



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

# Agenda

## Cabinet

Date: **Friday 24 May 2019**

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Time: **2.00 pm**

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Place: **Chappell Room - Civic Centre**

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For any further information please contact:

**Alec Dubberley**

Service Manager Democratic Services

0115 901 3906

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# **Cabinet**

## **Membership**

To be announced following AGM on 22 May.

## **AGENDA**

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- 1 Apologies for Absence.**
- 2 To approve, as a correct record, the minutes of the meeting held on 19 March 2019.** 5 - 7
- 3 Declaration of Interests.**
- 4 Annual Treasury Activity Report 2018/19** 9 - 25  
Report of the Deputy Chief Executive and Director of Finance.
- 5 Gedling Plan and Budget Outturn and Budget Carry Forwards 2018-19** 27 - 104  
Report of the Senior Leadership Team
- 6 DEFRA Air Quality Grant** 105 - 115  
Report of the Scientific Officer, Public Protection.
- 7 Any other items the Chair considers urgent.**

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## **MINUTES CABINET**

**Tuesday 19 March 2019**

Councillor John Clarke (Chair)

Councillor Michael Payne  
Councillor Peter Barnes  
Councillor David Ellis

Councillor Gary Gregory  
Councillor Jenny Hollingsworth  
Councillor Henry Wheeler

Observers: Councillor Chris Barnfather

Officers in Attendance: K Bradford, A Dubberley, M Hill, D Wakelin and  
F Whyley

**97 APOLOGIES FOR ABSENCE.**

None.

**98 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE  
MEETING HELD ON 14 FEBRUARY 2019**

**RESOLVED:**

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

**99 DECLARATION OF INTERESTS.**

None

**100 COMMERCIAL INVESTMENT STRATEGY**

The Deputy Chief Executive and Director of Finance introduced a report which had been circulated in advance of the meeting, seeking approval for the Commercial Investment Strategy. It was confirmed that no funds had been invested to date and that Council approval was required for this to happen.

**RESOLVED:**

- 1) To recommend that Council approves the Commercial Property Investment Strategy; and
- 2) That subject to Council approval of the Commercial Property Investment Strategy, to delegate authority to the Chief Executive

to approve commercial property acquisition under the strategy in consultation with the Leader of the Council.

**101 COMMUNITY INFRASTRUCTURE LEVY (CIL) NON- PARISH FUNDING – CONSULTATION RESPONSE AND FUNDING DECISION**

The Community Infrastructure Levy Officer introduced a report, which had been circulated in advance of the meeting, seeking approval to allocate funds towards community infrastructure improvements.

**RESOLVED to approve:**

- 1) The use of Community Infrastructure Levy Non-Parish Neighbourhood Funding contributions of up to £100,000 on the Gedling Country Park Car Park Extension; and
- 2) The use of Community Infrastructure Levy Non-Parish Neighbourhood Funding contributions of up to £40,000 on the Changing Facilities at Lambley Lane Recreation Ground.

**102 GEDLING PLAN PERFORMANCE INDICATORS 2019/20**

The Chief Executive introduced a report, which had been circulated in advance of the meeting, seeking approval for the performance indicators against which progress of the Gedling Plan will be measured against in 2019/20.

**RESOLVED:**

To approve the performance indicators for 2019/20 at Appendix 1 to the report.

**103 HOUSING COMPANY UPDATE**

The Service Manager Economic Growth and Regeneration introduced a report, which had been circulated in advance of the meeting, updating Cabinet on the work done on exploring different models for housing delivery.

**RESOLVED to:**

- 1) Note the work done to date by the Housing Development working group; and
- 2) Support the preparation of an outline business case exploring different housing delivery models the Council could adopt.

**104 NOTTINGHAMSHIRE'S LOCAL OFFER FOR CARE LEAVERS**

The Service Manager Economic Growth and Regeneration introduced a report, which had been circulated in advance of the meeting, seeking approval for the Gedling specific aspects of the Nottinghamshire Local Offer for Care Leavers.

**RESOLVED to:**

- 1) Endorse the “Nottinghamshire Local Offer for Care Leavers” policy;
- 2) Provide care leavers aged 18-25 with free access to full peak membership to leisure centre facilities in the Borough; and
- 3) Note that when the Gedling Housing Allocation Scheme is reviewed in 2019/20 priority is given to care leavers.

**105           ARNOLD TOWN CENTRE**

The Service Manager Economic Growth and Regeneration introduced a report, which had been circulated in advance of the meeting, providing an update on work being done in order to bid for government funding to improve Arnold Town Centre.

**RESOLVED to approve the:**

- 1) Principle of submitting an expression of interest to the Government’s Future High Street Fund to facilitate improvements to Arnold Town Centre;
- 2) Preparation of a draft Action Plan for Arnold Town Centre; and
- 3) Principle of establishing an Arnold Town Centre Delivery Group.

**106           ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.**

None.

The meeting finished at 1.15 pm

Signed by Chair:  
Date:

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## Report to Cabinet

**Subject:** Annual Treasury Activity Report 2018/19  
**Date:** 24 May 2019  
**Author:** Deputy Chief Executive and Director of Finance

### Wards Affected

All

### Purpose

To inform Members of the outturn in respect of the 2018/19 Prudential Code Indicators, and to advise Members of the outturn on treasury activity, both as required by the Treasury Management Strategy.

### Key Decision

This is not a key decision.

### Recommendation:

That:

1. Members approve the Annual Treasury Activity Report and refer it to Full Council for approval as required by the regulations.

### Background

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury review of its activities, and the actual Prudential and Treasury Indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 For 2018/19 the minimum reporting requirements were that the Full Council should receive the following reports:

- An Annual Treasury Management Strategy Statement (TMSS) in advance of the year. This was considered by Cabinet on 15 February 2018 and subsequently approved by Full Council on 5 March 2018.
  - A Mid-Year Treasury Update report (In accordance with best practice, Members will note that, as in previous years and in accordance with best practice, quarterly monitoring reports for treasury activity have been provided, and that this exceeds the minimum requirements).
  - An Annual Review following the end of the year describing the activity compared to the strategy (this report).
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. The Annual Treasury Activity Report provides details of the outturn position for treasury activities during the year, and highlights compliance with the Council's policies, previously approved by Members.
- 1.4 The Council has complied with the requirement under the Code to give prior scrutiny to all the above treasury management reports by submitting them to Cabinet before they are reported to Full Council.
- 1.5 Member training on treasury management issues is undertaken by the Chief Financial Officer as it is needed in order to support Members' scrutiny role. In addition, the Council's treasury advisers, Link Asset Services (LAS) periodically deliver more detailed training sessions for Members.

## **Proposal**

### **2.1 Summary of the economy and interest rates during 2018/19**

- 2.1.1 Economic growth was weak at only 0.1% in Q1 of 2018 but picked up to 0.4% in Q2 and 0.7% in Q3, before slowing to 0.2 % in the final quarter. Given the uncertainty over Brexit, this return to weaker growth in the final quarter was expected, although some recovery is anticipated going forward. Annual growth in 2018 was 1.4% year on year.
- 2.1.2 The Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, but has so far refrained from more increases. It is unlikely that there will be any further action from the MPC until uncertainty around Brexit is resolved. If there was to be a disorderly Brexit, it is likely that Bank Rate would be cut to support growth; however the MPC also has concerns over the trend in wage inflation, which peaked at a new post financial crisis high of 3.5% in the three months to January. Hiring by British employers was at the fastest pace in more than three years in the three months to January as the country's labour market defied the broader weakness in the overall economy. The unemployment rate fell to 3.9%, its

lowest rate since 1975, and correspondingly, the total level of vacancies rose to a new high.

- 2.1.3 CPI inflation was on a falling trend, reaching 1.8% in January before rising marginally to 1.9% in February. However, in the February Bank of England Inflation Report, the latest forecast for both the two and three year time horizons remained marginally above the MPC's target of 2%. The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power improves in this scenario. The UK economy is services sector driven; therefore an increase in household spending power is likely to feed through into providing support to the overall rate of economic growth in the coming months.
- 2.1.4 The Conservative minority government was unable to achieve a majority in the Commons over its Brexit deal, and both the initial exit date of 29 March and the subsequent short extension to 12 April were missed. The further EU extension now expires on 31 October 2019, and it appears unlikely that there will be a Commons majority in support of a disorderly Brexit, or revoking article 50, (cancelling Brexit). There will need to be a long delay if there is still no majority for any form of Brexit, and if this were to happen, the chance of a general election in 2019 would increase, and this could result in the potential loosening of monetary policy.
- 2.1.5 In the US, President Trump's easing of fiscal policy fuelled a temporary boost in consumption which generated an upturn in the rate of growth. The Federal Reserve (The Fed) increased rates by another 0.25% in December, the fifth rise in 2018 and the ninth in the upward cycle. The Fed now acknowledges that a change in direction may be required and action may be taken to cut rates over the next two years.
- 2.1.6 Growth in the Eurozone has been weak in 2018 and is expected to fall further in 2019, The European Central Bank (ECB), like the UK and USA central banks, ended its programme of quantitative easing, ie the expansion of liquidity supporting world financial markets by purchases of debt.

## 2.2 The overall treasury position 31 March 2019

The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security of investment, and to manage risks within all treasury management activities. At the beginning and end of 2018/19, the treasury position was as follows:

Treasury position:	1 April 2018 £000s	31 March 2019 £000s
Total external debt	6,812	8,812
Capital Financing Requirement (CFR)	11,262	10,221
<b>Over/(under) borrowing to CFR</b>	<b>(4,450)</b>	<b>(1,409)</b>
Total external debt	6,812	8,812
Total investments	(8,290)	(13,490)
<b>Net debt/(investment)</b>	<b>(1,478)</b>	<b>(4,678)</b>

### 2.3 The treasury strategy for 2018/19

2.3.1 The expectation within the treasury strategy for 2018/19 (the TMSS) was that the Monetary Policy Committee (MPC) would increase Bank Rate to 0.75% in November 2018, and would then be unlikely to raise the rate further during the Brexit negotiation period, with the next rise coming in November 2019 - unless strong domestically generated inflation was to emerge. Medium and longer term fixed rates were expected to rise only gradually during the year, and variable or short term rates were expected to be the cheaper form of borrowing over the period. Investment returns were expected to remain low in 2018/19 and continued uncertainty in the aftermath of the financial crisis would promote a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates. In this scenario, the treasury strategy was to postpone borrowing to avoid the cost of holding higher levels of investments, and to reduce counterparty risk, although care would be needed to ensure that borrowing was not postponed to a point where undertaking it at higher rates would be unavoidable.

2.3.2 In the event, the MPC raised Bank Rate to 0.75% in August 2018 and it remained at this level for the remainder of the year.

2.3.3 PWLB rates peaked in October 2018 and since then most rates have been on a general downward trend.

### 2.4 The Council's Borrowing Requirement

The Council's underlying need to borrow for capital expenditure is termed the capital financing requirement (CFR), and is a gauge of the Council's indebtedness.

The CFR results from the Council’s capital activity, and the resources it uses to pay for that capital spending, and represents unfinanced expenditure that has not yet been paid for from revenue or other resources.

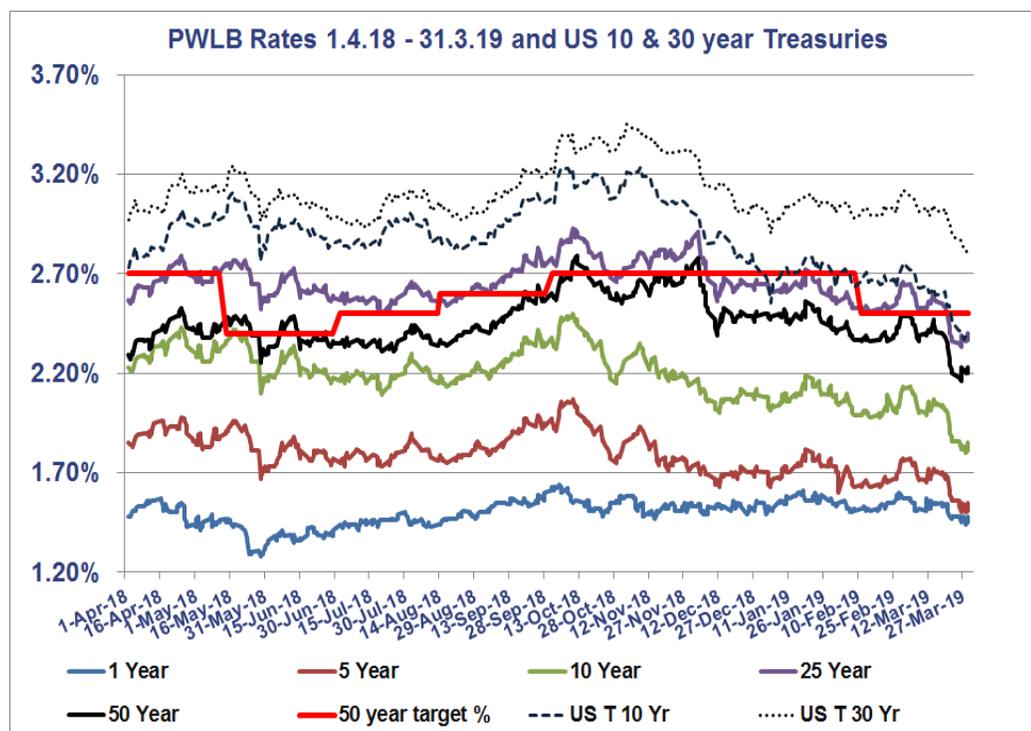
CFR:	1 April 2018 (Actual) £000s	31 March 2019 (Orig. Est) £000s	31 March 2019 (Actual) £000s
Capital Financing Requirement	11,262	15,086	10,221

The 2018/19 variance is due to slippage and savings on the 2017/18 capital programme both of which reduced the borrowing requirement in that year, and to amendments to the capital programme during 2018/19, including the slippage of schemes to 2019/20.

## 2.5 Borrowing rates in 2018/19

PWLB rates peaked in October 2018 and have since been on a general downward trend, albeit that longer term rates spiked up again in December.

The graph below has been provided by the Council’s treasury advisers.



For illustration, the table below shows the LAS forecasts for interest rates as at 31 March 2019.

Link Asset Services Interest Rate View												
	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	1.00%	1.10%	1.20%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	1.90%	2.00%	2.10%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
10yr PWLB Rate	2.30%	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.00%
25yr PWLB Rate	2.80%	2.90%	3.00%	3.10%	3.20%	3.20%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%
50yr PWLB Rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%

## 2.6 The borrowing outturn for 2018/19

- 2.6.1 Two new loans, each of £1m, were raised during 2018/19 at exceptionally favourable 50-year rates of 2.46% and 2.33% respectively. No loans were redeemed during the year.

The Council has embarked upon a commercialisation programme aimed at the generation of funding to replace Revenue Support Grant, which was withdrawn at the end of 2018/19. Significant additional borrowing may be required to support this commercial programme, which will be supported by individual business case assessments to demonstrate that each project generates a return sufficient to cover any borrowing costs. Advice will be taken from LAS with regard to the amount and timing of any additional borrowing, and should conditions become advantageous, some further borrowing in advance of need will also be considered by the Chief Financial Officer.

- 2.6.2 Total outstanding debt at 31 March 2019 was £8.812m. All loans held are repayable on maturity, and are at fixed rates.

- 2.6.3 There was no rescheduling of PWLB debt undertaken during the year, as the average 1% differential between PWLB new borrowing rates and premature repayment rates made such action unviable.

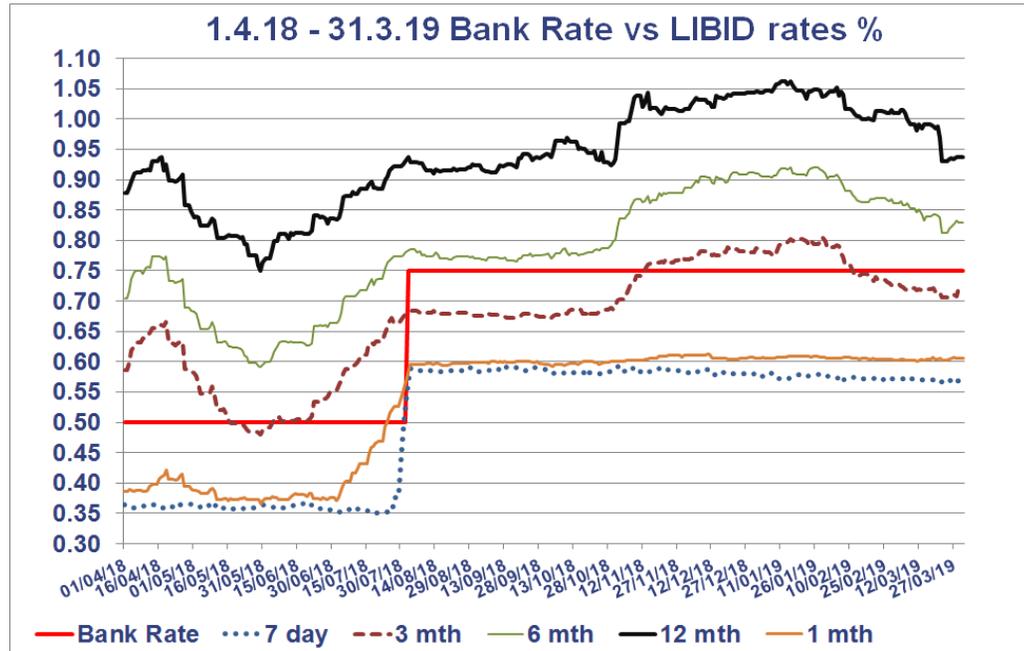
- 2.6.4 No temporary loans were arranged for cashflow purposes during 2018/19.

## 2.7 Investment rates in 2018/19

Deposit rates remained low in 2018/19. Rates rose gently in the first half of the year in anticipation of the expected Bank Rate rise, and this was duly delivered by the MPC in August. Investments were kept short during this period in anticipation of the higher rates. The expectation was that there would be no further rate rises during the year and indeed Bank Rate

ended the year at 0.75%. Investment rates did rise after the November MPC meeting, after warnings of building inflationary pressures; however weak growth plus increasing concerns around Brexit resulted in these falling back again.

The graph below has been provided by the Council’s treasury advisers.



