,815,100	900,000	900,000
Capital Receipts	1,010,000	710,000	605,000
Borrowing/Leasing	4,548,900	279,000	2,500,000
<b>Total</b>	<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>

## 5. **CAPITAL BUDGET PREPARATION**

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

The capital programme is derived from the following:

**(a) Rolling Programme Items**

- ongoing investment required to ensure continuation of existing service e.g. replacement of vehicles and equipment;
- Asset Management Fund to ensure existing assets are maintained to appropriate standards;
- schemes determined to be an ongoing requirement and funded by grant e.g. Disabled Facilities Grant;

**(b) Resource Development Bids** - new capital investment proposals to secure the achievement of Council priorities.

### Capital Investment Prioritisation

The purpose of the capital budgeting process is to ensure that the money available for capital expenditure is prioritised in the way which best meets the Council's objectives. This must be achieved within the constraints of the capital funding available. Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council and so are prioritised as follows:

**(a) Rolling Programme Items** are the first call on available resources to ensure that existing approved service levels can continue to be delivered.

The vehicle replacement programme identifies vehicles reaching the end of their useful life for which replacement vehicles need to be purchased. Additional vehicles for new service proposals are subject to the development bidding process.

Asset maintenance of a capital nature e.g. refurbishment of leisure centre changing rooms, are bid for annually by service departments and included in the programme as an Asset Management Fund scheme. Schemes may be prioritised in accordance with the capital scoring methodology (see below) if there are more bids than funds available in the Asset Management allocation. Funding for routine asset repairs and maintenance is not bid for on a yearly basis as the majority of ongoing repairs and maintenance budgets are held as revenue by directorates.



## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

**(b) Resource Development Bids** present the competing directorate priorities for capital resources which are assessed by a capital scoring methodology (see below) which assigns points to proposed schemes based on their fit with the priorities identified.

### The Capital Budgeting Process

The capital budgeting process commences in September each year, and is made up of several steps.

- Service Managers identify capital schemes in line with identified corporate and service priorities.
- Resource Development Bids are scored against the capital scoring methodology.
- The ranked scores of schemes are considered in conjunction with the capital funds available, to arrive at a proposed capital programme.
- Council has the final decision on which schemes proceed, informed by the proposed programme.

Service Managers submit proposed capital schemes on development bid pro-formas. The financial information required includes the initial outlay and ongoing costs of the scheme, as well as any income or savings generated.

The revenue impact of proposed schemes is of particular concern. Schemes that have a high ongoing impact on revenue may fail to proceed, due to the constraints on revenue financing. Conversely, schemes which generate additional revenue income, or contribute to revenue savings will score additional points on the financial element of the methodology. This also applies to schemes which generate external funding or capital receipts.

The bid process also asks Service Managers to identify the non-financial outputs and outcomes which their scheme will provide, and this information is used to score schemes against the criteria in the scoring matrix.

Bids are scored by the Section 151 Officer, the Service Manager for Financial Services and a Corporate Director.

A good capital bid is likely to be one which:

- makes a significant contribution to one or more corporate priorities;

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- has been thoroughly researched, both practically and financially, including consideration of an option appraisal and whole life costing approach for major schemes;
- considers fully the ongoing revenue implications, both costs and incomes;
- pays for itself and generates an income stream i.e. Invest to Save schemes;
- has been developed in conjunction with stakeholders, including Members and any other services or partners affected;
- has identified and secured possible external funding or capital receipts;
- identifies realistic and achievable outcomes and outputs;
- is deliverable within the resources (such as staffing) available within the directorate, or identifies extra resources required;

The submission of bids by directorates which demonstrate these qualities is key to ensuring that the Council's priorities are delivered through capital investment.

### The Capital Scoring Methodology

The aim of the capital scoring methodology is to ensure that the schemes that best fit the Council's priorities, within the funds available, are taken forward. A copy of the current scoring methodology is attached at Appendix A. Scores are awarded based on:

- the extent to which schemes meet the priorities identified. Weighting may be applied to the scores if Cabinet propose that a particular priority or ward area requires additional investment. No weighting has been applied in the development of the 2018/19 to 2020/21 programme;
- Asset management priorities – this section is used to prioritise Asset Management Fund items if bids to the fund exceed the budget allocation;
- the measure of the financial impact of the scheme, where points are awarded for external funding, income generation, value for money, impact of risk, and generation of capital receipts.

The maximum score possible (excluding Asset Management Fund items) is 53 points. The highest score would only be achievable if the scheme made a high contribution to all of the Council priorities together with a maximum positive financial impact in terms of value for money, funding/income generation and risk. The maximum available score is unlikely to be achieved by any individual scheme so scoring parameters are set, based on the level of contribution to priorities achieved, by which schemes are considered for inclusion in the proposed capital programme.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

For the 2018/19 to 2020/21 capital budget, the following score parameters have determined the schemes to be proposed for inclusion in the capital programme based on contribution to priorities:

Score	Capital Programme Inclusion
Greater than 25 points	Automatic Proposal
Between 15 and 25 points	Include with Cabinet Support
Less than 15 points	Automatic Disregard

Scheme are ranked in accordance with the scores secured and those above 15 points considered by Cabinet in light of resources available before making final recommendations to Council of the final programme for approval.

### **Managing the Capital Programme**

A key role in the monitoring of the capital programme is undertaken by the Capital Monitoring Group, which meets on a bi-monthly basis. This Group is attended by responsible officers providing a supportive environment in which problem areas are identified and corrective actions agreed and implemented at an early stage to avoid slippage. Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

The Council maintains comprehensive and robust procedures for managing and monitoring its Capital Programme. The ongoing monitoring arrangement for the delivery of the approved programme is a reciprocal process between service directorates and Financial Services consisting of:

- Project Managers identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- Project Managers feed information on scheme progress to the Finance Business Partner to produce the monthly budget monitoring statement;
- Bi-monthly capital monitoring meetings consider each Project Manager's report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken;

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

- Service Managers are responsible for ensuring that Project Manager monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet;
- Capital budget monitoring is reported to Cabinet on a quarterly basis, for consideration of slippage and budget amendments;
- At year end, Financial Services collate the outturn position for capital schemes, and report under and overspends and propose budget carry forwards. The Asset Register and Statement of Accounts are updated with new assets acquired within the year;
- A post-implementation review of capital projects after completion is important to assess to what extent the financial and non-financial aims of the project were met. Where they were not, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.

### 6. CONCLUSION

The Capital Investment Strategy is a 'live' document which enables the Council to make rational capital investment decisions in order to achieve its corporate priorities and objectives. As a consequence, it provides a framework for determining the relative importance of individual capital projects.

If the Council is to achieve its ambitions, it is recognised that a commitment to partnership working with both the private sector and other public sector bodies will play a significant part of the Council's overall approach.

The adoption of a three-year capital planning framework is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

The Council aims to ensure that it will maximise the opportunities to attract partnership or third party funding, and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

New and innovative ways of generating increased capital finance will continue to be explored, as well as adopting a rigorous approach to the identification and disposal of surplus assets.

The Council will maintain comprehensive and robust procedures for managing and monitoring its Capital Programme.

Any policy or strategy proposed to Council that requires capital investment must be consistent with the Capital Investment Strategy. The Strategy is to be revisited annually, to ensure that it is kept up-to-date and is relevant and effective.

### Appendix A

#### Capital Resource Development Bid – Scoring Methodology

		Scoring system	Bid Name	Bid Name
<b>1. Priorities</b>				
<b>a. People</b>				
<b>i</b>	Reduce anti social behaviour, crime & fear of crime	<b>0 - 3</b>		
<b>ii</b>	Reduce hardship and provide support to the most vulnerable	<b>0 - 3</b>		

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

iii	Improve health and wellbeing	0 - 3		
iv	Promote and encourage pride, good citizenship and participation in the local area.	0 - 3		
<b>Total for 1a:</b>		<b>Maximum points = 12</b>	<b>0</b>	<b>0</b>
<b>0 = Not applicable; 1 = Low contribution; 2 = Medium contribution; 3 = High contribution</b>				
<b>Weighting due to performance indicator:</b>		<b>1</b>	<b>1</b>	<b>1</b>

<b>b. Place</b>				
i	Create more jobs and better access to them	0 - 3		
ii	Ensure local people are well prepared and able to compete for jobs.	0 - 3		
iii	Provide more homes	0 - 3		
iv	Provide an attractive and sustainable local environment that people can enjoy and appreciate.	0 - 3		
<b>Total for 1b:</b>		<b>Maximum points = 12</b>	<b>0</b>	<b>0</b>
<b>0 = Not applicable; 1 = Low contribution; 2 = Medium contribution; 3 = High contribution</b>				
<b>Weighting due to performance indicator:</b>		<b>1</b>	<b>1</b>	<b>1</b>

<b>c. Performance</b>				
i	Improve the customer experience of dealing with the Council	0 - 3		
ii	Create a stronger commercial and entrepreneurial culture	0 - 3		
iii	Maintain a positive and productive working environment and strong staff morale	0 - 3		
<b>Total for 1c:</b>		<b>Maximum points = 9</b>	<b>0</b>	<b>0</b>
<b>0 = Not applicable; 1 = Low contribution; 2 = Medium contribution; 3 = High contribution</b>				
<b>Weighting due to performance indicator:</b>		<b>1</b>	<b>1</b>	<b>1</b>

<b>2. Asset Management Plan Priority (AMF items only)</b>				
a.	AMP 1 (urgent Health & Safety)	<b>25 pts</b>		
b.	AMP 2 (desirable Health & Safety)	<b>5 pts</b>		
c.	AMP 3 or 4	<b>0 pts</b>		
<b>Total for 2:</b>		<b>Maximum Points = 25</b>	<b>0</b>	<b>0</b>

## CAPITAL INVESTMENT STRATEGY 2018/19 to 2020/21

	Scoring System	Bid Name	Bid Name
<b>3. Measure of Finance Impact</b>			
<b>a.</b> External Funding	<b>0 - 10</b>		
<b>b.</b> Income Generation	<b>0 - 10</b>		
<b>c.</b> VFM	<b>0 - 10</b>		
<b>d.</b> Risk	<b>0 - 10</b>		
<b>e.</b> Capital Receipt Generation	<b>0 - 10</b>		
<b>Total for 3:</b>	<b>Maximum points = 20</b>	<b>0</b>	<b>0</b>
<b>4. Weighting based on ABI impact</b>			
<b>5. Total points</b>	<b>Maximum points possible = 53</b>	<b>0</b>	<b>0</b>
<b>AMF Items Total points</b>	<b>Maximum points possible = 78</b>	<b>0</b>	<b>0</b>





**DRAFT CAPITAL PROGRAMME 2018/19 - 2020/21**

SCHEME DESCRIPTION	Ref	CAPITAL BUDGET REQUIREMENT		
		2018/19	2019/20	2020/21
		£	£	£
<b><u>HOUSING, HEALTH &amp; WELLBEING</u></b>				
Affordable Housing Scheme	S106 Slip	270,000		
Starter Homes, Station Road	Grant Slip	160,300		
Calverton Soft Play Area	Slip 17/18	140,000		
Carlton Forum Gym Equipment	Slip 17/18	190,000		
<b>Total Housing, Health &amp; Wellbeing</b>		<b>760,300</b>	<b>0</b>	<b>0</b>
<b><u>PUBLIC PROTECTION</u></b>				
Disabled Facilities Grant	Grant Ongoing	900,000	900,000	900,000
<b>Total Public Protection</b>		<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b><u>ENVIRONMENT</u></b>				
Civic Centre Public Toilets	Slip 17/18	22,000		
Haywood Road Play Area		100,000		
Pet Cremation Service - vehicles/Equip		65,400		
PASC Trees/Landscaping equipment		171,000		
Carlton Cemetery Expansion	Slip 17/18	273,000		
Gedling Country Park	Slip 17/18	34,800		
<b><u>Vehicle Replacement</u></b>				
Replace Triple Mower YX60FNM	Slip 17/18	30,000		
Replace Shibaru Banks Mower FJ11MXC	Slip 17/18	28,000		
Replace Ford Fiesta FL10WWE	Slip 17/18		12,000	
Replace Ford Transit /plastic body FG11WCY		33,000		
Replace Ford Transit Platform Lift FE59LTO		52,000		
Replace Ford Transit Crew Tail FP60JYS		32,000		
Replace Ford Transit Crew Tail FP60KGN		32,000		
Replace Shibaru Out Front FJ12FSU		23,000		
Replace Volvo Excavator/Gravedigger		32,000		
Replace Trilo Vacuum Leaf Collector		13,000		
Replace Dennis Elite Narrow VU11YSA		180,000		
Replace Dennis Elite Narrow VU11YSB		180,000		
Replace Dennis Elite VU11HXE		185,000		
Replace Ford Transit Connect FD09EPZ		17,000		
Replace Johnson Iveco RX60BZE		150,000		
Repalce Ford Fiesta YR61DTZ		13,000		
Repalce Ford Fiesta YR61DWM		13,000		
Replace Vehicle Lifting Equipment		33,000		
Replace Engine Mgmt Fault Finder		11,000		
Replacement Vehicles			577,000	205,000
<b>Total Environment</b>		<b>1,723,200</b>	<b>589,000</b>	<b>205,000</b>
<b><u>GROWTH AND REGENERATION</u></b>				
Arnold Town Centre Development	Dev Bid	1,050,500		
Carlton Square Development	Dev Bid+ Slip	840,000		
<b>Total Growth and Regeneration</b>		<b>1,890,500</b>	<b>0</b>	<b>0</b>
<b><u>RESOURCES AND REPUTATION</u></b>				
Asset Management Fund	Slip + New Prog	150,000	150,000	150,000
Carlton le Willows All Weather Pitch	Slip 17/18	300,000		
Commercial Property Investment	Dev Bid	2,500,000		2,500,000
<b>Total Resources and Reputation</b>		<b>2,950,000</b>	<b>150,000</b>	<b>2,650,000</b>
<b>Future Equipment Replacement</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Future Development Bids</b>		<b>0</b>	<b>100,000</b>	<b>100,000</b>

**DRAFT CAPITAL PROGRAMME 2018/19 - 2020/21**

SCHEME DESCRIPTION	Ref	CAPITAL BUDGET REQUIREMENT		
		2018/19	2019/20	2020/21
		£	£	£
<b>TOTAL CAPITAL PROGRAMME</b>		<b>8,374,000</b>	<b>1,889,000</b>	<b>4,005,000</b>



## Report to Cabinet

**Subject:** Gedling Plan 2018-19 (including General Fund Revenue Budget)

**Date:** 15 February 2018

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

### Wards Affected

Borough wide.

### Purpose

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

### Key Decision

This is a Key Decision.

### Background

- 1.1 The Constitution of the Council requires the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed cuts.
- 1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2018-19 Gedling Plan and revenue budget proposals will be presented to Budget Council on 5 March 2018. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.
- 1.3 This report ensures these requirements will be met for the 2018/19 budget process.
- 1.4 The severe financial pressures that the authority continues to face following the reductions in government grant and increases in public sector pay make this another extremely challenging budget round. As the Council relies heavily on central funding to deliver its services, any funding reductions require the Council to make further budget cuts and efficiencies, and to

generate additional income to deliver a balanced budget in the short and medium term.

## **Proposal**

### **2. Gedling Plan**

- 2.1 Members will recall that the Gedling Plan 2016/2019 setting out what the Council intends to achieve between 1 April 2016 and 31 March 2019 was approved by Full Council on 7 March 2016. This is the first time a 3 year plan has been developed by the Council, enabling a stronger link between the service and financial planning processes.
- 2.2 In 2016, it was noted that the Plan would be reviewed and updated on an annual basis to take into account new developments, emerging priorities and actions. The purpose of the annual review is not about creating a new Gedling Plan, but providing an opportunity to reflect on any changes necessary as a result of new challenges and the Council's ambitions. It is also an opportunity to re-focus, check and challenge whether the priorities, actions and performance indicators are the right ones.
- 2.3 This report presents a revised Gedling Plan 2018/19 (at Appendix 1) setting out an updated position two years on and provides a 'refreshed' suite of actions to take the Council to the end of the life of the current Plan. It also includes updated performance indicator targets.
- 2.4 The Plan is still based around 3 priorities, which have a range of objectives beneath them.

#### **People**

- Reduce anti-social behaviour, crime and fear of crime.
- Reduce hardship and provide support to the most vulnerable.
- Improve health and wellbeing.
- Promote and encourage pride, good citizenship and participation in the local area.

#### **Place**

- Create more jobs and better access to them.
- Ensure local people are well prepared and able to compete for jobs.
- Provide more homes.
- Provide an attractive and sustainable environment that local people can enjoy and appreciate.

#### **Performance**

- Improve the customer experience of dealing with the Council.
- Create a stronger commercial and entrepreneurial culture.
- Maintain a positive and productive working environment and strong staff morale.

2.5 When reviewing the Plan and determining actions and indicators to be included in the 2018/19 Plan:

- the actions which have been completed during 2017/18 have been removed;
- a small number of actions have been slightly reworded to reflect the forthcoming work to be progressed in the forthcoming year;
- the actions included in the current Gedling Plan which now fall within the remit of the Dynamic Council programme approved in 2017 have been brought under the umbrella of 4 new actions relating to delivery of the Digital Strategy, Agile Working Strategy, Demand Management Strategy and Commercialisation Strategy. The previous actions will continue to be delivered as sub-actions to these new overarching actions;
- a small number of new actions have been included, but given the need to deliver an already ambitious range of actions and the financial pressures faced by the Council, these have been kept to a minimum;
- whilst a small number of performance indicators have been increased, again in recognition of the financial pressures faced by the Council, the approach taken has been to maintain current performance levels.

2.6 Should the recommendations be agreed, progress against the actions and indicators will be reported to Members, including Cabinet and Overview and Scrutiny Committee and to the public online in the usual way. Accountability for individual actions and indicators will be shown clearly in the reports, with each having an accountable officer and lead portfolio holder.

### **3. Proposed General Fund Budget 2018/19**

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

### **3.2 Principles Underpinning the Budget Strategy**

The Council has a number of agreed principles as a basis for financial management and budget planning as follows:

- Emerging pressures are managed within existing overall budgets;
- Spending is aligned to key priorities as set out in the Gedling Plan;
- Income is only included in the budget where supported by robust proposals and is deliverable;
- The Council will maximise its commercial income where possible to ensure that fee charging services break-even over time and are provided with a nil cost subsidy from the taxpayer where appropriate, or return a surplus where appropriate;

- Where possible, future liabilities are anticipated;
- Budgets are sustainable;
- Savings proposals are supported by project plans and the impact on service delivery is clear;
- Capital and revenue planning must be integrated to ensure implications are fully anticipated;
- The Council's reserves and balances are not to be used as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

In light of the anticipated medium term gap, the Council has developed a forward strategy to inform future financial planning, by providing a framework for reducing planned expenditure over the medium term to ensure the Council is financially sustainable, while still delivering the Council's key priorities as set out in the Gedling Plan.

To meet the financial challenges of the next five years the proposed approach represents a strategic shift in the focus of the organisation from a model based largely on cost reduction and service redesign, through to a strengthened focus on a more commercial council approach with an income earning emphasis.

### 3.3 **The Autumn Budget**

From autumn 2017 the Government is presenting a single Autumn Budget, to allow for greater Parliamentary scrutiny of Budget measures ahead of their implementation. This is intended to put an end to tax announcements being made twice a year in the Budget and Autumn Statement.

The Chancellor of the Exchequer presented his first Autumn Budget to Parliament on 22 November 2017, setting out the Government's plans for public finances and the economy. It provided an update on the state of the economy, based on the latest economic and fiscal forecasts from the Office for Budget Responsibility (OBR), and announced the Government's measures to promote long term economic growth through increased investment which is due to rise to 2.4% of national income, its highest level in 40 years.

The UK economy has grown over the past year with Gross domestic product (GDP) showing a 1.5% increase in the year to the third quarter of 2017. However, the OBR now expects to see slower GDP growth than previously anticipated over the forecast period, mainly reflecting a change in its forecast for productivity growth. It has revised down its forecast for GDP growth by 0.5 percentage points to 1.5% in 2017, and then growth slows in 2018 and 2019, before rising to 1.6% in 2022.

The knock on effect is increased borrowing. Less than two years after the previous Chancellor was promising a public spending surplus of £10 billion in 2019/20, a structural deficit of £35 billion is now forecast for the same period, falling (optimistically in the view of the Institute of Fiscal Studies) to £25 billion

by 2022/23.

The Budget does not signal the end of austerity with £12 billion of welfare cuts still to work through the system while day to day spending on public services is still due to be 6% (excluding health) lower in 2022/23 than it is today. To achieve its plans the government remains committed to maintaining fiscal discipline and therefore Government Departments will be expected to continue to deliver the overall spending plans as set out in the Spending Review which means there will be no easing of austerity for public services.

In terms of Brexit, given the uncertainty of the negotiation process the OBR still has no meaningful basis on which to form any conclusions regarding the impact on the economy. The assumptions in economic forecast included in the Budget have not changed from those used a year ago which predicted a deterioration in public finances. The additional slow-down in this year's forecasts is not put down to Brexit.

In summary, the fact of economic uncertainty remains and the Budget offered very little to ease the financial difficulties facing public services.

### **3.4 Local Government Finance Settlement & New Homes Bonus 2018/19**

- 3.4.1 The local government finance settlement is the annual determination of funding for local government, distributing revenue raised from business rates and other funding streams through Revenue Support Grant and Business Rates Retention.

The 2018/19 Settlement determines how much Revenue Support Grant central government will give to each local authority in England in 2018/19 and sets the Baseline Funding Level for Business Rates (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base in accordance with the business rates retention scheme).

The provisional settlement figures for 2018/19 were announced by the Secretary of State for Communities and Local Government on 19 December 2017 and the final settlement announcements are expected in February. A full analysis of the provisional settlement was completed by the Local Government Association and is attached at Appendix 2 for information.

During the Settlement process for 2016/17 the Government offered all councils a four year funding settlement for 2016/17 to 2019/20 conditional upon the publication of an efficiency plan. Gedling accepted the offer to gain funding certainty to enable more proactive planning of service delivery, as did all but 10 Councils. Funding allocations have not been increased to reflect the pressure on pay and implementation of the National Living Wage.

The latest figures for the multi-year settlement are detailed in the table below:

Four Year Settlement - Spending Review Period 2016/17 – 2019/20

Year	Revenue Support Grant £	Business Rates £	Total £	Cash Reduction £	Movement from Prev. Year
2016/17	1,415,700	2,815,500	4,231,200	707,200	-14.3%
2017/18	780,500	2,873,000	3,653,500	577,700	-13.7%
<b>2018/19</b>	<b>384,900</b>	<b>2,959,300</b>	<b>3,344,200</b>	<b>309,300</b>	<b>-8.5%</b>
2019/20	0	2,967,900*	2,967,900	376,300	-11.3%

\*Net of Tariff Adjustment – (so-called Negative RSG)

The total cumulative settlement reductions equate to 40% or £1.97m in cash terms over the full spending review period 2016/17-2019/20 compared to the base position of 2015/16. Total settlement reductions compared to the amount received in 2010/11 will be £5.9m or 66% by 2019/20. This is marginally reduced from last year's forecast by £52,100 due to the impact of change in inflation indexation used for business rates, however the Government has announced that this change will be fully compensated via S31 grant in the business rates retention system.

Settlement has now reduced to 28% of Gedling's net budget for 2018/19, falling to 25% by 2019/20 at current spending levels, compared to 60% in 2010/11.

The 2019/20 Settlement figures include a Business Rates Tariff Adjustment, the so-called 'Negative RSG' which has resulted from the changes in revenue support grant and is effectively a redistribution of funding across local government. The Tariff adjustment for Gedling is £57,000 which effectively will increase the Tariff due under the business rates retention system. The Secretary of State has recognised the strength of feeling around this issue and has confirmed that there will be a formal consultation in the spring on proposals to ensure that negative RSG is allocated in a fair and affordable way.

The four year settlement ends in 2019/20 and it is a concern that there is no clarity over funding levels after March 2020. This hampers meaningful financial planning at a time when demand pressures are increasing. It is though encouraging to note that the Fair Funding Review and the next stage of business rates retention is progressing (see paragraph 3.4.6).

### 3.4.2 Business Rates Retention – Current 50% Retention Scheme

As detailed above the business rates baseline figures included in the Settlement have been recalculated by central government and all top-ups and tariffs adjusted to reflect the changes arising from the change in inflation indexation used to increase business rates from RPI to CPI. Government has announced that this change will be fully compensated via S31 grant which has



been incorporated in the financing estimates included in the MTFP.

Business Rates growth compared to baseline funding levels of £2,959,300 for 2018/19 is estimated at £691,000 giving total income from business rates of £3,650,300 including S31 grants to compensate for new reliefs and indexation introduced by the government since the scheme's introduction. This is £441,000 more than £250,000 initially projected in the 2017/18 MTFP but is broadly in line with the additional business rates growth achieved at outturn 2016/17 and the current estimate for 2017/18. Similar levels of growth amounts are expected in the medium term. However, it is important to note that difficulties remain in the estimation process, as the business rates retention scheme has shown volatility in respect of the appeals process, the prediction of future growth, and the potential for significant local impact where a large business relocates/closes.

### 3.4.3 New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is funded from the centrally retained share of Business Rates income and paid as a separate non-ringfenced grant which is not part of the Settlement Funding Assessment. When the NHB was introduced, the Department for Communities and Local Government stated in its final scheme design that it was intended to be a predictable, permanent and enduring feature of local government funding.

The principles of the grant are to reward local authorities for each new property completed within their boundary plus an additional reward for returning empty properties back into use. The value of the reward is linked to the national average council tax band D property and each individual award was for a six year period in the initial scheme.

During 2016/17 the Government consulted on changes to the New Homes Bonus with the intention of delivering savings to fund pressures in social care. The Government introduced the following changes in 2017/18 and have confirmed there will be no new changes introduced for 2018/19:

- Reducing the length of time bonus is paid from six years to five years in 2017/18 followed by a further reduction to four years in 2018/19 thereafter;
- Removal of deadweight – the Government notes that some housing would be built regardless of the NHB and will remove what it terms as 'deadweight' from the payment. A 0.4% baseline has been set which means that local authorities will need to achieve tax base growth of greater than 0.4% in each year before they receive any NHB funding. This is higher than the threshold consulted upon of 0.25% and the Government may further change this threshold in future years if there is a significant increase in housing growth;
- Payments for residential developments allowed on appeal will be withheld with effect from 2018/19.

### Impact of the Changed New Homes Bonus Scheme

The introduction of the 0.4% growth baseline effectively means that GBC would have to grow by 180 band D houses per annum before any payment is made. For the period measured for the 2018/19 New Homes Bonus i.e. October 2016 to October 2017, growth in Gedling was 117 band D equivalent houses, equivalent to 0.26% growth. This is below the national baseline of 0.4% and therefore **Gedling will not receive any New Homes Bonus for 2018/19**. For comparative purposes the period measured for the 2017/18 New Homes Bonus growth in Gedling was 157 band D equivalent houses, equivalent to 0.35% growth. This was below the national baseline of 0.4% and therefore Gedling did not receive any additional New Homes Bonus for 2017/18. For additional context, if new housing was built with a value below the band D average, then Gedling would need 270 band A properties or 231 band B properties or 203 band C properties before even meeting the threshold for payment. Even then we would only receive NHB on properties over and above this quantity. The introduction of a baseline could remove any incentive to grow in relatively low growth areas and penalise areas with limited opportunity to grow.

Whilst there remains a possibility that Gedling will receive some New Homes Bonus in the future, housing growth would need to substantially increase above 2018/19 levels to generate, what would still be, a much reduced reward e.g. 100 band D properties above the baseline would generate approximately £160,000 of which 80% for Gedling i.e. £128,000 and 20% for the County £32,000, based on current splits.

However, the Affordable Homes Premium does continue to be paid, irrespective of the baseline, at £350 per affordable unit. For 2018/19, 40 units of the growth were 'affordable', generating a total premium of £14,000 of which Gedling retains 80% or £11,200, with the remaining 20% paid to Nottinghamshire County Council.

Due to the uncertainty surrounding future NHB it is considered prudent for medium term financial planning purposes to assume that zero NHB awards will be available to support revenue financing going forward. Any future awards will be available to support one off projects or an increase in balances to support future budgets.

The table below details the projected financial impact of the new NHB scheme compared to the grant received in 2016/17 prior to the change in the scheme:

### New Homes Bonus Projections Compared to 2016/17

Payment Relating to	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
	£	£	£	£	£	£
2011/12	339,800					
2012/13	409,600					
2013/14	366,300	366,300				
2014/15	448,100	448,100				
2015/16	467,700	467,700	467,700			
2016/17	368,800	368,800	368,800	368,800		
2017/18		8,900	8,900	8,900	8,900	
2018/19			11,200	11,200	11,200	11,200
2019/20				0	0	0
2020/21					0	0
2021/22						0
<b>Total MTFP</b>	<b>2,400,300</b>	<b>1,659,800</b>	<b>845,600</b>	<b>388,900</b>	<b>20,100</b>	<b>11,200</b>
<b>Reduction from 2016/17</b>		<b>(740,500)</b>	<b>(1,554,700)</b>	<b>(2,011,400)</b>	<b>(2,380,200)</b>	<b>(2,389,100)</b>

#### 3.4.4 Core Spending Power 2019/20 Compared to 2015/16

As part of the Settlement announcements the Government includes its projection of Core Spending Power for each authority for the current spending review period 2016/17 to 2019/20. For Gedling the components of Core Spending Power include the Settlement Funding Assessment (revenue support grant and business rates), the Government's estimate of Council Tax Receipts, the New Homes Bonus and S31 grants and these are summarised in the table below:

#### Core Spending Power 2016/17 to 2019/20

Year	Settlement £m	Assumed Council Tax £m	New Homes Bonus £m	Total £m	Movement from 2015/16
2015/16	5.0	5.5	2.0	12.5	-
2016/17	4.2	5.5	2.4	12.2	-2.4%
2017/18	3.7	5.8	1.6	11.1	-11.2%
2018/19	3.3	6.0	0.9	10.2	-18.4%
2019/20	3.0	6.3	0.5	9.8	-21.6%

The Government's estimate of council tax receipts assumes that District Councils will increase Council Tax by the maximum possible of £5 or 3%, whichever is greater. However, actual council tax receipts will be determined

by local decisions for council tax increases and actual tax base growth. The Government forecast presents a total cumulative reduction in core spending power by 2019/20 of 21.6% when compared to 2015/16, **making Gedling the 6th worst affected Council in the country.**

#### 3.4.5 Council Tax Increase Referendum Trigger

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

The Government has announced further flexibility in the setting of Council Tax for 2018/19 giving Councils the ability to increase Council Tax by an additional 1% without triggering a referendum. This changes the referendum limit for Shire Districts from 2% or £5 in 2017/18 to 3% or £5, whichever is greater, in 2018/19. This announced increase in flexibility does not however offer Gedling any additional flexibility compared to the previous limit because a 3% increase is not greater than the £5 cash limit which equates to 3.16% in 2018/19. Any Council which sets an increase greater than the referendum limit and does not get support from the electorate via the referendum will have to revert to a council tax level that is compliant, and bear the costs of re-billing its residents.

#### 3.4.6 Local Government Financing from 2020/21

##### Fair Funding Review

Alongside the local government finance settlement, the Government confirmed that it is looking to implement the Fair Funding Review in April 2020 and published the consultation: Fair funding review: a review of relative needs and resources.

Funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.

Since that time, demographic pressures have affected local areas in different ways, as has the cost of providing particular services. In recognition of these pressures, the Fair Funding Review will address concerns about the fairness of current funding distributions. The outcome of this review will enable the Government to reconsider how the relative needs and resources of local authorities should be assessed in a world in which they will continue to have greater control over the money that they raise.

This consultation focuses specifically on potential approaches that have been identified to measure the relative needs of local authorities. In particular, it:

- presents the idea of using a simple foundation formula to measure the relative needs of local authorities, based on a small number of common cost drivers;
- considers a number of service areas where in addition, a more sophisticated approach to measuring relative needs may potentially be required; and
- outlines the statistical techniques that could be used to construct relative needs.

**Transitioning to the new funding distribution.** The Government recognises that introducing a new needs and resources formula could result in significant changes to the funding baselines of some local authorities. It is therefore intended to introduce transitional arrangements that are fair, transparent and easily understood so that budgetary impacts can be accommodated. This should mean that no authority should see its funding reduce as a result of the new system in the first instance. However, it is anticipated that any transitional arrangements will unwind over time.