## 2.8 Investment outturn for 2018/19

2.8.1 The Council’s investment policy is governed by MHCLG guidance and implemented by the Annual Investment Strategy, which formed part of the TMSS approved by Council on 5 March 2018. This policy sets out the approach for selecting investment counterparties. For 2018/19 the Chief Financial Officer adopted the Link Asset Services (LAS) credit rating methodology, a sophisticated modelling approach utilising credit ratings from all three of the main rating agencies to give a suggested maximum duration for investments. Accordingly it does not place undue reliance on any one agency’s ratings. The methodology subsequently applies an “overlay” to take account of positive and negative credit watches and/or credit outlook information, which may increase or decrease the suggested duration of investments. It then applies a second overlay based on the credit default swap spreads for institutions, the monitoring of which has been shown to give an early warning of likely changes in credit ratings. The methodology also incorporates sovereign ratings to ensure selection of counterparties from only the most creditworthy countries. The current Treasury Strategy permits the use of any UK counterparties, subject to their individual credit ratings under the LAS methodology. It also permits

- the use of counterparties from other countries with a minimum sovereign rating of AA. For information, at 31 March 2019 the UK had a rating of AA.
- 2.8.2 Whilst credit ratings advice is taken from the treasury advisers, the ultimate decision on what is prudent and manageable for the Council is taken by the Chief Financial Officer under the approved scheme of delegation.
- 2.8.3 No changes to the TMSS for 2018/19 approved by Council on 5 March 2018 were made during the year.
- 2.8.4 The Council's investment priorities in 2018/19 remained the security of capital and good liquidity. Whilst the Council always seeks to obtain the optimum return (yield) on its investments, this is at all times commensurate with proper levels of security and liquidity. In the current economic climate it has remained appropriate either to keep investments short-term to cover cashflow needs, or to take advantage of fixed periods up to twelve months with a small number of selected counterparties.
- 2.8.5 During 2018/19, significant use was made of two money market funds, achieving equated returns of around 0.65% and 0.63% respectively. These funds are AAA rated investment vehicles which allows the pooling of many billions of pounds worth of assets nationally into highly diversified funds, thus reducing the Council's risk.
- 2.8.6 An investment of £1m was made in the CCLA Local Authority Property Fund (LAPF) on 30 November 2017. This is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). Dividends are currently averaging around 4% per annum and are treated as revenue income. The investment has allowed the Council to introduce a property element into its investment portfolio without the risks associated with the direct purchase of assets. The main risk around Property Funds is the preservation of the capital sum however evidence from recent years shows that over time the property market has been a positive long-term investment and it is accordingly anticipated that this investment will be held for at least five years to minimise any risk.
- 2.8.7 The property fund investment purchased a number of units, determined by the unit price on the entry date. This valued the initial investment of £1m at £936,770, setting the implied entry fee at £63,230, or 6.32%. The certified value of the property fund investment at 31 March 2019 was £971,092. Following changes to accounting arrangements, all movements in the valuation of pooled investment funds must be charged to the Comprehensive Income and Expenditure account (CIES), however a

statutory override is in place for a period of five years to ensure that the impact of these on the General Fund are neutralised. Accordingly the difference of £28,908 between the £1m investment and the certified 31 March 2019 value of £971,092 is held in the Pooled Investment Funds Adjustment Account.

- 2.8.8 Investment interest of £144,620 (including dividends of £41,056 on the property fund) was generated in the year, representing an equated rate of 1.00%. This outperforms the benchmark average 7 day LIBID rate, which ended the year at 0.51%, and in cash terms represents additional income to the General Fund of £70,900. This was achieved as a result of positive investment management, together with the 4.1% dividend on the Property Fund. Performance in respect of the longer average 3 month LIBID rate, which ended the year at 0.67%, still represents additional income of £47,700.
- 2.8.9 Investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. The investment counterparty limit of £3m (£4m for money market funds) was not exceeded during the year.
- 2.8.10 The Treasury Activity Report for the year ended 31 March 2019 is attached at Appendix 1 in accordance with the TMSS.

## 2.9 Compliance with Prudential and treasury indicators

- 2.9.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council's approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Council on 5 March 2018.
- 2.9.2 During the financial year 2018/19 the Council has at all times operated within the Prudential and Treasury Management Indicators set out in the Council's TMSS, and in compliance with the Council's Treasury Management Practices. A summary of the outturn position at 31 March in respect of each of the 2018/19 Prudential and Treasury Management Indicators is shown at Appendix 2.

### a) Prudential Indicators:

#### i) Capital Expenditure

Capital expenditure for 2018/19 totalled £3,992,775. This differs to the approved indicator of £8,374,000 due to the inclusion of approved carry forward requests from 2017/18, and to the approved variations to the

capital programme during 2018/19, which include the slippage of schemes to 2019/20.

ii) Capital Financing Requirement (CFR)

The CFR represents the Council's underlying need to borrow and totalled £10,221,460 at 31 March 2019. This is lower than the approved indicator of £15,086,500 due to savings on the capital programme, additional capital receipts, and slippage of schemes to 2019/20.

iii) Ratio of Financing Costs to Net Revenue Stream

The outturn of 7.85% differs to the approved indicator of 7.49% due to increased revenue contributions to capital expenditure, offset by a reduction in MRP arising from the savings and slippage on the capital programme in 2017/18; reduced PWLB interest payable; and additional investment interest receivable.

iv) Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2018/19 and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. Gross debt at 31 March 2019 was £8.812m which was well within the approved indicator.

(b) Treasury Management Indicators:

The Treasury Management indicators are based on limits, beyond which activities should not pass without management action, and the Council has operated within these limits at all times during 2018/19. They include two key indicators of affordability and four key indicators of prudence and Appendix 2 demonstrates the outturn position compared to each limit.

Affordability

i) Operational boundary for external debt

This is the limit above which external debt is not "normally" expected to pass. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the level of actual debt. The Operational Boundary has not been exceeded during 2018/19.

ii) Authorised limit for external debt

This limit represents a control on the "maximum" level of borrowing and is

the statutory limit determined under s3(1) of the Local Government Act 2003. It 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, whilst neither desirable nor sustainable in the longer term, could be afforded in the short term. The Government retains an option to control either the total of all Councils' plans, or a specific Council, although this power has not yet been exercised. The Authorised Limit has not been exceeded during 2018/19.

### Prudence

- iii) Prior to the 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 by the Council, and this is repeated 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.*

Local indicators for the proportions of fixed and variable rate loans, have been retained by the Council for information purposes.

- iv) Maximum new principal sums to be invested during 2018/19 for periods in excess of 365 days - such investments are classified as a "non-specified". This indicator is subject to the overall limit for non-specified investments set in the TMSS. This option has not been used during 2018/19.
- v) Upper limits for the maturity structure of borrowing - set to reduce the Council's exposure to large fixed rate sums falling due for refinancing. These limits have not been exceeded during 2018/19.

## 2.10 Other Issues

### 2.10.1 Revised CIPFA Codes of Practice

As previously noted, revised editions of the Prudential Code and the Treasury Management Code and Cross Sectoral Guidance Notes came into effect for 2018/19, with particular focus on non-treasury (non-financial)

investments, eg. commercial property purchases, which are made primarily to generate income at a higher level than can be attained by treasury investments. The revised Codes acknowledge the drive for income generation and the use of non-treasury investments such as commercial property, but they reiterate the need for risk management - including proportionality in respect of overall resources.

### 2.10.2 Revised Investment and MRP Guidance

As previously reported, the Ministry of Housing, Communities and Local Government (MHCLG) issued revised Investment Guidance and Minimum Revenue Provision (MRP) Guidance which came into effect for 2018/19. The definition of “investment” has been changed to include expenditure driven activity, eg. commercial property, as well as simple treasury cash. Such activity would represent “non-treasury investments”, ie investments in “non-financial assets”.

The effective definition in the 2010 guidance of short term investment being that repayable “within 12 months” has been removed from the 2018 guidance. A long term investment now is therefore one in excess of 365 days (previously 364 days).

The revised MRP guidance also focused on expenditure on non-financial investments, eg. property, making it clear that the duty to make MRP extends to investment property where its acquisition has been partially or fully funded by an increase in borrowing. The guidance also confirms that borrowing may only be undertaken for strategic purposes and not purely for financial return.

### 2.10.3 IFRS9

Investments previously categorised under the available for sale category, including property funds, will change under IFRS9 to be classified as assets held at fair value through profits and loss (FVPL), whereby fluctuations in value will impact on the Comprehensive Income and Expenditure Account (CIES). Following a consultation by the MHCLG, the Government has introduced a mandatory statutory override for local authorities to reverse out through the Movement in Reserves Statement (MiRS) all unrealised fair value movements resulting from pooled investment funds. This will be effective from 1 April 2018 for a period of five years. The Council must disclose the net impact of the unrealised fair value in a separate unusable reserve throughout the duration of the override, in order for the Government to keep the override under review and to maintain a form of transparency. This reserve has been named the Pooled Investment Funds Adjustment Account (see 2.8.7 above).

### **Alternative Options**

There are no alternative options, this report being a requirement of the Council's Treasury Management Strategy Statement (TMSS).

### **Financial Implications**

No specific financial implications are attributable to this report.

### **Appendices**

1. Annual Treasury Activity Report 2018/19.
2. Outturn Prudential and Treasury Management Indicators for 2018/19.

### **Background Papers**

None identified.

### **Reasons for Recommendations**

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

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

Alison Ball, Financial Services Manager, on 0115 901 3980.

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## For Year Ended 31 March 2019

	<u>Position @</u> <u>1 April 2018</u>	<u>Loans Made</u> <u>During 1819</u>	<u>Loans Repaid</u> <u>During 1819</u>	<u>Position @</u> <u>31 March 2019</u>
	£	£	£	£
<b>Long Term Borrowing</b>				
PWLB	6,811,577	2,000,000	0	8,811,577
<b>Total Long Term Borrowing</b>	6,811,577	2,000,000	0	8,811,577
<b>Temporary Borrowing (Short Term)</b>				
Local Authorities	0	0	0	0
Central Government	0	0	0	0
Banks & Other Institutions	0	0	0	0
<b>Total Temporary Borrowing</b>	0	0	0	0
<b>TOTAL BORROWING</b>	<b>6,811,577</b>	<b>2,000,000</b>	<b>0</b>	<b>8,811,577</b>
<b>Long Term Investment</b>				
CCLA LAPF Property Fund	(1,000,000)	0	0	(1,000,000)
<b>Total Long Term Investment</b>	(1,000,000)	0	0	(1,000,000)
<b>Short Term Investment</b>				
Bank of Scotland	0	(8,000,000)	6,000,000	(2,000,000)
Blackrock Money Market Fund	0	(35,110,000)	31,850,000	(3,260,000)
Barclays	0	(1,000,000)	0	(1,000,000)
Close Brothers	0	(2,000,000)	0	(2,000,000)
Debt Management Office	0	(2,200,000)	2,200,000	0
Goldman Sachs	(3,000,000)	(5,000,000)	6,000,000	(2,000,000)
HSBC Treasury	0	(29,375,000)	29,375,000	0
Ignis Money Market Fund (Std Life)	(1,290,000)	(47,030,000)	47,090,000	(1,230,000)
Local Authorities & Other	0	0	0	0
Nationwide	0	0	0	0
Santander	(3,000,000)	(7,220,000)	9,220,000	(1,000,000)
<b>Total Short Term Investment</b>	<b>(7,290,000)</b>	<b>(136,935,000)</b>	<b>131,735,000</b>	<b>(12,490,000)</b>
<b>TOTAL INVESTMENT (See below)</b>	<b>(8,290,000)</b>	<b>(136,935,000)</b>	<b>131,735,000</b>	<b>(13,490,000)</b>
<b>NET BORROWING / (INVESTMENT)</b>	<b>(1,478,423)</b>	<b>(134,935,000)</b>	<b>131,735,000</b>	<b>(4,678,423)</b>

**Temporary Borrowing & Investment Statistics at 31 March 2019****Investment:**

Fixed Rate Investment	(4,000,000)	(49,575,000)	46,575,000	(7,000,000)
Variable Rate Investment	(4,290,000)	(87,360,000)	85,160,000	(6,490,000)
<b>TOTAL INVESTMENT</b>	<b>(8,290,000)</b>	<b>(136,935,000)</b>	<b>131,735,000</b>	<b>(13,490,000)</b>

Proportion of Fixed Rate Investment	51.89%
Proportion of Variable Rate Investment	48.11%
Temporary Investment Interest Receivable	£ 144,620
Equated Temporary Investment	£ 14,498,115
Weighted Average Interest Rate Received (Interest Receivable / Equated Investment)	1.00%
7 Day LIBID (Benchmark)	0.51%
3 Month LIBID	0.67%

**Borrowing:**

Temporary Borrowing Interest Payable	£ -
Equated Temporary Borrowing	£ -
Weighted Average Interest Rate Paid (Interest Payable / Equated Borrowing)	n/a
7 Day LIBOR (Benchmark)	0.70%

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	<b>2018/19 Original Estimate</b>	<b>2018/19 Position at 31-Mar-19</b>
<b>1. Prudential Indicators</b>		
<u>Affordability:</u>		
	<b>(Council 5/3/18)</b>	
a) Capital Expenditure	£ 8,374,000	£ 3,992,775
b) Capital Financing Requirement	£ 15,086,500	£ 10,221,460
c) Ratio of Financing Costs to Net Revenue Stream	7.49%	7.85%
d) Maximum Gross Debt	£ 16,849,000	£ 8,811,577
<b>2. Treasury Management Indicators</b>		
a) Operational Boundary for External Debt:		
Borrowing	£ 17,800,000	£ 8,811,577
Other Long Term Liabilities	£ 1,500,000	-
Total Operational Boundary	£ 19,300,000	£ 8,811,577
b) Authorised Limit for External Debt:		
Borrowing	£ 18,800,000	£ 8,811,577
Other Long Term Liabilities	£ 1,500,000	-
Total Authorised Limit	£ 20,300,000	£ 8,811,577
c) Upper limit for fixed interest rate exposure: (Maximum outstanding net BORROWING)		
Local Indicator - Investment Only	100.00%	51.89%
Local Indicator - Borrowing Only	100.00%	100.00%
d) Upper limit for variable interest rate exposure: (Maximum outstanding net BORROWING)		
Local Indicator - Investment Only	100.00%	48.11%
Local Indicator - Borrowing Only	50.00%	0.00%
e) Upper & Lower limits for the maturity structure of outstanding Borrowing during 2018/19:		
Under 1 Year	U 40%, L 0%	0%
1 Year to 2 Years	U 40%, L 0%	0%
2 Years to 5 Years	U 50%, L 0%	0%
5 Years to 10 Years	U 50%, L 0%	0%
Over 10 Years	U 100%, L 0%	100%
f) Investment Treasury Indicator and limit: Max. NEW principal sums invested in 2018/19 for periods OVER 365 days (ie. non-specified investments), subject to maximum non specified per counterparty of £3m AND to the prevailing overall counterparty limit, AND to the TOTAL non specified limit of £5m.	£ 3,000,000	£ -

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## Report to Cabinet

**Subject:** Gedling Plan and Budget Outturn and Budget Carry Forwards 2018-19

**Date:** 24 May 2019

**Author:** Senior Leadership Team

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### Wards Affected

Borough-wide

### Purpose

This report presents the Gedling Plan and Budget Outturn and Budget Carry Forwards for 2018-19.

Cabinet is asked to note the final outturn position for 2018-19 and:

- a) Approve the movements on earmarked reserves and provisions;
- b) Note the capital carry-forward budgets approved by the Chief Financial Officer in accordance with Financial Regulations;
- c) Approve the carry forward of non-committed capital budgets from 2018-19 as additions to the 2019-20 budget for referral to Council, in accordance with Financial Regulations;
- d) Recommend that Council approve the method of financing the 2018-19 capital expenditure which includes making the Capital Determinations required by the Local Government and Housing Act 1989.

### Key Decision

This is a key decision

## **Recommendations**

### **Members are recommended:**

- (a) To note the Gedling Plan Performance and Budget Outturn figures for 2018-19;
- (b) To approve the movements in Reserves and Provisions as detailed in paragraphs 2.1.8 and 2.1.9;
- (c) To note the revenue carry forwards approved by the Chief Financial Officer included in Appendix 6, amounts not in excess of £10,000 and committed schemes above £10,000;
- (d) To note the capital carry forwards approved by the Chief Financial Officer included in Appendix 6, being amounts not in excess of £50,000 and committed schemes above £50,000.
- (e) To refer to Council for approval:
  - i) The capital carry forwards of £261,000 included in Appendix 6 for non-committed schemes in excess of £50,000;
  - ii) The overall method of financing of the 2018-19 capital expenditure as set out in paragraph 2.7.5;
  - iii) The capital determinations regarding financing and debt provisions as set out in paragraph 2.7.7.

## **Background**

- 1.1 A refreshed Gedling Plan for 2018-19 was approved by Council on 5 March 2018. The Plan set out the priorities, objectives and top actions for the Council along with the associated budgets.
- 1.2 This report highlights continued good management of the Revenue and Capital budgets and overall Council performance.
- 1.3 During 2018-19 Cabinet received the usual Gedling Plan quarterly monitoring reports and approved a number of budget amendments to align resources to meet identified budget pressures, managing within the overall maximum revenue budget of £12,145,200 approved by Council. The current revenue estimate approved by Cabinet as part of the quarterly monitoring process in February is £11,902,000 representing a £243,200 saving against the maximum budget approved by Council. Capital budgets have also been monitored by Cabinet to ensure schemes are appropriately profiled, with the current estimate for 2018-19 being approved at £4,954,700.

- 1.4 The Council's Financial Regulations allow for the carry forward of capital and revenue budgets to the new financial year where there is an underspend against the approved budget. Approval of full Council is required for schemes, which are not contractually committed, with a value over £50,000 for Capital and £10,000 for Revenue. There are two capital schemes that require Council approval. The Chief Financial Officer has delegated authority to approve all other carry forwards subject to reporting the source of the underspend and the subsequent use of the carry forward to the Portfolio Holder.

## **Purpose**

To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2018-19 Gedling Plan in quarter 4 and at the year end.

## **Background**

- 1.5 A full overview of our performance is shown on our website which can be accessed via the following link:

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

Members are recommended to view these reports which provide valuable background detail to this summary paper. This provides a more in-depth review of indicators, actions and outcomes for quarter 4 and year end. A full set of papers that appear on the website have been printed and these reports are available in the Members' Room.

- 1.6 These reports contain explanations of variances from expected performance together with trend arrows for all the performance indicators within the Gedling Plan (note that an upward arrow indicates improved performance, irrespective of whether improvement is represented by a higher or lower value) and progress bars for all Gedling Plan actions showing progress made against project milestones.
- 1.7 The assessment criteria used for actions and indicators is based on red amber and green traffic light symbols. To be assessed as green performance indicators must be in line with their expected performance at the end of the year, whilst actions must be on target against the "completed" or "in progress" milestones determined within Pentana.

## **2. Financial Performance and Budget Outturn 2018-19**

### **2.1 General Fund Revenue Outturn 2018-19**

- 2.1.1 The actual net revenue expenditure for each Portfolio during 2018-19 is detailed in Appendix 1, together with explanations of major variances in expenditure and income.

2.1.2 The table below summarises the actual net expenditure for each Portfolio in 2018/19 compared to the current estimate. The current estimate is that approved by Cabinet in February 2019 (Q3), adjusted by budget virements in the fourth quarter. During the financial year Cabinet approved a number of budget amendments as part of the quarterly monitoring process approving an estimate of £11,902,000 in February, a £243,200 saving against the overall maximum budget approved by Council of £12,145,200.

2.1.3 The table shows an overall General Fund underspend of **£151,565**, against the current estimate, equating to **1.3%**. There are two revenue carry forward requests (for schemes with no ongoing budget) which have been approved by the Chief Financial Officer, these are included in Appendix 6.

2.1.4 Given the extent of financial challenges facing the Council this represents a robust outturn position for the Council which leaves reserve balances above the estimated position. The outturn position will be analysed to identify any further underspends which can be removed from the future budget.

2.1.5 **General Fund Revenue Outturn 2018-19**

	<b>Current Estimate 2018-19</b>	<b>Actual 2018-19</b>	<b>Variance to Current Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Community Development	1,526,400	1,462,792	(63,608)
Health & Housing	2,321,800	1,924,462	(397,338)
Public Protection	1,527,600	1,338,579	(189,021)
Environment	4,618,300	4,628,780	10,480
Growth & Regeneration	892,600	814,062	(78,538)
Resources & Reputation	1,786,900	508,969	(1,277,931)
<b>Net Portfolio Budget</b>	<b>12,673,600</b>	<b>10,677,644</b>	<b>(1,995,956)</b>
Transfers to/(from) Earmarked Reserves	(771,600)	1,072,791	1,844,391
<b>Net Council Budget</b>	<b>11,902,000</b>	<b>11,750,435</b>	<b>(151,565)</b>
Less Financing:			
Revenue Support Grant	(384,900)	(431,335)	(46,435)
Business Rates (net of coll. fund deficit)	(3,650,300)	(3,721,220)	(70,920)
Council Tax	(5,974,500)	(5,974,500)	0
New Homes Bonus	(856,700)	(856,679)	21
<b>Transfer to/(from) General Fund Balance</b>	<b>1,035,600</b>	<b>766,701</b>	<b>(268,899)</b>

2.1.6 **General Fund Balance at 31 March 2019**

The General Fund Balance at 31 March 2019 is £5,160,900 which is £268,900 higher than the current estimate of £4,892,000. This leaves more in balances, which can be used to support the future budget and MTFP. This level of

balances remains above the minimum required in the Council's Medium Term Financial Plan.

The £268,900 variance from the estimated closing General Fund Balance is analysed as follows:

- a) Additional Business Rates income enabling a contribution to balances of £70,900;
- b) Additional Revenue Support Grant enabling a contribution to balances of £46,400 (see 2.1.7);
- c) The Revenue Budget underspend enabling a reduced contribution from balances of £151,600.

Details of the total reserves held at 31 March 2019 are shown at Appendix 2.

### **Major General Fund Revenue Variances from Current Estimate**

#### **2.1.7 Financing Variances 2018-19**

Reasons for the variances in General Fund financing budgets are explained in the paragraphs below:

- Revenue Support Grant (RSG) Funding

Prior to 2018/19 the Government top-sliced part of the RSG to part fund the safety net system in the business rates retention scheme effectively earmarking resources based on an estimate of the funds that would be required for that scheme. The resources required to fund the safety net were ultimately not required due to sufficient funds being available from the levy on the growth of high-earning authorities therefore the top-sliced sums have been redistributed across Local Government on the basis of original funding allocations. This has resulted in additional grant funding of **£46,435** being allocated to Gedling.

- Business Rates Retention

Under the business rates retention scheme the portion of a local authority's income that comes from retained business rates will change according to movements in its local business rates income (which could move up or down) to provide an incentive for supporting local business growth.

The 2018-19 local government finance settlement provided each local authority with its baseline funding level against which movements in income will be measured. For Gedling this is £2,959,305.

Business Rates income in 2018-19 is based on the estimates provided to central government in January 2018 in the required statutory returns. Growth recognised in the accounts for 2018-19 is determined by a complex model in which it is initially recognised as income based on the estimated position, and is then adjusted in the following year, as required by regulation, via the Collection Fund (surplus)/deficit calculation which is based on actual outturn figures.

#### 2018-19 Business Rates Outturn

	<b>Current Estimate 2018-19 £</b>	<b>Actual 2018-19 £</b>	<b>Variance £</b>
Baseline Funding Level	(2,959,300)	(2,959,305)	(5)
Retained Growth Above Baseline (incl. S31 Grants)	(883,700)	(907,120)	(23,420)
Renewables (100% Gedling)	(90,400)	(137,870)	(47,470)
<b>Total Income 2018/19</b>	<b>(3,933,400)</b>	<b>(4,004,296)</b>	<b>(70,896)</b>
Collection Fund Deficit/(Surplus)	283,100	283,077	(23)
<b>Net Business Rates Income</b>	<b>(3,650,300)</b>	<b>(3,721,220)</b>	<b>(70,920)</b>

#### Business Rates Pooling

Gedling is a partner in a pooling arrangement with the other Nottinghamshire authorities (excluding the City). Under this arrangement each Member makes the levy payments, if applicable, into the Pool that would ordinarily have been required to be paid to central government had the Pool not been in operation. The Pool surplus funds are then distributed by Nottinghamshire County Council (as lead authority) to Pool Members on the basis of a Memorandum of Understanding. This ensures no Member is worse off by being in the Pool, by offering an equivalent “safety net mechanism” to that offered by central government for authorities not in a Pool, and then sharing any remaining surplus.

In 2018-19 the sum of £600,000 has been retained by the Pool for use on strategic infrastructure and countywide issues, and this represents approximately 10% of the surplus compared to the previous years’ retention of 50%. The remainder of the surplus has been allocated to Pool Members in accordance with the Memorandum of Understanding, to spend on projects in their areas.

The Pool outturn figures for 2018-19 have been finalised with a sum of £339,767 identified for redistribution to Gedling. In addition the sum of £248,635 was received in respect of the repatriation of excess surpluses relating to 2017/18 and prior years. This income is recognised in the Portfolio outturn figures and it is proposed that it be transferred to

earmarked reserves for spend on economic development projects. All retained Pool surpluses will be held by the County Council on behalf of the Pool for use on economic regeneration projects.

#### 2.1.8 **Net Council Budget Variances 2018-19**

The underspend against the Current Net Portfolio Current Budget 2018-19 is £1,995,956 which is largely offset by a net variance on Earmarked Reserve contributions of £1,844,391 to give a net Council Budget underspend of £151,565. The underspend variances can be split between general variances and those relating specifically to proposed movements in Earmarked Reserves as detailed below:

##### a) **General Major Variances in Excess of £50,000**

Reductions in expenditure include:

- Employee Expenses show an overall net saving of £188,300 against the current estimate, this is mainly due to vacancies in Customer Services, Economic Development and vacancies covered by casual staff in Leisure Services (partially offset by transfers to reserves – see below);
- Decrease in Debtors bad debt provision of £96,600 (see para 2.1.9).

Additional income includes:

- Rent Allowances – £69,700 additional overpayment recoveries;
- Additional Leisure Centre income of £116,500 (this is partially offset with an additional contribution to the Leisure Strategy Reserve of £50,000 see below).

##### b) **Movement in Earmarked Reserves**

Reserves requirements have been reviewed and transactions completed within the portfolio analysis. Earmarked Reserves are sums of money set aside to provide financing for future service expenditure plans and include specific external grants and contributions received.

The balance on Earmarked Reserves at 31 March 2019 is £6,794,800, £1,844,400 higher than the current estimate of £4,950,400. A full list of movements on Earmarked Revenue Reserves is included in Appendix 3 and these are proposed to Cabinet for approval. Reasons for the variance between the estimated and actual earmarked reserves are included in the portfolio analysis at Appendix 1 and include:

- new contributions to reserves due to new grants and additional income or underspends identified in Portfolio Budgets during 2018-19 for which specific projects have been identified for future delivery;
- variances on planned contributions from reserves mainly due to projects that have been deferred to 2019-20.

### **New Contributions to Earmarked Reserves**

Included in the Earmarked Reserves proposed for approval are new contributions to reserves totalling £1,526,300 made up of:

#### **Increases Due to Receipt of New Grants and Additional Income**

- Business Rates Pool Reserve addition 2018-19 £588,400 – contributions from the Nottinghamshire Business Rates Pool in 2018-19.
- Selective Licencing income received of £141,500 which will fund the project in future years.
- Earmarked Grants Addition of £171,600 of new grants received for specific projects mainly:
  - New Burdens grants for Revenues and Benefits Custom Self Build and Brexit preparations;
  - Homelessness Reduction Act Grant;
  - Parks Improvement Grant;
  - Heritage Brought Alive Grant.

#### **Increases for Future Projects Arising from Service Underspends**

- Transformation Fund addition - £253,900 – underspend on approved transformation fund budget 2018/19 and additional contribution from general underspends to support implementation of future transformation projects.
- Asset Management Revenue Reserve addition of £90,000 from various asset related underspends to meet emerging maintenance pressures, partly offset by a lower contribution of £23,600 in respect of off-street parking partnership;
- Budget Reduction Risk Reserve underspend on 2018-19 budget of £50,000 to manage the risks arising from the delivery of the efficiency programme.
- Leisure Strategy Reserve addition of £50,000 arising from additional income in leisure centres to support future transformation.
- Efficiency and Innovation Reserve additions of £43,000 for the digital agenda and £27,000 arising from underspends in Financial Services to provide for procurement and systems reviews.

- Economic Development Fund addition of £33,000 arising from underspend in Economic Development to fund future project delivery.
- Risk Management (Health and Safety) Reserve addition of £30,000 from general underspends to manage emerging risks;
- Apprentice Reserve addition of £30,000 from additional income generated from the apprentice programme to fund future provision.
- Community and Crime Reserve addition of £20,000 from service underspends to provide for future projects;
- Joint Use Maintenance Reserve addition of £17,500 from joint use contributions to provide for future planned maintenance.
- Other minor movements £400 net.

### **Variances in Planned Usage of Earmarked Reserve**

Contributions from reserves have reduced by £318,100 compared to current estimate analysed as follows:

#### **Reduced Contributions from Reserves – Underspent Projects Deferred to 2019-20**

- IT Replacement Fund – £172,100 reduced contribution due to a temporary pause in the replacement programme pending the accommodation and agile working review, and rollout of windows 10/office 365;
- Economic Development Fund - £102,600 reduced contribution for direct revenue financing due to the re-profiling of the Arnold Market capital project;
- NNDR Pool Reserve £50,000 lower contribution from reserves due to completion of the study now due in 19-20 for the Transport Bid project (led by City Council);
- Transformation Fund £16,500 lower contribution required due to completion of management training;
- Asset Management Reserve - £15,000 reduced contribution for car park resurfacing works which will be carried out in 2019-20;
- Other minor movements £4,900 net.

#### **Additional Contributions from Reserves**

- Earmarked Grants – net (£22,500) additional contribution from reserves for various projects funded by grants;
- Building Control Reserve (£20,500) additional contribution to balance the building control account which is a ring-fenced account and required to breakeven.

## 2.1.9 Movement in Provisions

Provision requirements have been reviewed and transactions completed within the outturn analysis. Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement but where the timing and precise amounts are uncertain. The table below details the movements in Provisions for 2018-19 which are now proposed to Cabinet for approval.

Description	Balance B/fwd 01/04/18	Movement in Year	Actual Balance 31/3/19
	£	£	£
Business Rates Appeals	827,100	25,900	853,000
Transferred Housing Stock – Environment Warranties	50,000	0	50,000
Transferred Stock Repairs	50,000	0	50,000
<b>Total</b>	<b>927,100</b>	<b>25,900</b>	<b>953,000</b>

Business Rate Appeals - The Business Rate Retention regime places a liability on the Council to refund ratepayers who successfully appeal against the rateable value of their properties on the rating list. A provision of £853,000 has been made, representing the Council's estimated share of such liabilities at 31 March 2019.

Transferred Stock Environmental Warranties - to provide for the payment of excesses under the Environmental Warranty provided to Gedling Homes under the Large Scale Voluntary Transfer (LSVT) arrangement. An excess of £25,000 makes it likely that the Council will be required to meet certain expenses over the life of the policy.

Transferred Stock Repairs - to provide for work required under warranties on the transferred properties referred to above.

### Provisions for Bad Debts

Bad debts provisions are an estimate of the amount that will remain uncollectable after a certain time period and will require write off in the future accounts of the Council. They are calculated on the age and amounts of debt owed to the Council based on a hierarchical percentage i.e. the older the debt the greater the likelihood of non-collection. The table below details the movements in Bad Debts Provisions for 2018-19 which are now proposed to Cabinet for approval.

Description	Balance B/fwd 01/04/18 £	Movement in Year £	Actual Balance 31/3/19 £
Sundry Debts	253,900	(96,600)	157,300
Housing Benefit Debts	1,923,000	(3,600)	1,919,400
Business Rates Debts (GBC Share)	99,100	28,900	128,000
Council Tax Court Costs	126,000	12,200	138,200
<b>Total</b>	<b>2,108,000</b>	<b>294,000</b>	<b>2,204,000</b>

The reduction in the bad debt provision for Sundry Debts is mainly due to an overall decrease in debtors and a reduction in the age of bad debts.

## 2.2 Support Service Recharges and Capital Financing Variations (Non-Controllable)

2.2.1 Detailed explanations of major variations at individual portfolio holder level are included at Appendix 1. Global changes in respect of the treatment of support services and capital financing can mask the detail of performance in individual areas and these 'non controllable costs' are also highlighted separately (see paragraphs below).

### 2.2.2 Support Service Recharges

The budgets of all central support, service administration and fleet providers have been monitored and updated as part of the quarterly budget monitoring process. Reallocation of support costs has been undertaken as part of the accounts closedown process based on actual outturn figures and therefore variances between the central support budgets and actual recharges have occurred as a result of this reappraisal. Variances resulting from the reappraisal of central support and service administration have occurred across the board, but the entries themselves do not impact on the budget requirement or the amount to be raised by Council Tax. **Overall, support services have underspent compared to the current estimate by £500,214 in 2018-19.** This variance is mainly due to the temporary pause on the IT Replacement programme and various underspends transferred to reserves for future projects.

### 2.2.3 Capital Financing Charges

Capital financing charges reflected in the Council's service department budgets include amortisation and depreciation.

Amortisation charges relate to the cost of Capital schemes where no asset is created and the capital expenditure is therefore charged to revenue in the year

it occurs e.g. disabled facilities grants. Budget variances may occur because of capital scheme under and overspends and carry forwards/slippage. Depreciation reflects the usage of capital assets within the services and budget variances can occur due to the revaluation of assets.

The entries themselves do not impact on the budget requirement or the amount to be raised by Council Tax. The net cost to the General Fund is nil, as there is a corresponding credit within the Resources and Reputation Portfolio.

### 2.3 **Building Control Fee Earning Trading Account**

There is a statutory requirement to break even on the Building Control Fee Earning account to ensure the service is not subsidised by the council tax payer.

Building control fees were lower than expected therefore £20,337 was drawn down in year from the Building Control reserve to ensure the breakeven of the account, this has resulted in a closing balance of £10,130 at 31 March 2019 for use on future service improvements.

### 2.4 **Community Infrastructure Levy (CIL)**

In 2018-19 the Council raised 35 liability notices totalling £1,762,559 of which £45,214 has been invoiced for payment and £1,717,345 is still to be collected. Of the £45,214 invoices raised £36,172 is to be spent on strategic infrastructure projects that are identified on the Regulation 123 list, £6,782 is to be spent on the locality it has been collected via Neighbourhood funding and £2,261 is to fund administration costs as permitted under the Regulations.

### 2.5 **Members Pot Outturn 2018-19 and Community Grants**

In 2018-19 the Members Pot budget was £61,500 of which £61,500 has been spent on grants to third parties as detailed in Appendix 4.

Despite ongoing financial pressures the Council still provided financial support to voluntary and charitable organisations, Parish Council grants £22,300, Citizens Advice Bureau £40,000, Gedling Play Forum £5,000, We R Here £10,000, Newstead Miners Welfare Trust £6,300 and the Nottingham Playhouse £2,500.

### 2.6 **Gedling Country Park Café 1899**

Gedling Borough Council and Nottingham City Council Trading Operations have entered into a service concession contract to operate the commercial catering outlet within Gedling Country Park. The facility is operated by Nottingham City Council and all operating costs and income are split on a 50/50 basis.

The café is currently in its second year of operation, Gedling's actual profit share from the agreement for the year 2018-19 totalled £12,815 compared to an estimated share of £15,000.

## 2.7 Capital Outturn 2018-19

2.7.1 A summary of the capital outturn is presented in the table below. The current estimate is that approved by Cabinet in February 2019 (Q3). Capital outturn totals £3,911,885 compared to an approved budget of £4,954,700 a net under spend of £1,042,815. After accounting for carry forward requests of £901,200 the final underspend and reduced financing requirement on the capital programme is £141,615. The underspend of £141,615 is mainly due to efficiencies achieved in vehicle procurement and land disposal costs of £80,890 transferred to revenue in accordance with Regulations. The land disposal costs will be funded in revenue by a contribution from the capital receipt from the related land disposal at Teal Close.