#### Future Business Rates Retention

- 75% Business Rates Retention

The Government have announced that it will implement a new phase of the business rates retention programme alongside the implementation of the Fair Funding Review. By 2020/21 the aim is for local authorities to retain 75% of business rates. The initial baseline funding levels for individual authorities will be determined by the needs assessment as concluded in the Fair Funding Review, subject to the transitional measures detailed above. Local authorities will be able to keep that same share of growth on baseline levels when the system is re-set.

- 100% Business Rates Retention

The Government continues to pilot the 100% business rates retention scheme but it is not yet clear when this might be introduced. It was initially intended to introduce a Bill into Parliament early in 2017 but this was delayed.

It is intended that Local Government will retain 100% of business rates revenues to fund local services and the current system of top-ups and tariffs will be retained to ensure appropriate distribution of resources. The Government's intention is for this change to be fiscally neutral at a national level. As part of these reforms, the revenue support grant will be phased out, as demonstrated in the table at paragraph 3.4.1, and additional responsibilities devolved to local authorities (these are unknown at this stage), empowering them to drive local economic growth and

support their local community. It is intended that the Uniform Business Rate will be abolished and any local area will be able to cut business rates, to win new jobs and generate wealth. Powers to increase business rates are only currently proposed for city-wide metro mayors for local infrastructure projects, with the support of local business.

An increasing number of pilots are trialling the 100% retention proposal to enable the proposed system to be tested.

### Business Improvement Districts (BIDs)

BIDs are partnerships between a local authority and local businesses to develop projects and services that benefit the local trading environment and are funded by imposing a business rates levy within the development area. This scheme is proposed to continue alongside the 100% business rates retention scheme.

## 3.5 Council Tax Reduction Scheme Grant

The Council Tax Benefit system was replaced on 1 April 2013 with the Council Tax Reduction Scheme (CTRS) which provides a discount on the council tax bill for eligible applicants. Gedling's initial scheme, which was approved by Council on 19 December 2012, was devised to ensure the most vulnerable are protected by making the discount receivable equivalent to the benefit which would have been payable under the previous system. The basis of the original scheme is proposed to continue for the 2018/19 financial year updated to reflect legislative changes.

At the outset the CTRS was funded partly by Government Grant, initially set at a rate 10% less than previously available as benefit subsidy, and the remainder by introducing new local tax charges for empty properties. Gedling's share of the Council Tax Reduction Scheme non-ringfenced grant, was previously specified at £706,325 for 2013/14, but this has now been incorporated into the base Settlement funding assessment and specific grant figures for CTRS are no longer identifiable or quantifiable. It is reasonable to assume that the government funding for CTRS is reducing in line with the settlement funding assessment reductions and will be removed entirely by 2019/20.

The non-ringfenced CTRS grant included an amount to fund the impact of tax base reductions on local parish precepts, initially predicted by Government at £47,500. However, as the CTRS grant is not protected from settlement funding reductions the amount of grant to be paid to Parish Councils needs to be determined on an annual basis. To date the grant has been reduced by £14,000 leaving total funding of £33,500 in 2017/18. Due to the severe financial pressures facing the Council it is now proposed, as part of the budget reduction proposals detailed at paragraph 3.6.3, that this grant funding be reduced to zero by 2020/21 i.e. £11,500 2018/19, £11,000 in 2019/20 £11,000 2020/21.

### 3.6 **General Fund Budget 2018/19 Summary**

3.6.1 The following table summarises the proposed General Fund Budget for 2018/19. The detailed Gedling Plan budgets are presented at Appendix 3 together with an explanation of major variances between the original estimate for 2017/18 and the estimate for 2018/19. In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 4. These have been included in both the annual base budget and MTFP calculations.

#### **General Fund Budget Summary 2018/19**

Portfolio	Original Budget 2017/18 £	Base Budget 2018/19 £	Variance £
Community Development	1,553,200	1,457,000	(96,200)
Housing, Health and Wellbeing	2,365,800	2,409,100	43,300
Public Protection	1,649,200	1,459,600	(189,600)
Environment	4,765,400	4,426,200	(339,200)
Growth and Regeneration	985,800	868,200	(117,600)
Resources and Reputation	1,836,600	1,535,800	(300,800)
<b>Net Portfolio Budget</b>	<b>13,156,000</b>	<b>12,155,900</b>	<b>(1,000,100)</b>
Transfer to/(from) Earmarked Reserves	(674,900)	(10,700)	664,200
<b>Net Council Budget</b>	<b>12,481,100</b>	<b>12,145,200</b>	<b>(335,900)</b>

#### 3.6.2 **Major Budget Pressures**

The base budget and Medium Term Financial Plan include the following major budget pressures **greater than £50,000**:

- Employee pay award (average 3%) - £396,900;
- Pay increments, including impact of pay-line review - £150,800;
- Rent allowances - increase in the Bad Debt provision in recognition of the future transfer of cases to Universal Credit - £80,900;
- Local Taxation - reduction in council tax summons costs income due to improvements in recovery procedures resulting in fewer cases reaching the summons stage - £63,700.

### 3.6.3 **Major Budget Reductions – Efficiency/Budget Reduction Programmes**

In response to the budget pressures arising from the downturn in the economy and consequent reductions in central government grant funding, the Council has approved a number of efficiency/budget reductions programmes to ensure delivery of a sustainable Medium Term Financial Plan (MTFP).

During the Settlement process for 2016/17 the Government offered councils a four year funding settlement for 2016/17 to 2019/20 conditional upon publication of an efficiency plan. Gedling accepted the offer to gain funding certainty and enable more proactive planning of service delivery. As a result, the Council approved its Efficiency Strategy and the subsequent efficiency/budget reduction programmes have been developed in accordance with its themes i.e.:

- **Efficiency & Effectiveness** – including: service efficiencies delivering the same level of service with a reduced level of resource; effective asset management; new ways of working including service re-engineering and new delivery methods; demand management; and service reductions or cessation;
- **Contract Management** – improved value for money in procurement;
- **Income Generation** – to maximise all income and reduce the level of subsidy provided in our discretionary service areas moving towards full cost recovery where appropriate; innovation/new ideas for new income streams.

#### Efficiency/Budget Reduction Programme 2014/15 – Progress Update

The 2014/15 budget reduction programme totalling £2.458m was approved for delivery between 2014/15 and 2018/19. The approved programme covered a range of revenue and capital related proposals using a variety of strategies i.e. efficiency, new ways of working, income generation and service cuts. A risk assessment of the programme of budget reductions identified the establishment of a risk provision of £179,500. Delivery of the programme has progressed well and final outturn figures are expected to be broadly in line with the original estimates net of the risk provision. However, the timescale for delivery of the planned community centre and capital receipt related reductions is slower than anticipated with the latter being due to the delay in the sale of a major development site with receipts now expected over the period 2018/19 to 2022/23. The saving still to be delivered is **£590,000** and this is included in the MTFP.

#### Efficiency/Budget Reduction Programme 2017/18 – Progress Update

The 2017/18 budget reduction programme totalling £1,694,200 was approved for delivery between 2017/18 and 2021/22. A risk assessment of the programme identified the establishment of a risk provision of £140,000. It is now anticipated that projects totalling £178,000 will not be achievable. This is in excess of the overall risk provision of £140,000 by £38,000.



The total saving now included is £1,516,200 of which £532,400 has already been achieved in 2017/18 leaving £983,800 still to be delivered: 2018/19 £512,200; 2019/20 £126,500; 2020/21 £125,900; 2021/22 £219,200.

In order to facilitate the delivery of the budget reduction programme a Transformation Reserve of £500,000 was established over 3 years and it is anticipated that this will be fully utilised.

### **Efficiency/Budget Reduction Proposals – New Programme 2018/19**

Following the announcement of significant reductions in New Homes Bonus (paragraph 3.4.3), Budget Council, at its meeting on 1 March 2017, approved an efficiency target of £1.9m for the period 2018/19 to 2021/22. Officers were asked to develop delivery plans for the 2018/19 budget process.

The proposed budget reductions total **£1,432,200** over the three year period 2018/19 to 2020/21. It is recognised there are risks in being able to deliver the full amounts of the savings in the timescales projected. Therefore it is recommended that a Budget Reduction Risk provision is recognised at **£100,000** over the course of the programme, equating to approximately 7% of the planned reductions. Total net savings proposals included in the MTFP are **£1,332,300**, a £567,700 shortfall on the £1.9m target set by Council which will be incorporated into a new efficiency target as detailed at paragraph 4.3. The shortfall reflects the ever increasing challenge in finding suitable strategies that have the minimum impact on service delivery. It is however positive to note that, to date, it has been possible to achieve the majority of savings through efficiencies and income generation as we strive to become a more commercial and self-sustaining organisation.

It is also recognised that as we work to implement these proposals some resources will be required to manage the change effectively and therefore it is proposed that a new Transformation Fund be established totalling **£400,000** over the next 2 years i.e. £200,000 per annum 2018/19 and 2019/20. This will cover all change management costs, including costs of potential redundancy/retirement.

The tables below summarise the proposed budget reductions analysed by Portfolio and Reduction Type, and a detailed list is included at Appendix 5.

### Summary of Budget Reduction Proposals

	Inclusion in 2018/19 Budgets and MTFP			
Portfolio	2018/19 £	2019/20 £	2020/21 £	Total £
<b>Community Development</b>	28,800	6,500	27,500	<b>62,800</b>
<b>Housing, Health &amp; Wellbeing</b>	4,000	88,000	10,000	<b>102,000</b>
<b>Public Protection</b>	106,800	30,700	28,500	<b>166,000</b>
<b>Environment</b>	237,200	103,500	31,000	<b>371,700</b>
<b>Growth &amp; Regeneration</b>	107,600	13,400	37,000	<b>158,000</b>
<b>Resources &amp; Reputation</b>	231,600	137,100	203,100	<b>571,800</b>
<b>Total</b>	<b>716,000</b>	<b>379,200</b>	<b>337,100</b>	<b>1,432,300</b>
<b>Less Risk Provision</b>	(50,000)	(25,000)	(25,000)	<b>(100,000)</b>
<b>Total Proposals (net)</b>	<b>666,000</b>	<b>354,200</b>	<b>312,100</b>	<b>1,332,300</b>

### Budget Reduction Proposals Summarised by Type

Summary 2018/19 - 2020/21	Efficiency and Effective-ness £	Contract Manage-ment £	Income £	Total £
<b>Community Development</b>	42,800	15,000	5,000	<b>62,800</b>
<b>Housing, Health &amp; Wellbeing</b>	102,000	0	0	<b>105,000</b>
<b>Public Protection</b>	89,000	10,000	67,000	<b>166,000</b>
<b>Environment</b>	121,400	0	250,300	<b>371,700</b>
<b>Growth &amp; Regeneration</b>	68,000	0	90,000	<b>158,000</b>
<b>Resources &amp; Reputation</b>	330,900	26,000	214,900	<b>571,800</b>
<b>Total</b>	<b>754,100</b>	<b>51,000</b>	<b>627,200</b>	<b>1,432,300</b>
<b>Less Risk Provision</b>	(50,000)	0	(50,000)	<b>(100,000)</b>
<b>Total Proposals (net)</b>	<b>704,100</b>	<b>51,000</b>	<b>577,200</b>	<b>1,332,300</b>

### 3.6.4 **Proposed Revenue Resource Developments 2018/19**

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

The table below show schemes scoring 15 points and above using the Council's approved methodology which ranks schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans.

#### **(a) Revenue Resource Developments 2018/19**

Description	Gross Revenue Bid 18/19	2019/20	Score
	£	£	
Temporary Empty Homes Officer ( to June 2019)	25,000	8,200	19
'Plastic Clever Council' Initiatives (see note)	20,000	0	22
<b>Total Revenue Resource Development Bids</b>	<b>45,000</b>	<b>8,200</b>	

Note: at its meeting on 31 January 2018, Council approved a scheme designating Gedling as a '**plastic clever council**'. It is proposed that a £20,000 fund be established to enable the implementation of initiatives around the borough which support the community in changing behaviours in respect of plastic usage. This will be financed from the earmarked efficiency and innovation reserve.

In addition to the revenue resource development proposals a number of capital resource developments (see capital programme report an item elsewhere on this agenda) have ongoing revenue implications which have been included in the revenue budget and MTFP, as detailed in the table below:

**(b) General Fund Ongoing Revenue Cost of the Proposed Capital Resource Development Proposals (excluding borrowing costs)**

Description	Capital Budget – For Information	Revenue Costs 2018/19	Revenue Costs 2019/20 ongoing
	£	£	£
Haywood Road Play Area	100,000	600	600
Arnold Town Centre Development	1,050,500	0	(20,000)
Carlton Square Development	350,000	0	0
<b>Total Ongoing Revenue Costs/(Saving)</b>		<b>600</b>	<b>(19,400)</b>

**3.6.5 Discretionary Income Inflation**

The Medium Term Financial Plan includes income inflation at 3% on discretionary income, (excluding leisure DNA, Trade Waste, Building Control), which equates to £68,400, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £22,800.

It is suggested that the Portfolio Holder agrees individual charges with the relevant Corporate Director, with discretion to vary the percentage increase, as long as the overall cash amount for that Portfolio is raised or exceeded.

Portfolio	Discretionary Income £	1% increase £	3% increase £
Community Development	(79,700)	(800)	<b>(2,400)</b>
Housing, Health & Wellbeing	(1,621,800)	(16,200)	<b>(48,600)</b>
Public Protection	(27,900)	(300)	<b>(900)</b>
Environment	(539,000)	(5,400)	<b>(16,200)</b>
Growth & Regeneration	(2,000)	(0)	<b>(0)</b>
Resources & Reputation	(7,900)	(100)	<b>(300)</b>
<b>Total</b>	<b>(2,278,300)</b>	<b>(22,800)</b>	<b>(68,400)</b>

Some of the services operated by the Council are not included in the general fee inflation increase due either to: the sensitivity of demand to price changes

e.g. Leisure DNA, Garden Waste or; being operated on a commercial basis and therefore required to breakeven e.g. Trade Waste Services and Building Control. The levels of fees which are set in these areas are considered separately and the base budget amended to ensure appropriate fees are set.

Some fees for statutory services e.g. development control, are determined by Central Government and any changes are reflected in the base budget.

### 3.6.6 **Summary of Significant Budget Changes 2018/19**

In summary, the table below highlights the areas of significant variance in expenditure/income, in excess of £10,000, per annum which have been reflected in the base budget 2018/19.

#### **Significant Budget Changes 2018/19**

	Budget Impact 2018/19 £	£
<b>Original Net Council Budget 2017/18</b>		<b>12,481,100</b>
<b><u>Revenue Budget Pressures</u></b>		
Inflation Pay Award – average 3%	396,900	
Pay Increments including impact of pay line review	150,800	
Apprenticeship Levy & Pension Auto Enrolment	29,300	
Increase in Bank Holiday Overtime Payments	12,900	
Rent Allowances (increased bad debt provision)	80,900	
Increase NNDR costs due to revaluation	36,600	
Reduction in Council Tax Summons Costs Income	63,700	
Reduced Housing Benefit Admin Grant	35,500	
Reduction in Land Charges Income	40,800	
Other Minor Variances (net)	17,400	
<b>Total Pressures</b>		<b>864,800</b>
<b><u>Revenue Budget Growth</u></b>		
Revenue development bids 2018/19 (see table above)	25,000	
<b>Total Growth</b>		<b>25,000</b>
<b><u>Budget Reduction Review 2018/19 (Appendix 5)</u></b>		
Budget Reductions for delivery in 2018/19	(716,000)	

	Budget Impact 2018/19 £	£
Less One off Reserves Created:		
Budget Reduction Risk Reserve	50,000	
Transformation/Change Reserve	200,000	
<b>Total Budget Reduction Review 2018/19 (net impact)</b>		<b>(466,000)</b>
<b><u>Budget Reduction Programme 2017/18 Year 2</u></b>		
Budget Reductions for delivery in 2018/19	(512,200)	
Removal of Risk Provision	(36,000)	
<b>Total Budget Reduction Prog. 2017/18 (net impact)</b>		<b>(548,000)</b>
<b><u>Other Base Budget Reductions</u></b>		
Reduction in Utility Costs	(18,000)	
Reduction in Office Rents payable Home Brewery	(30,000)	
Removal of expansion round bin purchases	(20,900)	
Fees and Charges Income Inflation (see para 3.6.5)	(68,400)	
Other Income Growth:		
Additional Planning S106 Fee Income	(25,400)	
Additional Office Rental Income	(16,000)	
Additional Cemeteries Income	(12,800)	
Additional Investment Interest	(20,000)	
<b>Total Other Budget Reductions</b>		<b>(211,700)</b>
<b>Net Decrease in Budget 2018/19</b>		<b>(335,900)</b>
<b>Proposed 2018/19 Net Council Budget</b>		<b>12,145,200</b>

Note: In addition to the above 2018/19 budget changes and future inflationary increases the MTFP includes the following:

- Election costs in 2019/20 £133,500
- Additional impact of Pension Auto Enrolment of £25,000 by 2021/22;

- Assumptions about the transfer of Housing Benefit administration to the Department of Works and Pensions following the introduction of Universal Credit have been made. The net cost to the authority is expected to be £32,000 in 2019/20 rising to £122,000 by 2022/23;
- Additional Planning Fee Income of £200,000 in 2019/20 and 2020/21.

### 3.6.7 **Review of Balance Sheet Reserves**

The Local Government Act 2003 requires authorities to consider the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation.

The Council minimum General Fund Balance requirement is set at 7.5% of the Net Council Budget which is £0.911m for 2018/19. The General Fund balance is currently projected to be in excess of the minimum by £3.5m at 31 March 2019. The medium term projection on the General Fund Balance is detailed in the Medium Term Financial Plan summary at paragraph 4 below.

Earmarked Reserves on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks. The estimated movement on reserves for 2017/18 and 2018/19 are detailed at Appendix 6 and show expected balances of £3.3m at 31 March 2019.

### 3.6.8 **Financing of the Capital Programme**

As detailed in the Capital Programme report earlier on this agenda it is currently forecast that borrowing will be required to finance part of the capital programme in 2018/19 to 2020/21. Borrowing has an impact on the revenue budget in terms of interest costs and principal repayment. This is reflected in the Medium Term Financial Plan.

### 3.6.9 **Collection Fund**

#### **Council Tax**

The Council is statutorily obliged on 15 January each year to prepare an estimate of its Collection Fund transactions for Council Tax. This estimate enables Gedling and the three major precepting authorities to take account of any surpluses or deficits on the Fund when they set their own authority budgets.

The Collection Fund balance at 31 March 2017 was worse than forecast and resulted in a deficit of £1.702m carried forward. A deficit of £1.5m was originally declared on 15 January 2017 for collection, with Gedling's share of the deficit of £148,200 being charged to the General Fund in 2017/18. The declared surplus and deficit calculation at 31 March 2018 estimates that a fully balanced Collection Fund will be achieved i.e. a surplus/deficit of zero, which means there will be no charges or credits to the General fund during 2018/19.

This includes full recovery of the residual 2017/18 deficit of £0.202m which is fully offset by a projected improved performance on Council Tax collection.

### Business Rates

Business Rates Collection Fund balances at 31 March 2017 were slightly worse than forecast and resulted in a surplus of £0.386m carried forward compared to the surplus of £0.583m that was declared for distribution, a reduction of £0.197m. A deficit of £0.708m has been declared for 2018/19, which will be split between the major preceptors in line with their share of business rates income – for Gedling, the 40% share of the declared deficit is £0.283m. The primary reason for the deficit on the business rates collection fund is an increase in reliefs due to ratepayers and the over-declared surplus in previous years which now need to be recovered. Part of this will be offset by S31 grant from government for compensation for reliefs which is paid directly to the General Fund.

#### **3.6.10 Business Ratepayers Consultation**

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

## **4. MEDIUM TERM FINANCIAL PLAN**

- 4.1 The implementation of the Local Government Act 2003, which introduced a requirement for the Council's Chief Financial Officer to comment on the robustness of the Council's estimates, and the need to look at the medium term (3 years) in order to produce the required indicators as detailed in the Prudential Code, means greater emphasis needs to be placed on the Council's medium term financial planning. Although an absolute requirement to look over three years is required, it is considered good practice to look over as long a period as is reasonable. This Council has a history of producing a Medium Term Financial Plan over a 5 year horizon and this is still considered the appropriate period for this authority.
- 4.2 The following table (a) identifies the impact of all the options that are proposed in this report:
- The incremental increase in base revenue expenditure from 2017/18 and budget growth items (paragraph 3.6.4);
  - Fees and charges to be increased by an average 3%;
  - Planned budget reductions and efficiency savings 2018-2023 (paragraph 3.6.3);
  - Anticipated cost of borrowing to finance the capital programme for 2018-23;
  - A £5 Council Tax increase has been assumed for each year of the MTFP. However, future council tax increases will be dependent upon future



spending decisions, total local government funding and the achievement of efficiency savings.

Table (a) demonstrates that additional savings and/or income will need to be identified to achieve a sustainable plan.

**(a) MEDIUM TERM FINANCIAL PLAN 2018/19 TO 2022/23 - HIGH LEVEL SUMMARY**

	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Net Council Budget	12,145,200	11,986,900	11,209,700	11,467,000	11,761,500
<b>Financed by:</b>					
Less: Net Settlement Funding Assessment	(3,344,200)	(2,967,900)	(2,967,900)	(2,967,900)	(2,967,900)
NNDR Growth/ Collection Fund (Surplus)/Deficit /S31 Grant	(691,000)	(700,000)	(700,000)	(700,000)	(700,000)
New Homes Bonus	(856,700)	(388,900)	(20,200)	(11,200)	0
Less: Amount (from)/to Balances	(1,278,800)	(1,709,400)	(1,051,000)	(1,063,500)	(1,111,800)
Council Tax Requirement	5,974,500	6,220,700	6,470,600	6,724,400	6,981,800
Council Tax increase	£5 (3.16%)	£5 (3.07%)	£5 (2.97%)	£5 (2.89%)	£5 (2.81%)
Tax Base	36,638	37,013	37,388	37,763	38,138
Expected balances at year end	4,432,900	2,723,500	1,672,500	609,100	(502,700)
Required balance (7.5% projected exp)	910,900	899,000	840,700	860,000	882,100
<b>(Surplus)/Deficit on required balances</b>	<b>(3,522,000)</b>	<b>(1,824,500)</b>	<b>(831,800)</b>	<b>250,900</b>	<b>1,384,800</b>

- 4.3 Table (b) demonstrates the impact on balances if an efficiency/budget reduction target of £1.1m is delivered between 2019/20 and 2022/23 i.e. minimal underlying deficit between income and expenditure by 2022/23 and a surplus on minimum balances at the end of the Medium Term Financial Plan.

Due to budget pressures such as pay awards and grant reductions being announced increasingly late in the process e.g. Autumn Budget, it has become more usual to include savings targets in the budget that are not yet

supported by outline business plans, therefore meaning this aspect of the financial plan is less robust. However, the Council has a strong track record of delivering efficiency savings/budget reductions in acceptable timescales. It is recommended that Members approve the cumulative efficiency target of £1.1m for 2019/20 onwards, made up of the following annual ongoing targets: **2019/20 £100,000; 2020/21 £200,000; 2021/22 £400,000; 2022/23 £400,000.**

**(b) Proposed Efficiency/Budget Reduction Target and Impact on MTFP/General Fund Balance**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>New Efficiency Target – reducing Net Projected Expenditure</b>	<b>0</b>	<b>(100,000)</b>	<b>(300,000)</b>	<b>(700,000)</b>	<b>(1,100,000)</b>
<b>Amount (from)/to Balances</b>	<b>(1,278,800)</b>	<b>(1,609,400)</b>	<b>(751,000)</b>	<b>(363,500)</b>	<b>(11,800)</b>
<b>Expected balance at year end</b>	<b>4,432,900</b>	<b>2,823,400</b>	<b>2,072,500</b>	<b>1,709,100</b>	<b>1,697,300</b>
<b>(Surplus)/Deficit on required balance</b>	<b>(3,522,000)</b>	<b>(1,932,000)</b>	<b>(1,254,300)</b>	<b>(901,600)</b>	<b>(897,700)</b>

**5. COUNCIL TAX**

- 5.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2018/19.
- 5.2 Gedling's share of the council tax for a band D property for 2017/18 is £158.07. The level of council tax for 2018/19 depends on the extent of service reductions/developments and financial risk issues (see paragraph 6 below) that the Council decides to provide for in the budget for next year. For illustration, an increase in Council Tax by 1% provides additional funding of £57,900. In the above MTFP a £5 (3.16%) increase has been assumed which is the maximum allowed without requiring a referendum and which results in a Council Tax for a band D property at £163.07. To illustrate the impact of the £5 increase, the overall position on each banding is as follows:

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£3.33	£3.89	£4.44	£5.00	£6.11	£7.22	£8.33	£10.00

## 6. **ROBUSTNESS OF ESTIMATES**

- 6.1 Sections 25 and 26 of the Local Government Act 2003 place a personal duty on the Chief Finance Officer to make a report to Council when considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of reserves.

The Act requires Members to “have due regard to the report in making their decisions”. Where this advice is not accepted, it should be formally recorded within the minutes of the Council Meeting.

Under Section 25 of the Local Government Act 2003 the Section 151 Officer is required to provide a commentary assessing the robustness of the estimates when Cabinet and Council are considering the budget proposals.

The key strategic risks in considering the 2018/19 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are detailed in paragraphs 6.2 to 6.8 below.

### 6.2 **Financial Settlement/Funding Streams**

The Comprehensive Spending Review of 2015, Autumn Statement 2016 and Local Government Finance Settlement December 2017 identified a number of significant changes to future local government financial settlements and grant funding. The overall message is one of continuing financial restraint which in itself creates some degree of inherent risk. The following specific items carry a particular risk for this authority:

- **Business rates retention**: The Government intends to introduce 75% business rates retention by 2020/21. The Government continues to pilot the 100% business rates retention scheme but it is not yet clear when this might be introduced. It was initially intended to introduce a Bill into Parliament early in 2017 for introduction to coincide with the phasing out of Revenue Support Grant but this has been delayed. The four year settlement ends in 2019/20 and it is a concern that there is no clarity over funding levels after March 2020. This hampers meaningful financial planning at a time when demand pressures are increasing. The intention of the retention scheme is that it will be fiscally neutral and in order to achieve this, additional responsibilities will need to be transferred to Local Government. Any retention of business rates will still require a mechanism to ensure funding is distributed in respect of need which will create winners and losers which will be determined by the recently announced Fair Funding Review. With an obvious emphasis already included in the Spending Review to support upper tier authorities in respect of their funding for social care, there is a real risk that district councils could lose further under any new allocation process.

In addition, care will need to be had to ensure that new transferred responsibilities are capable of being fully funded in both the short and long term.

The current retention of business rates has shown the volatility of this funding in respect of the appeals process, the prediction of future growth, and the potential for significant local impact where a large business relocates/closes. These changes are likely to require local authorities to hold higher levels of reserves in the future.

- **New Homes Bonus**: the main body of the report at paragraph 3.4.3, identifies the significant impact that changes to this funding stream has for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in a zero NHB for both the 2017/18 and 2018/19 years. Whilst there is still an opportunity to receive NHB in the future if housing growth levels increase, it is considered that there is a significant downside risk to this arising and it is no longer prudent to rely on this funding stream to support the revenue budget. Therefore the MTFP assumes future payments will be zero. In the event that the Council does receive some NHB in the future, this will be used to support projects or be transferred to balances to support future budget setting.
- **Council Tax**: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by 3% or £5 per annum whichever is greater, and that significant growth in the tax base will be achieved by the creation of additional hereditaments. These may be optimistic assumptions and in any case leave very little room for local discretion to set a higher Council Tax in order to plug any funding gaps. The MTFP contained in this report assumes that a £5 increase will be applied in each year of the plan but the actual increase will be determined on an annual basis by Council. Any increase below the £5 will require an increase in the budget reduction targets to ensure a balanced budget can be set.
- **Economic Growth/Inflation**: The Chancellor has based future spending decisions on estimates of future growth and an assumption on inflation. Although these figures are supported by the independent Office of Budget Responsibility there is a degree of uncertainty in these figures, especially following the Brexit decision. Whilst there is now more certainty of future Settlement funding due to the acceptance of the four year settlement offer, effectively this does now result in zero RSG from 2019/20 and with New Homes Bonus also reducing to zero any future pressure arising from an economic downturn would need to be managed within local resources i.e. from further budget reductions. A commercial strategy is currently being implemented to support the achievement of a balanced budget through new income streams and increased efficiency to ensure a minimum adverse impact on service levels.

Inflation assumptions have been incorporated in the MTFP as detailed in Appendix 4, including pay award. The Chancellor recently removed the 1% public sector pay cap and this has also impacted on pay expectations in local government. Employers have offered an average 3% pay award for 2018/19 (which at the time of writing has been rejected by the unions) and an average 2.8% 2019/20. 2% pay awards have been included for 2020/21 to 2022/23. It is considered that these are realistic assumptions but uncertainties in the economy present a risk that future awards could be higher.

- 6.3 A minimum balance of 7.5% of total projected net expenditure on the General Fund is recommended by the Chief Financial Officer to be a prudent amount given the scale of the business conducted by the Council. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial position in the medium term. The minimum balance required for 2018/19 is £910,900.
- 6.4 The (surplus)/deficit on balances in MTFP table (a) above shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £3,522,000 in 2018/19 declining to a deficit on balances of £1,384,800 by the end of 2022/23 if no new efficiency plans are progressed during the period of the MTFP. Underlying this is an annual deficit between the amounts of income expected and anticipated expenditure. MTFP projections at paragraph 4.3 above show that this can only be accommodated within available balances by setting additional spending reduction targets for 2019/20 onward. If the proposed target of £1,100,000 is approved, the surplus on balances by 2022/23 will be £897,700. Whilst this does not leave an annual deficit between income and expenditure to be managed beyond the five-year horizon (assuming all budget assumptions are accurate) this does still not leave significant capacity to manage future budget and inflation pressures that may arise which will have to be managed by further budget reductions.

**Inclusion of Future Non-costed Savings targets and Delivery of Existing Programmes:** The Medium Term Financial Plan can only be balanced by the inclusion of £1.1m of future savings targets. Usually when future efficiency savings are included in our financial planning processes these figures have robust outline business cases, but in this case these targets have been assessed as the **minimum** figure required in each year in order to deliver a sustainable plan. Although the council has a good track record of delivering efficiencies and identifying areas for reduction/savings this element of the MTFP is less robust than that which is usually acceptable and therefore has a greater degree of uncertainty than is usually acceptable.

In addition, the Council already has a substantial programme of budget reductions planned for delivery, as detailed in paragraph 3.6.3. Whilst risk provisions and transformation funds have been approved, (which mitigate the risk of non-delivery) the increasing scale of the programme, which also contains more projects that contain uncertainties inherent in more innovative

commercial approaches, presents an increasing downside risk to successful delivery. Programmes are regularly monitored and progress reported to Cabinet to manage this risk.

The challenges that lie ahead are therefore even greater than in previous years, although this plan is overall still considered robust. Gedling is not alone in facing this challenge - it is a national problem - and it is better placed than most councils to react and to develop strategies to meet the set efficiency targets.

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

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

6.6 The Authority continues with activities undertaken in association with a variety of partners. This requires reliance on partnership funding and/or the delivery of integrated programmes and is an approach which is integral to the Council's efficiency programme. However, a significant number of the Council's partners are public sector organisations which are also facing significant budget pressures and changing roles. This places increasing risk on the Council both directly, in respect of possible withdrawal of partnership funding, and indirectly, with the Council potentially facing additional burdens resulting from budget cuts in other organisations. This is especially true in respect of the most vulnerable in society which could therefore have a direct impact on troubled families initiatives, homelessness and those with specialist housing need.

6.7 Although there is increased risk arising from these assumptions, it is not considered necessary to increase minimum balances above the 7.5% of total projected net expenditure as the Council is responding to the challenges through efficiency measures and service reductions. In addition it is anticipated that further efficiency plans will be developed during the summer 2018 for implementation in future years of the MTFP. It is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan will not be easy to deliver, and will require some tough decisions to be made by Members.