2.7.2 The details of the outturn for individual schemes by Portfolio area are included at Appendix 5.

### 2.7.3 Capital Outturn and Proposed Carry Forwards 2019-20

<b>Portfolio</b>	<b>Current Estimate 2018-19 £</b>	<b>Actual Expenditure 2018-19 £</b>	<b>Variance £</b>	<b>Proposed Carry Forward £</b>
Community Development	7,600	3,629	(3,971)	3,700
Housing, Health & Wellbeing	1,850,600	1,729,154	(121,446)	143,600
Public Protection	1,153,400	939,333	(214,067)	210,000
Environment	1,691,900	1,128,291	(563,609)	427,900
Growth and Regeneration	0	0	0	0
Resources & Reputation	251,200	111,478	(139,722)	116,000
<b>TOTAL</b>	<b>4,954,700</b>	<b>3,911,885</b>	<b>(1,042,815)</b>	<b>901,200</b>

### 2.7.4 Proposed Capital Carry Forwards

The capital carry forward requests total £901,200 against the current approved capital programme of £4,954,700 which represents 18% re-profiling for 2018-19. The level of funding available to finance the carry forwards is projected to be sufficient. The majority of the capital re-profiling is in relation to the following:

- The demolition and other site works at Arnold Market to allow for a series of events for the re-opening of the Market (£103,600);
- Detailed plans for Carlton Square development to be completed in 2019-20 - (£40,000);

- Disabled Facilities Grant, additional grant funding spent in year resulting in a schedule of works for the main grant to be completed in early in 2019-20 (£210,000).
- Purchase of equipment for the new grounds maintenance and second tree team in order to carry out a service review of the first tree team - (£155,800),
- Maximisation of asset life of vehicles with purchases now taking place in 2019-20 - (£234,000),
- Purchase of IT software packages due to a review of the rollout of Windows 10, the project will now span 2 years - (£65,000)
- Retention, final inspection and project management costs for the completed Cinderpath Project (£28,000)
- Awaiting final designs for the extension of the garden of remembrance at Carlton cemetery (£10,100)
- Hazelford Way drainage scheme, due to an assessment of ground conditions - (£51,000)

Appendix 6 details:

- (a) the carry forward requests authorised by the Chief Financial Officer in line with the delegation arrangements, totalling £640,200; and
- (b) the carry forward requests totalling £261,000 for non-committed schemes in excess of £50,000, which requires Council approval. This is for Disabled Facilities Grants and drainage works at Hazelford Way.

#### 2.7.5 Capital Financing 2018-19

The proposed method of financing the £3,911,885 capital expenditure incurred in 2018-19 is summarised below and full details are included in Appendix 7.

	£
Capital Receipts	635,847
Capital Grants and Contributions	2,309,631
S106 & CIL	200,164
General Fund Revenue Contributions	250,821
Borrowing	515,422
<b>Total Capital Financing</b>	<b>3,911,885</b>

#### 2.7.6 Usable Capital Reserves

A reserve is created for a specific purpose or to cover contingencies. In accordance with the accounting code, these usable reserves must be separately identified between those that are retained for Capital purposes, and those that are retained for Revenue purposes.

Capital reserves are used to fund the capital programme within the year and the position as at 31 March 2019 is as follows:

<b>Description</b>	<b>Balance Bfwd 01/04/18</b>	<b>Received In Year</b>	<b>Use In Year</b>	<b>Balance 31/03/19</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Usable Capital Receipts	0	716,700	(716,700)	0
Capital Grants Unapplied	120,500	2,463,700	(2,309,600)	274,600
S106 Contributions (conditions satisfied)	0	195,200	(195,200)	0
Community Infrastructure Levy	1,107,400	36,200	(5,000)	1,138,600
<b>Total</b>	<b>1,227,900</b>	<b>3,411,800</b>	<b>(3,226,500)</b>	<b>1,413,200</b>

### 2.7.7 Capital Determinations 2018-19

The Local Government and Housing Act 1989 requires each Local Authority to determine how its capital expenditure has been financed together with the amounts set aside from revenue as a provision for repayment of debt:

- (i) Section 42(2)(g) of the Local Government and Housing Act 1989 requires the Authority to determine the amount of expenditure which has been met out of money provided by other persons. This is:

	<b>£</b>
Capital grants receivable	2,278,631
Capital contributions	231,164

- (ii) Section 60(2) of the Act requires the Authority to determine the amount of usable capital receipts to be applied to meet expenditure incurred for capital purposes for 2018/19. This figure is £635,847.

- (ii) Section 63(1) of the Act requires the Authority to determine the amounts set aside from revenue accounts as provision for repayment of debt, known as the minimum revenue provision (MRP). This is calculated in accordance with the MRP policy for 2018/19 as approved by Council on 5 March 2018 and equates to £555,765.

## 2.8 Statement of Accounts

### 2.8.1 Technical Adjustments to Revenue

The Council is required to comply with International Financial Reporting Standards (IFRS) in the production of its Statement of Accounts which requires a number of technical adjustments to be made to portfolio totals. The adjusted

totals are then presented in the Comprehensive Income and Expenditure Statement within the Statement of Accounts.

Adjustments will be made in respect of Employee Benefits i.e. holiday pay and pensions, and impairments arising from asset revaluations and further details are provided below. The adjustments themselves do not impact on the budget requirement or the amount to be raised by Council Tax and therefore do not affect the General Fund balance. No budgets are set for them and managers do not have direct control of the costs. They are therefore not included within the Outturn Portfolio balances at paragraph 2.1.5.

### Pension Benefits

IFRS reporting standards require recognition in the Accounts of the benefit entitlements earned by employees during the period rather than the actual amount of employer's pension contributions payable upon which charges to council tax are based. Adjustments will be made to the service revenue accounts Net Costs of Services to remove the actual pension contributions payable and replace them with the benefit entitlements earned as provided by the Actuary. For 2018-19 this adjustment adds £1,365,800 to the Net Cost of Services.

### Asset Impairment

A capital asset impairment review is undertaken each year end by the Council's valuer. An assessment is made of whether the asset values currently held in the Council's Balance Sheet reflect both the current physical and market conditions and determine if an adjustment is required. If an asset is impaired i.e. the value is assessed to be lower than that currently held, then the asset value is written down with the accounting loss being charged to the Comprehensive Income and Expenditure Statement. In 2018-19 operational land and building assets have been impaired to the value of £898,100 of which: £766,400 relates to the Arnold Market which was acquired as an economic regeneration intervention for best value as approved by Cabinet and Council in November 2017; and £131,700 relates to Allotments which have been revalued in recognition of their statutorily protected status. Impairment of investment assets of £246,200 has been recognised due to declining market value and review of the potential for planning permission at each site.

## 2.8.2 Pensions

The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at Appendix 8.

Barnett Waddingham are the Pension Fund's appointed Actuary, and their report sets out the assumptions used to prepare the IAS19 pension figures which are reported in Gedling's accounts. It is required that these assumptions are reviewed prior to agreeing their use and inclusion in the Statement of

Accounts, and this review has been completed by the Deputy Chief Executive and Director of Finance.

### 2.8.3 Balance Sheet at 31 March 2019

Consideration of the Council's Balance Sheet does not feature significantly in the budget setting and monitoring, and yet if not managed and reviewed correctly, a number of balances may be hidden that could have a major impact on the revenue outturn in any one year. Balance sheet valuation and management is at the heart of changes being driven by International Financial Reporting Standards, and it is therefore important that in reviewing the Final Accounts, due consideration is given to the main features of the Balance Sheet and year to year changes as follows:

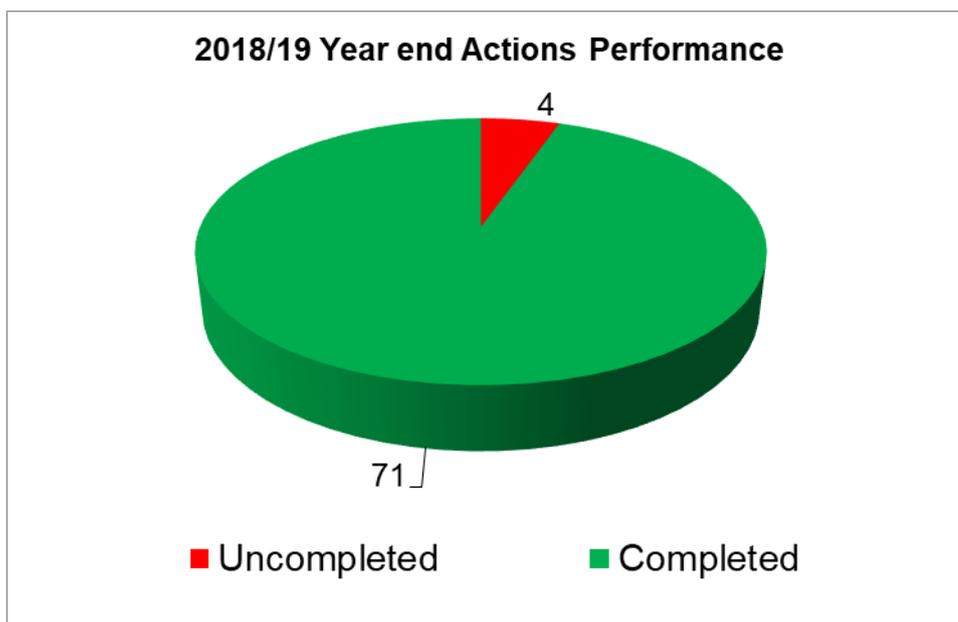
- Property, Plant and Equipment and Investment Property has reduced by £2.6m to £33.0m. This is due to: the disposal of assets £3.3m e.g. the sale of Teal Close development land and the transfer of Arnold Hill Community Centre; Depreciation and reduced asset valuations of £2.2m; offset by capital expenditure of £2.9m e.g. Arnold Market acquisition and vehicle and equipment replacement.
- The Pension Liability has decreased by £3.6m to £45m due to changes in the discount rate and other assumptions made by the Actuary.

## 3. Performance Information

### Year End Performance Information

#### **Actions**

- 3.1 During 2018-19, progress has been made as expected on 71 of the actions. However, 4 actions have not progressed as expected and show as not complete at year end.



The actions which were not progressed as expected during the year are:

**Identify and implement practical initiatives to encourage cycling and walking** - A Strategy has been developed for the implementation of a cycling/walking route along the Gedling Mineral Line but there are issues as to who should be responsible for taking this forward as the land is owned by Network Rail and the responsibility for cycling and walking sits with Nottinghamshire County Council. The Borough is actively trying to work with Nottinghamshire County Council to come up with a plan for moving the project forward.

Network Rail has been contacted regarding the poor condition of the route and a request made for Network Rail to undertake some improvement to the line. Discussions are still ongoing.

This project will roll over into the 2019-20 planning cycle.

**Ensure the development and approval of an updated Asset Management Strategy** - Work on the strategy has been deferred until the summer 2019 due to other work priorities.

**Implement a programme of activity to deliver the Digital Strategy** – This is an ongoing project which will continue into 2019-20.

Whilst a significant amount of activity has taken place to progress the Digital Strategy, two specific planned actions were not achieved in 2018-19. The Council intended to work in collaboration with the DWP to increase the number of self-serve internet points at the civic centre and create a 'digital hub'. Proposals have been discussed with the DWP but confirmation of approval to move forward is awaited. The Borough Council will continue to collaborate with the DWP or

explore alternative options during 2019-20.

In addition, it has been agreed that exploring additional Wi-Fi coverage across the borough will be progressed as part of the Economic Growth and Regeneration town centre improvements projects.

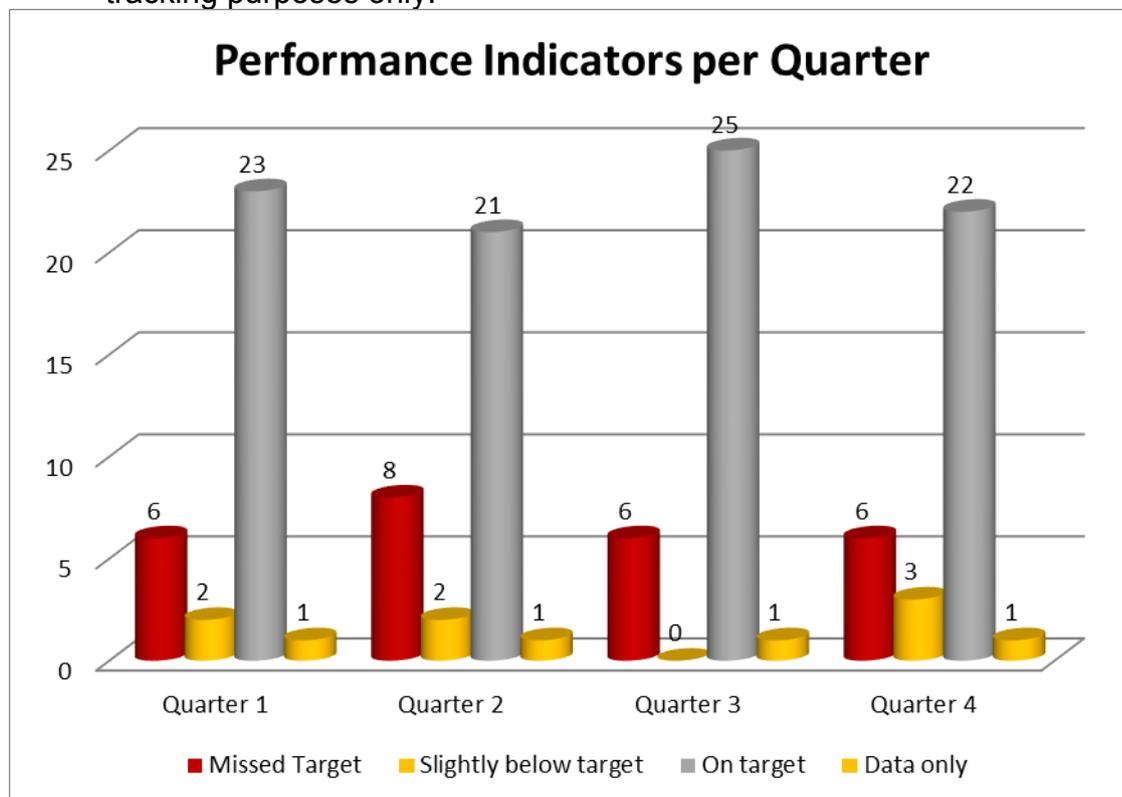
**Proactively promote the sale of council owned land for the purpose of creating new homes** - This is on hold pending an evaluation and assessment of a business case for operating a council owned housing company.

- 3.2 A presentation on year end performance including some of the key achievements delivered during the year 2018-19 will be provided at the Cabinet meeting.

### Indicators

#### 3.3 Quarter 4

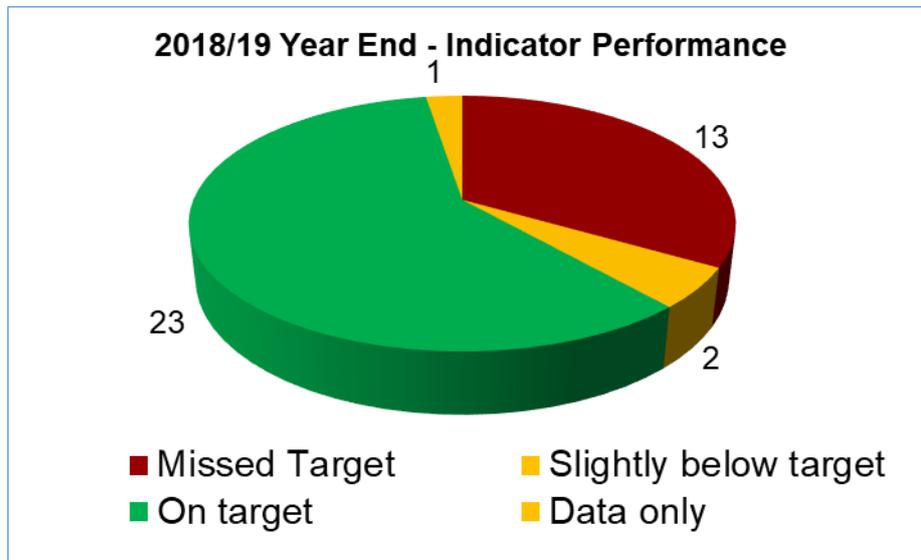
The following table shows the status of performance indicators appropriate for quarterly monitoring for each quarter throughout the year. During quarter 4, 22 of the 32 performance indicators that are appropriate for quarterly monitoring met the target and of the remaining 6 are red, 3 is amber and 1 indicator is for tracking purposes only.



#### 3.4 Year end

In addition to the performance indicators which are monitored on a quarterly basis, there are a number of indicators which are reported on an annual basis.

The diagram below shows the performance position at the end of the year in respect of all 39 indicators included in the Gedling Plan. Overall performance is good with 25 of the indicators on target or slightly below target and 13 behind target.



**Performance review**

3.5 Examples of particularly positive performance at the end of 2018-19 include:-

- The number of attendances at Bonington Theatre productions has increased from 37,297 to 55,552 which are also significantly above the annual target of 28,500.
- The number of theatre shows and events has also increased, rising from 687 to 958 against a target of 690.
- Visits to our leisure centres have continued to increase with the number of visits going from 1,033,527 to 1,125,302.
- Average time of 3.4 days to process Housing Benefit change in circumstances against a target of 4 calendar days and a figure of 3.7 in 2017-18.
- Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (in calendar days) was 4.6 days against a target of 6 days.
- Customer satisfaction with the overall customer service at 98.2% has exceeded the target of 85% and increased from 96.7%.
- 94.3% of calls to the contact centre were answered (or call back made) against a target of 90%.
- The number of long term empty homes that we have returned to use was 37 against target of 20.
- Number of garden waste customers now stands at 15,057 up from 14,548.
- 96.8% of Major planning applications processed within 8 weeks against a target of 90%.

- The percentage of Minor planning applications processed within 8 weeks has increased from 90.7% to 93.6%
- The proportion of other planning applications processed within 8 weeks has increased from 94.6% to 96.6%

3.6 Whilst overall performance is good, the following areas are highlighted as being of concern and require focused attention in 2019-20.

#### Level of all crime

All Crime - Recorded crime for quarter 4 2018-19 has shown a decrease of 3.2% compared to the previous quarter but an overall increase of 2.3% compared to the period April 2017 to March 2018. However, this increase is less than South Notts. Community Partnership as a whole, which has an overall increase of 4.8% compared to the same period last year.

Key priorities for the community safety partnership will be focused upon violence while maintaining existing work to address burglary (year to date 20% decrease) and vehicle crime (year to date a 4.6% decrease) and violence (year to date increase of 24.9%).

Anti-social behaviour - Recorded ASB has halved since 2011. This improvement appears to have flattened out during 2018-19. This has been due to a number of high profile issues in the Arnold area. The individuals responsible have been dealt with.

#### Revenues and Welfare

Average time to process new Housing Benefit claims (in calendar days) currently stands at 13.7 days against a target of 13. The quarter 4 result is positive and has improved the annual performance to 13.7 days. Despite missing the target by 0.7 days this performance is still within the top 5% of councils in the country, with the national average being 22 days

Average length of time spent in Temporary accommodation finished the year at 11.1 weeks, against a target of 8 weeks. The quarter 4 result is positive at 6.7 weeks and has improved the annual performance to 11.1 weeks. This is mainly to do with sourcing additional temporary accommodation from Gedling Homes. New legislation introduced on 1 April 2018 (Homelessness Reduction Act) requires the council to provide 56 days for temporary accommodation relief instead of the previous 28 days. This is very much demand led and very dependent on Gedling Homes, Housing Associations and Private Sector properties being available for temporary accommodation, of which there are very few. In reality the situation will not improve until there are more properties available for private rental. This is a national as well as a local problem.

#### Economic Growth and Regeneration

##### Homes

Net additional homes provided 286 against a target of 480 - The adoption of the Local Planning Document in July 2018 amended the Green Belt boundary and brought forward a number of housing allocations which will result in an increase in house building. A number of planning applications have now been submitted and/or determined in relation to the housing allocations but the timescale for the development of individual sites is in the hands of the developers.

Following the publication of the Housing Delivery Test results in February 2019 a Housing Delivery Action Plan is being prepared setting out a range of actions to help increase completions. Discussions are ongoing with developers and landowners through the regular developers' forum meetings and in conjunction with other Greater Nottingham authorities (via the Housing Delivery Workshop) to understand constraints to delivery and identify potential solutions.

Number of affordable homes delivered 50 against a target of 130 - In this year, there have been fewer affordable homes have been delivered than expected. This reflects the slow pace of delivery in the wider housing market associated with recent economic conditions. However, this is still a significant increase over previous years and the Local Plan adoption has helped with this.

Notable sites delivered this year includes: the former Cavendish public house, Maidens Dale and Moyra Drive garage sites.

#### Support for Business/Apprentices

Number of working age work experience placements created in Gedling Borough Council – originally we planned for 16 placements, but finished on 10 days. For two years the DWP have not actively engaged with placements, this has partly been due to a change in their priorities and partly due to the absence of the lead officer in DWP. The Service Manager for OD has now linked up with a different lead officer in DWP on a temporary basis to reinvigorate the partnership arrangement. The placement profiles supplied by most service managers have been shared again across local job centre offices. Service managers have been reminded of the placement profile that they submitted so that contact from the DWP won't be unexpected. The ten placements that we did achieve came from a variety of other sources.

Number of small and medium size enterprises supported to recruit their first apprentice - This indicator is reliant upon two aspects: work through the Erasmus project and general Economic Growth work programme. Firstly, the final stages of the Erasmus project which was due to deliver the final set of apprentices as a carry forward from the previous year (which was achieved). The second aspect to achieving this target was focused on further engagement with SMEs to help

facilitate additional apprenticeship placements. Unfortunately, this was not achieved as officer time was re-assigned to closing down the Erasmus project and the senior economic growth officer left part way through the financial year. The ability of the economic growth team to deliver this stream of work and how SMEs are engaged with generally going forward is being reviewed.

Number of employment agreements and pre-employment arrangements including pre-employment training, placements in education, apprenticeship starts and jobs created - This indicator was to be delivered through two routes: the final delivery stages of the Erasmus project and the general Economic Growth work programme. Firstly, the final stages of the Erasmus project which was due to deliver the final numbers (which delivered 13-14 achieved). The second aspect did not deliver the remaining amount and this was partly down to development sites not coming forward as quickly as anticipated and some operational issues with the Local Labour Agreements. This being said, a review of the Local Labour Agreement process is being undertaken.

As part of supporting SME apprenticeships support 16-24 year old Gedling Borough residents to secure an apprenticeship - This indicator is reliant upon two aspects: work through the Erasmus project and general Economic Growth work programme. Firstly, the final stages of the Erasmus project which was due to deliver the final set of apprentices as a carry forward from the previous year (which was achieved). The second aspect to achieving this target was focused on further engagement with SMEs to help facilitate additional 16-24 apprenticeship placements. Unfortunately, this was not achieved as officer time was re-assigned to closing down the Erasmus project and the senior economic growth officer left part way through the financial year. The ability of the economic growth team to deliver this stream of work and how SMEs are engaged with generally going forward is being reviewed.

## **Achievements**

- 3.7 A separate report is produced highlighting key achievements delivered during quarter 4, focusing on areas where the Council has made a real difference to people's lives. This is attached as Appendix 9 and is available on the Council's website and in hard copy in the Members' Room. The following outcomes are identified for particular attention:

**Second Knife Amnesty Event** - Gedling Borough Council supported the second Nottinghamshire Police Knife Amnesty Event in March. 635 knives were handed in across Nottinghamshire including at a reception point in the Civic Centre in Arnold. This is the highest number since the amnesty launch in 2013. Weapon searches in open space, test purchases to ensure that knives are not sold to those under 16 and talks to schools were also carried out. The amnesty helps prevent potentially deadly weapons falling into the wrong hands.

**Pride of Gedling Awards** - In March we hosted the third Pride of Gedling awards event, showcasing the outstanding work of the people who live in the borough, especially those who make such a positive contribution to society. The entrants this year were some of the strongest yet. A judging panel of councillors and Nottingham Post editor, Mike Sassi, had the difficult task of selecting a winner. On the night there was a huge array of emotions listening to the incredible stories of the people nominated.

**The Gedling Big Spring Clean** - The campaign was launched across the borough to help communities who want to do more to keep tidy where they live, starting with a clean-up day on 16th March supported by community leaders and attended by volunteers who were provided with litter picking equipment, waste bags and high-vis clothing. The clean-up comes as the council announces further plans for investment in frontline services in the borough, including the introduction of a new Rapid Response Cleaning Team to further strengthen efforts to deal with litter, dog fouling and fly tipping.

**Intergenerational Event** - On 30<sup>th</sup> March the Youth Council hosted a spectacular intergenerational event at The Beacon, working collaboratively on the planning with members of the Gedling Seniors Council. The event was attended by over 40 members of the younger and older communities, incorporated jokes, poetry, filmmaking and photography and involved structured, speed dating style debate on six key issues identified by the planning group. These were:

- School life
- Bullying/Cyberbullying
- Prejudice and Discrimination
- Loneliness and Isolation
- Mental Health
- Knife Crime, fear of crime

Outcomes from the event will be:

- A manifesto for change on the above issues to be presented to policy makers and influencers
- A film presentation to be showcased at Council and Partnership meetings
- A permanent art installation (subject to further funding)
- Further intergenerational collaboration

**Record number of kids learning to Swim** - Gedling's swimming pools are at an all-time high in terms of the number of children currently on the 'learn to swim scheme'. By the end of March, there were 2669 compared to 2223 in March last year, which demonstrates the excellent teaching standards and overall service at the sites that is attracting so many new customers

**Warm Homes on Prescription** - The innovative Warm Homes on Prescription service has continued to grow in 2018-19 which has been its most successful year to date. A total of 14 low income households suffering priority medical conditions have been supported with improvement works such as improved insulation or heating systems to remove hazards in the home and lift householders out of fuel

poverty. The project partnership approach has been recognised and picked up the Efficiency East Midlands “*Collaborative Working Award 2019*”.

The council recently adopted an Energy Company Obligation Statement of Intent which seeks to attract substantially more funding from utilities companies in 2019-20 to help vulnerable household in the borough.

**Netherfield Cinder Path** - The cinder Path received approximately £90,000 funding from WREN, Gedling Homes and Gedling Borough Council in September to refurbish a space that is well loved by residents. The new route was opened by the Mayor in March 2019 and local schoolchildren attended from Netherfield Primary School and Colwick St Johns Primary to undertake a local history quiz on the day.

The improvements have opened up the route so it feels safer for users with new lighting installed, old lighting reconfigured, dead and diseased trees and shrubbery removed. Four new interpretation panels have also been installed depicting the history of Cinder Path and its link with the former Bourne factory, the history of the local railway line and information boards to promote walking and its health benefits.

**Heritage Brought Alive Project** - On 15<sup>th</sup> March Gedling Borough’s “Heritage Brought Alive Project” was launched at Café 1899 at Gedling Country Park. The event included a book launch, the unveiling of mosaics created by local children, a mural and a short film showing information about the borough’s historic places, people and industries. The project, made possible thanks to a £74,900 grant from the Heritage Lottery Fund and the work of volunteers over the last 15 months, is part of the council’s heritage strategy with more projects planned to follow.

**Eagles Nest Community Centre and VCS Hub** - One year on from the successful asset transfer, recent one to one meetings and discussions with Eagles Nest have yielded outstanding outcomes at the Eagles Nest CC. Eagles Nest has just filed the first full year’s Annual Report and is now making a £5k surplus, is fully booked and delivering a wide range of programmes and activities, including parent and toddler groups, social and creative activities for older people, intergenerational sessions and much more. Plans are underway for further reinvestment back into the centre as follows.

The Eagles Nest has acted as a mentor to other groups considering Asset Transfer, and a natural progression of this has been the establishment of a VCS Resource Hub at Arnot Hill House. We have actively promoted the facilities through the COMMUNITY E Newsletter and Contacts, which has led to at least two new groups signing up to use the facilities. Collaborative work is also underway between GBC, Eagles Nest and NCC to improve the Gedling search facility of the Notts Help Yourself website.

## **Alternative Options**

- 4 This report provides a statement of the actual performance against the Gedling Plan for 2018-19 and as such there are no alternative options. The proposals for

budget carry forwards are in accordance with the requirements of Financial Regulations and are submitted for Member consideration.

The approval of the capital financing method and determinations are statutorily required and as resources available for capital financing are severely restricted there are no alternative options available.

### **Financial Implications**

- 5 As detailed in the report.

### **Appendices**

- 6 Appendix 1 General Fund Revenue Outturn 2018-19 Variance Analysis
- Appendix 2 Summary General Fund Balances & Earmarked Reserves 2018-19
- Appendix 3 Movement in Earmarked Reserves 2018-19
- Appendix 4 Members Pot 2018-19
- Appendix 5 Capital Outturn 2018-19
- Appendix 6 Budget Carry Forward Summary 2018-19
- Appendix 7 Capital Financing Summary 2018-19
- Appendix 8 Pension Fund Accounting Disclosures
- Appendix 9 Performance Outcomes Qtr. 4 2018-19

### **Background Papers**

- 7 Gedling Plan 2018-19 and Quarterly Performance Monitoring Reports

### **Reasons for Recommendations**

- 8 To ensure Members are informed of the financial and non-financial performance against the Gedling Plan for 2018-19 and to comply with statutory requirements for capital financing.

	Current (Revised) Budget 2018/19 £	Actual Expenditure £	Variation to Revised £	Analysis of variance	
				Controllable Budget Variance £	Non Controllable Recharge Variance £
<b>General Fund</b>					
Community Development	1,526,400	1,462,792	(63,608)	(35,649)	(27,960)
Housing, Health & Well-being	2,321,800	1,924,462	(397,338)	(299,324)	(98,014)
Public Protection	1,527,600	1,338,578	(189,022)	(173,611)	(15,411)
Environment	4,618,300	4,628,780	10,480	52,349	(42,968)
Growth & Regeneration	892,600	814,062	(78,538)	(26,470)	(52,067)
Resources & Reputation	1,786,900	508,969	(1,277,931)	(1,513,251)	236,420
<b>General Fund</b>	<b>12,673,600</b>	<b>10,677,644</b>	<b>(1,995,956)</b>	<b>(1,995,956)</b>	<b>0</b>
<b>Transfer to/from Earmarked Reserves</b>	<b>(771,600)</b>	<b>1,072,791</b>	<b>1,844,391</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>11,902,000</b>	<b>11,750,435</b>	<b>(151,565)</b>	<b>(1,995,956)</b>	<b>0</b>

## Community Development Portfolio. Outturn Summary 2018/19

	Current Approved Estimate 2018/19	Actual Expenditure	Variation to Estimate	Analysis of Variance	
				Controllable Budget Variance	Non Controllable Recharge Variance
	£	£	£	£	£
<b>Community Development</b>					
Democratic Mgt & Representation	669,000	617,951	(51,049)	(28,236)	(22,813)
Committee Services	0	0	0	0	0
Localities	154,900	155,144	244	2,815	(2,572)
Community Grants	283,400	268,576	(14,824)	(16,310)	1,486
The Arts & Tourism	46,400	44,723	(1,677)	289	(1,966)
Community Centres	221,500	213,396	(8,104)	(6,063)	(2,042)
Markets & Events	151,200	163,002	11,802	11,856	(54)
<b>Community Development</b>	<b>1,526,400</b>	<b>1,462,792</b>	<b>(63,608)</b>	<b>(35,649)</b>	<b>(27,960)</b>
<b>Transfer to/(from) Earmarked Reserves</b>	<b>(78,900)</b>	<b>(53,407)</b>	<b>25,493</b>	<b>25,493</b>	<b>0</b>
<b>Total</b>	<b>1,447,500</b>	<b>1,409,385</b>	<b>(38,115)</b>	<b>(10,156)</b>	<b>(27,960)</b>

**Total Controllable Variance for Portfolio of (£36K) underspend****Democratic Mgt & Representation - £28.2K Underspend**

Variance due to vacant post and underspend on twinning visit offset with lower contribution from reserves.

**Localities - £2.8K Overspend**

No major variances

**Community Grants - £16.3K Underspend**

Variance mainly due to year 2 income received for the Heritage Brought Alive project, resulting in a net transfer to reserves.

**The Arts & Tourism - £0.3K Overspend**

No major variances

**Community Centres - £6.1K Underspend**

Savings mainly due to vacant posts being covered on a casual basis and associated pension costs partly offset with additional income on bookings in Community Centres.

**Markets & Events - £11.9K Overspend**

Variance mainly due to alternate delivery of Arnold Carnival partially offset with savings on other events.

**Transfer to / (from) Earmarked Reserves Analysis - £25.5K**

Variance due to additional net contribution to reserves for the Heritage Lottery Grant Funding £23k and Haywood Road Community Centre improvements works (£3.4k) also a lower contribution from reserves for the Twinning programme £2.7k.

## Housing, Health & Well-being Portfolio. Outturn Summary 2018/19

	Current Approved Estimate 2018/19	Actual Expenditure	Variation to Estimate	Analysis of Variance	
				Controllable Budget Variance	Non Controllable Recharge Variance
	£	£	£	£	£
<b>Housing, Health &amp; Well-being</b>					
Housing Needs	358,100	284,426	(73,674)	(59,272)	(14,402)
Leisure Services Division	172,900	145,262	(27,638)	(28,148)	510
Calverton Leisure Centre	257,400	210,869	(46,531)	(37,043)	(9,488)
Carlton Forum Leisure Centre	222,800	131,948	(90,852)	(32,141)	(58,711)
Redhill Leisure Centre	199,300	247,954	48,654	17,085	31,569
Arnold Theatre	112,800	94,065	(18,735)	(18,570)	(165)
Arnold Leisure Centre	336,500	313,981	(22,519)	(37,035)	14,515
Richard Herrod Centre	327,500	291,655	(35,845)	(22,844)	(13,001)
Health & Exercise	0	0	0	0	0
Sports Development	32,700	26,899	(5,801)	(3,267)	(2,534)
Council Tax Benefits	(26,000)	(32,755)	(6,755)	(6,755)	0
Rent Allowances	(130,400)	(200,056)	(69,656)	(69,656)	0
Housing Benefit Administration	456,700	404,645	(52,055)	(5,749)	(46,305)
Rent Rebates	1,500	5,571	4,071	4,071	0
<b>Housing, Health &amp; Well-being</b>	<b>2,321,800</b>	<b>1,924,462</b>	<b>(397,338)</b>	<b>(299,324)</b>	<b>(98,014)</b>
<b>Transfer to/(from) Earmarked Reserves</b>	<b>(11,900)</b>	<b>138,061</b>	<b>149,961</b>	<b>149,961</b>	<b>0</b>
<b>Total</b>	<b>2,309,900</b>	<b>2,062,523</b>	<b>(247,377)</b>	<b>(149,363)</b>	<b>(98,014)</b>

### Total Controllable Variance for Portfolio of (£299K) underspend

#### Housing Needs - £59.3K Underspend

Variance mainly due to receipt of additional Homelessness grant, used in part to fund additional homelessness expenditure, with remainder transferred to reserves.

#### Leisure Services Division - £28.1K Underspend

Variance due to re-phasing of the Leisure Transformation project into 19/20 offset by transfer to reserves.

#### Calverton Leisure Centre - £37K Underspend

Variance mainly due to an increase in swimming lesson and membership income partially offset by a contribution to the leisure strategy reserve to support future transformation and a reduction in pay and play and squash income. Reduced employee expenditure due temporary management arrangement. Savings on joint use budgets offset with transfers to reserves.

#### Carlton Forum Leisure Centre - £32.1K Underspend

Variance mainly due to additional swimming and membership income partly offset by expenditure on casual staff and contribution to leisure strategy reserve to support future transformation

#### Redhill Leisure Centre - £17.1K Overspend

Variance mainly due to reduced membership income partially offset with additional income from the all weather pitch, employee savings on vacant posts and saving on joint use offset with contribution to reserves.

#### Arnold Theatre - £18.6K Underspend

Variance mainly due to the development of the cinema programme, resulting in an increase in income partially offset by additional associated costs.

#### Arnold Leisure Centre - £37K Underspend

Variance mainly due to additional swimming lesson income partially offset with an additional contribution to leisure strategy reserve to support future transformation and employee savings on vacancies being covered on a casual basis.

#### Richard Herrod Centre - £22.8K Underspend

Variance mainly due to increased income from use of community room by the playgroup, bar and catering income. Employee savings due to vacancies being covered on a temporary basis.

#### Sports Development - £3.3K Underspend

Variance mainly due to saving on changing lifestyle budget transfer to reserves.

#### Council Tax Benefits - £6.8K Underspend

Variance due to additional income from the run off of the CTB scheme, which was abolished in 2013.

#### Rent Allowances - £69.7K Underspend

Additional overpayment recoveries which are unpredictable by nature, and this was especially the case in 2018/19 given the re-scheduled rollout of Universal Credit. This also led to slightly lower than anticipated contribution to the Bad Debts provision.

**Housing Benefit Administration - £5.7K Underspend**

Additional New Burdens grant and summons income partly offset by contribution to reserves.

**Rent Rebates - £4K Overspend**

A small subsidy adjustment was made in relation to the 2017/18 audit.

**Transfer to / (from) Earmarked Reserves Analysis - £150K**

Major variance due to grant funding received for housing needs resulting in a net addition to the Homeless Reduction Reserve of £55.2k. Additional contributions to the leisure strategy reserve £50k, the Leisure Transformation Reserve £24.5k, the Housing Benefit Reserve of £12.4k for New Burden grant is offset with an additional contribution from the reserve of (£13.7k) to fund computing expenditure. A transfer to Joint Use Maintenance Reserves for Leisure Centres of £17.5k, contributions to other Leisure reserves of £5.3k for Sport England Grant funding and £3.5k for the social prescribing project, partially offset with an addition contribution from joint use reserves for Redhill Leisure Centre Boiler works of £5k.