- 6.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to still be at a manageable level, although it should be expected that there may need to be some contraction of service delivery/performance given the scale of the ongoing reductions required.

## 7. **Risk Assessment**

Gedling needs to review its Financial Strategy and Medium Term Financial Plan annually to ensure its projected expenditure is balanced with the income it receives, and where it doesn't, or is projected not to, corrective action needs to be identified and put in hand.

Risk	Impact	Comments
Time	Medium	<p>Gedling has always aimed to be one year ahead of the budget reductions it needs to make, so that any changes required are as trouble free as possible.</p> <p>There are some pointers to finding the shortfall projected for 2019/20 and future years. These need to be worked on in the next 18 months to continue the smooth transition that Members and officers have been successful in delivering over the last few years.</p>
Viability	Medium	The loss of New Homes Bonus coupled with increasing pay awards has dealt a significant blow to the finances of the Council; however, it has enough reserves to cushion the impact whilst attention is turned to finding the new efficiency target of £1.1m and delivering the existing efficiency programme.
Finance	Medium	Council tax now needs to consistently increase year on year to offset the momentum of continual reductions in available budgets.
Profile	High	Gedling is facing a cut in government grant of £3.9m over the period 2016/17 to 2021/22 and to date has identified savings of £2.8m (net) to bridge the gap, leaving further reductions of £1.1m to be identified over the life of this MTFP.

Adaptability	High	Working with partners will be essential to successfully respond to the challenges that face the Council. The joint work with the DWP points to a new way forward and Gedling needs to work more closely with the Police and the local Clinical Commissioning Group to work laterally across the sector.
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## 8. **Equality Issues**

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

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

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

## 9. **Key Decision Thresholds**

In accordance with the Council's Constitution, full Council will in each year determine the financial thresholds for each service or function above which expenditure or saving is regarded to be significant and should therefore be regarded as a Key Decision. Traditionally the threshold has operated at above £0.5m and it is proposed that this value be continued for 2018/19.

## **Alternative Options**

Cabinet could consider recommending an alternative budget and service plan. Recommending an alternative budget may alter the level of recommended Council Tax for 2018/19. If Cabinet chose not to recommend a budget to Council this would be in contravention of the Council's Constitution and would not be in compliance with the Local Government Finance Act 1992.



## **Financial Implications**

As detailed in the report.

## **Appendices**

Appendix 1 – Gedling Plan 2018-19

Appendix 2 - Local Government Association Settlement Briefing

Appendix 3 – Detailed Gedling Plan Portfolio Budgets 2018/19

Appendix 4 – Major Price Indices – Medium Term Financial Plan

Appendix 5 - Budget Reduction Proposals 2018/19 to 2022/23

Appendix 6 – Movement on Earmarked Reserves

Appendix 7 – Council Tax Collection Fund Estimate 2018/19

## **Background Papers**

Central Government Report – Local Government Finance Settlement in England 2018/19

Treasury Strategy 2018/19

Capital Programme Report 2018/19 to 2020/21

## **Recommendation(s)**

Cabinet is asked to approve:

- i. a 3% discretionary income inflation increase for the individual portfolios as shown in the table at paragraph 3.6.5;

Cabinet is asked to recommend to Council on 5 March 2018:

- ii. that the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2018/19;
- iii. a Council Tax increase of £5 which balances the financing of a Net Council Tax Requirement of £5,974,500 in 2018/19;
- iv. that the Gedling Plan and the detailed budget for 2018/19, as detailed in Appendices 1 and 3 be approved;
- v. the future cumulative efficiency target of £1.1m with the following annual ongoing targets: 2019/20 £100,000; 2020/21 £200,000; 2021/22 £400,000; 2022/23 £400,000; and to instruct officers to develop delivery plans for the 2019/20 budget process.

## **Reasons for Recommendations**

To obtain approval of the Gedling Plan 2018-19 for referral to Council

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# Gedling Plan

2018-2019

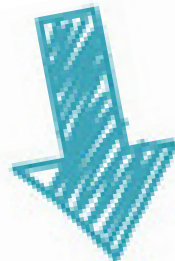
(Updated March 2018)



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Welcome to the latest update of the Gedling Plan covering the period 1 April 2018 to 31 March 2019. The plan sets out how the Council and its partners intend to:-

- Improve the lives of people who live in Gedling
- Support local businesses
- Provide high quality and excellent value for money public services

The plan maintains our focus on creating more homes. At the time of writing, the first phase of new houses at the former Gedling Colliery has just been launched and this will be supported by the long-awaited Gedling Access Road, construction of which will begin later this year. Major improvements are planned for Arnold Market and Carlton Square and we'll be continuing with our programme of improvements to local parks, playgrounds and leisure centres. We also know that many local residents enjoy the wide variety of community events that we provide and again, we'll be offering a varied programme, including Commemoration of the end of the First World War and the right of women to vote in the UK.

For many residents and businesses, it's the day to day services such as refuse collection, street cleaning and maintenance of green spaces that matter the most. For others, it's help with finding a home, getting a job, dealing with debts, coping with loneliness or assistance with challenging neighbours. It's a huge frustration that our money available to spend on local services continues to be reduced - amounting to a 66% cash reduction or £5.9 million over a 9 year period. However, we'll continue to do our very best to balance what are often competing and increasingly complex needs and to find new and more efficient ways of working.

We're extremely privileged and fortunate, therefore, to be supported by many amazing local organisations that make such a vital contribution to community life in Gedling. Our plan is rightly ambitious for the people and businesses of Gedling but undeliverable without their support and that of a range of other public and private sector partners. We look forward to continuing our excellent working relationships with them and to turning the plan into reality.

If you have any comments, questions or ideas, please get in touch. We'd love to hear from you. We'll be reviewing and publicising our progress on a regular basis and you can keep up to date with this through our website [www.gedling.gov.uk](http://www.gedling.gov.uk)



**John Clarke**  
Leader



**John Robinson**  
Chief Executive

# About Gedling Borough

02

The people and the place that we serve



Gedling borough lies on the outskirts of Nottingham City and covers 120 km<sup>2</sup>

Latest estimated population is 116,500



Just over 53,000 households



Just under 9% of our population is from black/minority ethnic groups

20,600 young people aged 0-15 years



Increasingly ageing population – 23,500 people are aged over 65 - 45% of these are aged over 75



Around 5,000 businesses are based in Gedling

51% of our residents are female



Life expectancy is higher than the national average at 80.3 years for males and 83.2 years for females

# About Gedling Borough

03

The services we provide



## At Gedling Borough Council we:



Manage an annual budget of **£12.1 million**

Empty **60,000** bins and **13,000** glass recycling boxes each week



Manage **35** parks and **32** play areas

Handle just over **8,500** Housing Benefit claims each year



Clean **578 km** of roads

Collect over **1,383Kg** of litter from our streets each year



We also...

03

The services we provide



Provide  
1,115 public  
car parking  
spaces

Deal with around  
660 planning  
applications each  
year



Have over  
800 licenced  
taxi drivers

Issue  
approximately  
80 disabled  
facilities  
grants each  
year



Welcome just  
under 950,000  
visitors to our  
leisure centres  
each year



Help around 200 individuals  
at risk of becoming homeless  
resolve their situation each year



Carry out around 400  
environmental health  
inspections of food  
premises each year



Handle  
approximately  
180,000  
telephone calls  
to our contact  
centre each year



Assist 30,000 customers each  
year through the Council's  
customer services team



# About Gedling Borough

04

What matters most  
to our residents



In the 2017 Gedling Conversation our residents told us that these are the most important things to them:

Access to  
and quality  
of health  
services



Condition  
of roads  
and  
pavements



Feeling safe

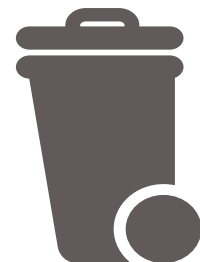
Appearance  
and cleanliness  
of the  
environment



Activities  
and  
services for  
residents  
aged 65+



Refuse  
collection





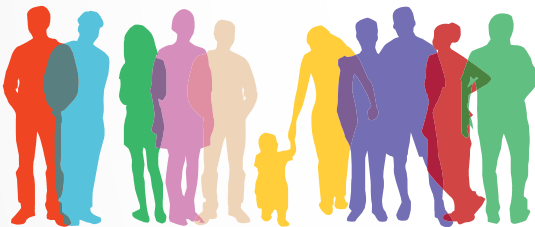
Although we are responsible for a large number and wide range of local services, many of the things that matter to residents are the responsibility of others. Things like GP waiting times, the condition of roads and pavements and the quality of local schools. Therefore, **we do not limit our interest to only those services we are directly accountable for but rather seek to make a difference in all aspects of community life.** In other words, at the centre of what we do is:

**“Serving People, Improving Lives”**

## Our Vision

### What we're aiming to create

We aspire to be regarded as a great Council by the people and businesses we serve and the staff we employ, by making a positive difference to people's lives and creating opportunities for everyone to achieve their full potential.



### What we stand for and the way we go about our business

A **competent Council** that delivers on its promises, acts professionally and can be trusted to provide good quality

A **co-operative Council** that listens to and involves its citizens, partners and employees in playing an active part in creating a prosperous future

A **commercial Council** that is innovative in its use of resources and focused on

achieving value for money

A **compassionate Council** that reaches out to the lonely and marginalised and encourages others to do the same

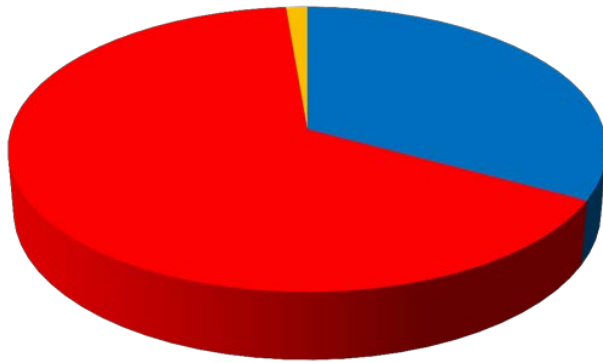
A **considerate Council** that recognises and respects difference and is sensitive to the impact of its actions on others

## Our Values



## Our Councillors

**We have 41 Councillors representing 19 wards**



25

Labour

15

Conservative

1

Liberal  
democrat

### The Cabinet

Our Cabinet has a Leader and six Cabinet members. They are all members of the majority Labour Group. Each Cabinet member has responsibility for a portfolio of services and activities and has the authority to make decisions within their area of responsibility. The Leader of the opposition group attends Cabinet meetings. He/she can participate in discussions but can't vote.

### Full Council and other Committees

A number of committees deal with specific business areas of the Council such as Planning and Licensing.

Overview and Scrutiny Committee holds the Cabinet to account, the Audit Committee oversees financial propriety and the Standards Committee promotes high standards of conduct by Councillors.

Council, Cabinet and committee meetings are held at the Civic Centre and almost all are open to the public. You can find the dates of all the meetings at <https://democracy.gedling.gov.uk>

### Other representatives

There are also 2 MPs and with effect from May 2017, 9 County Councillors representing our residents.



## Our Staff

- Economic Growth and Regeneration
- Development Services
- Planning Policy

**Chief Executive**

**We employ around 500 staff**

**Director of Organisational Development & Democratic Services**

- Legal
- Democratic Services
- Organisational Development
- Customer Services & Communications

**Director of Health & Community Wellbeing**

- Leisure
- Public Protection
- Community Relations

**Deputy Chief Executive & Director of Finance**

- Financial Services
- Parks & Street Care
- Transport and Waste
- Revenues and Welfare support
- Property
- Health & Safety & Emergency Planning

## Our Partners

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

Key partners from across the public, private and voluntary sectors come together to ensure service

provision is co-ordinated and these include the South Notts Community Safety Partnership and exist to ensure a co-ordinated approach to the provision of services. These include the Employment and Skills group, South Nottinghamshire Crime and Disorder Partnership and the Developers' and Landlords' Forums.

We also work with Gedling Youth Council and Gedling Seniors Council to ensure young and older people have the opportunity to inform and influence the Council's decision making process.



In the 2017 Gedling Conversation we asked residents' opinions on how we're doing

**83%**

of households who responded are satisfied with their local area as a place to live

**66%**

of households who responded are satisfied with the way Gedling Borough Council runs things

**84%**

of households who responded are satisfied with our waste and recycling service

**71%**

of households who responded feel well informed about Gedling Borough Council and what we do

**77%**

Of households who responded are satisfied with the quality of parks and open spaces

**73%**

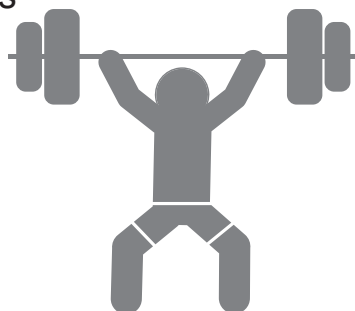
of households who responded are satisfied with the ways they can contact Gedling borough Council



## 07 | How we're doing



Membership of DNA fitness scheme increased by **33%** since 2012



Recorded anti-social behaviour dropped by **15%** since 2015

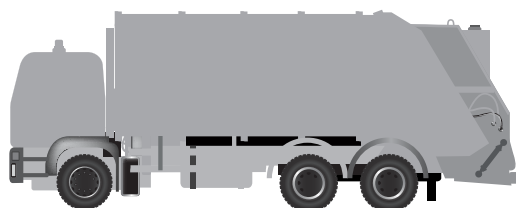
We see over **89%** of our one stop customers within **15 mins**

We collect over **98%** of Council Tax and Business Rates

**Just under 21,300 of our residents exercise regularly**



We reuse, recycle and compost over **38%** of household waste



We collect over **540kg** of waste from each household each year

Number of days taken to process new Housing Benefit and Council Tax Benefit claims has reduced from 8.3 days to **5 days** since 2010

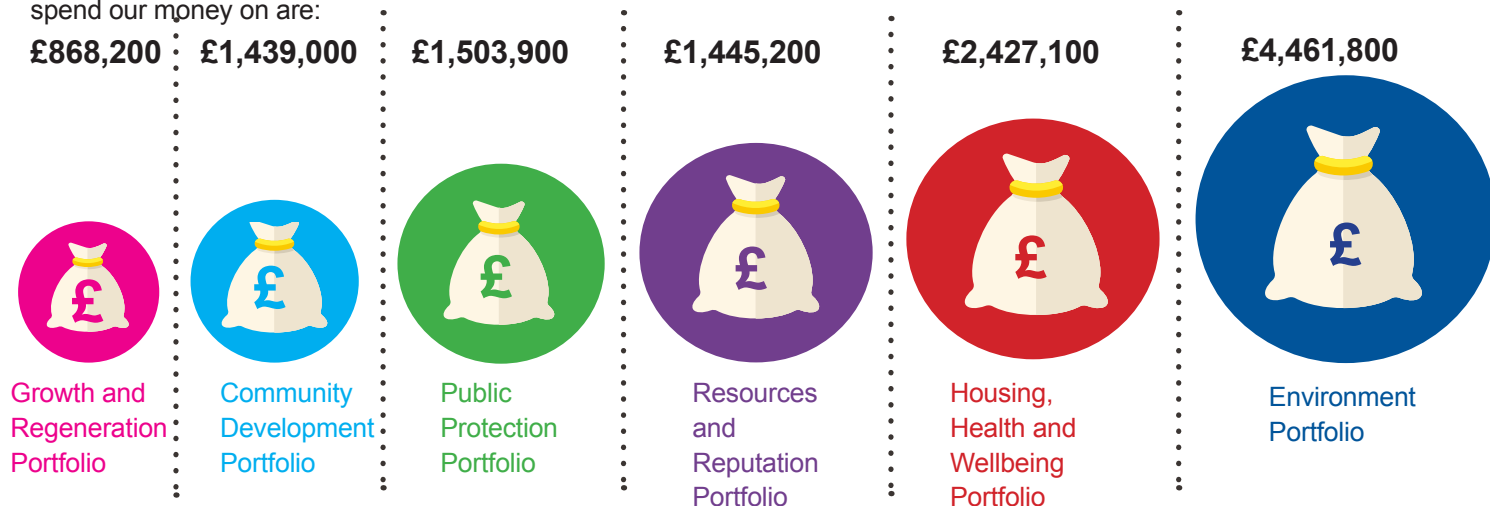
The number of swimming lessons we provide has increased from 1400 to **2000** per week.



## 08 Financial Position

### What we spend and how we spend it

We spend around £12.1 million a year on an ongoing basis on a wide range of services. We also administer around £23.7 million in housing benefit payments for national government. Apart from the benefit payments we make, the main areas we spend our money on are:



We have a long track record of delivering low cost, high quality services and our council tax charge remains lower than nearly two-thirds of other councils. We made a commitment not to increase council tax for 2016/17, but due to further government grant reductions a Council tax increase of 3.16% the maximum allowed for 2018/19 is required to help balance the budget.

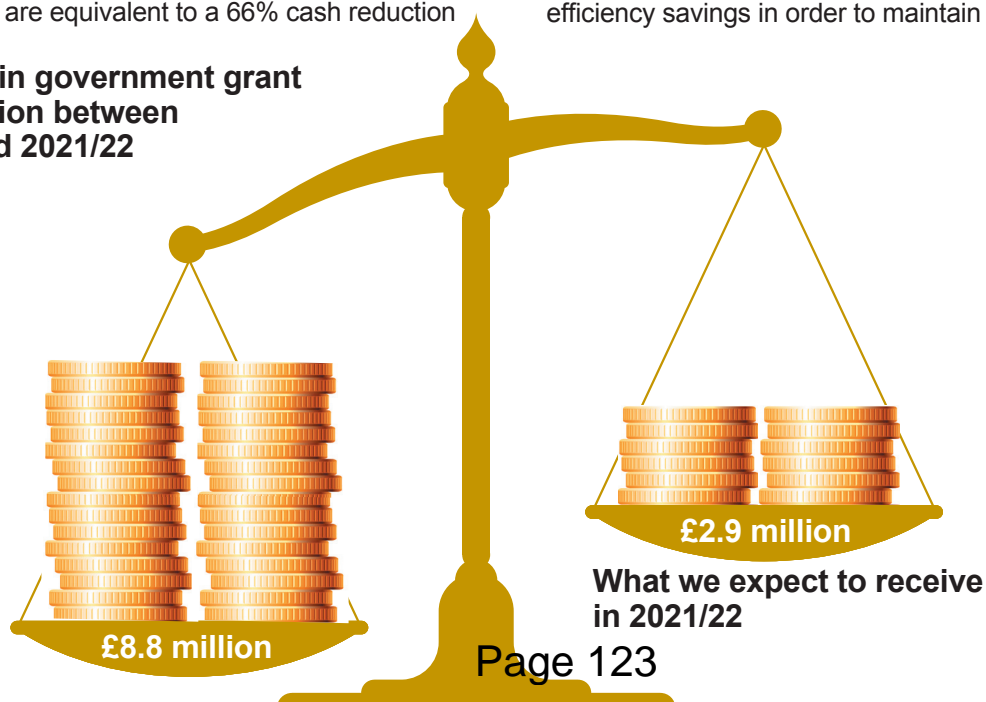
### Pressures we face

In recent years, we have faced the largest reductions in funding from central government in living memory and we now expect even more to come. Over the period 2011/12 to 2015/16 we faced government grant reductions (including the New Homes Bonus) of £1.9 million with a further grant reduction of £4.0 million expected over the period 2016/17 to 2021/22. The total grant reductions of £5.9 million are equivalent to a 66% cash reduction

over a 9 year period. According to the Government's Core Spending Power Review, this will place us in the top 10 worse affected local authorities in the country.

The grant reductions have occurred at a time of increasing demand for our services, reducing income levels and inflationary pressures caused by the economic downturn, so we have had to significantly increase our delivery of efficiency savings in order to maintain services levels.

**Reduction in government grant of £5.9 million between 2010/11 and 2021/22**



What we received in 2010/11

## 08 Financial Position

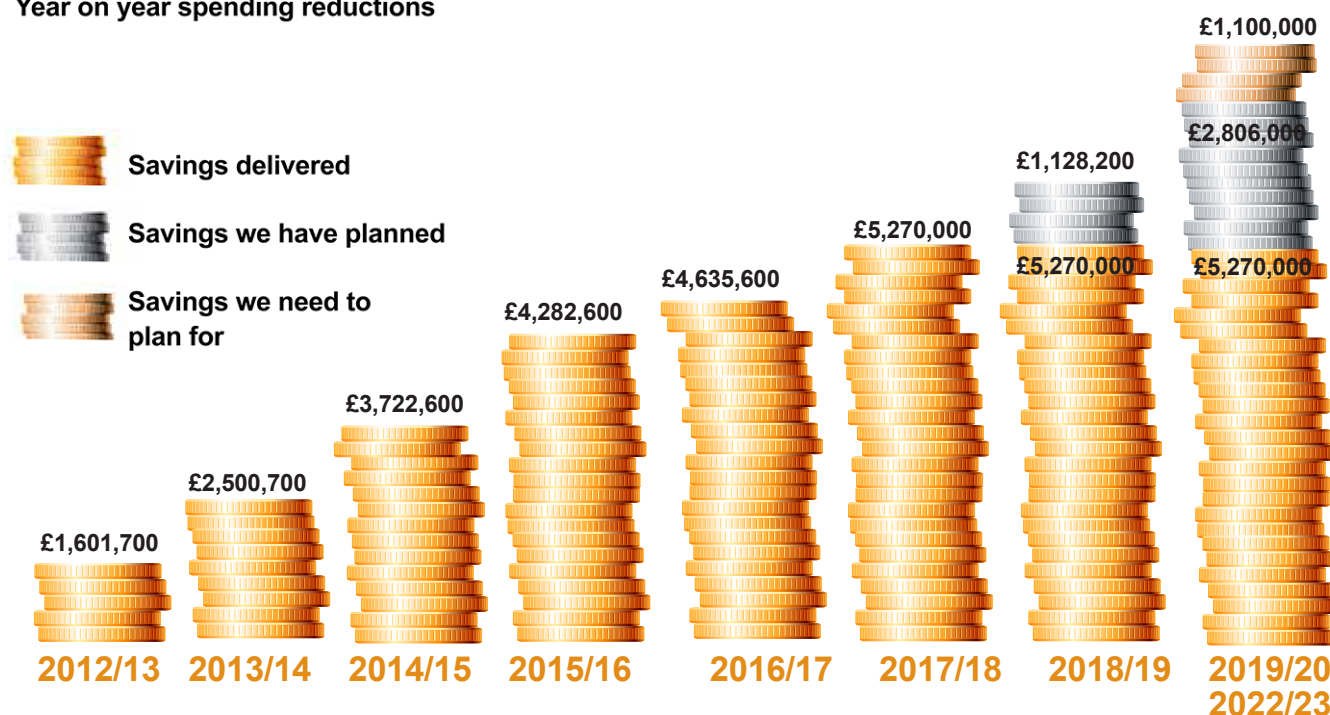
### How we have made budget reductions and what further reductions we need to make

The Council has been successful in delivering £5.3m of spending reductions since 2010/11. So far the majority of our spending reductions have been achieved through efficiency savings and new income generation with only a minor amount of service cuts being required. Since 2011/12 there have been: 4 senior management restructures saving over £450k; numerous working practice reviews saving £2.2m mainly in staffing costs; improved supplies purchasing contracts saving £650k; new income generation of over £850k and improved asset utilisation of £375k. Some cuts have also been necessary

with: £500k removed from discretionary leisure activities and parish grants; £150k saved from the discontinuation of summer refuse collection service and; £75k saved by reducing grass cutting frequencies.

We already have plans in place for a further £2.8m reduction over the period 2018/19 to 2022/23 already in the budget. However, to balance the budget we still need to reduce our spending further so a target of £1.1m has been set. This means that further difficult decisions lie ahead.

#### Year on year spending reductions



We will continue to work hard to develop robust plans during 2018/19 to reduce our spend further which means that further difficult decisions lie ahead. Working with a variety of partners, we will strive to deliver the best we can for our residents, although we recognise that a significant number of our public sector partners are also facing significant budget pressures and changing roles.





## PEOPLE

### Context

Whilst some parts of Gedling Borough are relatively prosperous, there are pockets of deprivation. Some areas of the borough fall within the 10% of most deprived areas in England and child poverty stands at 30% in some wards. Adult obesity is higher than the national average and childhood obesity is increasing. There is also a higher than national average number of mothers smoking at the time of giving birth. We have an increasingly elderly population; predictions indicate there will be a 77% increase in the number of over 80 year olds by 2021. These factors present challenges in targeting appropriate support and we will continue to work closely with Job Centre Plus, NHS Clinical Commissioning Group and other partners.

Following a number of years of reductions in crime levels across Gedling since 2014/15 and in line with national trends, increases have been experienced. Whilst some of this increase can be attributed to Police and Home Office recording practice changes, genuine increases in the number of crimes being committed is now occurring. Across Gedling certain crime categories for example theft, assault and burglary are increasing and Council staff are developing new plans with the Police and partner colleagues to reverse the current trends.

Our strong working relationship with the Alzheimer's Society and Age UK will continue as we plan to support those affected by dementia.

### What we've done

#### Gedling Seniors' Council launched

Following the Gedling Seniors Council launch at a joint conference with the County Council's Older Persons Advisory Group and Age UK at the end of March, an inaugural meeting of the new organisation was held on Friday 16 June in the Council Chamber. The meeting was well attended by grass roots older persons groups, wider charities supporting the older community in Gedling and individuals from the older community. Groups represented included the Netherfield Senior Citizens group, Asian Elders, Caribbean Elders, Spinning Yarns older arts project, Gedling based U3A divisions, Age concern and Age UK.

#### New Redhill 3G football pitches

The Redhill Leisure Centre 3G artificial football pitch installation has been completed and the official launch took place on Friday 6 October 2017. Working together with the Redhill Academy Trust, the Council secured Premier League and FA Facilities Fund grant to provide a first-class football facility for training, competitive matches and wider community use in the borough.

#### Dementia Cafés in Mapperley and Netherfield

Partners have worked together to launch a new Memory Café for the community at St Andrews House in Mapperley supported by local volunteers. The Council has also provided support and advice for a new Dementia Café in Netherfield, which takes place at the St George's Centre and is run by volunteers with the support of Gedling Homes.

#### More to see at Bonington Theatre

Residents of the borough have benefitted from a wide-ranging, mixed programme of amateur and professional performances including jazz, folk and popular music gigs, drama and dance and more traditional community-produced performances. More recently cinema has made up an increasing amount of our programme with all the latest blockbusters, Oscar winners and art-house favourites being shown. For the first time this year, we've been able to show live performances direct from the Royal Opera House, including The Nutcracker and Tosca. This has resulted in an increase in attendance from 26,262 in 2016 to 30,064 in 2017.

#### 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.

# Reduce anti-social behaviour, crime and the fear of crime

## What do we want to achieve?

In recent years, crime and anti-social behaviour has fallen significantly but this has not been matched by people's perceptions. Fear of crime has actually risen. New crime priorities are emerging and new threats and risks need to be tackled so we can ensure the continued safety of those who live, work and visit the borough. Priorities include tackling serious and organised crime, the exploitation of the vulnerable, reducing domestic violence and focusing efforts in those areas where crime and anti-social behaviour are the most prevalent.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Deliver the Council's contribution to the activities and priorities of the South Nottinghamshire Community Safety Partnership	Service Manager Public Protection	Public Protection
Develop and implement an enforcement programme to discourage environmental crime	Service Manager Public Protection	Public Protection
Implement the taxi licensing improvement plan	Service Manager Public Protection	Public Protection
Identify and evaluate options for delivering CCTV in partnership with Nottinghamshire Police and other local authorities	Service Manager Public Protection	Public Protection
Continue to invest in new and existing CCTV in priority hotspots	Service Manager Public Protection	Public Protection
Develop employment scheme with Probation and Prison Service to reduce re-offending	Director of Health and Community Wellbeing	Public Protection
Take the lead in raising awareness of, and responding to, Modern Slavery	Chief Executive	Public Protection

## Performance measures and targets

These are the key things we will measure our performance against

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Percentage of fly tipping incidents removed within 4 working days	98%	Service Manager Public Protection	Environment
Number of reported fly tipping incidents	Tracker	Service Manager Public Protection	Environment
Level of All Crime across Gedling Borough rate (per 1000 population)	Maintain 2017/18 performance	Service Manager Public Protection	Public Protection
Level of recorded anti-social behaviour across Gedling Borough (per 1000 population)	Maintain 2017/18 performance	Service Manager Public Protection	Public Protection

# Reduce hardship and provide support to the most vulnerable

## What do we want to achieve?

Many people who live in the borough have a relatively good standard of living and enjoy a healthy and active lifestyle. However some members of our community find themselves in situations of hardship through a variety of reasons, such as unemployment, ill health, low pay, homelessness and drug and alcohol abuse. Such circumstances can spoil a person's quality of life and restrict their ability to achieve their potential. What we're trying to achieve, therefore, is to alleviate poverty and hardship where it already exists and prevent it from happening in the first place.

## How will we do this?

Action	Lead Officer	Portfolio Holder
More fully embed compassion in the culture and operating practices of the Council	Chief Executive	Leader
Target actions to support the most deprived communities within the Borough	Service Manager Community Relations	Community Development
Continue to take the lead on, and support, the national refugee resettlement programme	Service Manager Economic Growth and Regeneration	Housing, Health and Wellbeing
Review and improve temporary housing	Service Manager Economic Growth and Regeneration	Housing, Health and Wellbeing
Take the lead in developing a more integrated approach to family support, working with Nottinghamshire County Council and other partners	Service Manager Public Protection	Housing, Health and Wellbeing
Implement actions to support the Council's Armed Forces Community Covenant	Service Manager Community Relations	Community Development
Ensure arrangements are in place to support local residents with the transition to Universal Credit	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Develop and implement a range of prevention measures that can be proactively used to reduce the number of people presenting themselves to the council as homeless	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Make a proactive contribution to improving the life chances of children in care	Chief Executive	Housing, Health and Wellbeing

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Percentage of households who considered themselves as homeless, who approached the Council, and for whom housing advice resolved their situation	13%	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Average time to process homeless applications (working days)	12 days	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Average length of time spent in temporary accommodation	8 weeks	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Average time to process new Housing Benefit claims	13 days	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Average time to process Housing Benefit change in circumstances	4 days	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing
Time taken to process Housing Benefit/Council Tax Benefit new claims and change events	6 days	Service Manager Revenues and Welfare Support	Housing, Health and Wellbeing

# Improve health and wellbeing

## What do we want to achieve?

We work with a range of partners to improve the health and wellbeing of residents. We know, from our work with public health colleagues and those from the Clinical Commissioning Group, that there are a range of health inequalities across the borough and that some of our areas have a higher concentration of these. These areas will be the focus of our work over the coming years along with tackling a range of specific health risks to improve health outcomes more generally. Specifically our plans include activity around reducing obesity and smoking levels, encouraging more local people to take part in exercise and promoting breast feeding to support early years childhood development. We will also develop new plans to deliver initiatives to tackle loneliness, dementia and mental health across the borough and will work with partners and community interest groups to achieve this.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Identify and implement practical initiatives to encourage cycling and walking	Service Manager Community Relations	Housing, Health and Wellbeing
Enable a varied range of positive activities for children and young people	Service Manager Community Relations	Housing, Health and Wellbeing
Implement a range of activities to increase participation in sport and physical activity in leisure centres	Service Manager Leisure Services	Housing, Health and Wellbeing
Increase participation in organised outdoor activities in parks and open spaces	Service Manager Parks and Street Care	Housing, Health and Wellbeing
Continue to provide free swimming initiative	Service Manager Leisure Services	Housing, Health and Wellbeing
Take action to tackle the harmful effects of smoking	Service Manager Public Protection	Housing, Health and Wellbeing
Develop and implement actions to address health inequalities across the borough	Service Manager Community Relations	Housing, Health and Wellbeing
Introduce and support a range of measures designed to tackle excessive weight and promote healthy lifestyles	Service Manager Community Relations	Housing, Health and Wellbeing
Work with partners to deliver activities to support those experiencing mental health illness, loneliness, isolation and dementia	Service Manager Community Relations	Housing, Health and Wellbeing
Implement the Gedling Playing Pitch Strategy	Service Manager Community Relations	Housing, Health and Wellbeing

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Number of visits to leisure centres	950,000	Service Manager Leisure Services	Housing, Health and Wellbeing
Average number of DNA members (12 month rolling period)	4,200	Service Manager Leisure Services	Housing, Health and Well-being

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

## What do we want to achieve?

We want the borough to be a place where people are proud to live and where they feel that they belong. We want to create opportunities for local people to be actively involved in the things that affect their lives and to build communities in which people prosper and look out for each other.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Deliver a programme of community events including events to mark the 100 year anniversary of the end of WW1 and when British women won the right to vote	Service Manager Community Relations	Community Development
Progress asset transfer or disposal of the Council's community centres	Service Manager Community Relations	Community Development
Promote and encourage employee and community volunteering and residents' involvement in local activities	Service Manager Community Relations	Community Development
Promote and encourage registration for and turnout at elections scheduled during 2018 -19	Service Manager Democratic Services	Leader
Widen and increase attendance at the Bonington Theatre	Service Manager Leisure Services	Housing, Health and Wellbeing
Support further development of Gedling Youth Council and ensure young people have a range of opportunities to inform and influence the council's decision making process	Service Manager Community Relations	Community Development
Support further development of Gedling Seniors' Council and ensure older people have a range of opportunities to inform and influence the Council's decision making process	Service Manager Community Relations	Housing, Health and Wellbeing
Bid for Heritage Lottery funding for a heritage centre and heritage trail at Gedling Country Park	Director of Health and Community Wellbeing	Community Development
Complete the Community Governance Review of Bestwood St Albans Parish	Service Manager Democratic Services	Community Development

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Response rate to Individual Electoral Registration household canvass	98.5%	Service Manager Democratic Services	Leader
Number of attendances at Bonington Theatre productions	28,500	Service Manager Leisure Services	Housing, Health and Wellbeing
Number of theatre events/shows taking place at the Bonington Theatre	585	Service Manager Leisure Services	Housing, Health and Wellbeing
Number of cinema shows taking place at the Bonington Theatre	260	Service Manager Leisure Services	Housing, Health and Wellbeing



## Context

Gedling Borough is a mix of urban and rural areas with around 80% of our residents living in the Greater Nottingham suburbs of Arnold and Carlton. The remaining residents live in a number of villages including Burton Joyce, Calverton and Ravenshead. There are a number of major transport routes that run through the borough such as the A60 to Mansfield, the A612 towards Southwell and the A614 which is the main northern route from Nottingham towards the A1. However, some of our rural villages are relatively isolated and suffer from poor transport links. The main shopping areas are within Arnold, Netherfield, Mapperley and Carlton Square.