**Public Protection Portfolio. Outturn Summary 2018/19**

	Current Approved Estimate 2018/19 £	Actual Expenditure £	Variation to Estimate £	Analysis of Variance	
				Controllable Budget Variance £	Non Controllable Recharge Variance £
<b>Public Protection</b>					
Licencing & Hackney Carriages	103,100	42,734	(60,366)	(19,672)	(40,695)
Environmental Protection	339,300	326,227	(13,073)	(425)	(12,647)
Food, Health & Safety	234,600	223,248	(11,352)	(4,733)	(6,619)
Comm Protection & Dog Control	631,900	604,227	(27,673)	(12,383)	(15,289)
Public Sector Housing	218,700	142,141	(76,559)	(136,397)	59,839
<b>Public Protection</b>	<b>1,527,600</b>	<b>1,338,578</b>	<b>(189,022)</b>	<b>(173,611)</b>	<b>(15,411)</b>

<b>Transfer to/(from) Earmarked Reserves</b>	<b>(47,000)</b>	<b>121,350</b>	<b>168,350</b>	<b>168,350</b>	<b>0</b>
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<b>Total</b>	<b>1,480,600</b>	<b>1,459,928</b>	<b>(20,672)</b>	<b>(5,261)</b>	<b>(15,411)</b>
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<p><b>Total Controllable Variance for Portfolio of (£174K) underspend</b></p> <p><b><u>Licencing &amp; Hackney Carriages - £19.7K Underspend</u></b> Underspend due to additional taxi licencing income and staff vacancies.</p> <p><b><u>Environmental Protection - £0.4K Underspend</u></b> No Major Variances</p> <p><b><u>Food, Health &amp; Safety - £4.7K Underspend</u></b> Variance due to lower than expected expenditure on travel and water sample testing offset with lower associated income.</p> <p><b><u>Community Protection &amp; Dog Control - £12.4K Underspend</u></b> Variance due to underspend on the Sanctuary Scheme offset with an additional contribution to the community and crime reserve. Additional contributions from Pub/Shop radio scheme offset with a lower contributions from Reserve, and higher expenditure of CCTV replacements offset with additional contribution from reserves.</p> <p><b><u>Public Sector Housing - £136.4K Underspend</u></b> Variance due to income from Selective Licencing Scheme and additional income from repayments of improvements grants offset with transfers to reserves.</p>
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<p><b>Transfer to / (from) Earmarked Reserves Analysis - £168.3K</b></p> <p>Major variance due to additional transfers to reserves for Selective Licencing income to be used to deliver the project in 2019/20, £141.5k, additional contribution to community &amp; crime reserve £20k, S106 for air quality grant £2.5k, lower contribution from reserves for Pub/shop radio reserve as upgrade funded from additional in year contributions £6k, and Hospital to Home scheme £1.5k offset with a higher contribution from the CCTV reserve for additional CCTV replacements (£4k).</p>
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**Environment Portfolio. Outturn Summary 2018/19**

	Current Approved Estimate 2018/19 £	Actual Expenditure £	Variation to Estimate £	Analysis of Variance	
				Controllable Budget Variance £	Non Controllable Recharge Variance £
<b>Environment</b>					
Waste Management	2,138,700	2,122,819	(15,881)	(4,145)	(12,836)
Trade Waste	(120,400)	(145,088)	(24,688)	(5,770)	(18,918)
Street Care	943,200	884,428	(58,772)	(1,748)	(57,025)
Public Conveniences	21,300	19,629	(1,671)	(2,236)	565
Direct Services Service Support	12,000	1,644	(10,356)	1,505	(11,861)
Building Services	7,000	975	(6,025)	(533)	(5,492)
Car Parks	96,800	102,066	5,266	9,345	(4,078)
Fleet Management	(19,400)	0	19,400	40,620	(21,220)
Parks	1,707,200	1,764,933	57,733	4,228	53,505
Parks - External Works	16,700	41,532	24,832	5,603	19,229
Cemeteries	(184,800)	(164,157)	20,643	5,482	15,162
<b>Environment</b>	<b>4,618,300</b>	<b>4,628,780</b>	<b>10,480</b>	<b>52,349</b>	<b>(42,968)</b>
<b>Transfer to/(from) Earmarked Reserves</b>	<b>(48,900)</b>	<b>(34,774)</b>	<b>14,126</b>	<b>14,126</b>	<b>0</b>
<b>Total</b>	<b>4,569,400</b>	<b>4,594,006</b>	<b>24,606</b>	<b>66,474</b>	<b>(42,968)</b>

**Total Controllable Variance for Portfolio of £52K overspend**

**Waste Management - £4.1K Underspend**

Variance due to employee savings from a reduction in overtime offset by bin purchases and a shortfall in recycling income.

**Trade Waste - £5.7K Underspend**

Variance mainly due to slightly higher than anticipated Trade Waste income

**Street Care - £1.7K Underspend**

No major variances

**Public Conveniences - £2.2K Underspend**

No major variances

**Direct Services Service Support - 1.5K Overspend**

No major variances

**Building Services - £0.5K Underspend**

No major variances

**Car Parks - £9.3K Overspend**

Variance mainly due to reduced parking fine income and Long Stay permit sales, offset by a lower contribution to reserves. Increased Pay & Display receipts and a maintenance underspend resulting from delays in emergency car park resurfacing works offset with lower contribution from reserves.

**Fleet Management - £40.6K Overspend**

Variance mainly due to lower vehicle sales, higher fuel prices, and insurance excess payments, partially offset by reduced tyre and transport hire expenditure.

**Parks - £4.2K Overspend**

Variance mainly due to additional expenditure on Repairs, Maintenance and Equipment partly offset by additional park improvement grant transferred to reserves. Underspend on plastic clever scheme offset by a reduced contribution from reserves.

**Parks - External Works - £5.6K Overspend**

Variance mainly due to underachievement of income by the tree teams, partly offset by additional income from other external works.

**Cemeteries - £5.5K Overspend**

Variance mainly due to reduced income and cost of assisted burials, partly offset by an underspend on utilities.

**Transfer to / (from) Earmarked Reserves Analysis - £14.1K**

Variance due to lower contribution to the car parking reserve as income lower than expected £23.6k offset with additional contribution to reserves for Park Improvement grant funding and reduced contribution required for Plastic Clever £5k and a lower contribution from reserves for the car park resurfacing project which has slipped into 2019/20 £15k.

**Growth & Regeneration Portfolio. Outturn Summary 2018/19**

	Current Approved Estimate 2018/19	Actual Expenditure	Variation to Estimate	Analysis of Variance	
				Controllable Budget Variance	Non Controllable Recharge Variance
	£	£	£	£	£
<b>Growth &amp; Regeneration</b>					
Development Service Support	(400)	1,112	1,512	(10,492)	12,005
Development Management	54,500	69,482	14,982	42,614	(27,632)
Planning Policy	390,100	345,088	(45,012)	(34,100)	(10,912)
Building Control Account	57,100	52,279	(4,821)	(3,454)	(1,367)
Building Control Fee Earning Account	(2,100)	18,237	20,337	29,783	(9,446)
Land Charges	(4,900)	(14,628)	(9,728)	(1,979)	(7,749)
Economic Development	276,600	225,526	(51,074)	(47,787)	(3,287)
Housing Strategy	121,700	116,966	(4,734)	(1,056)	(3,679)
<b>Growth &amp; Regeneration</b>	<b>892,600</b>	<b>814,062</b>	<b>(78,538)</b>	<b>(26,470)</b>	<b>(52,067)</b>

<b>Transfer to/(from) Earmarked Reserves</b>	<b>(62,500)</b>	<b>33,850</b>	<b>96,350</b>	<b>96,350</b>	<b>0</b>
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<b>Total</b>	<b>830,100</b>	<b>847,912</b>	<b>17,812</b>	<b>69,879</b>	<b>(52,067)</b>
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<p><b>Total Controllable Variance for Portfolio of (£26K) underspend</b></p> <p><b><u>Development Service Support - £10.4K Underspend</u></b> Variance due to savings from vacant posts</p> <p><b><u>Development Management - £42.6K Overspend</u></b> Variance due to lower CIL administration income and planning fees</p> <p><b><u>Planning Policy - £34.1K Underspend</u></b> Variance due to Custom Self Build and New Burdens Grants offset with a transfer to reserves.</p> <p><b><u>Building Control Account - £3.4K Underspend</u></b> No Major variance</p> <p><b><u>Building Control Fee Earning Account - £29.7K Overspend</u></b>  Building control fees lower than expected offset by contribution from Building Control reserve to ensure breakeven as required by regulation</p> <p><b><u>Land Charges - £1.9K Underspend</u></b> No Major variances</p> <p><b><u>Economic Development - £47.8K Underspend</u></b> Contribution to Notts Transport bid not yet required offset by reduced contribution from reserves, the Capacity Funding has been carried forward into 19/20, this is for feasibility work to ensure delivery on the sites</p> <p><b><u>Housing Strategy - £1K Underspend</u></b> No major variances</p>
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<p><b>Transfer to / (from) Earmarked Reserves Analysis - £96.3K</b></p> <p>Variance due to reduced contribution from Economic Development fund reserve of £50k for Notts Transport bid re-scheduled into 19-20, additional transfer of £33k reserved for future projects in Economic development, £30k Self Build grant and £3.6k New Burden's, partially offset with a contribution from reserves of £20k to match Building Control expenditure.</p>
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**Resources & Reputation Portfolio. Outturn Summary 2018/19**

	Current Approved Estimate 2018/19	Actual Expenditure	Variation to Estimate	Analysis of Variance	
				Controllable Budget Variance	Non Controllable Recharge Variance
	£	£	£	£	£
<b>Resources &amp; Reputation</b>					
Organisational Development	5,900	3,533	(2,367)	(46,286)	43,918
Corporate Management	1,051,700	1,015,416	(36,284)	4,096	(40,380)
Health & Safety and Emergency Planning	13,100	7,819	(5,281)	193	(5,474)
Legal Services	11,300	3,813	(7,487)	(16,025)	8,538
Central Print Room	(8,000)	80	8,080	(1,651)	9,731
Postages	0	0	0	(1,841)	1,841
Registration Of Electors	145,100	145,661	561	8,307	(7,746)
Elections	1,600	10,740	9,140	8,763	377
Estates & Valuation	3,600	1,630	(1,970)	5,956	(7,925)
Public Land & Buildings	10,600	8,843	(1,757)	(22,011)	20,254
Information Technology	20,100	7,981	(12,119)	(205,726)	193,607
Communications & Publicity	20,000	2,150	(17,850)	(8,582)	(9,268)
Corporate Officers	(9,500)	693	10,193	6,588	3,605
Business Units	(9,000)	(10,708)	(1,708)	(580)	(1,127)
Public Offices	42,400	20,712	(21,688)	(21,105)	(583)
Corporate Administration	(43,600)	(6,489)	37,111	(27)	37,138
Financial Services	(26,300)	7,571	33,871	(33,305)	67,176
Customer Services	24,100	16,695	(7,405)	(84,326)	76,921
Insurance Premiums	89,900	96,843	6,943	12,731	(5,789)
Revenues-Local Taxation	574,100	(55,975)	(630,075)	(577,892)	(52,183)
Central Provisions Account	283,400	(114,016)	(397,416)	(397,416)	0
Non Distributed Costs	128,900	125,222	(3,678)	(3,678)	0
Corporate Income & Expenditure	190,600	(1,558,143)	(1,748,743)	(27,319)	(1,721,425)
Movement in Reserves (MiRs)	(733,100)	778,900	1,512,000	(112,114)	1,623,015
<b>Resources &amp; Reputation</b>	<b>1,786,900</b>	<b>508,969</b>	<b>(1,277,931)</b>	<b>(1,513,251)</b>	<b>236,420</b>

<b>Transfer to/(from) Earmarked Reserves</b>	<b>(522,400)</b>	<b>867,712</b>	<b>1,390,112</b>	<b>1,390,112</b>	<b>0</b>
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<b>Total</b>	<b>1,264,500</b>	<b>1,376,681</b>	<b>112,181</b>	<b>(123,139)</b>	<b>236,420</b>
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**Total Controllable Variance for Portfolio of (£1513K) underspend**

**Organisational Development - £46.2K Underspend**

Variance due to additional income from a higher number of Apprentices in year than anticipated, furthermore the MPA Training finished which contributed to this both offset with transfer to reserves. In addition there were savings on non contractual overtime.

**Corporate Management - £4.1K Overspend**

No major variances.

**Health & Safety and Emergency Planning - £0.2K Overspend**

No major variances.

**Legal Services - £16K Underspend**

Variance due to income generated from legal services higher than estimated and new burdens transparency grant offset with contribution to reserves.

**Central Print Room - £1.6K Underspend**

Reduction in printing costs due to digitalisation.

**Postages - £1.8K Underspend**

Savings on postages as a result of reduced volumes.

**Registration Of Electors - £8.3K Overspend**

Variance mainly due to government grant lower than anticipated and higher postage costs of postal vote identifier refresh.

**Elections - £8.7K Overspend**

Variance due to government grant not yet received for cover general election.

**Estates & Valuation - £6K Overspend**

Variance mainly due to additional consultancy advice for development sites

**Public Land & Buildings - £22K Underspend**

Variance mainly due to savings from delivery of Arnold Market and telecom mast rental income offset with transfer to reserves.

**Information Technology - £206K Underspend**

Major variance due to a re-phasing in the upgrade of Windows offset with lower contribution from reserves plus an underspend on the digital agenda to be delivered in 19/20 offset by contribution from reserves

**Communications & Publicity - £8.6K Underspend**

Variance due to lower expenditure on the use of Corporate and Nottinghamshire Unitary consultancy partially offset higher employee expenditure for maternity cover.

**Corporate Officers - £6.6K Overspend**

Variance mainly due to an honoraria payment and office set up costs.

**Business Units - £0.6K Underspend**

No major variances.

**Public Offices - £21.1K Underspend**

Variance mainly due to an underspend on drainage works at the Depot delayed until 2019/20 offset with a contribution to reserves, also additional income from room rental and solar panels.

**Corporate Administration - £0.3K Overspend**

No major variances

**Financial Services - £33.3K Underspend**

Variance mainly due to underspends on the procurement & consultancy budgets and vacant posts offset with a contribution to reserves

**Customer Services - £84.3K Underspend**

Savings as a result of staffing efficiency restructure.

**Insurance Premiums - £12.7K Overspend**

Variance due to the amount paid on insurance claims offset by income from settlements, offset by a contribution from the Insurance Reserve.

**Revenues-Local Taxation - £577.9K Underspend**

Variance mainly due to additional NNDR pool surplus, and transferred to reserves, partly offset by additional expenditure on computer software again funded from reserve.

**Central Provisions Account - £397.4 Underspend**

Variance mainly due to underspend on the Budget Reduction Risk budget & Transformation Fund offset with a contribution to reserves and a decrease in Civica Bad Debt Provision.

**Non Distributed Costs - £3.6k - Underspend**

No major variances

**Corporate Income & Expenditure - £27.3k Underspend**

Variance due to additional interest from Investments

**Movement in Reserves (MiRs) - £112k Underspend**

Variance due to reduced Direct Revenue Financing of the capital programme due to slipped schemes offset with the associated contribution from reserves.

**Transfers to/(from) Earmarked reserves £1,390.1K**

Variances mainly due to transfers to NNDR pool reserve £588k, contribution to transformation reserve of £229k, contribution of £155k for Digital Agenda, £109k for financing for capital schemes, £70k year end transfers to asset management reserve, £20k to community and crime reserve, £50k for budget risk reserve, a further £43k to IT Digital, £27.6k from Finance for future projects, £30k to the apprentice reserve, £17.5k EU exit preparations, £12.3k transfer from the Asset Management Fund for the Waste project at the Depot is delayed until 19/20, £8.1k for New Burdens.

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**GENERAL FUND BALANCE AND EARMARKED RESERVES 2018/19**

	<b>Current Estimate 2018/19 £000</b>	<b>Actual Outturn 2018/19 £000</b>	<b>Variance 2018/19 £000</b>
<b>General Fund Balance at 1 April 2018</b>	<b>5,928</b>	<b>5,928</b>	<b>0</b>
<u>Plus:</u>			
GBC Council Tax Requirement from Collection Fund	5,974	5,974	0
GBC share of declared previous year Council Tax Collection Fund surplus/(deficit)	0	0	0
Business Rates	3,650	3,721	71
New Homes Bonus	857	857	0
RSG & Other grants	385	431	46
Parish Levy	673	673	0
<u>Less:</u>			
Committee Expenditure	(11,902)	(11,750)	152
Parish Precept	(673)	(673)	0
<b>General Fund Balance at 31 March 2019</b>	<b>4,892</b>	<b>5,161</b>	<b>269</b>
<b><i>Movement in General Fund Balance</i></b>	<b><i>(1,036)</i></b>	<b><i>(767)</i></b>	<b><i>269</i></b>
<b><u>Earmarked Reserves (see Appendix 3 for detail)</u></b>			
<b>Opening Balance 1 April 2018</b>	<b>5,722</b>	<b>5,722</b>	<b>0</b>
<b>Closing Balance 31 March 2019</b>	<b>4,950</b>	<b>6,795</b>	<b>1,845</b>
<b><i>Movement in Earmarked Reserves</i></b>	<b><i>(772)</i></b>	<b><i>1,073</i></b>	<b><i>1,845</i></b>
<b>Grand Total Reserves at 31 March 2019</b>	<b>9,842</b>	<b>11,956</b>	<b>2,114</b>

<b>Memorandum - Actual Movement on Balances 2018/19</b>	
	<b>£000's</b>
<i>Reduction in General Fund Balance</i>	<i>(767)</i>
<i>Increase in Earmarked Reserves</i>	<i>1,073</i>
<b>Actual INCREASE in Total Reserves 2018/19</b>	<b>306</b>

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**Movement on Earmarked Reserves**