Within the borough, unemployment levels tend to be lower than the national average, however we have higher levels of youth unemployment and will focus on initiatives to help young people develop their skills and work. Almost 5000 businesses operate in Gedling, including global brands such as The Wilkins Group, Hillarys Blinds, Xylem Water Solutions, Armitage Pet Products, Frank Key and Bunches together with many small and medium enterprises.

Residents have expressed high satisfaction levels with the quality of our parks and open spaces and a large majority (83%) say they are satisfied with their local area as a place to live.

In common with the rest of the County, there is an urgent need for more homes and we are working hard to not only accelerate the delivery of housing but also the infrastructure to support it.

## What we've done

### Visitors' centre at the Country Park

The visitor centre at Gedling Country Park was officially opened at a special ceremony in June 2017. The centre design was inspired by the history of the former colliery site and its look and feel incorporates the coal shapes and the rural landscape. Café 1899, named after the date the former mining colliery opened, serves food and drinks and has been certified as a breast feeding friendly location. In addition, the Country Park has become a fully accessible and disabled friendly park thanks to the installation of a special toilet and changing facility for people with severe disabilities. The Changing Places toilet, the first of its kind in the borough and one of only 1,000 across the country, will meet the needs of people with profound and multiple learning disabilities, as well as people with other physical disabilities such as spinal injuries, muscular dystrophy and multiple sclerosis, who often need extra equipment and space to allow them to use the toilets safely and comfortably.

### Homes started

Construction of new homes on the former Gedling Colliery site began in 2017 with the show home opening in November 2017. The development will not only provide essential new homes for the borough, but will also include a new primary school, health centre, local shops and public open space to provide services for the new residents and the wider community.

### Empty properties brought back into use

Keen to reduce the number of empty properties in the borough, the Council recruited a new Empty Homes Officer to work with the owners of long term empty homes to try to bring them back into use. Properties that are left derelict or disused can be an eyesore and cause problems for people living nearby. In the first 6 months of 2017/18 we exceeded the target set, with 8 empty properties returned to use.

### Regeneration of Arnold Market and Carlton Square

At the end of 2017, the Council took a big step towards achieving its plan to regenerate Arnold Market by agreeing to purchase the site from the current owner. We've also made it through the first round of bids to secure external funding to develop the site and make improvements to Carlton Square.

### Jobs Fair

A successful annual Jobs Fair took place on 11 September; 53 exhibitors attended including the Council and DWP. 325 residents visited the Fair to identify work opportunities.

# Create more jobs and better access to them

## What do we want to achieve?

Our overall unemployment levels are lower than average nationally and regionally, but there are pockets of the borough where levels are higher, and unemployment amongst the borough's young people is higher than average. Our aim here is to work with employers and other partners to bring new jobs to the borough, and to make sure our residents, particularly amongst groups or areas where unemployment is higher than average, can get to those jobs. The nature of our borough and its relationship to the City of Nottingham is such that we will probably never be able to meet all employment needs locally, so we also want to ensure our residents can easily access work opportunities in the City and surrounding areas.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Maximise delivery of the allocated employment sites	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Develop and implement a local programme of job fairs	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Provide business support for small and medium businesses	Service Manager Economic Growth and Regeneration	Leader
Secure construction of the Gedling Access Road	Chief Executive	Growth and Regeneration
Progress Integrated Transport Plan for Gedling with a particular focus on improving access to employment	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Maximise growth potential of Colwick Industrial Park	Chief Executive	Growth and Regeneration

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Percentage of working age people on Job Seekers' Allowance	In line with the national average	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Percentage of young people (18-24 year olds) claiming Job Seeker's Allowance	No higher than 1% above national average	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Number of supported small and medium size enterprises to recruit their first apprentice	20	Service Manager Economic Growth and Regeneration	Growth and Regeneration

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

## What do we want to achieve?

The job market remains competitive and the skills and aptitudes required to compete for jobs successfully are constantly changing. Overall, our residents have relatively high levels of educational attainment but we want to make sure that potential is harnessed by helping people of all ages to be 'job ready', with a good balance of educational attainment and softer job skills. We want to see good quality training opportunities that are available to residents of all ages, including but not restricted to apprenticeships. We'll also work with employers to understand what they are looking for from their workforce and help them to ensure those needs are met.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Gedling Borough Council to continue to offer a minimum of 16 pre-employment work experience placements a year	Service Manager Organisational Development	Growth and Regeneration
Co-ordinate range of work experience placements for school children, as part of the National Curriculum	Service Manager Organisational Development	Growth and Regeneration
Implement a rolling programme of apprenticeships within Gedling Borough Council	Service Manager Organisational Development	Growth and Regeneration
Encourage and incentivise local businesses to offer work experience and apprenticeships	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Continue to implement employment agreements and pre-employment arrangements to maximise job opportunities for our residents linked to new developments	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Deliver The European funded ERASMUS + apprenticeship project and explore options to sustain post-project end	Service Manager Economic Growth and Regeneration	Leader
Identify and implement practical initiatives to support long term unemployed people back into work	Service Manager Economic Growth and Regeneration	Growth and Regeneration



## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Attain the government target for the number of apprenticeship starts during a year to be at or above 2.3% of the workforce headcount	12	Service Manager Organisational Development	Growth and Regeneration
Number of work experience placements created in Gedling Borough Council	16	Service Manager Organisational Development	Growth and Regeneration
Number of school-age work experience placements (council-wide) in partnership with YouNG (and Economic Development)	6	Service Manager Organisational Development	Growth and Regeneration
Number of jobs fairs held to support residents to get into work and apprenticeships and support employers with their recruitment needs	2	Service Manager Economic Growth and Regeneration	Growth and Regeneration
As part of supporting SME apprenticeships support 16-24 year old Gedling Borough residents to secure an apprenticeship	20	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Number of employment agreements and pre-employment arrangements including pre-employment training, placements in education, apprenticeship starts and jobs created	29	Service Manager Economic Growth and Regeneration	Growth and Regeneration



# Provide more homes

## What do we want to achieve?

It is widely accepted that more homes are needed to meet housing demand, and the borough is no exception to this. Our role in housing is multi-faceted – from using our planning powers to ensure a strong supply of land ready for development; to working with partners in the public and private sector to facilitate development of more difficult and challenging sites. We can also use our powers to help bring empty homes back into use. We want to see an increase in the number of new homes built in the borough, of good design quality and supported by top class infrastructure and facilities. Our interest is in housing across all tenures, but we are particularly keen to increase and improve the offer of affordable housing in the borough to meet growing housing need.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Deliver allocated housing sites	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Reduce the number of empty homes in the borough	Service Manager Public Protection	Growth and Regeneration
Secure adoption of Local Planning document	Service Manager Planning Policy	Growth and Regeneration
Secure the provision of more affordable housing including homes for rent in the social housing sector	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Proactively promote the sale of council owned land for the purpose of creating new homes	Service Manager Property	Growth and Regeneration
Investigate the feasibility and funding opportunities for housing led regeneration at priority estates	Service Manager Economic Growth and Regeneration	Growth and Regeneration

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Net additional homes provided	480	Service Manager Planning Policy	Growth and Regeneration
Number of affordable homes delivered	130	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Percentage of Major planning applications processed within 13 weeks	90%	Service Manager Development Services	Growth and Regeneration
Percentage of minor planning applications processed within 8 weeks	91%	Service Manager Development Services	Growth and Regeneration
Percentage of other planning applications within 8 weeks	85%	Service Manager Development Services	Growth and Regeneration
Number of long term empty homes in the borough returned to use as a result of Gedling Borough Council intervention	20	Service Manager Public Protection	Growth and Regeneration

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

## What do we want to achieve?

In the residents' satisfaction survey carried out in September 2017, we were told that the quality and appearance of the environment was the fourth most important issue for 54% of our residents. The majority of our residents are satisfied with the cleanliness of the area, quality of parks and open spaces and bin/recycling service, but still want to see an improvement in the quality and range of shops and quality and appearance of parks and open spaces.

We want the borough of Gedling to be a place where people want to live, visit and do business. We recognise that first impressions are created by the borough's appearance and by the facilities available and that the condition of the local environment affects local residents' views of overall quality of life. We want to create a welcoming, attractive, clean and healthy environment with a range of facilities which the residents of the borough can enjoy and be proud of. We also want the borough to be the place where people choose to come to work and do business.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Encourage households and businesses to reduce, re-use and recycle more of their waste	Service Manager Transport and Waste Services	Environment
Implement Parks and Green Spaces Strategy	Service Manager Parks and Street Care	Environment
Develop a sustainable business plan for at Gedling Country Park	Director of Health and Community Wellbeing	Environment
Develop and deliver improvements to Arnold Market and the surrounding area	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Explore options and develop delivery plans for regeneration of Carlton Square area	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Provide an additional waste collection over the Christmas period	Service Manager Transport and Waste Services	Environment
Provide a bulky waste amnesty	Service Manager Transport and Waste Services	Environment
Deliver high profile, high impact, Spring Clean campaign	Service Manager Parks and Street Care	Environment
Finalise business case and source funding for delivery of Gedling Mineral Line Cycleway and Walkway	Service Manager Economic Growth and Regeneration	Growth and Regeneration
Take steps to phase out the use of single use plastics on council premises and implement a range of initiative to encourage others to do the same	Deputy Chief Executive and Director of Finance	Environment

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Number of garden waste customers	15,000	Service Manager Transport and Waste Services	Environment
Percentage of surveyed streets with unacceptable levels of litter	2%	Service Manager Parks and Street Care	Environment
Residual household waste per household	525kg	Service Manager Waste Services	Environment
Percentage of household waste sent for reuse, recycling and composting	39%	Service Manager Waste Services	Environment



# PERFORMANCE

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## Context

We are committed to being one of the best councils in the country and we want our customers to be satisfied, both when they contact us and when they use our services.

Over recent years we have reviewed how the Council is structured, identifying new ways of working not only internally but also with partners. We share the Civic Centre with Job Centre Plus and the Nottinghamshire North and East Clinical Commissioning Group, enabling an even closer working relationship to support individuals with the greatest need. Nottinghamshire's Police and Crime Commissioner and the MP for Gedling can be found on the Arnot Hill Park campus and colleagues from Nottinghamshire Police moved into Jubilee House in 2017 to work alongside our Public Protection team.

In common with our public sector partners, the council continues to face significant challenges through reduced levels of funding and increased demand for services. In response we recognise that we need to work differently to be able to maintain levels of service. It is becoming more

important for us to embrace digital technology, maximise income generation and ensure that our workforce is agile, skilled and flexible to cope with the challenges ahead.

We have maintained levels of service against a backdrop of reduced funding – in 2017 84% of our customers were satisfied with their bin collection/recycling services and the proportion of residents satisfied with the way we run things increased to 66%.

Two of our teams - Street Cleansing and Streetscene service and Cemetery and Crematorium - were finalists in the Best Service Team of the Year at the APSE Performance network awards in 2017. We were also recognised for award winning communication, when our Media and Communications Manager won the 'Communicator of the year' in the Granicus Digital Strategy awards.

## What we've done

### New website launched

The Council launched a redesigned website in August 2017. It is now mobile friendly, easier to use and much more customer focused. Users can find the things they need quickly, pay for things easily and report any issues instantly. In addition we've improved and expanded the number of online transactions.

### Stronger digital, commercial and flexible culture

Recognising the need to work differently, we have introduced a transformation programme bringing together the Council's strategy for digitalisation, commercialisation, agile working and demand management.

### New Customer Contact point in Carlton

To coincide with National Customer Services week, we opened a new customer contact point at Carlton Fire Station on 4 October 2017. The contact point offers residents the opportunity to access services and speak to officers closer to where they live. A member of our Customer Services team is on hand every Wednesday at the fire station to offer advice on a number of Council services.

### Apprenticeship training accreditation

The Council has become an accredited apprenticeship training centre, one of the very few district authorities to do so. This allows us to deliver not only to our own employees but also to other employers. Our hope is that this accreditation will further raise the standards of training within the Council and also present opportunity to draw funding into the Council from the apprenticeship levy.

### Gedling Conversation and Satisfaction Survey

During the summer of 2017 we carried out our bi-annual Gedling Conversation, with Members and Senior Officers going out into all wards to speak to residents about 'Life in Gedling Borough'. A copy of the satisfaction survey was also delivered to each household in the borough and 3,422 responded to tell us what they thought of the Council and its services. Overall the results are extremely positive.

**CredAble accreditation** - The Council has been awarded CredAble accreditation covering all our leisure centres, Bonington Theatre and cinema as well as Gedling Country Park. The quality mark reflects our commitment to good practice when providing services to disabled customers.



# Improve the customer experience of dealing with the Council

## What do we want to achieve?

We will continue to maintain and, where possible, improve standards, working with other public and voluntary sector partners to ensure services are high quality, coordinated and cost effective. We aim to be compassionate and considerate by putting the customer at the centre of what we do and will increase digital access whilst maintaining our focus on those most vulnerable in society.

This will be done in line with our strong public sector values of openness and fairness, but we will continue to challenge existing ways of doing things, ensuring we make best use of our assets and embrace new ways of working to continue to transform services to meet the expectations of our community.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Embed the Customer Services Standards and Charter	Service Manager Customer Services and Communications	Deputy Leader Resources and Reputation
Implement a programme of activity to deliver the Demand Management Strategy	Director of Organisational Development and Democratic Services	Deputy Leader Resources and Reputation
Implement a programme of activity to deliver the Digital Strategy	Service Manager Customer Services and Communications	Deputy Leader Resources and Reputation



## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Percentage of calls to the contact centre answered (or call back made) - 12 month rolling total	90%	Service Manager Customer Services and Communications	Deputy Leader Resources and Reputation
Percentage of customers that are satisfied with overall customer service	85%	Service Manager Customer Services and Communications	Deputy Leader Resources and Reputation
Percentage of One Stop shop customers seen within 15 minutes	85%	Service Manager Customer Services and Communications	Deputy Leader Resources and Reputation



# Give tax payers value for money

## What do we want to achieve?

Taxpayers rightly expect us to be competent and to provide services to the highest customer standards and that we make best use of every pound that we spend. This is extremely important as we strive to reduce costs following the significant cuts in central government support. We already have a reputation for high performance and value for money, with recent surveys showing high levels of satisfaction in the way we do things and in the services we provide – but we will not rest on our laurels. We aim to be commercial in our approach, developing innovative ways to use our resources and retaining our focus on delivering value for money.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Ensure the development and approval of an updated Asset Management Strategy	Service Manager Property	Deputy Leader Resources and Reputation
Achieve planned efficiency/budget reduction targets	Deputy Chief Executive and Director of Finance	Deputy Leader Resources and Reputation
Embed new arrangements for the delivery of strategic procurement advice and contract management	Deputy Chief Executive and Director of Finance	Deputy Leader Resources and Reputation
Implement a programme of activity to deliver the Commercialisation Strategy	Deputy Chief Executive and Director of Finance	Deputy Leader Resources and Reputation

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Percentage of Business Rates collected	98.9%	Service Manager Revenues & welfare Support	Deputy Leader Resources and Reputation
Percentage of Council Tax collected	98.5%	Service Manager Revenues & welfare Support	Deputy Leader Resources and Reputation



# Maintain a positive and productive working environment and strong staff morale

## What do we want to achieve?

We recognise that our staff are key to the Council's success and without them we would be unable to deliver the objectives set out in this plan. It is important to us that our staff are happy, valued and motivated. Apart from the responsibilities that come with a job, the most important thing that influences staff happiness and motivation is the working environment. We're not just talking about safe and pleasant working conditions, but also about providing the right recognition and reward and creating the right culture. What we're trying to achieve therefore is to make sure this is a place where our staff are positive and confident, enjoy coming to work, want to do their best and want to make things happen.

## How will we do this?

Action	Lead Officer	Portfolio Holder
Review current employee engagement and improve/modify where necessary	Service Manager Customer Services and Communications	Leader
Develop a range of activities to improve staff health and well-being	Service Manager Organisational Development	Leader
Develop and implement Gedling Elected Members Standard	Service Manager Democratic Services	Community Development
Implement a programme of activity to deliver the Agile Working Strategy	Director of Organisational Development and Democratic Services	Leader
Implement actions arising from the 2017 Staff Survey	Director of Organisational Development and Democratic Services	Leader
Develop and embed new employee standards that are aligned to the Dynamic Council agenda	Chief Executive	Leader

## Performance measures and targets

These are the key things we will measure our performance against.

Indicators	2018/19 target	Lead Officer	Portfolio Holder
Working days lost due to sickness absence (rolling 12 month total)	9 days	Service Manager Organisational Development	Leader



### Council Performance



Performance against the Gedling Plan is monitored by Service Managers and reported to the Senior Leadership Team, Cabinet and the Overview and Scrutiny Committee every three months, to assess progress and ensure we remain on course to deliver against our key areas.

## Serving People, Improving Lives

### Individual Performance

Annual Performance Development Reviews capture individual staff members' contributions to the service plan and to the Gedling Plan.



### Service Performance

Service plans capture the key tasks that will deliver the Gedling Plan along with details of all activities planned for each service area.

Performance against the service plan is monitored by the Service Manager and reported to the Director to assess progress and make sure the service is on target

We publish performance updates on [www.gedling.gov.uk/council/aboutus/](http://www.gedling.gov.uk/council/aboutus/) If you follow us on Facebook or Twitter or sign up to our Keep Me Posted email alerts at [www.gedling.gov.uk/keepmeposted](http://www.gedling.gov.uk/keepmeposted) we will let you know each time the reports are published.



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If you want to know more about our actions and indicators please contact the relevant Portfolio Holder or Lead Officer.

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Service Manager Financial Services	Alison Ball	Alison.ball@gedling.gov.uk

Portfolio	Councillor	Email
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Deputy Leader and Portfolio for Resources and Reputation	Councillor Michael Payne	cldr.michael.payne@gedling.gov.uk
Public Protection	Councillor David Ellis	cldr.david.ellis@gedling.gov.uk
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Housing, Health and Wellbeing	Councillor Henry Wheeler	cldr.henry.wheeler@gedling.gov.uk
Community Development	Councillor Gary Gregory	cldr.gary.gregory@gedling.gov.uk
Environment	Councillor Peter Barnes	none

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# Local Government Association

## Provisional Local Government Finance Settlement

### 2018/19 – On the Day Briefing

19 December 2017



## Introduction

The local government finance settlement is the annual determination of funding to local government from central government. This briefing covers the consultation on the local government finance settlement for 2018/19. We expect the final 2018/19 settlement to be laid before the House of Commons, for its approval, in February 2018.

The LGA has issued a [media statement](#) responding to today's announcement.

## Key Messages

- Almost no new money from central government has been included in the settlement. The Government has increased the general council tax referendum limit from 1.99 per cent to 2.99 per cent for 2018/19 and 2019/20. Further flexibility for local authorities in setting council tax levels will give some councils the option of raising extra money to offset some of the financial pressures they face next year. For 88 shire districts with the lowest council tax levels the new limit does not provide any more spending power, as they can already increase council tax by 3 per cent or more due to the £5 flexibility. For many other district councils, the positive impact is minimal for the same reason. We call on the Government to offer further flexibility to these councils.
- No other national tax is subject to referenda. The council tax referendum limit needs to be abolished so councils and their communities can decide how under-pressure local services are paid for, with residents able to democratically hold their council to account through the ballot box. However, this is not a sustainable solution as increasing council tax raises different amounts of money in different parts of the country, unrelated to need. This also adds an extra financial burden on already struggling households.
- Local services are facing a £5.8 billion funding gap in 2019/20, as well as a £1.3 billion pressure to stabilise the adult social care provider market today. The additional council tax flexibility – estimated by our analysis to be worth up to £540 million in 2019/20 if all councils use it in both 2018/19 and 2019/20 – is nowhere near enough to meet the funding gap. The Government needs to provide new funding for all councils over the next few years so they can protect vital local services from further cutbacks. Further business rates retention income could be used to meet the funding gap facing local government.

# Briefing

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- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. It is good news that the Government has accepted our call to avoid further increases to the threshold and no holdback for decisions on new homes approved by the Planning Inspectorate.
- It is extremely disappointing that the Government has again chosen not to address the continuing funding gap for children's and adult social care. We have repeatedly warned of the serious consequences of funding pressures facing these services, for both the people that rely on them and the financial sustainability of other services councils provide. An injection of new money from central government is the only way to protect the vital services which care for older and disabled people, protect children and support families.
- Ten further 100 per cent business rates retention pilots will enable aspects of the 100 per cent business rates retention system to be tested. At the same time, discussions will continue between Government officials, the LGA and councils on the introduction of further business rates retention for all in 2020/21. The Government has also confirmed that the Fair Funding Review will be completed in time for implementation in April 2020. We will continue to work with the Government on further business rates retention and the Fair Funding Review, including tackling the impact of business rates appeals on local authorities in time for the implementation of further business rates retention in 2020/21.
- Councils will see their core funding from central government cut in half over the next two years and almost phased out completely by the end of the decade. We acknowledge that the Government has recognised the need to find a way to help councils who will not receive a penny of Revenue Support Grant funding in 2019/20. It must now also use the final Settlement to provide funding to all councils over the next two years.
- The four year deal runs out in March 2020. We remain concerned that there is no clarity over funding levels, for both the national pot and local allocations, after that date. This hampers meaningful financial planning at a time when central government grant funding is the lowest it has been for decades and demand pressures are increasing.
- Autumn Budgets needs to be earlier in the year so that the provisional Local Government Finance Settlement can be brought forward. This would allow councils to make robust and efficient medium term plans.
- The settlement means the following council tax referendum principles now apply:
  - For social care authorities, a 3 per cent basic referendum principle in 2018/19 and 2019/20, in addition to the adult social care precept under previously announced rules;
  - For shire district councils, the higher of 3 per cent or £5 for a Band D property in 2018/19 and 2019/20;

- For fire authorities, a general council tax referendum principle of 3 per cent in 2018/19 and 2019/20;
  - For Police and Crime Commissioners, the higher of 3 per cent or an extra £12 on a Band D property;
  - For Mayoral Combined Authorities (excluding the West of England), directly elected Mayors will have an ability to set the required level of council tax by agreement of their Combined Authorities;
  - No referendum limit for parish councils for the next three years.
- We will continue to work with the Government to help shape the details of today's announcements ensuring that the views of councils are heard and understood, and will continue to respond to all related consultations. We will be particularly pushing the Government to provide new funding for all councils as they prepare for the final settlement, as we have done in previous years. This is the only way to help plug the growing funding gaps facing our local services.

## **The Settlement in Detail**

The Department for Communities and Local Government (DCLG) has announced the [provisional Local Government Finance Settlement for 2018/19](#).

We have provided a glossary of Local Government Finance terms which provides a brief explanation of some of the language used in this briefing. This can be found at Annex B.

Today's statement is broadly in line with the indicative figures for 2018/19 announced last year with the following changes:

- The council tax figures have been updated to reflect decisions local authorities made in 2017/18, revised taxbase growth assumptions, and assumptions on council tax level increases as set out in the 'Core Spending Power' section below;
- There is a new line within the Core Spending Power calculation which reflects past and future section 31 grants paid to compensate councils for caps to the business rate multiplier increases;
- New Homes Bonus allocations have been revised to reflect actual housing growth;
- There is a £35 million top-slice from RSG to supplement the levy to fund the business rates safety net;
- The Rural Services Delivery Grant will be £65 million, an increase of £15 million on the amount originally announced for 2018/19 and maintains the 2017/18 funding levels to the end of the spending review period;
- An additional 10 local authority areas are piloting 100 per cent business

rates retention, as well as all London boroughs and the City of London Corporation. This should have no financial effect on other authorities.

Local government funding allocations have not been increased to reflect the pressures on pay, in particular the significant cost of meeting the National Living Wage requirements.

97 per cent of councils accepted the multi-year settlement offer from 2016/17 to 2019/20. This included:

- Revenue support grant;
- The business rates top-up or tariff (adjusted for the 2017 revaluation);
- Rural Services Delivery Grant; and
- The Transition Grant for 2016/17 and 2017/18.

For those authorities who have not accepted the multi-year offer and published an efficiency plan, the Government is only confirming funding allocations for 2018/19. The consultation states that the funding allocations for these authorities in 2019/20 will be revisited in due course as part of the annual settlement process covering that year and that the Government cannot guarantee that funding allocations for these authorities in these years will not be reduced or distributed on a different basis.

**The closing date for responses to DCLG is 16 January 2018.** We expect the final settlement to be published in February 2018.

At the LGA's Annual Finance Conference on Tuesday 9 January 2018 we will share details of further analysis of the settlement with councils. The event will also cover other topics, such as business rates retention and the Fair Funding Review. You can book your place and find out more information [here](#).

### **Core Spending Power**

Core Spending Power consists of:

- Revenue Support Grant;
- Retained business rates;
- Section 31 grants to compensate for historic caps on business rates multiplier increases, and uprating the multiplier by the Consumer Price Index measure of inflation instead of the Retail Price Index from April 2018 onwards;
- Income from the New Homes Bonus, including the returned unused topslice;
- Income from the Transition Grant, which has been discontinued from 2018/19 onwards as previously indicated by the Government;
- Income from the one-off Adult Social Care Support Grant in 2017/18 only;
- Income from the Improved Better Care Fund;
- Income from the Rural Services Delivery Grant;
- Income from council tax assuming that the tax base grows, councils increase council tax by the 3 per cent basic referendum limit in 2018/19 and 2019/20,



a 3 per cent social care precept in 2018/19 and the maximum possible amount in 2019/20, and the additional flexibility for shire districts and police and crime commissioners announced today.

The Government figures indicate that Core Spending Power in accordance with this definition will rise by an average 1.5 per cent in 2018/19. These Government assumptions are on the basis that every council will raise their council tax by the maximum permitted without a referendum. The change over the whole Spending Review period is 2.1 per cent.

Detailed Core Spending Power figures are included in Annex A.

There are no changes to the proposed distribution of Revenue Support Grant (RSG) in 2018/19 or 2019/20 other than the adjustments for pilots.

According to the Government's figures there is still a 'negative RSG' for many authorities in 2019/20. This adjustment is made through the top-up and tariff system. The Government has said that it will consult on 'fair and affordable' options for 'negative RSG' in 2019/20 ahead of next year's settlement.

#### **LGA view:**

- It is disappointing that there almost no new money from central government in the settlement. However, the Government has increased the general council tax referendum limit by 1 per cent (from 1.99 per cent to 2.99 per cent). This adds an extra financial burden on already struggling households.
- Local services are facing a £5.8 billion funding gap by 2019/20 as well as a £1.3 billion pressure to stabilise the adult social care provider market today. This is nowhere near enough to meet this gap. The Government needs to provide new funding for all councils over the next few years so they can protect vital local services from further cutbacks. This could be done either through further business rates retention or additional grant funding.
- The Government should fully fund the new burdens resulting from the introduction of the National Living Wage for both in-house staff and providers. Local authorities are also facing significant price inflation, which were not forecast when local authorities signed up to the four year offer. Many authorities are also very concerned about the 'negative RSG' in their settlement for 2019/20. We acknowledge that the Government has recognised the need to find a way to help them.
- The four year deal runs out in 2019/20. We remain concerned that there is no clarity over funding levels, both nationally and locally, after March 2020. This hampers meaningful financial planning at a time when government grant funding is the lowest it has been for decades and demand pressures are increasing.

## **Fair Funding Review**

Alongside the local government finance settlement, the Government confirmed that it is looking to implement the Fair Funding Review in April 2020 and published the consultation: [Fair funding review: a review of relative needs and resources](#).

This consultation focuses specifically on potential approaches that have been identified to measure the relative needs of local authorities. In particular, it:

- presents the idea of using a simple foundation formula to measure the relative needs of local authorities, based on a small number of common cost drivers;
- considers a number of service areas where in addition, a more sophisticated approach to measuring relative needs may potentially be required; and
- outlines the statistical techniques that could be used to construct relative needs.

The consultation does not cover the relative resources adjustment, transition or other technical matters but these will be the subject of a later series of discussion papers.

### **LGA view:**

- The Government's consultation and the confirmation that the Review will be finished in time for implementation in April 2020 is a welcome sign.
- The content of the consultation suggests that the Government has been listening to local authorities' suggestions that there might be ways to simplify the needs assessment without a disproportionate cost to fairness.
- **The deadline for responses is 12 March 2018.** In our response to the consultation we will be making clear that no council should see its funding reduce as a result of a new distribution system. We encourage member authorities to share their views as we formulate our response by emailing [lqfinance@local.gov.uk](mailto:lqfinance@local.gov.uk).

## **New Homes Bonus**

The provisional amount of £946 million for the New Homes Bonus (NHB) has been included in Core Spending Power in 2018/19. This is an increase of £8 million when compared to the indicative figures included in Core Spending Power for 2018/19 published with the 2017/18 settlement in February 2017. The bonus will be funded through £46 million in grant with the rest (£900 million) in top-sliced funding.

The provisional settlement confirms that, as consulted on in 2016, the length of time that the bonus is paid for will reduce from five years to four years in 2018/19 and thereafter.

The threshold over which the bonus will be paid will remain at 0.4 per cent, as it was in 2017/18. The Government has also decided not to go ahead with the changes consulted on which would have meant bonus being withheld for homes which have been approved by the Planning Inspectorate.

**LGA view:**

- The NHB makes up a considerable part of funding for some councils particularly shire district authorities.
- The baseline of 0.4 per cent reduces the incentive to grow in relatively low growth areas. It is good news that the Government has listened to our calls to not increase this even further, and has committed to not pressing ahead with further adjustments to bonus awards which it consulted on earlier in 2017.

**Business rates**

The new areas that will pilot 100 per cent business rates retention in 2018/19 have been announced. They are

- London (GLA and boroughs)
- Berkshire
- Derbyshire
- Devon
- Gloucestershire
- Kent & Medway
- Leeds
- Lincolnshire
- Solent
- Suffolk
- Surrey

The pilot areas announced last year (Greater Manchester, Liverpool City Region, Cornwall Council, the Combined Authorities of the West of England and the West Midlands) will continue and the London pilot will be expanded. This means that 16 areas will be piloting 100 per cent retention in 2018/19. In practice, a number of grants will be rolled into their business rates base and they will be able to keep 100 per cent of business rates growth. Adjustments will be made to the tariff and top-ups of these authorities. The pilots will not impact on non-pilot authorities. Pilots will continue in 2019/20, with details to be announced in due course.