Reserve	Original Estimate 2018/19				Revised Estimate 2018/19				Outturn 2018/19			
	Opening Balance 01/04/18	Transfer to Reserve	Transfer from Reserve	Balance 31/03/19	Opening Balance 01/04/18	Transfer to Reserve	Transfer from Reserve	Balance 31/03/19	Opening Balance 01/04/18	Transfer to Reserve	Transfer from Reserve	Balance 31/03/19
	£	£	£	£	£	£	£	£	£	£	£	£
Leisure Strategy Reserve	(187,000)			(187,000)	(187,000)			(187,000)	(187,000)	(50,000)		(237,000)
Joint Use & Base Maintenance Reserve	(68,261)			(68,261)	(68,261)			(68,261)	(68,261)	(17,467)	5,049	(80,679)
Pub Watch/Shop Radio Replacement Reserve	(23,461)	(3,500)		(26,961)	(23,461)	(3,500)	5,800	(21,161)	(23,461)	(3,500)		(26,961)
Building Control Reserve	(30,467)			(30,467)	(30,467)			(30,467)	(30,467)		20,337	(10,130)
Shops & Garages Repairs Reserve	0			0	0			0	0			0
Community & Crime Reserves	(89,701)		3,000	(86,701)	(89,701)		35,000	(54,701)	(89,701)	(20,000)	33,264	(76,437)
IT Replacement Reserve	(688,632)	(91,900)	170,700	(609,832)	(688,632)	(91,900)	287,700	(492,832)	(688,632)	(91,900)	115,628	(664,904)
Risk Mgmt Reserve (Health & Safety)	(86,438)		4,000	(82,438)	(86,438)		41,900	(44,538)	(86,438)	(30,000)	41,730	(74,708)
Budget Redn Risk Reserve	(125,900)			(125,900)	(125,900)			(125,900)	(125,900)	(50,000)		(175,900)
S106 Revenue Reserve	(227,326)			(227,326)	(227,326)		38,300	(189,026)	(227,326)	(2,550)	38,268	(191,608)
Housing & Housing Benefits Reserve	(430,703)		15,000	(415,703)	(430,703)		15,000	(415,703)	(430,703)		15,000	(415,703)
Insurance Reserve	(280,463)	(35,000)		(315,463)	(280,463)	(35,000)	5,000	(310,463)	(280,463)	(35,871)	17,616	(298,718)
Efficiency & Innovation Reserve	(213,393)		20,000	(193,393)	(213,393)	(5,500)	26,100	(192,793)	(213,393)	(76,100)	18,566	(270,927)
Asset Management Reserve	(494,965)	(81,100)	0	(576,065)	(494,965)	(81,100)	129,800	(446,265)	(494,965)	(147,494)	110,238	(532,221)
Local Development Framework Reserve	(120,714)			(120,714)	(120,714)	(76,400)	88,900	(108,214)	(120,714)	(76,400)	88,900	(108,214)
Earmarked Grants Reserve	(711,966)	0	12,000	(699,966)	(711,966)	(72,300)	150,900	(633,366)	(711,966)	(385,370)	171,669	(925,667)
CCTV Reserve	(255,523)	(40,800)		(296,323)	(255,523)	(25,800)	51,000	(230,323)	(255,523)	(25,800)	60,542	(220,781)
LA Mortgage Scheme Reserve (LAMS)	(110,593)			(110,593)	(110,593)			(110,593)	(110,593)			(110,593)
Apprentice Reserve	(55,300)		16,800	(38,500)	(55,300)		20,000	(35,300)	(55,300)	(30,000)	9,372	(75,928)
Land Charges	0			0	0			0	0			0
NNDR Pool Reserve	(492,219)			(492,219)	(492,219)		50,000	(442,219)	(492,219)	(588,402)		(1,080,621)
Transformation Fund Reserve	(518,982)		21500	(497,482)	(518,982)		21,500	(497,482)	(518,982)	(253,900)	5,227	(767,655)
Economic Development Fund Reserve	(445,965)			(445,965)	(445,965)		196,200	(249,765)	(445,965)	(33,000)	93,557	(385,408)
Property Management Fund	(64,000)			(64,000)	(64,000)			(64,000)	(64,000)			(64,000)
<b>Total Reserves</b>	<b>(5,721,971)</b>	<b>(252,300)</b>	<b>263,000</b>	<b>(5,711,271)</b>	<b>(5,721,971)</b>	<b>(391,500)</b>	<b>1,163,100</b>	<b>(4,950,371)</b>	<b>(5,721,971)</b>	<b>(1,917,754)</b>	<b>844,963</b>	<b>(6,794,762)</b>
<b>Net Transfer (to) / from reserves</b>		<b>10,700</b>				<b>771,600</b>				<b>(1,072,791)</b>		

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## MEMBERS POT

OUTTURN SUMMARY  
Members Pot Expenditure 2018/19

Budget 2018/19	£ 61,500	No. of Councillors:	41
		Spending their full allocation	41
Less Total Expenditure	61,500	Part spending their allocation	0
Balance Unspent	<u>61,500</u>	Not spending their allocation	0

## Breakdown of Grants/Contributions

Name	£ Amount	Name	£ Amount
1st A Porchester Brownies	175	GBC - Youth Council	1966
1st Burton Joyce Guides	200	Gedling Asian Elders Association	425
1st Burton Joyce Rainbows	130	Gedling Church Council	75
1st Colwick Scout	200	Gedling Horticultural Society	243
1st Netherfield Guides	150	Gedling Park Run	75
1st Porchester Rainbows	750	Gedling Play Forum	1427.5
1st Porchester Scout, Cubs & Beavers - uncashed cheque	-200	Gedling Southbank FC Girls Division	300
20th Nottingham Girls Brigade	150	Gedling Southbank Football Club	450
2nd Arnold Girls Brigade	750	Gedling Southbank U10 FC Rovers	200
2nd Burton Joyce Brownies	200	Gedling Women's Institute	100
37th Nottingham Company Boys Brigade	200	Guide Association Nottinghamshire	100
4th Nottingham Girls Brigade	400	Hawthorne Baby & Toddler Group	120
A Place in the World CIC	200	Haywood Community Association	200
Age Concern	200	Haywood Road Pre-School Play Group	200
Age UK Men in Sheds	500	HEAT Committee	550
Arnold Association of Neighbourhood Watch Schemes	646	Inspire Culture Arnold Library	300
Arnold Foodbank	350	Killisick Junior School	150
Arnold in Bloom	800	K's Pantry	150
Arnold Local History Group	900	Lambley Parish Council	550
Arnold Methodist Church - Going Bananas Holiday Club	300	Leapool Allotment Association	400
Arnold Methodist Church - Lighthouse Youth Club	200	Linby Parish Council	700
Arnold Methodist Church Mental Health Befriending & Support Gr	1225	Manor Park School	775
Arnold Mill Primary School	150	Mapperley, Porchester & District Royal British Legion	750
Arnold Town FC	200	Milton Court Residents Fund	34.72
Bags of Blessings	200	Netherfield & Colwick Senior Citizen's Club	400
Bestwood Village Community Centre	750	Netherfield & District WI	250
Bestwood Village Hall Trust	500	Netherfield Boys Girls Football Club	575
Bethesda Ministries	340	Netherfield Parents Forum	725
Breathe Easy BHL Group	200	Netherfield Senior Citizen Line Dance Association	50
Brickyard Youth Club	140	New Writers UK	1000
Burton Joyce & Bulcote Local History Group	200	Newstead Events Group	300
Burton Joyce & Bulcote Village Hall	235	Newstead Parish Council	610
Burton Joyce & Bulcote WI	175	Papplewick & Linby Village Hall	300
Burton Joyce Bowls Club	250	Papplewick Village Fayre Group	300
Burton Joyce Community Brass	100	Parents and Carers Together	50
Burton Joyce Football Club Under 7's Blues	80	Parkinsons Disease	400
Burton Joyce Parish Council	65	Pavours RFC	500
Burton Joyce Primary School	550	Phoenix Boxing Club	200
Calverton & Gedling Arts Society	482	Phoenix Farm Open Door Project (The Ark)	1800
Calverton Play Day	300	Poets Corner Neighbourhood Watch Scheme	200
Calverton Preservation & History Society	100	Ravenshead Parish Council	1110
Carlton Community Street Cleaners	120	Ravenshead Tennis Club	365
Carlton Forum Swimming Club - Rotenburg Committee	605	Redhill Road Runners	150
Carlton House c/o Foxhill Court Residents	200	RNLI (Calverton)	100
Carlton Junior School	600	Royal British Legion	350
Carlton Lifesaving Club	50	Rushcliffe & Gedling Transport Scheme	100
Carlton Town FC	687	Rushcliffe Avenue Community Centre	100
Central Nottingham District Scout Council	50	Sherwood Clarinets	225
Central Notts District Scout Council	150	St. John's Church of England Primary School, Colwick	250
Central Youth Club	50	St. Mark's Church Fun Factory	142
Colwick Tots	100	St. Marks Church Woodthorpe	200
Daybrook Bowls Club	200	St. Mary's Church, Arnold	550
E Stubbs Forest Farm	500	St. Mary's PCC, Newstead	515
Eagles Nest Church	100	St. Pauls Church Carlton	350
Foxhill Court Residents Fund	450	St. Timothy's Church Friendship Group	400
Framework Housing Association	350	St. Wilfrid's CE Primary School	250
Friends of All Hallows Church	315	St. Wilfrid's Church	425
Friends of Arnot Hill Park	400	Stoke Bardolph Parish Meeting	300
Friends of Bailey Court Social Club	100	Taville Court	500
Friends of Bestwood Country Park	200	The Carlton Academy	200
Friends of Breckhill Park	250	The Coffee Hideout	100
Friends of Gedling Country Park	786.40	The Daybrook Crew	200
Friends of Moor Pond Wood Group	300	The Guides Association Midlands	550
Friends of Onchan Park	730	The Porchester Festival Committee	350
Friends of Phoenix PTA	100	The Village Lunch	440
GBC - Arts Development	2540	Warren Action Group	507.6
GBC - Bestwood Village Healthy Communities Locality Project	750	We R Here	2013.5
GBC - Bonington Theatre	255.28	Women's Aid Integrated Services	100
GBC - Economic Development	100	Woodborough in Bloom	250
GBC - Events & Play	210	Woodborough Parish Council	500
GBC - Events Suffrage Event	550	Walton Court Residents Group c/o Foxhill Court Residents	300
GBC - Locality Netherfield	1550		
GBC - PASC	4819		
GBC - Richard Herrod Centre	95		

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**CAPITAL OUTTURN 2018/19**

PORTFOLIO	SCHEME	2018/19 APPROVED BUDGET £	2018/19 FINAL OUTTURN £	VARIANCE £	PROPOSED CARRY FORWARDS £
<b>COMMUNITY RELATIONS</b>	Aid to Parishes		(281)	(281)	
	Ley Street Play Area & Trim Trail	7,600	3,910	(3,690)	3,700
		<b>7,600</b>	<b>3,629</b>	<b>(3,971)</b>	<b>3,700</b>
<b>HOUSING, HEALTH &amp; WELLBEING</b>	Eagle Square	73,000	93,398	20,398	
	Arnold Market	1,364,700	1,261,057	(103,643)	103,600
	Carlton Square Development	59,500	19,468	(40,032)	40,000
	Affordable Housing (S106 Commuted Sum)	115,700	117,316	1,616	
	CF Replacement Gym Equipment 2017	190,000	190,214	214	
	Redhill Changing Rooms - 2018	47,700	47,700		
		<b>1,850,600</b>	<b>1,729,154</b>	<b>(121,446)</b>	<b>143,600</b>
<b>PUBLIC PROTECTION</b>	CCTV - Smithy Crescent Arnold	15,000	15,441	441	
	CCTV - Gedling Country Park	6,000	1,461	(4,539)	
	Disabled Facilities Grants	1,005,400	798,325	(207,075)	207,100
	DFG staff salaries	127,000	124,106	(2,894)	2,900
		<b>1,153,400</b>	<b>939,333</b>	<b>(214,067)</b>	<b>210,000</b>
<b>ENVIRONMENT</b>	Land Sales Fees	89,400	0	(89,400)	
	Bestwood CP Vehicle	24,500	24,800	300	
	Replace TORO 5 Gang Mower YX60FNN	44,000	38,657	(5,343)	
	Replace TORO Triple Mower YX6FNM				
	Replace Shibura Banks Mower FJ11MXC				
	Replace Dennis Elite VU60KGJ	4,100		(4,100)	
	Replace Glass Topsider VK58JFY		2,355	2,355	
	Replace Ford Transit 350LWB High Roof FL60VA	22,000	25,844	3,844	
	Rplace Scarab Minor GN12EKU	74,000		(74,000)	74,000
	Replace Exhaust Fans	10,300	7,986	(2,314)	
	Replace Rolling Road	32,000	32,649	649	
	Replace Ford Transit/ plastic body FG11WCY	33,000		(33,000)	33,000
	Replace Ford Transit Platform Lift FE59LTO	52,000		(52,000)	52,000
	Replace Ford Transit Crew Tail FP60JYS				
	Replace Ford Transit Crew Tail FP60KGN	32,000		(32,000)	32,000
	Replace Shibaru Out Front FJ12FSU				
	Replace Volvo Excavator/Gravedigger				
	Replace Trilo Vacuum Leaf Collector				
	Replace Dennis Elite Narrow VU11YSA	180,000	175,139	(4,861)	
	Replace Dennis Elite Narrow VU11YSB	180,000	171,139	(8,861)	
	Replace Dennis Elite VU11HXE	185,000	168,439	(16,561)	
	Replace Ford Transit Connect FD09EPZ	17,000		(17,000)	17,000
	Replace Johnson Iveco RX60BZE	150,000	140,118	(9,882)	
	Replace Ford Fiesta YR61DTZ	13,000		(13,000)	13,000
	Replace Ford Fiesta YR61DWM	13,000		(13,000)	13,000
	Replace Vehicle Lifting Equipment				
	Replace Engine Management Fault Finder				
	New Pet Cremation Refridgerated Ford Transit	44,800	28,606	(16,194)	
	Gedling Country Park	3,000	3,048	48	
	Arnot Hill Park Play Area	124,800	124,800		
	Cinder Path Netherfield	97,400	69,288	(28,112)	<b>28,000</b>
	Haywood Road Play Area	4,700	8,010	3,310	
	PASC Trees/Landscaping equipment	171,000	15,150	(155,850)	<b>155,800</b>
King George V CCTV Equipment	10,000	14,640	4,640		
Muirfield Road - Outdoor Gym Facility	16,000	15,950	(50)		
Carlton Cem - Expansion/Car Park	20,500	10,410	(10,090)	<b>10,100</b>	
Pet Cremation Service	44,400	51,263	6,863		
	<b>1,691,900</b>	<b>1,128,291</b>	<b>(563,609)</b>	<b>427,900</b>	
<b>RESOURCES &amp; REPUTATION</b>	Asset Management Fund	23,700		(23,700)	
	AMF - Footpath Resurfacing	26,500	26,457	(43)	
	AMF - Equipment Replacement	150,000	85,021	(64,979)	65,000
	AMF - Hazelford Way	51,000		(51,000)	51,000
		<b>251,200</b>	<b>111,478</b>	<b>(139,722)</b>	<b>116,000</b>
<b>TOTAL</b>		<b>4,954,700</b>	<b>3,911,885</b>	<b>(1,042,815)</b>	<b>901,200</b>

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**ALL COMMITTED CAPITAL BUDGET CARRY FORWARD REQUESTS, PLUS UNCOMMITTED CAPITAL REQUESTS UNDER  
£50,000  
2018-19 to 2019-20**

**Schemes approved by the Chief Financial Officer**

Department: All

Ref's

A Work Committed (Ordered/Contract Agreed)

B Not Committed but affected by Policy Decision/  
significant impact on Service Prov'n

Scheme	Approved Budget	2018/19 Actual				Reason for Carry Forward	
		Actual Exp 2018/19	Reserved Creditors 2018/19	Total 2018/19 Actual	Carry Forward Requested		
	£	£	£	£	£	Ref A/B	Details
Arnold Market	1,364,700	1,261,057		1,261,057	103,600	A & B	£58k Committed, remainder for additional demolition at rear of market and other minor works.
PASC Trees/Landscaping Equipment	171,000	15,150		15,150	155,800	A	New teams assets to be purchased in 19-20. Transit for Grounds Maintenance Team and chipper for Tree Team 2
Replace Ford Transit/ plastic body FG11WCY	33,000			0	33,000	A	Optimised Asset life will replace in 19/20
Replace Ford Transit Crew Tail FP60KGN	32,000			0	32,000	A	Optimised Asset life will replace in 19-20
Replace Scarab Minor GN12EKU	74,000	0		0	74,000	A	Optimised Asset life will replace in 19-20
Replace Ford Transit Platform Lift FE59LTO	52,000	0		0	52,000	A	Optimised Asset life will replace in 19-20
Replace Ford Transit Connect FD09EPZ	17,000			0	17,000	A	Optimised Asset life will replace in 19-20
Replace Ford Fiesta YR61DTZ	13,000			0	13,000	A	Optimised Asset life will replace in 19-20
Replace Ford Fiesta YR61DWM	13,000			0	13,000	A	Optimised Asset life will replace in 19-20
Aid to Parishes	7,600	3,910		3,910	3,700	A	Awaiting Claim from Parish Councils
Carlton Square Development	59,500	19,500		19,500	40,000	B	Initial design works complete details plans to be completed in 19-20

Scheme	Approved Budget	2018/19 Actual			Reason for Carry Forward		
		Actual Exp 2018/19	Reserved Creditors 2018/19	Total 2018/19 Actual			Carry Forward Requested
	£	£	£	£	£	Ref A/B	Details
Cemetery Extension	20,500	10,409		10,409	10,100	A	For tender of the extension of the garden of remembrance
Cinderpath Netherfield	97,400	69,300		69,300	28,000	A	Retention and final inspection of project, including project management costs
Asset Management Fund - Equipment Replacement	150,000	85,000		<b>85,000</b>	65,000	B	Awaiting identification of schemes.
				0			
				0			
				0			
<b>TOTAL</b>	<b>2,104,700</b>	<b>1,464,326</b>	<b>-</b>	<b>1,464,326</b>	<b>640,200</b>		

**NON-COMMITTED CAPITAL BUDGET CARRY FORWARD REQUESTS OVER £50,000**  
**2018-19 to 2019-20**

**Schemes to be Approved by Council**

Department:     All    

Scheme	Approved Budget £	2018/19 Actual			Carry Forward Requested £	Reason for Carry Forward Details
		Actual Exp 2018/19 £	Reserved Creditors 2018/19 £	Total 2018/19 Actual £		
Hazelfordway - Drainage	51,000	0	0	0	51,000	Tender and contract for works will take place in 2019-20
Disabled Facilities Grant	1,070,300	922,431	0	922,431	210,000	18-19 Disabled Facilities Grant- Additional funding awarded has been used in year resulting in a carry forward of main grant for 18-19.
<b>TOTAL</b>	<b>1,121,300</b>	<b>922,431</b>	<b>0</b>	<b>922,431</b>	<b>261,000</b>	

**ALL COMMITTED REVENUE BUDGET CARRY FORWARD REQUESTS WITH NO ONGOING BUDGET IN  
2018-19 to 2019-20**

**Schemes Approved by Chief Financial Officer**

Department:

Description of Scheme/ Request	Approved Budget £	2018/19 Actual			Carry Forward Requested £	Details
		Actual Exp 2018/19 £	Reserved Creditors 2018/19 £	Total 2018/19 Actual £		
Nottingham Pre-Development Funding for, Arnold Town Centre, Carlton Square, Gedling Country Park Visitors Centre, Arnold Masterplan, Calverton Employment Space and Poacher Line.	113,800	82,828	0	82,828	30,972	Amount remaining from NPDF Grant
Nottingham Pre-Development Funding for, Arnold Town Centre, Carlton Square, Gedling Country Park Visitors Centre, Arnold Masterplan, Calverton Employment Space and Poacher Line.	(113,800)	(82,828)	0	(82,828)	(30,972)	Amount remaining from NPDF Grant
Feasibility work for A60 corridor, Top Wighay Farm & Rolleston Drive	195,000	5,000	0	5,000	190,000	Expenditure to be made 19-20
Feasibility work for A60 corridor, Top Wighay Farm & Rolleston Drive	(195,000)	0	(5,000)	(5,000)	(190,000)	Funding to be received 19-20
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>(5,000)</b>	<b>0</b>	<b>0</b>	

**CAPITAL FINANCING SUMMARY 2018/19**

	£	£	£
<b><u>CAPITAL EXPENDITURE 2018/19 REQUIRING FINANCING</u></b>			<b><u>3,911,885</u></b>
<b><u>RESOURCES APPLIED</u></b>			
<b><u>Money Provided by Other Persons</u></b>			
<b>Capital Grants Receivable:</b>			
N2TC Programme - Arnold Market	1,250,000		
DFG	922,431		
WREN Grant - Arnot Hill Park	50,000		
WREN Grant - Cinderpath	56,200		
		<u>2,278,631</u>	
<b>Contributions:</b>			
NCC Contribution to Redhill Changing Rooms	15,000		
Warren Action Group - Murfield Road	12,000		
Bestwood Parish Council - Murfield Road	4,000		
S106 & Community Infrastructure Levy	200,164		
		<u>231,164</u>	
<b>Total Money Provided by Other Persons</b>			<b>2,509,795</b>
<b>Revenue Contributions</b>			<b>250,821</b>
<b>Total Usable Capital Receipts Applied</b>			<b>635,847</b>
<b>Total Prudential Borrowing Applied</b>			<b>515,422</b>
<b><u>TOTAL RESOURCES APPLIED 2018/19</u></b>			<b><u>3,911,885</u></b>

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# Gedling Borough Council

# Nottinghamshire County Council

# Pension Fund

Pension accounting disclosure as at 31 March 2019  
Prepared in accordance with IAS19

**Barnett Waddingham LLP**

10 April 2019

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## Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire County Council Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS) to employees of Gedling Borough Council (the Employer) as at 31 March 2019. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

This report is addressed to the Employer and its advisers; in particular, this report is likely to be of relevance to the Employer's auditor.