DCLG is consulting on business rates pools, including the areas piloting 100 per cent business rates retention in 2018/19. Some boundaries have been adjusted

in the light of the 100 per cent pilot areas.

The methodology for adjusting top-ups and tariffs following the 2017 revaluation has been slightly changed, in order to remove the impact of decisions on business rates appeal provisions in 2016/17. The revised 2017/18 tariffs and top-ups, calculated in accordance with this formula, will be indexed by the change in the small business rating multiplier between 2017/18 and 2018/19 to determine a tariff or top-up for each authority for 2018/19. Exceptionally, in 2018/19 authorities will also pay, or receive, an “adjustment”, representing the difference between their revised 2017/18 tariff or top-up, and the tariff or top-up that was set out in the 2017/18 local government finance settlement.

The Government announced its intention to introduce 75 per cent business rates retention for all in 2020/21. This will be through rolling in Revenue Support Grant, GLA Transport Grant, the Rural Services Delivery Grant and the Public Health Grant. The Government will also continue to work with the sector to improve the way the local government finance system works, such as tackling the impact of business rates appeals on local authorities.

The following table shows the change to the business rates multiplier, following the Government’s announcement in the Autumn Budget that the multiplier will from 2018/19 rise by the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI):

2017/18 small business rates multiplier	46.6p
<i>plus</i> September 2017 CPI increase; 3.0 per cent	1.4p
<i>equals</i> 2018/19 small business rates multiplier	48.0p
2018/19 national business rates multiplier	49.3p

Source: [Business Rates Information Letter 8 \(Autumn Budget\)](#)

#### **LGA view:**

- Along with individual councils, the LGA will continue to engage extensively in discussions with the Government on the implementation of further business rates retention. We remain clear that extra business rates income should go towards meeting the funding gap facing local government and no council should see its funding reduce as a result of a new distribution system.
- We welcome the fact that certain aspects of further retention can be tested through pilots and that ten new pilots have been announced, in addition to the pilot covering London. At the same time it is important that this does not affect other authorities now or when full business rates retention is implemented.
- There are still almost 200,000 business rates appeals outstanding from the 2010 list. We are working with the Government to find a better way to deal with business rates appeals under the business rates retention system and it is a positive sign that the consultation document indicates that reforms will be implemented in 2020/21. Separately, we call on the Government to ensure that all outstanding appeals from the 2010 rating list are dealt with as soon as possible through providing resources to the Valuation Office Agency and other relevant organisations.

- It is positive that councils will continue to be fully compensated for the loss of income from the centrally imposed reliefs, such as rural rate relief and small business rate relief. However, this reduces the buoyancy of the tax base by impacting upon the amount of business rates income and the growth in business rates. This is one of the issues to discuss with the Government as we move to further business rates retention.

## **Council tax**

The basic referendum principle for 2018/19 is proposed to be 3 per cent, with the exception of all shire district authorities, for which a higher limit of either 3 per cent or £5 (on a Band D bill) applies. All Police and Crime Commissioners, and the GLA charge for the Metropolitan Police, will have a limit of £12 on a Band D bill. The Government intends to defer the setting of referendum principles for town and parish councils for three years.

As announced last year, social care authorities will be able to increase their council tax by up to 3 per cent (over the existing basic referendum threshold of 3 per cent referred to above) as long as precept increases do not exceed 6 per cent over the 3 year period from 2017/18 to 2019/20.

Directly elected mayors will decide the required level of precept by agreement with their combined authorities.

## **LGA view:**

- Further flexibility for local authorities in setting council tax levels will give some councils the option of raising extra money to offset some of the financial pressures they face next year. However, the additional council tax flexibility – estimated by our analysis to be worth up to £260 million in 2018/19 and £540 million in 2019/20 if all councils use it in both years – is not enough to meet the funding gap of £5.8 billion.
- With no other national tax subject to referenda, the council tax referendum limit needs to be abolished so councils and their communities can decide how under-pressure local services are paid for, with residents able to democratically hold their council to account through the ballot box. However, this is not a sustainable solution as increasing council tax, or introducing a social care precept, raises different amounts of money in different parts of the country, unrelated to need. This also adds an extra financial burden on already struggling households.
- For 88 shire districts with the lowest council tax levels the new limit does not provide any more spending power, as they can already increase council tax by 3 per cent or more due to the £5 flexibility. For many other district councils, the positive impact is minimal for the same reason. We call on the Government to offer further flexibility to these councils.

## **Adult social care**

The Government has confirmed it will publish a Green Paper on adult social care in the summer of 2018. There are no new announcements on adult social care or its funding.

As per flexibilities introduced in the 2017/18 Local Government Finance Settlement, social care authorities will be able to increase their council tax by up to 3 per cent (over the existing basic referendum threshold of 3 per cent referred to above) in 2018/19 as long as adult social care precept increases do not exceed 6 per cent over the 3 year period between 2017/18 and 2019/20.

The Government's calculation of Core Spending Power indicates no change to improved Better Care Fund allocations since the 2017 Spring Budget announcements. Recent Government correspondence confirms that only a handful of councils will face the threat of conditions being applied to their additional 2018/19 improved Better Care Fund allocations (i.e. their share of the £2 billion for social care announced in the Spring Budget). The conditions on their grant will be reviewed in January using November delayed transfers of care (DToc) data. They could be subject to up to a third of this funding being targeted at reducing pressures on the NHS or spent on recommendations set out by a CQC local system review, if applicable.

The Settlement also confirms that the 2017/18 Adult Social Care Support Grant, worth £241 million, has been discontinued.

### **LGA view:**

- It is extremely disappointing that the Government has again chosen not to address the continuing funding gap for adult social care with an injection of new money from central government. Councils, charities and care providers have repeatedly warned of the serious consequences of funding pressures on older and disabled people who use services, their carers and the provider market.
- It is unfair to shift the burden of tackling a national crisis onto councils and their residents. The flexibility to raise more funding through the social care precept, and front load it, is some recognition by Government of the urgent need to tackle the immediate and significant pressures facing social care. Our analysis shows that nearly 40p in every £1 of council tax paid in England will be spent on adult social care by the end of the decade. The adult social care council tax precept policy also has a different effect in different areas as authorities with a weaker tax base will not be able to raise as much income through this flexibility than those authorities with a stronger tax base. In addition, the ability to collect council tax is unrelated to need.
- Councils should be free to use the social care precept without conditions imposed by the Government. If any assurance is required the Government should ensure the administrative burden of assurance on councils regarding the social care flexibility is kept to a minimum.

- The Government's commitment to publish a Green Paper on reform of care and support for older people by summer recess 2018 is encouraging. However, any proposals the Government may take forward will inevitably take time to implement. It is therefore essential that adult social care receives the funding it needs in the interim period.
- £2 billion for adult social care was announced in Spring Budget 2017. This funding stream reduces over time, from £1 billion in 2017/18 to £337 million in 2019/20, reducing councils' ability to support social care services. Since the announcement of this funding, there has been a considerable and, at times, deeply unhelpful focus on councils' use of the funding to reduced delayed transfers of care from hospital. Councils are doing all they can to get people out of hospital safely and quickly and delays attributable to social care are down 12 per cent since July. This compares to NHS delays which have fallen by 4 per cent.

### **Children's services**

There are no new announcements on children's services but the Government recognised that local government has concerns over the funding of children's social care.

#### **LGA view:**

- It is extremely disappointing that the Government has failed to address the significant funding pressures facing children's services. Organisations from across the public and voluntary sector have joined our consistent warnings that the current situation is unsustainable, with ongoing cuts to national funding for preventative services leaving children and families entering the child protection system in record numbers. On average, councils started more than 500 child protection investigations every day last year – up from just 200 a decade ago – and the number of children entering the care system increased at the fastest rate since 2010.
- Children who are experiencing, or are at risk of, neglect or abuse deserve the very best support to make sure they are safe and well and councils are committed to ensuring every child has the best start in life. Increasing demand-led pressures, combined with a projected £2 billion funding gap for children's services by 2020, means councils are finding it increasingly difficult to continue to provide high quality support to children and families who need it. It is time for the Government to give councils the resources they need to provide the support that vulnerable children and families need, when they need it. The alternative means risking more and more families reaching a critical stage where councils have no choice but to intervene to keep everyone safe, within a system that is already struggling to cope with unprecedented levels of demand.

## **Capital receipts**

It was announced the flexibility to use capital receipts to help meet the revenue costs of transformation programmes will continue for a further three years.

### **LGA view:**

- We called for the extension to beyond 2020 for the flexibility to use capital receipts on revenue projects in our submission to the Autumn Budget, so this announcement is welcome.

## **Planning Fees**

The Secretary of State confirmed that local authorities will be able to increase planning fees by 20 per cent where they commit to spending the additional income on their planning services.

### **LGA view:**

- This clearly acknowledges that planning departments are under-resourced. We call on the Government to go even further and allow local authorities to have the freedom to set their own fees so that council taxpayers no longer have to subsidise the planning system.

## **Schools Funding**

In a separate [written statement](#) the Government has today confirmed the school and early years funding allocations for 2018/19. This announcement covers the Dedicated Schools Grant (DSG), the allocations for which are available [online](#), and the Pupil Premium.

On the four blocks that make up the DSG:

- The schools block has been allocated between local authorities on the basis of the primary and secondary units of funding published in September 2017.
- The high needs block allocations have been updated with the latest pupil numbers, following the publication of provisional allocations in September indicating how much each local authority was likely to receive.
- The new central school services block, which funds local authorities for their ongoing responsibilities for both academies and maintained schools, has also been allocated on the basis of the latest pupil numbers, in line with September's announcement.
- The early years block comprises funding for: the free early education entitlements for 3-and 4-year-olds and disadvantaged 2-year-olds, supplementary funding for maintained nursery schools; the early years Pupil



Premium, and the Disability Access Fund. The early years national funding formula rates for 3- and 4-year-olds for 2018-19 were published on 17 November, and the Government today announced initial allocations for this block.

The pupil premium per pupil amounts will be protected at the current rates, with the exception of the pupil premium plus, which will increase from £1,900 per pupil to £2,300, as previously announced.

**LGA view:**

- We have campaigned for fairer funding for all schools and for councils to be able to work with schools to set budgets that reflect local need. We are therefore pleased that the Government has recognised the important role councils can play in the introduction of the national funding formula by giving councils and schools the flexibility to set budgets locally. This will help schools and local areas adapt to the new formula in the long term.
- We are, however, concerned about the growing funding pressures facing support for children with special educational needs and disabilities (SEND). It is therefore right that the Government has allowed councils to retain the ability to make additional funding available, with the agreement of schools, to meet the rising demand and pressures for SEND support.
- We do not believe that asking schools to meet the shortfall in central government funding for this vulnerable group is sustainable in the long term, particularly given the huge pressures facing schools' core budgets. We are keen to work with the Government on a fundamental review of high needs funding in order to ensure we meet the needs of those children who most need support.

**Rural Services Funding**

The Rural Services Delivery Grant will be £65 million in 2018/19, an increase of £15 million on the figure originally announced in January 2017.

**LGA view:**

- Councils in rural areas will welcome this higher than planned funding.

**Fire Funding**

As with councils, Fire and Rescue Authorities will be able to raise their precept by 3 per cent in 2018/19.

**LGA view:**

- The fire and rescue service has a track record of improving safety while making the service more efficient and effective through increasing collaboration within the service and with other parts of the public sector.

- Without changes to the funding of the fire and rescue service in 2018/19, there will continue to be pressure put on the delivery of fire and rescue services, and their ability to respond to the full range of risks it faces and is expected to address. The reductions the fire and rescue service will have to continue to find will have an impact on national and local resilience as well as operational capacity, and the ability of fire and rescue to respond to unpredictable events.
- The fire and rescue service needs to be funded to take account of the risks and demands the fire and rescue service faces, such as increased fire safety inspections since the summer. To assist the fire and rescue service address the financial challenges it faces the referendum cap on the fire and rescue service precept should be removed, additional funding should be made available to enable the fire and rescue service to drive transformation in the way they deliver their services and the capital funding issues faced by some services addressed.
- It is disappointing that the Government has not recognised the issue of rewarding fire employees to reflect the positive impact that the broader work of fire and rescue services in collaborating with health and other partners could have. Work on developing the funding case continues and we look forward to it being presented to government to deliver the best outcomes for fire and rescue services, their communities, partners and employees.

### **Police Funding**

The police funding settlement was announced in a [written statement](#) today. Core government grant funding for each Police and Crime Commissioner (PCC) continues to be protected at 'flat cash levels', while PCC precepts, as well as the GLA charge for the Metropolitan Police, will be permitted to increase by up to £12 compared to 2017/18. Following the terrorist attacks earlier in the year there will also be an increase of £50 million in the counter-terrorism budget. Provisional allocations for individual policing bodies are published on the [Home Office website](#).

### **Public health**

The Government confirmed that public health grant will be rolled into further business rates retention by 2020/21.

We are awaiting final allocations of the public health grant for 2018/19.

### **LGA view:**

- Councils continue to face significant spending reductions to their public health budget up to 2020/21. The public health grant will have been cut by the Government by £531 million (nearly 10 per cent) from 2015/16 to 2019/20.
- The Government need to confirm the allocations for the public health grant for

2018/19 as soon as possible. Any reductions to the public health budget will have a significant impact on the essential prevention and health protection services provided by councils. Given that much of the local government public health budget pays for NHS services, including sexual health, drug and alcohol treatment and Health Visitors, this will be a cut to the NHS in all but name.

- It is crucial that councils are given a free hand in how best to find the savings in public health budgets and we seek the Government's reassurance on this point. Anything less will make the task of finding the reductions more difficult. Councils are best placed to decide how reduced resources should be used to meet our public health ambitions locally.

### **Further Information**

To help inform the LGA's response to the consultation settlement we will continue to analyse the settlement to develop a deeper understanding of the effect on councils. To further inform the LGA's response please send your responses and comments, on the settlement to [lgfinance@local.gov.uk](mailto:lgfinance@local.gov.uk).

The LGA will share the results of some of this analysis with authorities at the [LGA's Finance Conference](#) on 9 January 2018. The event will also cover other topics, such as business rates retention and the Fair Funding Review. Among other speakers, this year's conference will hear from the Secretary of State for Communities and Local Government and his Shadow counterpart. You can find out more about the agenda and book your place [here](#).

For further information on the content of this briefing please contact Mike Heiser, Senior Adviser (Finance) ([mike.heiser@local.gov.uk](mailto:mike.heiser@local.gov.uk) / 020 7664 3265); or Melanie Haslam, Public Affairs and Communications Adviser ([melanie.haslam@local.gov.uk](mailto:melanie.haslam@local.gov.uk) / 020 7664 3087).

## Annex A: Core Spending Power

	2015/16	2016/17	2017/18	2018/19	2019/20
	£ million				
<b>Settlement Funding Assessment</b>	<b>21,249.9</b>	<b>18,601.5</b>	<b>16,632.4</b>	<b>15,574.0</b>	<b>14,397.9</b>
<b>Compensation for under-indexing the business rates multiplier</b>	<b>165.1</b>	<b>165.1</b>	<b>150.0</b>	<b>250.0</b>	<b>375.5</b>
<b>Improved Better Care Fund</b>			<b>1,115.0</b>	<b>1,499.0</b>	<b>1,837.0</b>
<b>Rural Services Delivery Grant</b>	<b>15.5</b>	<b>80.5</b>	<b>65.0</b>	<b>65.0</b>	<b>65.0</b>
<b>Transition Grant</b>		<b>150.0</b>	<b>150.0</b>		
<b>Adult Social Care Support Grant</b>			<b>241.1</b>		
<b>New Homes Bonus</b>	<b>1,167.6</b>	<b>1,461.9</b>	<b>1,227.4</b>	<b>946.2</b>	<b>900.0</b>
<b>New Homes Bonus - returned funding</b>	<b>32.4</b>	<b>23.1</b>	<b>24.5</b>	<b>0.0</b>	<b>0.0</b>
<b>Council Tax of which:</b>	<b>22,035.9</b>	<b>23,247.3</b>	<b>24,665.8</b>	<b>26,600.2</b>	<b>28,047.4</b>
<i>'Core' Council Tax, including tax base growth and maximum allowed increases from 2017/18 to 2019/20</i>	22,035.9	22,858.5	23,701.6	24,902.6	26,166.0
<i>Adult Social Care Precept</i>		381.8	948.2	1,661.2	1,824.4
<i>Additional flexibility for Shire Districts</i>		7.0	16.0	36.4	57.0
<b>Core Spending Power</b>	<b>44,666.5</b>	<b>43,729.3</b>	<b>44,271.3</b>	<b>44,934.4</b>	<b>45,622.8</b>
<i>Year-on-year Change (£ million)</i>		-937.1	542.0	663.1	688.4
<i>Year-on-year Change (%)</i>		-2.1%	+1.2%	+1.5%	+1.5%
<i>Change over the SR period (£ million)</i>					956.4
<i>Change over the SR period (%)</i>					+2.1%

Source: [Core Spending Power: Supporting Information](#), Department for Communities and Local Government

## **Annex B – Glossary of Local Government Finance Technical Terms**

<b>Adult social care support grant</b>	A one-off unringfenced grant in 2017/18, allocated to social care authorities on the basis of the 2013/14 adult social care relative needs formula calculations. It was funded by reductions to New Homes Bonus payments introduced through a 0.4 per cent threshold on housing growth before any bonus is payable.
<b>Baseline funding level</b>	The business rates baseline for each authority determined at the start of the 50 per cent business rates retention scheme in 2013/14, uprated in line with the small business rates multiplier each year.
<b>Better Care Fund (BCF)</b>	A single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.
<b>Business rates revaluation</b>	A regular exercise by the Valuation Office Agency, currently undertaken every five years, to reassess the rateable value of individual non-domestic hereditaments. The results are used to set new business rates bills. From 2022 the Government intends to move to a three-yearly revaluation cycle.
<b>Central Share</b>	The percentage share of locally collected business rates paid to central government by billing authorities. In 2013/14 when business rates retention began this was set at 50 per cent. The central share is redistributed to local government through grants including the Revenue Support Grant.
<b>Core Spending Power</b>	The Government's measure of the core components of local government funding, comprising the Settlement Funding Assessment, assumed income from council tax (including the adult social care precept), New Homes Bonus, Rural Services Delivery Grant and the improved Better Care Fund
<b>Dedicated Schools Grant</b>	The Dedicated Schools Grant is the principal source of funding for schools and related activities in England. It is a ringfenced grant paid to local authorities for maintained schools. School-level allocations are currently determined in consultation with the schools forum in each local authority area. From April 2017 it also includes the 'retained duties' element previously paid as part of the Education Services Grant
<b>Improved Better Care Fund (iBCF)</b>	Additional funding for adult social care authorities from 2017/18 onwards.
<b>Local Share</b>	The percentage share of locally collected business rates retained by local government. This was set at 50 per cent at the implementation of business rates retention.
<b>(Business Rate) Multiplier</b>	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. From 2018/19, as announced in the Autumn Budget 2017, the small business multiplier is uprated annually by the Consumer Prices Index as opposed to the Retail Prices Index and the other multiplier adjusted accordingly.
<b>Negative RSG</b>	Many councils will find themselves in a position where they receive no revenue support grant (RSG) by the end of the decade. On top of this, they will also have their tariffs adjusted upwards or top-ups adjusted downwards.

<b>New Burdens Doctrine</b>	The Cabinet agreed that all new burdens on local authorities must be properly assessed and fully funded by the relevant department.
<b>New Homes Bonus (NHB)</b>	A grant paid to reward local authorities for the number of homes built and brought back into use.
<b>Pupil Premium</b>	A grant allocated to schools based on the number of pupils who have been registered for free school meals at any point in the last six years ('Ever 6 FSM'). Schools also receive funding for children who are or have been in local authority care and for children of service personnel.
<b>Revenue Support Grant</b>	A grant paid to local authorities as part of the Settlement Funding assessment (see below) which can be used to fund revenue expenditure on any service.
<b>Rural Services Delivery Grant</b>	A grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
<b>Safety Net</b>	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than 7.5 per cent below their baseline funding level.
<b>Section 31 Grant</b>	A grant paid to local councils under Section 31 of the Local Government Act 2003, under such conditions as the minister may determine. This mechanism is used to compensate local authorities for the costs of additional business rates reliefs announced by Government.
<b>Settlement Core Funding</b>	Settlement Funding Assessment (Revenue Support Grant plus baseline funding) plus council tax at 2015/2016 levels.
<b>Settlement Funding Assessment (SFA)</b>	This is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
<b>Small Business Rate Relief</b>	From April 2017 businesses with a property with a rateable value of £12,000 and below receive 100 per cent relief on business rates. Businesses with a property with a rateable value between £12,000 and £15,000 will receive tapered relief.
<b>Social Care Precept</b>	Local authorities with responsibility for adult social care have flexibility to raise additional council tax above the referendum threshold. Funding raised through this additional 'precept' must be used entirely for adult social care.
<b>Top-Ups and Tariffs</b>	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are self-funding at the outset of the scheme and uprated in line with the small business rates multiplier each year. In 2017/18 and 2018/19 they have been recalculated so that authorities do not have gains or losses solely due to business rates revaluation.
<b>Transition Grant</b>	A grant provided to some authorities to smooth the transition to the new methodology used to allocate reductions to Revenue Support Grant in 2016/17 and 2017/18. It is not being paid in 2018/19.

## Portfolio Summary - Revenue Budget 2018-19

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Portfolio</b>				
Community Development	1,530,594	1,553,200	1,457,000	(96,200)
Housing, Health & Well-being	2,776,868	2,365,800	2,409,100	43,300
Public Protection	1,230,723	1,649,200	1,459,600	(189,600)
Environment	4,829,071	4,765,400	4,426,200	(339,200)
Growth & Regeneration	1,387,767	985,800	868,200	(117,600)
Resources & Reputation	1,317,502	1,836,600	1,535,800	(300,800)
<b>Net Portfolio Budget</b>	<b>13,072,525</b>	<b>13,156,000</b>	<b>12,155,900</b>	<b>(1,000,100)</b>
<b>Transfer to/(from) Earmarked Reserves</b>	<b>(406,559)</b>	<b>(674,900)</b>	<b>(10,700)</b>	<b>664,200</b>
<b>Net Council Budget</b>	<b>12,665,966</b>	<b>12,481,100</b>	<b>12,145,200</b>	<b>(335,900)</b>
	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	13,289,471	13,675,700	13,914,800	239,100
Premises Related Expenses	1,758,813	1,686,900	1,660,800	(26,100)
Transport Related Expenses	549,552	580,200	578,900	(1,300)
Supplies & Services	5,281,478	4,696,900	4,551,600	(145,300)
Third Party Payments	458,116	445,100	378,100	(67,000)
Transfer Payments	26,439,355	25,362,700	23,781,300	(1,581,400)
Capital Interest	1,753,758	1,338,800	913,900	(424,900)
Revenue Income	(36,458,017)	(34,630,300)	(33,623,500)	1,006,800
<b>Controllable</b>	<b>13,072,525</b>	<b>13,156,000</b>	<b>12,155,900</b>	<b>(1,000,100)</b>
<b>Consisting of</b>				
Premises Related Recharges	146,602	144,000	120,500	(23,500)
Transport Related Recharges	1,416,841	1,611,500	1,593,700	(17,800)
Supplies & Services Related Recharges	327,484	337,200	298,200	(39,000)
Central Support and Service Admin	5,638,877	6,184,900	5,745,500	(439,400)
Internal Recharges	(7,529,803)	(8,277,600)	(7,757,900)	519,700
<b>Recharges</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consisting of</b>				
Capital Financing Charges	2,390,105	2,373,200	1,651,800	(721,400)
Capital Entries	(2,390,105)	(2,373,200)	(1,651,800)	721,400
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Portfolio Revenue Budget</b>	<b>13,072,525</b>	<b>13,156,000</b>	<b>12,155,900</b>	<b>(1,000,100)</b>
<b>Consisting of</b>				
Transfer to Reserves	952,422	227,200	252,300	25,100
Transfer from Reserves	(1,358,981)	(902,100)	(263,000)	639,100
<b>Reserves</b>	<b>(406,559)</b>	<b>(674,900)</b>	<b>(10,700)</b>	<b>664,200</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>(406,559)</b>	<b>(674,900)</b>	<b>(10,700)</b>	<b>664,200</b>
<b>Net Council Budget</b>	<b>12,665,966</b>	<b>12,481,100</b>	<b>12,145,200</b>	<b>(335,900)</b>

## Community Development

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Democratic Mgt & Representation	675,311	706,300	657,600	(48,700)
Localities	199,556	159,400	154,900	(4,500)
Community Grants	261,599	274,200	233,800	(40,400)
The Arts & Tourism	46,977	51,200	47,700	(3,500)
Sports Development	(49,271)	3,300	14,600	11,300
Community Centres	255,767	220,600	209,000	(11,600)
Events & Play	140,656	138,200	139,400	1,200
<b>Total Community Development Portfolio Budget</b>	<b>1,530,594</b>	<b>1,553,200</b>	<b>1,457,000</b>	<b>(96,200)</b>
<b>Transfer to/(from) Earmarked Reserves</b>				
Community Development	2,351	0	(18,000)	(18,000)
<b>Total Reserves</b>	<b>2,351</b>	<b>0</b>	<b>(18,000)</b>	<b>(18,000)</b>
<b>TOTAL</b>	<b>1,532,945</b>	<b>1,553,200</b>	<b>1,439,000</b>	<b>(114,200)</b>
	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	571,467	540,900	569,400	28,500
Premises Related Expenses	96,912	61,500	62,000	500
Transport Related Expenses	9,358	7,900	7,900	0
Supplies & Services	661,454	599,700	576,500	(23,200)
Revenue Income	(309,886)	(197,200)	(196,700)	500
<b>Controllable</b>	<b>1,029,306</b>	<b>1,012,800</b>	<b>1,019,100</b>	<b>6,300</b>
<b>Consisting of</b>				
Premises Related Recharges	13,986	13,500	9,000	(4,500)
Supplies & Services Related Recharges	9,390	8,900	6,800	(2,100)
Central Support and Service Admin	418,231	466,100	363,700	(102,400)
<b>Recharges</b>	<b>441,607</b>	<b>488,500</b>	<b>379,500</b>	<b>(109,000)</b>
<b>Consisting of</b>				
Capital Financing Charges	59,682	51,900	58,400	6,500
<b>Capital</b>	<b>59,682</b>	<b>51,900</b>	<b>58,400</b>	<b>6,500</b>
<b>Total Community Development</b>	<b>1,530,594</b>	<b>1,553,200</b>	<b>1,457,000</b>	<b>(96,200)</b>
<b>Consisting of</b>				
Transfer to Reserves	63,081	0	0	0
Transfer from Reserves	(60,730)	0	(18,000)	(18,000)
<b>Reserves</b>	<b>2,351</b>	<b>0</b>	<b>(18,000)</b>	<b>(18,000)</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>2,351</b>	<b>0</b>	<b>(18,000)</b>	<b>(18,000)</b>
<b>TOTAL</b>	<b>1,532,945</b>	<b>1,553,200</b>	<b>1,439,000</b>	<b>(114,200)</b>





**R140****Democratic Mgt & Representation**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	115,449	112,200	128,000	15,800
Transport Related Expenses	7,223	5,500	5,500	0
Supplies & Services	315,419	322,800	326,300	3,500
Revenue Income	(4,667)	(4,700)	(4,800)	(100)
<b>Controllable</b>	<b>433,424</b>	<b>435,800</b>	<b>455,000</b>	<b>19,200</b>
Supplies & Services Related Recharges	1,832	1,000	1,300	300
Central Support and Service Admin	240,055	269,500	201,300	(68,200)
<b>Recharges</b>	<b>241,887</b>	<b>270,500</b>	<b>202,600</b>	<b>(67,900)</b>
<b>Democratic Mgt &amp; Representation</b>	<b>675,311</b>	<b>706,300</b>	<b>657,600</b>	<b>(48,700)</b>

**R210****Localities**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	82,304	85,200	94,600	9,400
Premises Related Expenses	9,611	9,900	9,900	0
Transport Related Expenses	886	1,000	1,000	0
Supplies & Services	63,114	30,300	20,300	(10,000)
Revenue Income	(529)	0	0	0
<b>Controllable</b>	<b>155,385</b>	<b>126,400</b>	<b>125,800</b>	<b>(600)</b>
Supplies & Services Related Recharges	1,395	1,600	1,200	(400)
Central Support and Service Admin	42,776	31,400	27,900	(3,500)
<b>Recharges</b>	<b>44,171</b>	<b>33,000</b>	<b>29,100</b>	<b>(3,900)</b>
<b>Localities</b>	<b>199,556</b>	<b>159,400</b>	<b>154,900</b>	<b>(4,500)</b>

**R420****Community Grants**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	71,098	79,300	75,600	(3,700)
Supplies & Services	163,189	155,100	139,900	(15,200)
<b>Controllable</b>	<b>234,288</b>	<b>234,400</b>	<b>215,500</b>	<b>(18,900)</b>
Supplies & Services Related Recharges	1,121	1,300	1,000	(300)
Central Support and Service Admin	26,189	38,500	17,300	(21,200)
<b>Recharges</b>	<b>27,311</b>	<b>39,800</b>	<b>18,300</b>	<b>(21,500)</b>
<b>Community Grants</b>	<b>261,599</b>	<b>274,200</b>	<b>233,800</b>	<b>(40,400)</b>

**R765****The Arts & Tourism**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	25,672	29,500	31,100	1,600
Transport Related Expenses	44	100	100	0
Supplies & Services	11,253	9,500	4,900	(4,600)
Revenue Income	0	0	0	0
<b>Controllable</b>	<b>36,968</b>	<b>39,100</b>	<b>36,100</b>	<b>(3,000)</b>
Supplies & Services Related Recharges	454	600	300	(300)
Central Support and Service Admin	9,555	11,500	11,300	(200)
<b>Recharges</b>	<b>10,009</b>	<b>12,100</b>	<b>11,600</b>	<b>(500)</b>
<b>The Arts &amp; Tourism</b>	<b>46,977</b>	<b>51,200</b>	<b>47,700</b>	<b>(3,500)</b>

**R770****Sports Development**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	65,579	45,900	48,300	2,400
Premises Related Expenses	1,096	700	0	(700)
Transport Related Expenses	1,005	1,000	1,000	0
Supplies & Services	21,129	10,600	10,100	(500)
Revenue Income	(152,693)	(66,100)	(68,500)	(2,400)
<b>Controllable</b>	<b>(63,885)</b>	<b>(7,900)</b>	<b>(9,100)</b>	<b>(1,200)</b>
Supplies & Services Related Recharges	1,046	800	600	(200)
Central Support and Service Admin	13,568	10,400	23,100	12,700
<b>Recharges</b>	<b>14,614</b>	<b>11,200</b>	<b>23,700</b>	<b>12,500</b>
<b>Sports Development</b>	<b>(49,271)</b>	<b>3,300</b>	<b>14,600</b>	<b>11,300</b>

**R775****Community Centres**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	170,435	146,200	148,000	1,800
Premises Related Expenses	86,206	50,900	52,100	1,200
Transport Related Expenses	132	300	300	0
Supplies & Services	18,551	8,400	8,400	0
Revenue Income	(132,472)	(108,100)	(109,000)	(900)
<b>Controllable</b>	<b>142,851</b>	<b>97,700</b>	<b>99,800</b>	<b>2,100</b>
Premises Related Recharges	13,986	13,500	9,000	(4,500)
Supplies & Services Related Recharges	2,619	2,700	1,700	(1,000)
Central Support and Service Admin	36,629	54,800	40,100	(14,700)
<b>Recharges</b>	<b>53,234</b>	<b>71,000</b>	<b>50,800</b>	<b>(20,200)</b>
Capital Financing Charges	59,682	51,900	58,400	6,500
<b>Capital</b>	<b>59,682</b>	<b>51,900</b>	<b>58,400</b>	<b>6,500</b>
<b>Community Centres</b>	<b>255,767</b>	<b>220,600</b>	<b>209,000</b>	<b>(11,600)</b>

**R780****Events & Play**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	40,931	42,600	43,800	1,200
Transport Related Expenses	68	0	0	0
Supplies & Services	68,799	63,000	66,600	3,600
Revenue Income	(19,525)	(18,300)	(14,400)	3,900
<b>Controllable</b>	<b>90,274</b>	<b>87,300</b>	<b>96,000</b>	<b>8,700</b>
Supplies & Services Related Recharges	923	900	700	(200)
Central Support and Service Admin	49,459	50,000	42,700	(7,300)
<b>Recharges</b>	<b>50,382</b>	<b>50,900</b>	<b>43,400</b>	<b>(7,500)</b>
<b>Events &amp; Play</b>	<b>140,656</b>	<b>138,200</b>	<b>139,400</b>	<b>1,200</b>

## Housing, Health & Well-being

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Housing Needs	459,512	327,900	353,800	25,900
Calverton Leisure Centre	203,953	256,100	269,700	13,600
Carlton Forum Leisure Centre	490,296	213,600	199,600	(14,000)
Redhill Leisure Centre	275,993	158,100	197,900	39,800
Arnold Theatre	82,721	82,100	77,600	(4,500)
Arnold Leisure Centre	467,726	472,100	461,200	(10,900)
Richard Herrod Centre	374,941	363,200	343,500	(19,700)
Health & Exercise	11,644	5,900	0	(5,900)
Council Tax Benefits	(14,361)	(15,000)	(13,000)	2,000
Rent Allowances	(46,260)	(152,800)	(71,900)	80,900
Housing Benefit Administration	472,455	655,100	589,200	(65,900)
Rent Rebates	(1,752)	(500)	1,500	2,000
<b>Total Housing, Health &amp; Well-being Portfolio</b>	<b>2,776,868</b>	<b>2,365,800</b>	<b>2,409,100</b>	<b>43,300</b>
<b>Transfer to/(from) Earmarked Reserves</b>				
Housing, Health & Well-being	(19,092)	18,000	18,000	0
<b>Total Reserves</b>	<b>(19,092)</b>	<b>18,000</b>	<b>18,000</b>	<b>0</b>
<b>TOTAL</b>	<b>2,757,776</b>	<b>2,383,800</b>	<b>2,427,100</b>	<b>43,300</b>
	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	3,117,191	3,142,900	3,197,000	54,100
Premises Related Expenses	753,402	787,300	814,900	27,600
Transport Related Expenses	3,134	6,100	6,100	0
Supplies & Services	880,793	685,000	849,800	164,800
Transfer Payments	26,439,355	25,362,700	23,781,300	(1,581,400)
Capital Interest	92,940	0	0	0
Revenue Income	(30,113,817)	(29,133,800)	(27,689,100)	1,444,700
<b>Controllable</b>	<b>1,172,999</b>	<b>850,200</b>	<b>960,000</b>	<b>109,800</b>
<b>Consisting of</b>				
Premises Related Recharges	43,616	41,400	37,700	(3,700)
Supplies & Services Related Recharges	49,675	49,800	40,900	(8,900)
Central Support and Service Admin	1,083,391	1,195,400	1,076,600	(118,800)
<b>Recharges</b>	<b>1,176,681</b>	<b>1,286,600</b>	<b>1,155,200</b>	<b>(131,400)</b>
<b>Consisting of</b>				
Capital Financing Charges	427,188	229,000	293,900	64,900
<b>Capital</b>	<b>427,188</b>	<b>229,000</b>	<b>293,900</b>	<b>64,900</b>
<b>Total Housing, Health &amp; Well-being</b>	<b>2,776,868</b>	<b>2,365,800</b>	<b>2,409,100</b>	<b>43,300</b>
<b>Consisting of</b>				
Transfer to Reserves	246,761	18,000	18,000	0
Transfer from Reserves	(265,853)	0	0	0
<b>Reserves</b>	<b>(19,092)</b>	<b>18,000</b>	<b>18,000</b>	<b>0</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>(19,092)</b>	<b>18,000</b>	<b>18,000</b>	<b>0</b>

TOTAL

2,757,776	2,383,800	2,427,100	43,300
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**R630****Housing Needs**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	323,394	198,100	296,100	98,000
Premises Related Expenses	30,570	20,900	20,900	0
Transport Related Expenses	828	1,000	1,000	0
Supplies & Services	54,776	53,600	105,400	51,800
Revenue Income	(68,998)	(78,100)	(187,200)	(109,100)
<b>Controllable</b>	<b>340,569</b>	<b>195,500</b>	<b>236,200</b>	<b>40,700</b>
Premises Related Recharges	1,245	1,400	1,600	200
Supplies & Services Related Recharges	4,484	4,600	2,400	(2,200)
Central Support and Service Admin	104,241	117,500	104,700	(12,800)
<b>Recharges</b>	<b>109,969</b>	<b>123,500</b>	<b>108,700</b>	<b>(14,800)</b>
Capital Financing Charges	8,974	8,900	8,900	0
<b>Capital</b>	<b>8,974</b>	<b>8,900</b>	<b>8,900</b>	<b>0</b>
<b>Housing Needs</b>	<b>459,512</b>	<b>327,900</b>	<b>353,800</b>	<b>25,900</b>

**R725****Calverton Leisure Centre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	326,921	365,100	359,100	(6,000)
Premises Related Expenses	113,696	109,000	120,800	11,800
Transport Related Expenses	111	1,100	1,100	0
Supplies & Services	50,633	73,300	74,400	1,100
Capital Interest	19	0	0	0
Revenue Income	(360,748)	(379,000)	(378,700)	300
<b>Controllable</b>	<b>130,634</b>	<b>169,500</b>	<b>176,700</b>	<b>7,200</b>
Premises Related Recharges	4,585	4,200	4,200	0
Supplies & Services Related Recharges	5,435	5,100	5,000	(100)
Central Support and Service Admin	60,101	70,900	77,400	6,500
<b>Recharges</b>	<b>70,120</b>	<b>80,200</b>	<b>86,600</b>	<b>6,400</b>
Capital Financing Charges	3,199	6,400	6,400	0
<b>Capital</b>	<b>3,199</b>	<b>6,400</b>	<b>6,400</b>	<b>0</b>
<b>Calverton Leisure Centre</b>	<b>203,953</b>	<b>256,100</b>	<b>269,700</b>	<b>13,600</b>



**R730****Carlton Forum Leisure Centre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	739,595	756,000	744,000	(12,000)
Premises Related Expenses	219,333	234,300	255,700	21,400
Transport Related Expenses	885	1,000	1,000	0
Supplies & Services	378,456	192,800	193,400	600
Capital Interest	76	0	0	0
Revenue Income	(1,087,908)	(1,160,100)	(1,195,100)	(35,000)
<b>Controllable</b>	<b>250,437</b>	<b>24,000</b>	<b>(1,000)</b>	<b>(25,000)</b>
Premises Related Recharges	8,310	8,200	6,300	(1,900)
Supplies & Services Related Recharges	11,246	11,100	9,400	(1,700)
Central Support and Service Admin	132,899	154,700	132,800	(21,900)
<b>Recharges</b>	<b>152,455</b>	<b>174,000</b>	<b>148,500</b>	<b>(25,500)</b>
Capital Financing Charges	87,405	15,600	52,100	36,500
<b>Capital</b>	<b>87,405</b>	<b>15,600</b>	<b>52,100</b>	<b>36,500</b>
<b>Carlton Forum Leisure Centre</b>	<b>490,296</b>	<b>213,600</b>	<b>199,600</b>	<b>(14,000)</b>

**R735****Redhill Leisure Centre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	361,254	388,900	408,300	19,400
Premises Related Expenses	90,567	106,400	120,300	13,900
Transport Related Expenses	332	700	700	0
Supplies & Services	95,649	82,000	82,700	700
Capital Interest	2	0	0	0
Revenue Income	(483,008)	(535,800)	(535,100)	700
<b>Controllable</b>	<b>64,796</b>	<b>42,200</b>	<b>76,900</b>	<b>34,700</b>
Premises Related Recharges	4,869	4,300	4,300	0
Supplies & Services Related Recharges	5,941	5,900	5,100	(800)
Central Support and Service Admin	88,564	90,700	89,800	(900)
<b>Recharges</b>	<b>99,374</b>	<b>100,900</b>	<b>99,200</b>	<b>(1,700)</b>
Capital Financing Charges	111,823	15,000	21,800	6,800
<b>Capital</b>	<b>111,823</b>	<b>15,000</b>	<b>21,800</b>	<b>6,800</b>
<b>Redhill Leisure Centre</b>	<b>275,993</b>	<b>158,100</b>	<b>197,900</b>	<b>39,800</b>

**R740****Arnold Theatre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	62,962	82,600	88,000	5,400
Premises Related Expenses	7,752	4,000	4,000	0
Transport Related Expenses	3	200	200	0
Supplies & Services	42,950	31,400	37,000	5,600
Capital Interest	6	0	0	0
Revenue Income	(83,309)	(97,400)	(107,900)	(10,500)
<b>Controllable</b>	<b>30,364</b>	<b>20,800</b>	<b>21,300</b>	<b>500</b>
Supplies & Services Related Recharges	1,696	1,400	1,500	100
Central Support and Service Admin	40,705	48,900	43,800	(5,100)
<b>Recharges</b>	<b>42,401</b>	<b>50,300</b>	<b>45,300</b>	<b>(5,000)</b>
Capital Financing Charges	9,957	11,000	11,000	0
<b>Capital</b>	<b>9,957</b>	<b>11,000</b>	<b>11,000</b>	<b>0</b>
<b>Arnold Theatre</b>	<b>82,721</b>	<b>82,100</b>	<b>77,600</b>	<b>(4,500)</b>

**R745****Arnold Leisure Centre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	457,835	462,100	444,800	(17,300)
Premises Related Expenses	182,155	181,800	178,900	(2,900)
Transport Related Expenses	81	400	400	0
Supplies & Services	50,546	49,500	49,800	300
Capital Interest	92,775	0	0	0
Revenue Income	(531,641)	(413,700)	(428,700)	(15,000)
<b>Controllable</b>	<b>251,751</b>	<b>280,100</b>	<b>245,200</b>	<b>(34,900)</b>
Premises Related Recharges	11,089	10,600	8,100	(2,500)
Supplies & Services Related Recharges	6,490	6,600	5,700	(900)
Central Support and Service Admin	101,825	91,800	103,200	11,400
<b>Recharges</b>	<b>119,404</b>	<b>109,000</b>	<b>117,000</b>	<b>8,000</b>
Capital Financing Charges	96,571	83,000	99,000	16,000
<b>Capital</b>	<b>96,571</b>	<b>83,000</b>	<b>99,000</b>	<b>16,000</b>
<b>Arnold Leisure Centre</b>	<b>467,726</b>	<b>472,100</b>	<b>461,200</b>	<b>(10,900)</b>

**R750****Richard Herrod Centre**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	322,223	330,500	326,000	(4,500)
Premises Related Expenses	109,330	130,900	114,300	(16,600)
Transport Related Expenses	436	900	900	0
Supplies & Services	64,556	67,200	67,900	700
Capital Interest	60	0	0	0
Revenue Income	(341,908)	(366,200)	(359,300)	6,900
<b>Controllable</b>	<b>154,698</b>	<b>163,300</b>	<b>149,800</b>	<b>(13,500)</b>
Premises Related Recharges	13,519	12,700	13,200	500
Supplies & Services Related Recharges	5,714	5,300	4,800	(500)
Central Support and Service Admin	91,750	92,800	81,000	(11,800)
<b>Recharges</b>	<b>110,983</b>	<b>110,800</b>	<b>99,000</b>	<b>(11,800)</b>
Capital Financing Charges	109,259	89,100	94,700	5,600
<b>Capital</b>	<b>109,259</b>	<b>89,100</b>	<b>94,700</b>	<b>5,600</b>
<b>Richard Herrod Centre</b>	<b>374,941</b>	<b>363,200</b>	<b>343,500</b>	<b>(19,700)</b>

**R755****Health & Exercise**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	13,638	14,300	0	(14,300)
Supplies & Services	907	0	0	0
Revenue Income	(3,176)	(11,600)	0	11,600
<b>Controllable</b>	<b>11,369</b>	<b>2,700</b>	<b>0</b>	<b>(2,700)</b>
Supplies & Services Related Recharges	208	0	0	0
Central Support and Service Admin	67	3,200	0	(3,200)
<b>Recharges</b>	<b>275</b>	<b>3,200</b>	<b>0</b>	<b>(3,200)</b>
<b>Health &amp; Exercise</b>	<b>11,644</b>	<b>5,900</b>	<b>0</b>	<b>(5,900)</b>

**R877****Council Tax Benefits**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Transfer Payments	6,321	4,000	2,000	(2,000)
Revenue Income	(20,682)	(19,000)	(15,000)	4,000
<b>Controllable</b>	<b>(14,361)</b>	<b>(15,000)</b>	<b>(13,000)</b>	<b>2,000</b>
<b>Council Tax Benefits</b>	<b>(14,361)</b>	<b>(15,000)</b>	<b>(13,000)</b>	<b>2,000</b>

**R880****Rent Allowances**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Supplies & Services	69,245	101,000	208,000	107,000
Transfer Payments	26,379,125	25,293,700	23,704,300	(1,589,400)
Revenue Income	(26,494,630)	(25,547,500)	(23,984,200)	1,563,300
<b>Controllable</b>	<b>(46,260)</b>	<b>(152,800)</b>	<b>(71,900)</b>	<b>80,900</b>
<b>Rent Allowances</b>	<b>(46,260)</b>	<b>(152,800)</b>	<b>(71,900)</b>	<b>80,900</b>

**R882****Housing Benefit Administration**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	509,369	545,300	530,700	(14,600)
Transport Related Expenses	458	800	800	0
Supplies & Services	73,075	34,200	31,200	(3,000)
Revenue Income	(582,147)	(459,900)	(424,400)	35,500
<b>Controllable</b>	<b>754</b>	<b>120,400</b>	<b>138,300</b>	<b>17,900</b>
Supplies & Services Related Recharges	8,461	9,800	7,000	(2,800)
Central Support and Service Admin	463,239	524,900	443,900	(81,000)
<b>Recharges</b>	<b>471,700</b>	<b>534,700</b>	<b>450,900</b>	<b>(83,800)</b>
<b>Housing Benefit Administration</b>	<b>472,455</b>	<b>655,100</b>	<b>589,200</b>	<b>(65,900)</b>

**R885****Rent Rebates**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Transfer Payments	53,909	65,000	75,000	10,000
Revenue Income	(55,661)	(65,500)	(73,500)	(8,000)
<b>Controllable</b>	<b>(1,752)</b>	<b>(500)</b>	<b>1,500</b>	<b>2,000</b>
<b>Rent Rebates</b>	<b>(1,752)</b>	<b>(500)</b>	<b>1,500</b>	<b>2,000</b>

## Public Protection

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Licencing & Hackney Carriages	51,639	259,700	132,100	(127,600)
Environmental Protection	310,584	292,800	333,300	40,500
Food, Health & Safety	245,427	259,800	229,600	(30,200)
Comm Protection & Dog Control	510,407	663,800	572,400	(91,400)
Private Sector Housing	112,665	173,100	192,200	19,100
<b>Total Public Protection Portfolio Budget</b>	<b>1,230,723</b>	<b>1,649,200</b>	<b>1,459,600</b>	<b>(189,600)</b>
<b>Transfer to/(from) Earmarked Reserves</b>				
Public Protection	32,625	5,300	44,300	39,000
<b>Total Reserves</b>	<b>32,625</b>	<b>5,300</b>	<b>44,300</b>	<b>39,000</b>
<b>TOTAL</b>	<b>1,263,348</b>	<b>1,654,500</b>	<b>1,503,900</b>	<b>(150,600)</b>

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	887,701	1,036,100	1,077,300	41,200
Transport Related Expenses	11,112	12,300	12,300	0
Supplies & Services	182,021	208,100	149,100	(59,000)
Third Party Payments	65,517	77,600	31,600	(46,000)
Capital Interest	936	0	0	0
Revenue Income	(642,318)	(648,800)	(679,800)	(31,000)
<b>Controllable</b>	<b>504,970</b>	<b>685,300</b>	<b>590,500</b>	<b>(94,800)</b>
<b>Consisting of</b>				
Transport Related Recharges	18,728	21,200	20,900	(300)
Supplies & Services Related Recharges	132,606	134,400	130,700	(3,700)
Central Support and Service Admin	570,467	802,800	718,100	(84,700)
Internal Recharges	0	0	(5,800)	(5,800)
<b>Recharges</b>	<b>721,801</b>	<b>958,400</b>	<b>863,900</b>	<b>(94,500)</b>
<b>Consisting of</b>				
Capital Financing Charges	583,760	825,500	5,200	(820,300)
Capital Entries	(579,808)	(820,000)	0	820,000
<b>Capital</b>	<b>3,952</b>	<b>5,500</b>	<b>5,200</b>	<b>(300)</b>
<b>Total Public Protection</b>	<b>1,230,723</b>	<b>1,649,200</b>	<b>1,459,600</b>	<b>(189,600)</b>
<b>Consisting of</b>				
Transfer to Reserves	44,300	44,300	44,300	0
Transfer from Reserves	(11,675)	(39,000)	0	39,000
<b>Reserves</b>	<b>32,625</b>	<b>5,300</b>	<b>44,300</b>	<b>39,000</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>32,625</b>	<b>5,300</b>	<b>44,300</b>	<b>39,000</b>
<b>TOTAL</b>	<b>1,263,348</b>	<b>1,654,500</b>	<b>1,503,900</b>	<b>(150,600)</b>

**R100****Licencing & Hackney Carriages**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	175,152	190,100	190,900	800
Transport Related Expenses	228	200	200	0
Supplies & Services	45,348	65,400	65,400	0
Revenue Income	(573,522)	(603,400)	(629,200)	(25,800)
<b>Controllable</b>	<b>(352,793)</b>	<b>(347,700)</b>	<b>(372,700)</b>	<b>(25,000)</b>
Supplies & Services Related Recharges	121,184	120,700	120,300	(400)
Central Support and Service Admin	283,248	486,700	384,500	(102,200)
<b>Recharges</b>	<b>404,432</b>	<b>607,400</b>	<b>504,800</b>	<b>(102,600)</b>
<b>Licencing &amp; Hackney Carriages</b>	<b>51,639</b>	<b>259,700</b>	<b>132,100</b>	<b>(127,600)</b>

**R200****Environmental Protection**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	177,753	193,500	204,100	10,600
Transport Related Expenses	1,601	2,100	2,100	0
Supplies & Services	25,508	25,600	25,600	0
Third Party Payments	0	2,000	2,000	0
Revenue Income	(19,171)	(17,000)	(17,000)	0
<b>Controllable</b>	<b>185,690</b>	<b>206,200</b>	<b>216,800</b>	<b>10,600</b>
Transport Related Recharges	6,655	7,000	7,700	700
Supplies & Services Related Recharges	2,767	2,900	2,400	(500)
Central Support and Service Admin	115,472	76,700	112,200	35,500
Internal Recharges	0	0	(5,800)	(5,800)
<b>Recharges</b>	<b>124,894</b>	<b>86,600</b>	<b>116,500</b>	<b>29,900</b>
<b>Environmental Protection</b>	<b>310,584</b>	<b>292,800</b>	<b>333,300</b>	<b>40,500</b>

**R205****Food, Health & Safety**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	185,418	195,200	172,300	(22,900)
Transport Related Expenses	3,869	4,700	4,700	0
Supplies & Services	6,230	8,700	8,700	0
Revenue Income	(3,124)	(5,500)	(5,700)	(200)
<b>Controllable</b>	<b>192,393</b>	<b>203,100</b>	<b>180,000</b>	<b>(23,100)</b>
Supplies & Services Related Recharges	2,998	3,500	2,800	(700)
Central Support and Service Admin	50,037	53,200	46,800	(6,400)
<b>Recharges</b>	<b>53,034</b>	<b>56,700</b>	<b>49,600</b>	<b>(7,100)</b>
<b>Food, Health &amp; Safety</b>	<b>245,427</b>	<b>259,800</b>	<b>229,600</b>	<b>(30,200)</b>

**R215****Comm Protection & Dog Control**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	271,458	328,000	357,600	29,600
Transport Related Expenses	1,867	1,800	1,800	0
Supplies & Services	101,521	85,700	46,200	(39,500)
Third Party Payments	65,517	75,600	29,600	(46,000)
Capital Interest	936	0	0	0
Revenue Income	(29,363)	(11,200)	(11,200)	0
<b>Controllable</b>	<b>411,936</b>	<b>479,900</b>	<b>424,000</b>	<b>(55,900)</b>
Transport Related Recharges	12,073	14,200	13,200	(1,000)
Supplies & Services Related Recharges	4,445	4,800	4,000	(800)
Central Support and Service Admin	78,002	159,400	126,000	(33,400)
<b>Recharges</b>	<b>94,519</b>	<b>178,400</b>	<b>143,200</b>	<b>(35,200)</b>
Capital Financing Charges	3,952	5,500	5,200	(300)
<b>Capital</b>	<b>3,952</b>	<b>5,500</b>	<b>5,200</b>	<b>(300)</b>
<b>Comm Protection &amp; Dog Control</b>	<b>510,407</b>	<b>663,800</b>	<b>572,400</b>	<b>(91,400)</b>



**R600****Private Sector Housing**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	77,922	129,300	152,400	23,100
Transport Related Expenses	3,547	3,500	3,500	0
Supplies & Services	3,414	22,700	3,200	(19,500)
Revenue Income	(17,139)	(11,700)	(16,700)	(5,000)
<b>Controllable</b>	<b>67,744</b>	<b>143,800</b>	<b>142,400</b>	<b>(1,400)</b>
Supplies & Services Related Recharges	1,213	2,500	1,200	(1,300)
Central Support and Service Admin	43,709	26,800	48,600	21,800
<b>Recharges</b>	<b>44,921</b>	<b>29,300</b>	<b>49,800</b>	<b>20,500</b>
Capital Financing Charges	579,808	820,000	0	(820,000)
Capital Entries	(579,808)	(820,000)	0	820,000
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Renovation Grants</b>	<b>112,665</b>	<b>173,100</b>	<b>192,200</b>	<b>19,100</b>

## Environment

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Waste Management	2,045,153	2,232,500	2,061,000	(171,500)
Trade Waste	(126,990)	(114,200)	(100,900)	13,300
Street Care	891,372	891,500	939,300	47,800
Public Conveniences	21,112	23,800	21,200	(2,600)
Direct Services Service Support	0	0	(0)	(0)
Building Services	0	(0)	0	0
Car Parks	105,759	90,400	78,900	(11,500)
Fleet Management	(0)	(0)	(0)	0
Parks	1,988,660	1,717,400	1,617,000	(100,400)
Parks - External Works	(11,085)	(6,200)	(89,300)	(83,100)
Cemeteries	(84,911)	(69,800)	(101,000)	(31,200)
<b>Total Environment Portfolio Budget</b>	<b>4,829,071</b>	<b>4,765,400</b>	<b>4,426,200</b>	<b>(339,200)</b>
<b>Transfer to/(from) Earmarked Reserves</b>				
Environment	(281,903)	(30,300)	35,600	65,900
<b>Total Reserves</b>	<b>(281,903)</b>	<b>(30,300)</b>	<b>35,600</b>	<b>65,900</b>
<b>TOTAL</b>	<b>4,547,168</b>	<b>4,735,100</b>	<b>4,461,800</b>	<b>(273,300)</b>

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	3,469,665	3,582,000	3,759,600	177,600
Premises Related Expenses	394,928	338,900	310,900	(28,000)
Transport Related Expenses	500,504	524,200	522,900	(1,300)
Supplies & Services	687,992	783,000	675,700	(107,300)
Third Party Payments	267,804	277,800	277,800	0
Capital Interest	358,500	0	0	0
Revenue Income	(2,465,403)	(2,509,400)	(2,949,500)	(440,100)
<b>Controllable</b>	<b>3,213,989</b>	<b>2,996,500</b>	<b>2,597,400</b>	<b>(399,100)</b>
<b>Consisting of</b>				
Premises Related Recharges	26,099	28,300	28,100	(200)
Transport Related Recharges	1,393,592	1,580,100	1,568,000	(12,100)
Supplies & Services Related Recharges	50,935	52,900	43,500	(9,400)
Central Support and Service Admin	826,052	871,100	1,027,700	156,600
Internal Recharges	(1,620,048)	(1,842,300)	(1,934,100)	(91,800)
<b>Recharges</b>	<b>676,630</b>	<b>690,100</b>	<b>733,200</b>	<b>43,100</b>
<b>Consisting of</b>				
Capital Financing Charges	938,452	1,078,800	1,095,600	16,800
<b>Capital</b>	<b>938,452</b>	<b>1,078,800</b>	<b>1,095,600</b>	<b>16,800</b>
<b>Total Environment</b>	<b>4,829,071</b>	<b>4,765,400</b>	<b>4,426,200</b>	<b>(339,200)</b>
<b>Consisting of</b>				
Transfer to Reserves	165,929	63,000	63,100	100
Transfer from Reserves	(447,832)	(93,300)	(27,500)	65,800
<b>Reserves</b>	<b>(281,903)</b>	<b>(30,300)</b>	<b>35,600</b>	<b>65,900</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>(281,903)</b>	<b>(30,300)</b>	<b>35,600</b>	<b>65,900</b>
<b>TOTAL</b>	<b>4,547,168</b>	<b>4,735,100</b>	<b>4,461,800</b>	<b>(273,300)</b>

**R500****Waste Management**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	1,477,261	1,533,500	1,547,400	13,900
Transport Related Expenses	625	400	500	100
Supplies & Services	84,184	91,700	69,900	(21,800)
Third Party Payments	12,619	12,700	12,700	0
Revenue Income	(706,207)	(755,700)	(878,500)	(122,800)
<b>Controllable</b>	<b>868,481</b>	<b>882,600</b>	<b>752,000</b>	<b>(130,600)</b>
Transport Related Recharges	784,550	953,100	899,000	(54,100)
Supplies & Services Related Recharges	21,682	22,900	18,200	(4,700)
Central Support and Service Admin	357,910	368,000	385,900	17,900
<b>Recharges</b>	<b>1,164,142</b>	<b>1,344,000</b>	<b>1,303,100</b>	<b>(40,900)</b>
Capital Financing Charges	12,530	5,900	5,900	0
<b>Capital</b>	<b>12,530</b>	<b>5,900</b>	<b>5,900</b>	<b>0</b>
<b>Waste Management</b>	<b>2,045,153</b>	<b>2,232,500</b>	<b>2,061,000</b>	<b>(171,500)</b>

**R503****Trade Waste**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>2017-18</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	70,904	77,100	57,700	(19,400)
Transport Related Expenses	23	0	0	0
Supplies & Services	298,766	333,500	322,400	(11,100)
Revenue Income	(532,327)	(578,100)	(577,100)	1,000
<b>Controllable</b>	<b>(162,634)</b>	<b>(167,500)</b>	<b>(197,000)</b>	<b>(29,500)</b>
Transport Related Recharges	50,423	53,800	58,800	5,000
Supplies & Services Related Recharges	1,164	1,200	800	(400)
Central Support and Service Admin	25,753	33,800	80,100	46,300
Internal Recharges	(41,696)	(35,500)	(43,600)	(8,100)
<b>Recharges</b>	<b>35,644</b>	<b>53,300</b>	<b>96,100</b>	<b>42,800</b>
<b>Trade Waste</b>	<b>(126,990)</b>	<b>(114,200)</b>	<b>(100,900)</b>	<b>13,300</b>

**R505****Street Care**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
			<b>£</b>	<b>£</b>
Employee Expenses	521,771	519,700	536,300	16,600
Premises Related Expenses	7,844	16,600	6,600	(10,000)
Transport Related Expenses	306	2,000	2,000	0
Supplies & Services	99,943	56,700	56,700	0
Third Party Payments	1,848	2,200	2,200	0
Revenue Income	(23,093)	(13,500)	(13,300)	200
<b>Controllable</b>	<b>608,620</b>	<b>583,700</b>	<b>590,500</b>	<b>6,800</b>
Transport Related Recharges	226,109	251,100	280,000	28,900
Supplies & Services Related Recharges	7,295	7,500	6,100	(1,400)
Central Support and Service Admin	46,841	46,700	46,700	0
<b>Recharges</b>	<b>280,245</b>	<b>305,300</b>	<b>332,800</b>	<b>27,500</b>
Capital Financing Charges	2,507	2,500	16,000	13,500
<b>Capital</b>	<b>2,507</b>	<b>2,500</b>	<b>16,000</b>	<b>13,500</b>
<b>Street Care</b>	<b>891,372</b>	<b>891,500</b>	<b>939,300</b>	<b>47,800</b>

**R510****Public Conveniences**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
			<b>£</b>	<b>£</b>
Premises Related Expenses	12,795	13,700	11,800	(1,900)
Supplies & Services	3	0	0	0
<b>Controllable</b>	<b>12,798</b>	<b>13,700</b>	<b>11,800</b>	<b>(1,900)</b>
Premises Related Recharges	583	600	200	(400)
Central Support and Service Admin	4,861	6,600	6,200	(400)
<b>Recharges</b>	<b>5,444</b>	<b>7,200</b>	<b>6,400</b>	<b>(800)</b>
Capital Financing Charges	2,870	2,900	3,000	100
<b>Capital</b>	<b>2,870</b>	<b>2,900</b>	<b>3,000</b>	<b>100</b>
<b>Public Conveniences</b>	<b>21,112</b>	<b>23,800</b>	<b>21,200</b>	<b>(2,600)</b>

**R514****Direct Services Service Support**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	0	0	124,200	124,200
Transport Related Expenses	0	0	200	200
Supplies & Services	0	0	1,600	1,600
<b>Controllable</b>	<b>0</b>	<b>0</b>	<b>126,000</b>	<b>126,000</b>
Supplies & Services Related Recharges	0	0	1,500	1,500
Central Support and Service Admin	0	0	9,100	9,100
Internal Recharges	0	0	(136,600)	(136,600)
<b>Recharges</b>	<b>0</b>	<b>0</b>	<b>(126,000)</b>	<b>(126,000)</b>
<b>Direct Services Service Support</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R520****Building Services**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	98,571	121,100	76,000	(45,100)
Transport Related Expenses	115	200	200	0
Supplies & Services	3,743	5,400	5,400	0
Revenue Income	(10,407)	0	0	0
<b>Controllable</b>	<b>92,022</b>	<b>126,700</b>	<b>81,600</b>	<b>(45,100)</b>
Supplies & Services Related Recharges	1,746	2,000	1,500	(500)
Central Support and Service Admin	10,264	11,900	17,300	5,400
Internal Recharges	(107,163)	(143,700)	(103,500)	40,200
<b>Recharges</b>	<b>(95,153)</b>	<b>(129,800)</b>	<b>(84,700)</b>	<b>45,100</b>
Capital Financing Charges	3,131	3,100	3,100	0
<b>Capital</b>	<b>3,131</b>	<b>3,100</b>	<b>3,100</b>	<b>0</b>
<b>Building Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R540****Car Parks**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	23,094	21,300	21,400	100
Premises Related Expenses	132,644	113,000	116,600	3,600
Transport Related Expenses	1,137	700	700	0
Supplies & Services	5,936	8,900	6,900	(2,000)
Third Party Payments	224,224	229,900	229,900	0
Revenue Income	(318,588)	(326,900)	(344,200)	(17,300)
<b>Controllable</b>	<b>68,447</b>	<b>46,900</b>	<b>31,300</b>	<b>(15,600)</b>
Premises Related Recharges	3,716	4,500	3,700	(800)
Supplies & Services Related Recharges	340	300	300	0
Central Support and Service Admin	27,703	33,100	38,000	4,900
<b>Recharges</b>	<b>31,758</b>	<b>37,900</b>	<b>42,000</b>	<b>4,100</b>
Capital Financing Charges	5,554	5,600	5,600	0
<b>Capital</b>	<b>5,554</b>	<b>5,600</b>	<b>5,600</b>	<b>0</b>
<b>Car Parks</b>	<b>105,759</b>	<b>90,400</b>	<b>78,900</b>	<b>(11,500)</b>

**R555****Fleet Management**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	295,170	313,600	288,700	(24,900)
Transport Related Expenses	496,048	518,300	517,400	(900)
Supplies & Services	48,215	48,300	32,900	(15,400)
Third Party Payments	120	0	0	0
Revenue Income	(54,471)	(49,800)	(44,600)	5,200
<b>Controllable</b>	<b>785,082</b>	<b>830,400</b>	<b>794,400</b>	<b>(36,000)</b>
Premises Related Recharges	2,286	2,400	2,500	100
Transport Related Recharges	83,682	86,200	83,000	(3,200)
Supplies & Services Related Recharges	4,389	4,700	3,800	(900)
Central Support and Service Admin	88,438	83,900	87,600	3,700
Internal Recharges	(1,451,579)	(1,643,300)	(1,628,700)	14,600
<b>Recharges</b>	<b>(1,272,784)</b>	<b>(1,466,100)</b>	<b>(1,451,800)</b>	<b>14,300</b>
Capital Financing Charges	487,702	635,700	657,400	21,700
<b>Capital</b>	<b>487,702</b>	<b>635,700</b>	<b>657,400</b>	<b>21,700</b>
<b>Fleet Management</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

**R715****Parks**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	608,444	597,300	620,200	22,900
Premises Related Expenses	216,799	174,500	153,100	(21,400)
Transport Related Expenses	1,105	600	600	0
Supplies & Services	131,914	198,500	131,000	(67,500)
Third Party Payments	21,063	25,000	25,000	0
Capital Interest	358,500	0	0	0
Revenue Income	(139,284)	(100,900)	(141,200)	(40,300)
<b>Controllable</b>	<b>1,198,542</b>	<b>895,000</b>	<b>788,700</b>	<b>(106,300)</b>
Premises Related Recharges	7,844	9,700	9,200	(500)
Transport Related Recharges	159,171	164,900	176,200	11,300
Supplies & Services Related Recharges	7,864	10,100	6,500	(3,600)
Central Support and Service Admin	196,479	219,100	237,100	18,000
Internal Recharges	(139)	0	0	0
<b>Recharges</b>	<b>371,219</b>	<b>403,800</b>	<b>429,000</b>	<b>25,200</b>
Capital Financing Charges	418,899	418,600	399,300	(19,300)
<b>Capital</b>	<b>418,899</b>	<b>418,600</b>	<b>399,300</b>	<b>(19,300)</b>
<b>Parks</b>	<b>1,988,660</b>	<b>1,717,400</b>	<b>1,617,000</b>	<b>(100,400)</b>

**R717****Parks - External Works**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	169,566	193,800	302,900	109,100
Premises Related Expenses	0	0	1,700	1,700
Transport Related Expenses	152	800	100	(700)
Supplies & Services	0	35,700	44,600	8,900
Third Party Payments	0	4,000	4,000	0
Revenue Income	(222,772)	(259,600)	(512,900)	(253,300)
<b>Controllable</b>	<b>(53,054)</b>	<b>(25,300)</b>	<b>(159,600)</b>	<b>(134,300)</b>
Transport Related Recharges	40,398	22,300	28,500	6,200
Supplies & Services Related Recharges	2,394	1,000	2,400	1,400
Central Support and Service Admin	18,649	15,600	61,100	45,500
Internal Recharges	(19,472)	(19,800)	(21,700)	(1,900)
<b>Recharges</b>	<b>41,969</b>	<b>19,100</b>	<b>70,300</b>	<b>51,200</b>
<b>Parks - External Works</b>	<b>(11,085)</b>	<b>(6,200)</b>	<b>(89,300)</b>	<b>(83,100)</b>

	Actual	Original	Original	Variance to
	2016-17	Budget	Budget	Original
	2016-17	2017-18	2018-19	Budget
	£	£	£	2017-18
				£
Employee Expenses	204,882	204,600	184,800	(19,800)
Premises Related Expenses	24,845	21,100	21,100	0
Transport Related Expenses	994	1,200	1,200	0
Supplies & Services	15,289	4,300	4,300	0
Third Party Payments	7,930	4,000	4,000	0
Revenue Income	(458,256)	(424,900)	(437,700)	(12,800)
<b>Controllable</b>	<b>(204,315)</b>	<b>(189,700)</b>	<b>(222,300)</b>	<b>(32,600)</b>
Premises Related Recharges	11,670	11,100	12,500	1,400
Transport Related Recharges	49,259	48,700	42,500	(6,200)
Supplies & Services Related Recharges	4,062	3,200	2,400	(800)
Central Support and Service Admin	49,154	52,400	58,600	6,200
<b>Recharges</b>	<b>114,145</b>	<b>115,400</b>	<b>116,000</b>	<b>600</b>
Capital Financing Charges	5,259	4,500	5,300	800
<b>Capital</b>	<b>5,259</b>	<b>4,500</b>	<b>5,300</b>	<b>800</b>
<b>Cemeteries</b>	<b>(84,911)</b>	<b>(69,800)</b>	<b>(101,000)</b>	<b>(31,200)</b>



## Growth & Regeneration

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Development Service Support	0	0	0	0
Development Management	548,832	289,800	112,400	(177,400)
Planning Policy	276,895	310,700	317,200	6,500
Building Control Account	57,046	57,100	57,100	0
Building Control Fee Earning Account	(46,851)	100	100	(0)
Land Charges	(30,804)	(64,300)	(4,900)	59,400
Economic Development	301,732	242,000	264,600	22,600
Housing Strategy	280,917	150,400	121,700	(28,700)
<b>Total Growth &amp; Regeneration Portfolio Budget</b>	<b>1,387,767</b>	<b>985,800</b>	<b>868,200</b>	<b>(117,600)</b>
<b>Transfer to/(from) Earmarked Reserves</b>				
Growth & Regeneration	(181,166)	(70,600)	0	70,600
<b>Total Reserves</b>	<b>(181,166)</b>	<b>(70,600)</b>	<b>0</b>	<b>70,600</b>
<b>TOTAL</b>	<b>1,206,601</b>	<b>915,200</b>	<b>868,200</b>	<b>(47,000)</b>

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	1,085,269	1,257,400	1,273,000	15,600
Transport Related Expenses	15,728	16,300	16,300	0
Supplies & Services	372,402	314,800	84,300	(230,500)
Third Party Payments	24,077	8,000	8,000	0
Revenue Income	(705,762)	(996,700)	(971,000)	25,700
<b>Controllable</b>	<b>791,714</b>	<b>599,800</b>	<b>410,600</b>	<b>(189,200)</b>
<b>Consisting of</b>				
Supplies & Services Related Recharges	22,247	24,100	25,500	1,400
Central Support and Service Admin	552,322	525,700	559,700	34,000
Internal Recharges	(165,516)	(164,800)	(128,600)	36,200
<b>Recharges</b>	<b>409,053</b>	<b>385,000</b>	<b>456,600</b>	<b>71,600</b>
<b>Consisting of</b>				
Capital Financing Charges	187,000	1,000	1,000	0
<b>Capital</b>	<b>187,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
<b>Total Growth &amp; Regeneration</b>	<b>1,387,767</b>	<b>985,800</b>	<b>868,200</b>	<b>(117,600)</b>
<b>Consisting of</b>				
Transfer to Reserves	98,687	0	0	0
Transfer from Reserves	(279,853)	(70,600)	0	70,600
<b>Reserves</b>	<b>(181,166)</b>	<b>(70,600)</b>	<b>0</b>	<b>70,600</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>(181,166)</b>	<b>(70,600)</b>	<b>0</b>	<b>70,600</b>
<b>TOTAL</b>	<b>1,206,601</b>	<b>915,200</b>	<b>868,200</b>	<b>(47,000)</b>

**R105****Development Service Support**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	125,664	127,100	94,400	(32,700)
Transport Related Expenses	0	0	0	0
Supplies & Services	3,216	4,800	4,800	0
<b>Controllable</b>	<b>128,881</b>	<b>131,900</b>	<b>99,200</b>	<b>(32,700)</b>
Supplies & Services Related Recharges	1,799	2,100	1,500	(600)
Central Support and Service Admin	34,837	30,800	27,900	(2,900)
Internal Recharges	(165,516)	(164,800)	(128,600)	36,200
<b>Recharges</b>	<b>(128,881)</b>	<b>(131,900)</b>	<b>(99,200)</b>	<b>32,700</b>
<b>Development Service Support</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R110****Development Management**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	432,244	391,300	425,300	34,000
Transport Related Expenses	3,769	4,000	4,000	0
Supplies & Services	147,227	92,800	30,800	(62,000)
Revenue Income	(328,333)	(485,700)	(591,500)	(105,800)
<b>Controllable</b>	<b>254,907</b>	<b>2,400</b>	<b>(131,400)</b>	<b>(133,800)</b>
Supplies & Services Related Recharges	8,392	8,400	7,600	(800)
Central Support and Service Admin	285,533	279,000	236,200	(42,800)
<b>Recharges</b>	<b>293,925</b>	<b>287,400</b>	<b>243,800</b>	<b>(43,600)</b>
<b>Development Management</b>	<b>548,832</b>	<b>289,800</b>	<b>112,400</b>	<b>(177,400)</b>

## R115

## Planning Policy

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
Employee Expenses	214,163	227,000	232,200	5,200
Transport Related Expenses	626	700	700	0
Supplies & Services	40,009	12,900	1,400	(11,500)
Third Party Payments	0	8,000	8,000	0
Revenue Income	(55,846)	(600)	(600)	0
<b>Controllable</b>	<b>198,952</b>	<b>248,000</b>	<b>241,700</b>	<b>(6,300)</b>
Supplies & Services Related Recharges	3,946	4,300	2,800	(1,500)
Central Support and Service Admin	72,997	57,400	71,700	14,300
<b>Recharges</b>	<b>76,944</b>	<b>61,700</b>	<b>74,500</b>	<b>12,800</b>
Capital Financing Charges	1,000	1,000	1,000	0
<b>Capital</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>0</b>
<b>Planning Policy</b>	<b>276,895</b>	<b>310,700</b>	<b>317,200</b>	<b>6,500</b>

## R120

## Building Control Account

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
Employee Expenses	43,090	41,500	43,000	1,500
Transport Related Expenses	2,643	3,000	3,000	0
Supplies & Services	2,325	2,200	2,200	0
<b>Controllable</b>	<b>48,058</b>	<b>46,700</b>	<b>48,200</b>	<b>1,500</b>
Supplies & Services Related Recharges	574	0	500	500
Central Support and Service Admin	8,414	10,400	8,400	(2,000)
<b>Recharges</b>	<b>8,988</b>	<b>10,400</b>	<b>8,900</b>	<b>(1,500)</b>
<b>Building Control Account</b>	<b>57,046</b>	<b>57,100</b>	<b>57,100</b>	<b>0</b>

**R121****Building Control Fee Earning Account**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	83,830	120,600	153,300	32,700
Transport Related Expenses	6,067	6,500	6,500	0
Supplies & Services	1,867	4,000	4,000	0
Revenue Income	(180,886)	(175,700)	(225,800)	(50,100)
<b>Controllable</b>	<b>(89,123)</b>	<b>(44,600)</b>	<b>(62,000)</b>	<b>(17,400)</b>
Supplies & Services Related Recharges	1,958	2,800	1,500	(1,300)
Central Support and Service Admin	40,314	41,900	60,600	18,700
<b>Recharges</b>	<b>42,272</b>	<b>44,700</b>	<b>62,100</b>	<b>17,400</b>
<b>Building Control Fee Earning Account</b>	<b>(46,851)</b>	<b>100</b>	<b>100</b>	<b>(0)</b>

**R172****Land Charges**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Supplies & Services	15,996	28,100	24,400	(3,700)
Revenue Income	(99,664)	(140,900)	(100,100)	40,800
<b>Controllable</b>	<b>(83,668)</b>	<b>(112,800)</b>	<b>(75,700)</b>	<b>37,100</b>
Supplies & Services Related Recharges	2,216	2,200	7,600	5,400
Central Support and Service Admin	50,649	46,300	63,200	16,900
<b>Recharges</b>	<b>52,864</b>	<b>48,500</b>	<b>70,800</b>	<b>22,300</b>
<b>Land Charges</b>	<b>(30,804)</b>	<b>(64,300)</b>	<b>(4,900)</b>	<b>59,400</b>

**R175****Economic Development**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	105,075	206,500	216,000	9,500
Transport Related Expenses	1,921	1,500	1,500	0
Supplies & Services	154,198	168,900	15,600	(153,300)
Third Party Payments	24,077	0	0	0
Revenue Income	(22,560)	(178,100)	(28,100)	150,000
<b>Controllable</b>	<b>262,710</b>	<b>198,800</b>	<b>205,000</b>	<b>6,200</b>
Supplies & Services Related Recharges	2,245	3,000	2,200	(800)
Central Support and Service Admin	36,776	40,200	57,400	17,200
<b>Recharges</b>	<b>39,021</b>	<b>43,200</b>	<b>59,600</b>	<b>16,400</b>
<b>Economic Development</b>	<b>301,732</b>	<b>242,000</b>	<b>264,600</b>	<b>22,600</b>

**R640****Housing Strategy**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance to</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>Original</b>
	<b>£</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Budget</b>
		<b>£</b>	<b>£</b>	<b>2017-18</b>
				<b>£</b>
Employee Expenses	81,204	143,400	108,800	(34,600)
Transport Related Expenses	701	600	600	0
Supplies & Services	7,564	1,100	1,100	0
Revenue Income	(18,472)	(15,700)	(24,900)	(9,200)
<b>Controllable</b>	<b>70,997</b>	<b>129,400</b>	<b>85,600</b>	<b>(43,800)</b>
Supplies & Services Related Recharges	1,118	1,300	1,800	500
Central Support and Service Admin	22,802	19,700	34,300	14,600
<b>Recharges</b>	<b>23,920</b>	<b>21,000</b>	<b>36,100</b>	<b>15,100</b>
Capital Financing Charges	186,000	0	0	0
<b>Capital</b>	<b>186,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing Strategy</b>	<b>280,917</b>	<b>150,400</b>	<b>121,700</b>	<b>(28,700)</b>

## Resources & Reputation

	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Division</b>				
Organisational Development	0	(0)	0	0
Corporate Management	913,911	1,023,200	1,038,200	15,000
Health & Safety and Emergency Planning	7,046	9,700	7,700	(2,000)
Legal Services	(0)	0	0	(0)
Postages	0	0	0	(0)
Registration Of Electors	141,034	163,400	157,600	(5,800)
Elections	17,679	3,000	1,600	(1,400)
Estates & Valuation	0	(0)	0	0
Public Land & Buildings	98,354	9,700	(15,800)	(25,500)
Information Technology	0	(0)	0	0
Sales & Marketing	0	0	0	0
Business Units	(31,309)	(11,500)	(7,300)	4,200
Public Offices	(799)	(6,000)	(6,200)	(200)
Corporate Administration	0	0	0	0
Financial Services	0	0	0	0
Customer Services	0	(0)	0	0
Insurance Premiums	23,556	(0)	0	0
Revenues-Local Taxation	490,847	475,500	581,000	105,500
Central Provisions Account	(17,548)	296,000	440,000	144,000
Non Distributed Costs	311,990	124,200	128,900	4,700
Corporate Income & Expenditure	169,083	282,000	266,200	(15,800)
Movement in Reserves (MiRs)	(806,342)	(532,600)	(1,056,100)	(523,500)
<b>Total Resources &amp; Reputation Portfolio Budget</b>	<b>1,317,502</b>	<b>1,836,600</b>	<b>1,535,800</b>	<b>(300,800)</b>

### Transfer to/(from) Earmarked Reserves

Resources & Reputation	40,626	(597,300)	(90,600)	506,700
<b>Total Reserves</b>	<b>40,626</b>	<b>(597,300)</b>	<b>(90,600)</b>	<b>506,700</b>

<b>TOTAL</b>	<b>1,358,128</b>	<b>1,239,300</b>	<b>1,445,200</b>	<b>205,900</b>
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	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Variance to Original Budget 2017-18 £
<b>Consisting of</b>				
Employee Expenses	4,158,178	4,116,400	4,038,500	(77,900)
Premises Related Expenses	513,570	499,200	473,000	(26,200)
Transport Related Expenses	9,717	13,400	13,400	0
Supplies & Services	2,496,815	2,106,300	2,216,200	109,900
Third Party Payments	100,717	81,700	60,700	(21,000)
Capital Interest	1,301,382	1,338,800	913,900	(424,900)
Revenue Income	(2,220,832)	(1,144,400)	(1,137,400)	7,000
<b>Controllable</b>	<b>6,359,547</b>	<b>7,011,400</b>	<b>6,578,300</b>	<b>(433,100)</b>

<b>Consisting of</b>				
Premises Related Recharges	62,901	60,800	45,700	(15,100)
Transport Related Recharges	4,521	10,200	4,800	(5,400)
Supplies & Services Related Recharges	62,631	67,100	50,800	(16,300)
Central Support and Service Admin	2,188,414	2,323,800	1,999,700	(324,100)
Internal Recharges	(5,744,239)	(6,270,500)	(5,689,400)	581,100
<b>Recharges</b>	<b>(3,425,772)</b>	<b>(3,808,600)</b>	<b>(3,588,400)</b>	<b>220,200</b>

<b>Consisting of</b>				
Capital Financing Charges	194,023	187,000	197,700	10,700
Capital Entries	(1,810,297)	(1,553,200)	(1,651,800)	(98,600)
<b>Capital</b>	<b>(1,616,274)</b>	<b>(1,366,200)</b>	<b>(1,454,100)</b>	<b>(87,900)</b>

<b>Total Resources &amp; Reputation</b>	<b>1,317,502</b>	<b>1,836,600</b>	<b>1,535,800</b>	<b>(300,800)</b>
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<b>Consisting of</b>				
Transfer to Reserves	333,665	101,900	126,900	25,000
Transfer from Reserves	(293,039)	(699,200)	(217,500)	481,700
<b>Reserves</b>	<b>40,626</b>	<b>(597,300)</b>	<b>(90,600)</b>	<b>506,700</b>

<b>Transfer to/from Earmarked Reserves</b>	<b>40,626</b>	<b>(597,300)</b>	<b>(90,600)</b>	<b>506,700</b>
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<b>TOTAL</b>	<b>1,358,128</b>	<b>1,239,300</b>	<b>1,445,200</b>	<b>205,900</b>
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**R130****Organisational Development**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	260,490	280,900	281,500	600
Transport Related Expenses	612	700	700	0
Supplies & Services	20,451	19,500	21,500	2,000
Third Party Payments	38,585	21,500	21,500	0
Revenue Income	(16,706)	(18,900)	(23,300)	(4,400)
<b>Controllable</b>	<b>303,432</b>	<b>303,700</b>	<b>301,900</b>	<b>(1,800)</b>
Premises Related Recharges	1	0	0	0
Supplies & Services Related Recharges	3,712	4,300	3,200	(1,100)
Central Support and Service Admin	62,898	94,300	63,000	(31,300)
Internal Recharges	(370,043)	(402,300)	(368,100)	34,200
<b>Recharges</b>	<b>(303,432)</b>	<b>(303,700)</b>	<b>(301,900)</b>	<b>1,800</b>
<b>Organisational Development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R145****Corporate Management**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	502,274	549,000	566,700	17,700
Transport Related Expenses	2,816	3,700	3,700	0
Supplies & Services	162,142	171,400	173,200	1,800
Revenue Income	(1,628)	0	0	0
<b>Controllable</b>	<b>665,604</b>	<b>724,100</b>	<b>743,600</b>	<b>19,500</b>
Supplies & Services Related Recharges	7,796	9,000	6,700	(2,300)
Central Support and Service Admin	708,253	799,000	576,500	(222,500)
Internal Recharges	(467,741)	(508,900)	(288,600)	220,300
<b>Recharges</b>	<b>248,307</b>	<b>299,100</b>	<b>294,600</b>	<b>(4,500)</b>
<b>Corporate Management</b>	<b>913,911</b>	<b>1,023,200</b>	<b>1,038,200</b>	<b>15,000</b>

**R150****Health & Safety and Emergency Planning**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	54,664	52,200	54,700	2,500
Transport Related Expenses	438	300	300	0
Supplies & Services	13,318	15,800	15,800	0
Third Party Payments	6,490	9,200	7,200	(2,000)
<b>Controllable</b>	<b>74,910</b>	<b>77,500</b>	<b>78,000</b>	<b>500</b>
Supplies & Services Related Recharges	667	800	600	(200)
Central Support and Service Admin	20,623	31,000	24,000	(7,000)
Internal Recharges	(89,154)	(99,600)	(94,900)	4,700
<b>Recharges</b>	<b>(67,864)</b>	<b>(67,800)</b>	<b>(70,300)</b>	<b>(2,500)</b>
<b>Health &amp; Safety and Emergency Planning</b>	<b>7,046</b>	<b>9,700</b>	<b>7,700</b>	<b>(2,000)</b>

**R160****Legal Services**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	281,195	294,400	298,700	4,300
Transport Related Expenses	153	900	900	0
Supplies & Services	65,820	39,300	39,300	0
Revenue Income	(32,086)	(10,500)	(16,700)	(6,200)
<b>Controllable</b>	<b>315,082</b>	<b>324,100</b>	<b>322,200</b>	<b>(1,900)</b>
Supplies & Services Related Recharges	4,307	4,700	3,700	(1,000)
Central Support and Service Admin	51,971	55,500	45,000	(10,500)
Internal Recharges	(371,360)	(384,300)	(370,900)	13,400
<b>Recharges</b>	<b>(315,082)</b>	<b>(324,100)</b>	<b>(322,200)</b>	<b>1,900</b>
<b>Legal Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R165****Central Print Room**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	5,407	5,700	6,100	400
Transport Related Expenses	12	100	100	0
Supplies & Services	31,535	33,600	28,600	(5,000)
Revenue Income	(71)	0	0	0
<b>Controllable</b>	<b>36,882</b>	<b>39,400</b>	<b>34,800</b>	<b>(4,600)</b>
Supplies & Services Related Recharges	83	100	100	0
Central Support and Service Admin	6,884	7,700	7,100	(600)
Internal Recharges	(43,849)	(47,200)	(42,000)	5,200
<b>Recharges</b>	<b>(36,882)</b>	<b>(39,400)</b>	<b>(34,800)</b>	<b>4,600</b>
<b>Central Print Room</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R170****Postages**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Supplies & Services	50,613	60,300	55,300	(5,000)
Revenue Income	(751)	(100)	(700)	(600)
<b>Controllable</b>	<b>49,863</b>	<b>60,200</b>	<b>54,600</b>	<b>(5,600)</b>
Central Support and Service Admin	58	0	0	0
Internal Recharges	(49,921)	(60,200)	(54,600)	5,600
<b>Recharges</b>	<b>(49,863)</b>	<b>(60,200)</b>	<b>(54,600)</b>	<b>5,600</b>
<b>Postages</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>



**R177****Registration Of Electors**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	69,110	85,000	77,300	(7,700)
Transport Related Expenses	32	300	300	0
Supplies & Services	57,335	23,800	23,800	0
Revenue Income	(34,582)	(1,900)	(1,900)	0
<b>Controllable</b>	<b>91,895</b>	<b>107,200</b>	<b>99,500</b>	<b>(7,700)</b>
Supplies & Services Related Recharges	1,158	400	1,100	700
Central Support and Service Admin	47,980	55,800	57,000	1,200
<b>Recharges</b>	<b>49,138</b>	<b>56,200</b>	<b>58,100</b>	<b>1,900</b>
<b>Registration Of Electors</b>	<b>141,034</b>	<b>163,400</b>	<b>157,600</b>	<b>(5,800)</b>

**R180****Elections**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	128,224	0	0	0
Premises Related Expenses	30,121	0	0	0
Supplies & Services	142,495	0	0	0
Revenue Income	(307,006)	0	0	0
<b>Controllable</b>	<b>(6,166)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Supplies & Services Related Recharges	3,800	1,400	0	(1,400)
Central Support and Service Admin	18,456	0	0	0
<b>Recharges</b>	<b>22,256</b>	<b>1,400</b>	<b>0</b>	<b>(1,400)</b>
Capital Financing Charges	1,589	1,600	1,600	0
<b>Capital</b>	<b>1,589</b>	<b>1,600</b>	<b>1,600</b>	<b>0</b>
<b>Elections</b>	<b>17,679</b>	<b>3,000</b>	<b>1,600</b>	<b>(1,400)</b>

**R182****Estates & Valuation**

	<b>Actual</b>	<b>Original</b>	<b>Original</b>	<b>Variance</b>
	<b>2016-17</b>	<b>Budget</b>	<b>Budget</b>	<b>to</b>
	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>Original</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>Budget</b>
				<b>2017-18</b>
				<b>£</b>
Employee Expenses	72,777	86,000	128,000	42,000
Transport Related Expenses	293	500	500	0
Supplies & Services	60,816	37,700	37,700	0
Revenue Income	9,661	0	0	0
<b>Controllable</b>	<b>143,547</b>	<b>124,200</b>	<b>166,200</b>	<b>42,000</b>
Supplies & Services Related Recharges	1,152	1,300	1,100	(200)
Central Support and Service Admin	35,168	47,400	78,700	31,300
Internal Recharges	(179,868)	(172,900)	(246,000)	(73,100)
<b>Recharges</b>	<b>(143,547)</b>	<b>(124,200)</b>	<b>(166,200)</b>	<b>(42,000)</b>
<b>Estates &amp; Valuation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R185****Public Land & Buildings**

				Variance to Original Budget 2017-18
	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Original Budget 2017-18 £
Premises Related Expenses	8,972	13,100	11,000	(2,100)
Supplies & Services	7,821	3,300	3,300	0
Capital Interest	0	0	0	0
Revenue Income	(121,600)	(151,600)	(157,000)	(5,400)
<b>Controllable</b>	<b>(104,807)</b>	<b>(135,200)</b>	<b>(142,700)</b>	<b>(7,500)</b>
Premises Related Recharges	5,104	5,300	3,400	(1,900)
Central Support and Service Admin	192,909	133,400	117,200	(16,200)
<b>Recharges</b>	<b>198,013</b>	<b>138,700</b>	<b>120,600</b>	<b>(18,100)</b>
Capital Financing Charges	5,148	6,200	6,300	100
<b>Capital</b>	<b>5,148</b>	<b>6,200</b>	<b>6,300</b>	<b>100</b>
<b>Public Land &amp; Buildings</b>	<b>98,354</b>	<b>9,700</b>	<b>(15,800)</b>	<b>(25,500)</b>

**R300****Information Technology**

				Variance to Original Budget 2017-18
	Actual 2016-17 £	Original Budget 2017-18 £	Original Budget 2018-19 £	Original Budget 2017-18 £
Employee Expenses	318,565	409,400	285,200	(124,200)
Transport Related Expenses	640	800	800	0
Supplies & Services	557,953	743,000	751,900	8,900
Revenue Income	(8,213)	(12,600)	(12,600)	0
<b>Controllable</b>	<b>868,944</b>	<b>1,140,600</b>	<b>1,025,300</b>	<b>(115,300)</b>
Premises Related Recharges	5,671	5,700	4,400	(1,300)
Supplies & Services Related Recharges	4,932	5,000	5,800	800
Central Support and Service Admin	81,311	91,600	66,900	(24,700)
Internal Recharges	(972,005)	(1,244,700)	(1,104,200)	140,500
<b>Recharges</b>	<b>(880,092)</b>	<b>(1,142,400)</b>	<b>(1,027,100)</b>	<b>115,300</b>
Capital Financing Charges	11,148	1,800	1,800	0
<b>Capital</b>	<b>11,148</b>	<b>1,800</b>	<b>1,800</b>	<b>0</b>
<b>Information Technology</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

**R340****Communications & Publicity**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Employee Expenses	149,432	155,700	152,800	(2,900)
Transport Related Expenses	891	300	300	0
Supplies & Services	45,256	62,900	57,700	(5,200)
Revenue Income	(2,820)	(4,000)	(7,000)	(3,000)
<b>Controllable</b>	<b>192,759</b>	<b>214,900</b>	<b>203,800</b>	<b>(11,100)</b>
Supplies & Services Related Recharges	2,200	2,600	2,000	(600)
Central Support and Service Admin	58,988	75,100	56,400	(18,700)
Internal Recharges	(253,947)	(292,600)	(262,200)	30,400
<b>Recharges</b>	<b>(192,759)</b>	<b>(214,900)</b>	<b>(203,800)</b>	<b>11,100</b>
<b>Communications &amp; Publicity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

**R350****Sales & Marketing**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Employee Expenses	0	0	40,900	40,900
Supplies & Services	0	0	5,000	5,000
<b>Controllable</b>	<b>0</b>	<b>0</b>	<b>45,900</b>	<b>45,900</b>
Central Support and Service Admin	0	0	600	600
Internal Recharges	0	0	(46,500)	(46,500)
<b>Recharges</b>	<b>0</b>	<b>0</b>	<b>(45,900)</b>	<b>(45,900)</b>
<b>Sales &amp; Marketing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R410****Business Units**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Premises Related Expenses	104,985	106,200	108,000	1,800
Supplies & Services	0	1,000	1,000	0
Revenue Income	(200,884)	(203,300)	(206,400)	(3,100)
<b>Controllable</b>	<b>(95,899)</b>	<b>(96,100)</b>	<b>(97,400)</b>	<b>(1,300)</b>
Premises Related Recharges	4,923	5,000	5,800	800
Central Support and Service Admin	35,045	58,900	60,900	2,000
<b>Recharges</b>	<b>39,968</b>	<b>63,900</b>	<b>66,700</b>	<b>2,800</b>
Capital Financing Charges	24,622	20,700	23,400	2,700
<b>Capital</b>	<b>24,622</b>	<b>20,700</b>	<b>23,400</b>	<b>2,700</b>
<b>Business Units</b>	<b>(31,309)</b>	<b>(11,500)</b>	<b>(7,300)</b>	<b>4,200</b>

**R560****Public Offices**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Employee Expenses	107,692	126,400	135,400	9,000
Premises Related Expenses	352,880	343,400	317,500	(25,900)
Transport Related Expenses	4	0	0	0
Supplies & Services	64,547	64,100	57,700	(6,400)
Third Party Payments	130	0	0	0
Revenue Income	(233,510)	(226,500)	(244,900)	(18,400)
<b>Controllable</b>	<b>291,743</b>	<b>307,400</b>	<b>265,700</b>	<b>(41,700)</b>
Premises Related Recharges	47,202	44,800	32,100	(12,700)
Supplies & Services Related Recharges	2,386	2,500	1,700	(800)
Central Support and Service Admin	113,875	116,600	88,900	(27,700)
Internal Recharges	(586,362)	(612,800)	(538,000)	74,800
<b>Recharges</b>	<b>(422,898)</b>	<b>(448,900)</b>	<b>(415,300)</b>	<b>33,600</b>
Capital Financing Charges	130,356	135,500	143,400	7,900
<b>Capital</b>	<b>130,356</b>	<b>135,500</b>	<b>143,400</b>	<b>7,900</b>
<b>Public Offices</b>	<b>(799)</b>	<b>(6,000)</b>	<b>(6,200)</b>	<b>(200)</b>

**R800****Corporate Administration**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Employee Expenses	58,294	58,800	66,700	7,900
Supplies & Services	929	1,400	1,400	0
<b>Controllable</b>	<b>59,223</b>	<b>60,200</b>	<b>68,100</b>	<b>7,900</b>
Supplies & Services Related Recharges	978	1,100	800	(300)
Central Support and Service Admin	23,892	19,000	17,800	(1,200)
Internal Recharges	(84,093)	(80,300)	(86,700)	(6,400)
<b>Recharges</b>	<b>(59,223)</b>	<b>(60,200)</b>	<b>(68,100)</b>	<b>(7,900)</b>
<b>Corporate Administration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R805****Financial Services**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Employee Expenses	754,764	645,200	634,700	(10,500)
Transport Related Expenses	618	500	500	0
Supplies & Services	34,721	73,600	68,900	(4,700)
Third Party Payments	40,513	36,000	32,000	(4,000)
Revenue Income	(43,578)	(44,700)	(44,500)	200
<b>Controllable</b>	<b>787,038</b>	<b>710,600</b>	<b>691,600</b>	<b>(19,000)</b>
Supplies & Services Related Recharges	11,036	12,600	8,100	(4,500)
Central Support and Service Admin	184,931	156,600	159,700	3,100
Internal Recharges	(1,004,165)	(901,000)	(880,600)	20,400
<b>Recharges</b>	<b>(808,198)</b>	<b>(731,800)</b>	<b>(712,800)</b>	<b>19,000</b>
Capital Financing Charges	21,160	21,200	21,200	0
<b>Capital</b>	<b>21,160</b>	<b>21,200</b>	<b>21,200</b>	<b>0</b>
<b>Financial Services</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

**R820****Customer Services**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Employee Expenses	693,682	768,500	779,600	11,100
Transport Related Expenses	2,656	4,400	4,400	0
Supplies & Services	9,646	17,500	17,500	0
Third Party Payments	15,000	15,000	0	(15,000)
Revenue Income	(23,410)	(14,000)	(14,000)	0
<b>Controllable</b>	<b>697,575</b>	<b>791,400</b>	<b>787,500</b>	<b>(3,900)</b>
Supplies & Services Related Recharges	11,573	13,300	10,200	(3,100)
Central Support and Service Admin	154,543	186,900	144,300	(42,600)
Internal Recharges	(863,692)	(991,600)	(942,000)	49,600
<b>Recharges</b>	<b>(697,575)</b>	<b>(791,400)</b>	<b>(787,500)</b>	<b>3,900</b>
<b>Customer Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R825****Insurance Premiums**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Supplies & Services	416,242	394,100	312,600	(81,500)
Revenue Income	(18,445)	0	0	0
<b>Controllable</b>	<b>397,797</b>	<b>394,100</b>	<b>312,600</b>	<b>(81,500)</b>
Internal Recharges	(374,241)	(394,100)	(312,600)	81,500
<b>Recharges</b>	<b>(374,241)</b>	<b>(394,100)</b>	<b>(312,600)</b>	<b>81,500</b>
<b>Insurance Premiums</b>	<b>23,557</b>	<b>0</b>	<b>0</b>	<b>0</b>

**R835****Revenues-Local Taxation**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Employee Expenses	389,618	445,000	431,300	(13,700)
Transport Related Expenses	552	900	900	0
Supplies & Services	188,600	98,000	94,000	(4,000)
Revenue Income	(456,123)	(403,600)	(339,900)	63,700
<b>Controllable</b>	<b>122,647</b>	<b>140,300</b>	<b>186,300</b>	<b>46,000</b>
Transport Related Recharges	4,521	10,200	4,800	(5,400)
Supplies & Services Related Recharges	6,849	8,000	5,700	(2,300)
Central Support and Service Admin	390,629	395,000	435,700	40,700
Internal Recharges	(33,799)	(78,000)	(51,500)	26,500
<b>Recharges</b>	<b>368,200</b>	<b>335,200</b>	<b>394,700</b>	<b>59,500</b>
<b>Revenues-Local Taxation</b>	<b>490,847</b>	<b>475,500</b>	<b>581,000</b>	<b>105,500</b>

**R872****Central Provisions Account**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Employee Expenses	0	30,000	(30,000)	(60,000)
Premises Related Expenses	0	20,000	20,000	0
Supplies & Services	(17,548)	246,000	450,000	204,000
<b>Controllable</b>	<b>(17,548)</b>	<b>296,000</b>	<b>440,000</b>	<b>144,000</b>
<b>Central Provisions Account</b>	<b>(17,548)</b>	<b>296,000</b>	<b>440,000</b>	<b>144,000</b>

**R875****Non Distributed Costs**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Employee Expenses	311,990	124,200	128,900	4,700
<b>Controllable</b>	<b>311,990</b>	<b>124,200</b>	<b>128,900</b>	<b>4,700</b>
<b>Non Distributed Costs</b>	<b>311,990</b>	<b>124,200</b>	<b>128,900</b>	<b>4,700</b>

**R890****Corporate Income & Expenditure**

				Variance to Original Budget
	Actual 2016-17	Original Budget 2017-18	Original Budget 2018-19	Original Budget 2017-18
	£	£	£	£
Premises Related Expenses	16,612	16,500	16,500	0
Supplies & Services	584,123	0	0	0
Capital Interest	297,427	318,200	318,200	0
Revenue Income	(729,079)	(52,700)	(68,500)	(15,800)
<b>Controllable</b>	<b>169,083</b>	<b>282,000</b>	<b>266,200</b>	<b>(15,800)</b>
<b>Corporate Income &amp; Expenditure</b>	<b>169,083</b>	<b>282,000</b>	<b>266,200</b>	<b>(15,800)</b>

R891

**Movement in Reserves (MiRs)**

				Variance to
	Actual	Original	Original	Original
	2016-17	Budget	Budget	Budget
	2016-17	2017-18	2018-19	2017-18
	£	£	£	£
Capital Interest	1,003,955	1,020,600	595,700	(424,900)
<b>Controllable</b>	<b>1,003,955</b>	<b>1,020,600</b>	<b>595,700</b>	<b>(424,900)</b>
Capital Entries	(1,810,297)	(1,553,200)	(1,651,800)	(98,600)
<b>Capital</b>	<b>(1,810,297)</b>	<b>(1,553,200)</b>	<b>(1,651,800)</b>	<b>(98,600)</b>
<b>Movement in Reserves (MiRs)</b>	<b>(806,342)</b>	<b>(532,600)</b>	<b>(1,056,100)</b>	<b>(523,500)</b>

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## **Community Development Portfolio**

### **Revenue Budget Summary 2018-19**

#### **Major Variances in Net Controllable Expenditure**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Democratic Mgt & Representation**

No major variances.

#### **Localities**

Variance due to events re-organisation.

#### **Community Grants**

Variance mainly due to a reduction in Parish Grants as part of the efficiency proposals.

#### **The Arts & Tourism**

Variances mainly due to removal of Tourism budget and re-organisation of events budget.

#### **Sports Development**

Variance mainly due to an increase in rental income.

#### **Community Centres**

Variance mainly due to increase in NNDR payment at community centres.

#### **Events & Play**

Variance due to events re-organisation.

## **Housing, Health & Well-being Portfolio**

### **Revenue Budget Summary 2018-19**

#### **Major Variances in Net Controllable Expenditure**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Housing Needs**

Variance due to new grants for the prevention and reduction of Homelessness, offset by the associated temporary staff and running costs.

#### **Calverton Leisure Centre**

Variances mainly due the removal of the soft play scheme, partly offset by the rationalisation of staffing and increased income as part of the efficiency targets. A new joint use agreement has been agreed leading to a rise in recharges for utilities offset by additional contributions from

#### **Carlton Forum Leisure Centre**

Variance mainly due to an increase in NNDR arising from national revaluation and the rationalisation of staffing and increased income as part of the efficiency targets.

#### **Redhill Leisure Centre**

Varaince mainly due to an increase in NNDR charges following a revaluation of the property and additional staff joining the superannuation scheme.

#### **Arnold Theatre**

Variances mainly due to an increase in production costs for the cinema and theatre, offset by additional associated income.

#### **Arnold Leisure Centre**

Variances mainly due the rationalisation of staffing and increased income as part of the efficiency targets. Also following revaluation of the property there has been a decrease in NNDR charges.

#### **Richard Herrod**

Variance mainly due to savings from solar panel generated electricity and the rationalisation of staffing and increased income as part of the efficiency targets. This has been partly offset by a reduction in bar income.

#### **Health & Exercise**

Staffing removed as part of efficiency proposals, service to be delivered from leisure sites.

#### **Council Tax Benefits**

The run off of the CTB scheme, which was abolished in 2013, continues to slow.

**Rent Allowances**

The caseload is expected to fall in 2018/19 as the transfer of claimants to Universal Credit gains pace. The majority of benefits expenditure is subsidised by central government at a rate of 100% but in some cases this is reduced, creating a cost to the general fund. Volatility around the levels of overpayment remains high, and the contribution to the bad debt provision has increased in recognition of the transfer of cases to Universal Credit where overpayments can no longer be recovered on a weekly basis but must be invoiced by sundry debtor.

**Housing Benefit Administration**

Variance due to staffing reductions to meet efficiency targets agreed in 2017-18. Also a reduction in the Housing Benefit Admin Subsidy grant and Localised Council Tax Support Admin Subsidy grant

**Rent Rebates**

No major variance.

## **Public Protection Portfolio**

### **Revenue Budget 2018-19**

#### **Major Variances in Net Controllable Expenditure:**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Licencing & Hackney Carriages**

Variance mainly due to an increase in licence fees and the removal of an administration assistant as part of a restructure.

#### **Environmental Protection**

Variance due to a change in salary splits partly offset by the removal of a Support Officer post as part of a staff re-structure.

#### **Food, Health & Safety**

Variance due to a change in salary splits and the removal of a support officer post due to staff re-structure.

#### **Comm Protection & Dog Control**

Variance due to efficiencies arising from staffing review, removal of the crime prevention scheme funded from earmarked grant reserve and savings from CCTV contract. In addition other savings are from a staff re-structure offset with changes in salary splits across the service area.

#### **Private Sector Housing**

Variance due to the extension of the temporary empty homes officer post and changes in salary splits, partly offset by the additional capitalisation of salaries to administer Disabled Facilities Grant, and additional income from the introduction of the selective licencing scheme.

## **Environment Portfolio**

### **Revenue Budget Summary 2018-19**

#### **Major Variances in Net Controllable Expenditure**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Waste Management**

Variance is partly due to savings arising from the restructure of waste management and fleet services. Other savings are as a result of admin staff costs being separated out and transferred to a new service division below called "Direct Services Service Support", a reduction in bin purchases and additional income from bulky waste, garden waste, recycling credits and a new income stream for charging for the supply of bins on new developments.

#### **Trade Waste**

Variance is mainly due to admin staff costs being separated out and transferred to a new service division called "Direct Services Service Support" below and savings on bin purchases.

#### **Street Care**

Variance due to staffing efficiency proposals and the movement of staff to Waste following the restructure of Environmental Services.

#### **Public Conveniences**

No major variances.

#### **Direct Services Service Support**

Variance is mainly due to the waste management and fleet restructure and admin staff costs being separated out from other service areas and transferred to this new service division

#### **Building Services**

Variance mainly due to staff savings resulting from the departmental restructure and 2018/19 efficiency savings, offset by the creation of a Property Surveyor post within Estates & Valuation.

#### **Car Parks**

Variance mainly due to increased income from Long Stay Permits and Pay & Display machines and lower stationery expenditure, offset by increased NNDR charges arising from national revaluation.

#### **Fleet Management**

Variance is largely as a result of savings arising from the waste management and fleet restructure and IT software/licence costs having been transferred to the Resources & Reputation Portfolio.

**Parks**

Variance due to the removal of a temporary budget for drainage surveys (offset by a reserve), additional income from Gedling Country Park Visitor Centre Cafe, staffing efficiency proposals and the movement of staff to Waste following the restructure of Environmental Services and efficiency savings from reduced floral displays and hanging baskets.

**Parks - External Works**

Variance due to the addition of two new Tree Teams and the Pet Cremation Service, the staffing efficiency proposals and the movement of staff to Waste following the restructure of Environmental Services.

**Cemeteries**

Variance due to the inflationary increase to Cemetery Fees, staffing efficiency proposals and the movement of staff to Waste following the restructure of Environmental Services.

## **Growth & Regeneration Portfolio**

### **Revenue Budget Summary 2018-19**

#### **Major Variances in Net Controllable Expenditure**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Development Service Support**

Variance mainly due to the transfer of admin staff to Building Control to reflect the current workload.

#### **Development Management**

Variance mainly due to the removal of HCA consultancy funding (offset by reserve) and the statutory increase in planning fee income partly offset by a new post for conservation work.

#### **Planning Policy**

No major variances.

#### **Building Control Account**

No major variances.

#### **Building Control Fee Earning Account**

Variance mainly due to an increase in building control income, offset by the changes in salary splits and additional admin staff recharges.

#### **Land Charges**

Variance mainly due to a reduction in income based on current volumes of land searches.

#### **Economic Development**

Variance mainly due to the removal of one off consultancy fees offset by a contribution from reserve.

#### **Housing Strategy**

Variance due to increased income from the sharing of a Housing Strategy post with another authority.

## **Resources & Reputation Portfolio**

### **Revenue Budget 2018-19**

#### **Major Variances in Net Controllable Expenditure:**

Major variances within Employee Expenses are mainly due to the increase in staffing costs as a result of the pay award, incremental changes and pay line review. Other major variances are detailed below.

#### **Organisational Development**

Variance due to creation of the "Our Gedling Budget", offset by reductions to the employee conference and workplace health budgets.

#### **Corporate Management**

Variance mainly due to increased employee costs and banking charges, partially offset by removal of the 'Leadership of Place Fund' as part of the efficiency proposals.

#### **Health & Safety and Emergency Planning**

Increased employee costs offset by efficiency savings from the Emergency Planning budget.

#### **Legal Services**

Variance mainly due to increased income as part of the efficiency proposals.

#### **Central Print Room**

No major variances.

#### **Postages**

Variance due to a reduction in postage as part of the efficiency proposals.

#### **Registration of Electors**

No major variances.

#### **Elections**

No variances.

#### **Estates & Valuation**

Variance mainly due to the creation of a Property Surveyor post as part of the departmental restructure, offset by the removal of the Facilities Surveyor post within Building Services.

#### **Public Land & Buildings**

Variance mainly due to the removal of the contribution to the Shop & Garage Reserve and the additional rental income from the Cemetery Lodge at Carlton.

#### **Information Technology**

Variance mainly due to the removal of a redundancy payment offset by a reserve and minor changes on software licences.

#### **Communications & Publicity**

No major variances.



**Sales & Marketing**

Variance due to the employment of the new Sales & Marketing Manager post.

**Business Units**

Variance due to increased rental income offset by higher property insurance.

**Public Offices**

Variance mainly due to the removal of the Home Brewery rent, additional income from office rental and reduced insurance recharges.

**Corporate Administration**

No major variances.

**Financial Services**

Variance mainly due to the early delivery of staffing, consultancy and audit efficiency savings.

**Customer Services**

Variance due to a restructure of staffing to meet efficiency targets.

**Insurance Premiums**

Variance due to contract renewal savings partly offset by the contribution to Reserves to cover insurance excess payments.

**Revenues - Local Taxation**

Variance due to a reduction in Summons Costs levied partly offset by a reduction in staffing as part of the efficiency proposals.

**Central Provisions Account**

Variance due to an increase in the Transformation Fund for 2018/19 Budget Reduction programme and an increase in the Budget Reduction Risk Reserve, partly offset by the removal of the Superannuation Auto Enrolment Provision and the delivery of 2018/19 efficiency proposals.

**Non Distributed Costs**

Variance due to an increase in Pension Increase Act payments.

**Corporate Income & Expenditure**

Variance mainly due to increased interest income.

**Movement In Reserves (MIRS)**

Variance mainly due to the removal of Direct Revenue Financing offset by contributions from reserves and a reduction in MRP.

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## Appendix 4

### Major Inflation Indices - Medium Term Financial Plan

	2018/19	2019/20	2020/21	2021/22	2021/22
Council Tax (Excluding Taxbase Changes)	£5 (3.16%) £181,500	£5 (3.07%) £181,500	£5 (2.97%) £181,500	£5 (2.89%) £181,500	£5 (2.81%) £181,500
Pay Award (average)	3.0% £396,900	2.8% £370,000	2.0% £272,000	2.0% £277,000	2.0% £283,000
Superannuation % increase in Contribution Rate	0	0	0	0	0
Premises Expenses:	%	%	%	%	%
Gas	0	2.5	2.5	2.5	2.5
Electricity	0	2.5	2.5	2.5	2.5
Water	2	2	2	2	2
NNDR	2	2	2	2	2
General Supplies & Services	0	0	0	0	0
Discretionary Income	3	3	3	3	3
Vacancy Provision	-£90,000	-£90,000	-£90,000	-£90,000	-£90,000

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**Budget Reduction Proposals 2018/19 to 2020/21 - Summarised by Type**

Summary 2018 to 2020	Efficiency and Effectiveness £	Contract Management £	Income Generation £	Total £
Community Development	42,800	15,000	5,000	62,800
Health, Housing and Wellbeing	102,000	0	0	102,000
Public Protection	89,000	10,000	67,000	166,000
Environment	121,400	0	250,300	371,700
Growth and Regeneration	68,000	0	90,000	158,000
Resources and Reputation	330,900	26,000	214,900	571,800
<b>Total</b>	<b>754,100</b>	<b>51,000</b>	<b>627,200</b>	<b>1,432,300</b>

**Analysed by Year**

A) 2018/19	Efficiency and Effectiveness £	Contract Management £	Income Generation £	Total
Community Development	13,800	15,000	0	28,800
Health, Housing and Wellbeing	0	4,000	0	4,000
Public Protection	57,000	19,800	30,000	106,800
Environment	87,200	0	150,000	237,200
Growth and Regeneration	37,600	0	70,000	107,600
Resources and Reputation	118,700	0	112,900	231,600
<b>Total</b>	<b>314,300</b>	<b>38,800</b>	<b>362,900</b>	<b>716,000</b>

B) 2019/20	Efficiency and Effectiveness £	Contract Management £	Income Generation £	Total
Community Development	6,500	0	0	6,500
Health, Housing and Wellbeing	50,000	38,000	0	88,000
Public Protection	7,000	9,700	14,000	30,700
Environment	34,200	0	69,300	103,500
Growth and Regeneration	3,400	0	10,000	13,400
Resources and Reputation	67,100	26,000	44,000	137,100
<b>Total</b>	<b>168,200</b>	<b>73,700</b>	<b>137,300</b>	<b>379,200</b>

C) 2020/21	Efficiency and Effectiveness £	Contract Management £	Income Generation £	Total
Community Development	22,500	0	5,000	27,500
Health, Housing and Wellbeing	0	10,000	0	10,000
Public Protection	5,500	0	23,000	28,500
Environment	1,000	0	30,000	31,000
Growth and Regeneration	27,000	0	10,000	37,000
Resources and Reputation	145,100	0	58,000	203,100
<b>Total</b>	<b>201,100</b>	<b>10,000</b>	<b>126,000</b>	<b>337,100</b>

<b>Grand Total</b>	<b>683,600</b>	<b>122,500</b>	<b>626,200</b>	<b>1,432,300</b>
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**Community Development Portfolio**

Service Area	Description	Efficiency Type			Inclusion in 2018/19 Budgets and MTFP			
		Efficiency and Effectiveness £	Contract Management £	Income Generation £	2018/19 £	2019/20 £	2020/21 £	Total £
Community & Parish Grants	Re-negotiation of current advice and support contracts.		15,000		15,000			36,500
	Review and re-allocation of grants.	2,500			2,500			
	Remove parish grant for Council Tax Reduction Scheme.	19,000			4,000	4,000	11,000	
Overall Service	Removal of officer post.	5,200			5,200			5,200
Sports Development	Reduce changing lifestyles budget by increasing external funding.	3,000					3,000	3,000
Democratic Mgt and Rep	Reduction in member training budget.	1,000			1,000			18,100
	Reduction of civic hospitality budget.	5,000				2,500	2,500	
	Reduce civic chauffeuring budget.	6,000					6,000	
	Reduction in hospitality budget.	600			600			
	Remove project & activity budget.	500			500			
	Additional income from external customers.			5,000			5,000	
<b>TOTAL</b>		<b>42,800</b>	<b>15,000</b>	<b>5,000</b>	<b>28,800</b>	<b>6,500</b>	<b>27,500</b>	<b>62,800</b>

**Housing Health & Wellbeing Portfolio**

Service Area	Description	Efficiency Type			Inclusion in 2018/19 Budgets and MTFP			
		Efficiency and Effectiveness £	Contract Management £	Income Generation £	2018/19 £	2019/20 £	2020/21 £	Total £
Leisure	Potential savings from partnership working.	50,000				50,000		50,000
Housing Benefit Administration	Investment in digitalisation and reduction in staffing.	52,000			4,000	38,000	10,000	52,000
<b>TOTAL</b>		<b>102,000</b>	<b>0</b>	<b>0</b>	<b>4,000</b>	<b>88,000</b>	<b>10,000</b>	<b>102,000</b>

**Public Protection Portfolio**

Service Area	Description	Efficiency Type		
		Efficiency and Effectiveness £	Contract Management £	Income Generation £
Licensing and Hackney Carriages	Increase in controllable licence fees.			48,000
Environmental Protection	Remove contribution to Eco Stars Scheme.	7,000		
	Bring external pest control in-house.	5,500		
Food Health and Safety	Increase in water sampling fees			1,000
Community Protection and Dog Control	Deletion of vacant post.	30,000	10,000	
	Alternate delivery model for CCTV monitoring.			
	Review of domestic violence scheme.	20,000		
	Review and deletion of officer post.	19,500		
Renovation Grants	Income from introduction of Selective Licencing Scheme.			11,000
	Increase in licencing fees.			7,000
	Additional Disabled Facilities Grant to cover capitalised salaries.	7,000		
<b>TOTAL</b>		<b>89,000</b>	<b>10,000</b>	<b>67,000</b>

Inclusion in 2018/19 Budgets and MTFP			
2018/19 £	2019/20 £	2020/21 £	Total £
25,000	1,000	22,000	<b>48,000</b>
	7,000	5,500	<b>12,500</b>
	1,000		<b>1,000</b>
30,000			<b>79,500</b>
10,000			
20,000			
9,800	9,700		
5,000	5,000	1,000	<b>11,000</b>
	7,000		<b>7,000</b>
7,000			<b>7,000</b>
<b>106,800</b>	<b>30,700</b>	<b>28,500</b>	<b>166,000</b>



**Environment Portfolio**

Service Area	Description	Efficiency Type		
		Efficiency and Effectiveness £	Contract Management £	Income Generation £
Parks and Street Care - Parks	Additional income from new grounds maintenance team.			26,800
	Reduction in floral displays & hanging baskets.	6,200		
	Income from catering concession			30,000
Cemeteries	Income from Pet Cremation Service.			37,500
Overall Service	Management review in Parks & Street Care.	34,200		
	Waste & Fleet Re-structure.	59,000		
Waste Management	Increase in trade waste prices.			12,000
	Increase in garden waste prices.			38,000
	Increase in bulky waste prices.			30,000
	Introduce charge for bins on new developments.			46,000
	Reduction in non-contractual overtime.	3,000		
	Growth in waste customers.			20,000
Fleet Management	Revise Vehicle licence estimate.	3,000		
	Reduction in non-contractual overtime.	1,000		
	Savings due to purchase of fuel efficient vehicles.	9,000		
Building Services	Re-structure of working practices.	6,000		
Car Parks	Increase in permit charges.			10,000
<b>TOTAL</b>		<b>121,400</b>	<b>0</b>	<b>250,300</b>

Inclusion in 2018/19 Budgets and MTFP			
2018/19 £	2019/20 £	2020/21 £	Total £
	5,800	21,000	
6,200			<b>63,000</b>
15,000	15,000		
	37,500		<b>37,500</b>
	34,200		
59,000			<b>93,200</b>
12,000			
38,000			
21,000		9,000	
34,000	11,000	1,000	<b>149,000</b>
3,000			
20,000			
3,000			
1,000			<b>13,000</b>
9,000			
6,000			<b>6,000</b>
10,000			<b>10,000</b>
<b>237,200</b>	<b>103,500</b>	<b>31,000</b>	<b>371,700</b>

**Growth and Regeneration Portfolio**

Service Area	Description	Efficiency Type		
		Efficiency and Effectiveness £	Contract Management £	Income Generation £
Building Control and Development Management	Additional Building Control income.			30,000
	Income from street naming.			10,000
	Additional income from growth in planning applications.			50,000
Development Support Services	Deletion of vacant posts.	33,100		
	Deletion of budgets for miscellaneous expenditure.	4,500		
Planning Policy	Removal of software budget.	3,400		
Economic Development, Regeneration & Housing Strategy	Review of staffing.	27,000		
<b>TOTAL</b>		<b>68,000</b>	<b>0</b>	<b>90,000</b>

Inclusion in 2018/19 Budgets and MTFP			
2018/19 £	2019/20 £	2020/21 £	Total £
10,000	10,000	10,000	<b>90,000</b>
10,000			
50,000			
33,100			<b>37,600</b>
4,500			
	3,400		<b>3,400</b>
		27,000	<b>27,000</b>
<b>107,600</b>	<b>13,400</b>	<b>37,000</b>	<b>158,000</b>

## Resources and Reputation Portfolio

Service Area	Description	Efficiency Type		
		Efficiency and Effectiveness £	Contract Management £	Income Generation £
Corporate Management	Removal of Leadership of Place fund. Review of management. Reduction in subscriptions. Review of External Audit contract.	5,000 60,000 500	6,000	
PA Support	Review of PA support.	15,300		
Health & Safety	Saving on occupational health.	1,000		
Emergency Planning	Contractual savings.	2,000		
Revenues - Local Tax	Review of staffing & increase in digitalisation.	52,000		
Financial Services	Reduction in consultancy. Review of staffing resources.	2,200 42,800		
Audit, Risk, Insurance Admin	Reduction in audit days.	6,000		
Procurement	Review of processes.	4,000		
Central Provisions	Review and removal of provision.	10,000		
Insurance Consultancy	Removal of consultancy support.	10,000		
Insurance Premiums	Savings from renewal of contract.		20,000	
Capital Financing	Increase in capital receipts and lower borrowing .			62,000
Corporate income & expenditure	Lower interest on borrowing due to higher capital receipts.			29,000
Organisational Development	Additional income from apprentice training. Re-structure to support new ways of working.	18,600		4,400
Legal	Additional Legal Services income and more effective recovery of legal fees.			25,000
Customer Services Print Room, Communications and Publicity.	Increase sponsorship. Reductions in miscellaneous budgets. Saving from review of printing budgets.	1,200 10,500		4,500
Customer Services	Review and rationalisation of payment methods. Review of staffing.	16,700 73,100		
Public Offices	Income from new leases.			30,000
Public Land & Building	Income from new leases. Additional income from rent reviews.			8,000 2,000
Commercial Property	Income from property leases.			50,000
<b>TOTAL</b>		<b>330,900</b>	<b>26,000</b>	<b>214,900</b>

Inclusion in 2018/19 Budgets and MTFP			
2018/19 £	2019/20 £	2020/21 £	Total £
5,000 30,000 500	30,000 6,000		71,500
		15,300	15,300
		1,000	1,000
2,000			2,000
38,000	4,000	10,000	52,000
2,200	7,300	35,500	45,000
3,000	3,000		6,000
4,000			4,000
10,000			10,000
10,000			10,000
	20,000		20,000
62,000			62,000
29,000			29,000
4,400			23,000
8,800	5,200	4,600	
5,000	10,000	10,000	25,000
4,500 700 4,500	500 1,000		16,200
	16,100	16,700 57,000	89,800
		30,000	30,000
8,000			10,000
	2,000		
	32,000	18,000	50,000
<b>231,600</b>	<b>137,100</b>	<b>203,100</b>	<b>571,800</b>

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## Movement on Earmarked Reserves

Reserve	Original Estimate 2017/18				Revised Estimate 2017/18				Original Estimate 2018/19			
	Opening Balance 01/04/17	Transfer to Reserve	Transfer from Reserve	Balance 31/03/18	Opening Balance 01/04/17	Transfer to Reserve	Transfer from Reserve	Balance 31/03/18	Opening Balance 01/04/18	Transfer to Reserve	Transfer from Reserve	Balance 31/03/19
	£	£	£	£	£	£	£	£	£	£	£	£
Leisure Strategy Reserve	(141,500)			(141,500)	(141,500)			(141,500)	(141,500)			(141,500)
Joint Use & Base Maintenance Reserve	(32,100)			(32,100)	(32,100)			(32,100)	(32,100)			(32,100)
Redhill Football Pitch Sinking Fund	0	(18,000)		(18,000)	0	(18,000)		(18,000)	(18,000)	(18,000)		(36,000)
Pub/Shop Radio Replacement Reserve	(20,000)	(3,500)		(23,500)	(20,000)	(3,500)		(23,500)	(23,500)	(3,500)		(27,000)
Building Control Reserve	(29,200)			(29,200)	(29,200)			(29,200)	(29,200)			(29,200)
Shops & Garages Repairs Reserve	0	(10,000)		(10,000)	0	(10,000)		(10,000)	(10,000)			(10,000)
Community & Crime Reserves	(33,400)		11,900	(21,500)	(33,400)		11,900	(21,500)	(21,500)		3,000	(18,500)
IT Replacement Reserve	(427,700)	(91,900)	170,700	(348,900)	(427,700)	(91,900)	170,700	(348,900)	(348,900)	(91,900)	170,700	(270,100)
Disabled Adaptations Reserve	(22,000)			(22,000)	(22,000)			(22,000)	(22,000)			(22,000)
Risk Mgmt Reserve/Budget Redn Risk Reserve	(320,700)		104,000	(216,700)	(320,700)		141,700	(179,000)	(179,000)		4,000	(175,000)
S106 Revenue Reserve	(161,200)			(161,200)	(161,200)			(161,200)	(161,200)			(161,200)
Housing & Housing Benefits Reserve	(445,700)		15,000	(430,700)	(445,700)		15,000	(430,700)	(430,700)		15,000	(415,700)
Insurance Reserve	(262,500)			(262,500)	(262,500)	(35,000)		(297,500)	(297,500)	(35,000)		(332,500)
Efficiency & Innovation Reserve	(161,300)			(161,300)	(161,300)			(161,300)	(161,300)		20,000	(141,300)
Asset Management Reserve	(365,500)	(55,000)		(420,500)	(365,500)	(55,000)	45,000	(375,500)	(375,500)	(55,000)		(430,500)
Local Development Framework Reserve	(132,000)		8,600	(123,400)	(132,000)		10,600	(121,400)	(121,400)			(121,400)
Earmarked Grants Reserve	(547,200)	(8,000)	186,900	(368,300)	(547,200)	(72,000)	256,300	(362,900)	(362,900)	(8,100)	12,000	(359,000)
CCTV Reserve	(279,700)	(40,800)	50,000	(270,500)	(279,700)	(40,800)	60,000	(260,500)	(260,500)	(40,800)		(301,300)
LA Mortgage Scheme Reserve (LAMS)	(110,600)			(110,600)	(110,600)			(110,600)	(110,600)			(110,600)
Rural Broadband Reserve	0			0	0			0	0			0
Apprentice Reserve	(76,000)		16,800	(59,200)	(76,000)		20,300	(55,700)	(55,700)		16,800	(38,900)
Land Charges	(25,000)			(25,000)	(25,000)			(25,000)	(25,000)			(25,000)
NNDR Pool Reserve	(200,000)		98700	(101,300)	(200,000)		198700	(1,300)	(1,300)			(1,300)
Transformation Fund Reserve	(265,900)		139500	(126,400)	(265,900)		142600	(123,300)	(123,300)		21,500	(101,800)
Economic Development Fund Reserve	(444,800)		100000	(344,800)	(444,800)		434500	(10,300)	(10,300)			(10,300)
<b>Total Reserves</b>	<b>(4,504,000)</b>	<b>(227,200)</b>	<b>902,100</b>	<b>(3,829,100)</b>	<b>(4,504,000)</b>	<b>(326,200)</b>	<b>1,507,300</b>	<b>(3,322,900)</b>	<b>(3,322,900)</b>	<b>(252,300)</b>	<b>263,000</b>	<b>(3,312,200)</b>

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**COUNCIL TAX COLLECTION FUND ESTIMATE 2018/19**

	£000	£000
Taxpayer Accounts Due	(80,628)	
<b>LESS</b>		
Council Tax Support	6,957	
Disabled Relief	80	
Exemptions	1,257	
Discounts	6,617	
Disregard	377	
Annexe Discount	3	
Local Discretionary Council Tax Reduction	9	
<b>Council Tax Receivable</b>		<b>(65,328)</b>
Payment / (Receipt) of Previous Year Surpluses / (Deficits)		(1,500)
Precepts Paid		64,850
Anticipated Write-Offs	198	
Increase in bad debt provision	78	
		276
<b>(Surplus) / Deficit in the year</b>		<b>(1,702)</b>
(Surplus) / Deficit B/Fwd		1,702
<b>(Surplus) / Deficit declared 15th January 2018</b>		<b>0</b>

	£000
<b><u>Allocation of Council Tax (Surplus) / Deficit</u></b>	
Gedling Borough Council	0
Nottinghamshire County Council	0
Nottinghamshire Police and Crime Commissioner	0
Combined Fire Authority	0
<b>TOTAL</b>	<b>0</b>

	£000
<b><u>Summary:</u></b>	
Opening (Surplus) / Deficit 1/4/17	1,702
Previously declared (distributed 17/18)	(1,500)
Cumulative (Surplus) / Deficit 31/3/18	202
In year (Surplus) / Deficit 2017/18	(202)
<b>Est (Surplus) / Deficit 31/3/18</b>	<b>0</b>

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