These figures are prepared in accordance with our understanding of International Accounting Standard 19 (IAS19).

This advice complies with Technical Actuarial Standard 100: Principles for Technical Actuarial Work (TAS 100).

The figures quoted will form the basis of the balance sheet and funding status disclosures to be made by the Employer as at 31 March 2019 in respect of its pension obligations under the LGPS. The projected pension expense calculations for the year to 31 March 2020 may be used for the purpose of any interim financial reporting during the year to 31 March 2020. However, it may subsequently be necessary to adjust these projections following the occurrence of any material events such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund.

Please note that no allowance has been made for the recent McCloud judgement which relates to age discrimination within the New Judicial Pension Scheme. It is currently unclear how this judgement may affect LGPS members' past or future service benefits. We continue to participate in discussions with the governing bodies of the LGPS to understand how this may affect mechanisms within the scheme, however, at the time of producing the report no guidance or indication of the likely impact of this ruling has been provided to funds.

Please note we have not made any allowance for IFRIC14 in our calculations. We would be happy to speak to the Employer or their auditor if more information is required.

IAS19 also requires the disclosure of any other employer provided pension benefits which are not paid from the Fund itself: examples include additional pensions paid on retirement under the Discretionary Payment Regulations. We have only valued such additional liabilities, which would not be covered in the formal LGPS valuation, to the extent that they have been notified to us and are as disclosed in the Valuation data section of this report.

## Characteristics of defined benefit plans and associated risks

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet.

The administering authority for the Fund is Nottinghamshire County Council. The Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Nottinghamshire County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2019 and will set contributions for the period from 1 April 2020 to 31 March 2023. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

On the Employer's withdrawal from the Fund, a cessation valuation will be carried out in accordance with Regulation 64 of the LGPS Regulations 2013 which will determine the termination contribution due by the Employer, on a set of assumptions deemed appropriate by the Fund Actuary.

In general, participating in a defined benefit pension scheme means that the Employer is exposed to a number of risks:

- Investment risk. The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges;
- Interest rate risk. The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount future liability cashflows. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way;
- Inflation risk. All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation; and
- Longevity risk. In the event that the members live longer than assumed a deficit will emerge in the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Nottinghamshire County Council Pension Fund, there is an orphan liability risk where employers leave the Fund but with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the risks above may also benefit the Employer e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

## Valuation data

### Data sources

In completing our calculations for pension accounting purposes we have used the following items of data, which we received from Nottinghamshire County Council:

- The results of the valuation as at 31 March 2016 which was carried out for funding purposes and the results of the 31 March 2018 IAS19 report which was carried out for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 March 2019;
- Estimated Fund returns based on Fund asset statements provided (or estimated where necessary) as at 31 March 2016, 31 March 2018 and 31 December 2018, Fund income and expenditure as noted above, and estimated market returns thereafter for the period to 31 March 2019;
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2019; and
- Details of any new early retirements for the period to 31 March 2019 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost.

Although some of these data items have been estimated, we do not believe that they are likely to have a material effect on the results of this report. Further, we are not aware of any material changes or events since we received the data. The data has been checked for reasonableness and we are happy that the data is sufficient for the purposes of this advice.

### Employer membership statistics

The table below summarises the membership data, as at 31 March 2016 for members receiving funded benefits, and as at 31 March 2016 for any members receiving unfunded benefits.

Member data summary	Number	Salaries/Pensions	Average age
		£000s	
Actives	439	7,965	47
Deferred pensioners	525	863	44
Pensioners	530	2,444	73
Unfunded pensioners	95	136	78

The service cost for the year ending 31 March 2019 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £9,182,000, as advised by the Employer. The projected service cost for the year ending 31 March 2020 has been calculated assuming the payroll remains at this level over the year.

## Scheduled contributions

The table below summarises the minimum employer contributions due from Gedling Borough Council to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 15.1% of payroll p.a. The monetary amounts are due to be paid in monthly instalments.

Minimum employer contributions due for the period beginning	1 Apr 2017	1 Apr 2018	1 Apr 2019
Percent of payroll	15.1%	15.1%	15.1%
plus monetary amount (£000s)	575	588	602

However, Gedling Borough Council have agreed with the Administering Authority that they will prepay their monetary contributions for the three years to 31 March 2020 by making a single lump sum payment of £1,674,767 by 30 April 2017. This lump sum payment has received an actuarially equivalent discount to the monetary rates above and Gedling Borough Council have been notified separately of this amount. If they don't make this lump sum payment by 30 April 2017, the contribution rates set out above will apply as normal.

Gedling Borough Council may pay further amounts at any time and future periodic contributions, or the timing of contributions may be adjusted on a basis approved by us.

## Early retirements

We requested data on any early retirements in respect of the Employer from the administering authority for the year ending 31 March 2019.

It is our understanding that there were no new early retirements over the year which were not allowed for at the previous accounting date.

## Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2019 is estimated to be 10%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for Gedling Borough Council as at 31 March 2019 is as follows:

Asset breakdown	31 Mar 2019		31 Mar 2018	
	£000s	%	£000s	%
Equities	48,808	60%	49,220	66%
Gilts	2,333	3%	1,715	2%
Other bonds	8,082	10%	8,744	12%
Property	12,630	16%	9,403	13%
Cash	2,446	3%	1,479	2%
Inflation-linked pooled fund	2,938	4%	1,852	2%
Infrastructure	4,002	5%	2,442	3%
<b>Total</b>	<b>81,239</b>	<b>100%</b>	<b>74,855</b>	<b>100%</b>

We have estimated the bid values where necessary. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2019 is likely to be different from that shown due to estimation techniques.

Based on the above, the Employer's share of the assets of the Fund is approximately 1%.

We received the following information from the administering authority regarding the detail of their assets as at 31 December 2018, representing the percentages of the total Fund held in each asset class (split by those that have a quoted market price in an active market, and those that do not).

Asset breakdown		31 Dec 2018	
		% Quoted	% Unquoted
<b>Fixed Interest Government Securities</b>			
	UK	2.9%	-
<b>Corporate Bonds</b>			
	UK	9.5%	-
	Overseas	0.4%	-
<b>Equities</b>			
	UK	23.2%	0.1%
	Overseas	34.2%	-
<b>Property</b>			
	All	-	15.5%
<b>Others</b>			
	Private Equity	-	2.5%
	Infrastructure	-	4.9%
	Inflation Linked	-	3.6%
	Cash/Temporary Investments	-	3.0%
<b>Total</b>		<b>70.3%</b>	<b>29.7%</b>

We do not have any further detail on the current asset allocation of the Fund; we suggest that if further information is required the administering authority is contacted in the first instance. Please note that as above, no adjustments for presentational purposes have been made to the percentages shown.

## Actuarial methods and assumptions

### Valuation approach

#### Valuation of the Employer's liabilities

To assess the value of the Employer's liabilities at 31 March 2019, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2016, using financial assumptions that comply with IAS19.

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing a value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund or their dependants. These pensions are linked to inflation and will normally be payable on retirement for the life of the member or a dependant following a member's death.

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2019 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2019 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

#### Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2016 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

#### Guaranteed Minimum Pension (GMP) Equalisation

As a result of the High Court's recent Lloyds ruling on the equalisation of GMPs between genders, a number of pension schemes have made adjustments to accounting disclosures to reflect the effect this ruling has on the value of pension liabilities. It is our understanding that HM Treasury have confirmed that the judgement "does not impact on the current method used to achieve equalisation and indexation in public service pension schemes". More information on the current method of equalisation of public service pension schemes can be found [here](#).

On 22 January 2018, the Government published the outcome to its *Indexation and equalisation of GMP in public service pension schemes* consultation, concluding that the requirement for public service pension schemes to fully price protect the GMP element of individuals' public service pension would be extended to those individuals reaching State Pension Age (SPA) before 6 April 2021. HM Treasury published a Ministerial Direction on 4 December 2018 to implement this outcome, with effect from 6 April 2016. Details of this outcome and the Ministerial Direction can be found [here](#).

Our valuation assumption for GMP is that the Fund will pay limited increases for members that have reached SPA by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. Therefore we do not believe we need to make any adjustments to the value placed on the liabilities as a result of the above outcome.

## Demographic/Statistical assumptions

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2016. The post retirement mortality tables adopted are the S2PA tables with a multiplier of 100% for males and 90% for females. These base tables are then projected using the CMI 2018 Model, allowing for a long-term rate of improvement of 1.5% p.a..

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI\_2018, which was released in March 2019. We have adopted the default smoothing parameter of 7.0 and have not applied an additional initial rate, while continuing to adopt a long term improvement rate of 1.5% p.a. At the last accounting date, the CMI\_2015 Model was adopted. The effect of updating to the most recent model is reflected in the *Change in demographic assumptions* figure in Appendix 3.

The assumed life expectations from age 65 are:

Life expectancy from age 65 (years)	31 Mar 2019	31 Mar 2018
Retiring today		
Males	21.6	22.6
Females	24.4	25.6
Retiring in 20 years		
Males	23.3	24.8
Females	26.2	27.9

We have also assumed that:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

## Financial assumptions

The financial assumptions used to calculate the results are as follows:

Assumptions as at	31 Mar 2019	31 Mar 2018	31 Mar 2017
	% p.a.	% p.a.	% p.a.
Discount rate	2.40%	2.55%	2.70%
Pension increases	2.40%	2.30%	2.70%
Salary increases	3.90%	3.80%	4.20%

These assumptions are set with reference to market conditions at 31 March 2019.

Our estimate of the Employer's past service liability duration is 19 years.

An estimate of the Employer's future cashflows is made using notional cashflows based on the estimated duration above. These estimated cashflows are then used to derive a Single Equivalent Discount Rate (SEDR). The discount rate derived is such that the net present value of the notional cashflows, discounted at this single rate, equates to the net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve (where the spot curve is assumed to be flat beyond the 30 year point). This is consistent with the approach used at the previous accounting date.

Similar to the approach used to derive the discount rate, the Retail Prices Index (RPI) increase assumption is set using a Single Equivalent Inflation Rate (SEIR) approach, using the notional cashflows described above. The single inflation rate derived is that which gives the same net present value of the cashflows, discounted using the annualised Merrill Lynch AA rated corporate bond yield curve, as applying the BoE implied inflation curve. As above, the Merrill Lynch AA rated corporate bond yield spot curve is assumed to be flat beyond the 30 year point and the BoE implied inflation spot curve is assumed to be flat beyond the 40 year point. This is consistent with the approach used at the previous accounting date.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, we have made a further assumption about CPI which is that it will be 1.0% p.a. below RPI i.e. 2.4% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods and recent independent forecasts and is consistent with the approach used at the previous accounting date.

Salaries are assumed to increase at 1.5% p.a. above CPI in addition to a promotional scale. However, we have allowed for a short-term overlay from 31 March 2016 to 31 March 2020 for salaries to rise in line with CPI. This is consistent with the approach used at the previous accounting date.

## Past service costs/gains

Past service costs/gains arise as a result of introduction or withdrawal of, or changes to, member benefits. For example, an award of additional discretionary benefits to a member such as added years by a member would be considered a past service cost.

We are not aware of any additional benefits which were granted over the year ending 31 March 2019.

## Curtailments

We have calculated the cost of curtailments arising as a result of the payment of unreduced pensions on early retirement. The Employer may also have to account for non-pension related costs (e.g. lump sum payments on redundancy) but for the avoidance of doubt, we have only calculated the cost of curtailments which affect the Employer's LGPS pension liabilities.

We calculate the cost of curtailments at the point of exit, with interest applied to the accounting date accounted for separately.

Over the year, we understand no employees were permitted by the Employer to take unreduced early retirement that they would not otherwise have been entitled to.

## Settlements

We are not aware of any liabilities being settled at a cost materially different to the accounting reserve during the year.

## Results and disclosures

We estimate that the value of the net liability as at 31 March 2019 is a liability of £44,981,000.

The results of our calculations for the year ended 31 March 2019 are set out in the appendices below:

- Appendix 1 sets out the Statement of financial position as at 31 March 2019;
- Appendix 2 sets out the Statement of profit and loss for the year ended 31 March 2019;
- Appendix 3 details a reconciliation of assets and liabilities during the year;
- Appendix 4 shows a sensitivity analysis on the major assumptions;
- Appendix 5 shows the Re-measurements in other comprehensive income for the year;
- Appendix 6 contains our estimates of the projected profit and loss account costs for the year ending 31 March 2020. Please note that no allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the value of liabilities. It is only an estimate so actual experience over the year is likely to differ. We have not provided balance sheet projections on the basis that they will depend upon market conditions and the asset value of the Fund at the end of the following year.

The figures presented in this report are prepared only for the purposes of IAS19. In particular, they are not relevant for calculations undertaken for funding purposes or for other statutory purposes under UK pensions legislation.

We would be pleased to answer any questions arising from this report.



**Barry McKay FFA**  
**Associate**

## Appendix 1 Statement of financial position as at 31 March 2019

Net pension asset as at	31 Mar 2019	31 Mar 2018	31 Mar 2017
	£000s	£000s	£000s
Present value of the defined benefit obligation	124,443	121,554	122,512
Fair value of Fund assets (bid value)	81,239	74,855	72,173
<b>Deficit / (Surplus)</b>	<b>43,204</b>	<b>46,699</b>	<b>50,339</b>
Present value of unfunded obligation	1,777	1,909	2,027
Unrecognised past service cost	-	-	-
Impact of asset ceiling	-	-	-
<b>Net defined benefit liability / (asset)</b>	<b>44,981</b>	<b>48,608</b>	<b>52,366</b>

## Appendix 2 Statement of profit and loss for the year to 31 March 2019

The amounts recognised in the profit and loss statement are:	Year to	Year to
	31 Mar 2019	31 Mar 2018
	£000s	£000s
Service cost	3,439	4,039
Net interest on the defined liability (asset)	1,220	1,379
Administration expenses	28	28
<b>Total loss (profit)</b>	<b>4,687</b>	<b>5,446</b>

## Appendix 3 Asset and benefit obligation reconciliation for the year to 31 March 2019

Reconciliation of opening & closing balances of the present value of the defined benefit obligation	Year to	Year to
	31 Mar 2019	31 Mar 2018
	£000s	£000s
<b>Opening defined benefit obligation</b>	<b>123,463</b>	<b>124,539</b>
Current service cost	3,439	3,521
Interest cost	3,116	3,338
Change in financial assumptions	5,906	(6,039)
Change in demographic assumptions	(7,150)	-
Experience loss/(gain) on defined benefit obligation	-	-
Liabilities assumed / (extinguished) on settlements	-	627
Estimated benefits paid net of transfers in	(3,020)	(3,131)
Past service costs, including curtailments	-	171
Contributions by Scheme participants and other employers	591	562
Unfunded pension payments	(125)	(125)
<b>Closing defined benefit obligation</b>	<b>126,220</b>	<b>123,463</b>

Reconciliation of opening & closing balances of the fair value of Fund assets	Year to	Year to
	31 Mar 2019	31 Mar 2018
	£000s	£000s
<b>Opening fair value of Fund assets</b>	<b>74,855</b>	<b>72,173</b>
Interest on assets	1,896	1,959
Return on assets less interest	5,557	(22)
Other actuarial gains/(losses)	-	-
Administration expenses	(28)	(28)
Contributions by employer including unfunded	1,513	3,187
Contributions by Scheme participants and other employers	591	562
Estimated benefits paid plus unfunded net of transfers in	(3,145)	(3,256)
Settlement prices received / (paid)	-	280
<b>Closing Fair value of Fund assets</b>	<b>81,239</b>	<b>74,855</b>

The total return on the fund assets for the year to 31 March 2019 is £7,453,000.

## Appendix 4 Sensitivity analysis

Sensitivity analysis	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	123,880	126,220	128,607
Projected service cost	3,354	3,438	3,524
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	126,483	126,220	125,959
Projected service cost	3,438	3,438	3,438
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	128,342	126,220	124,138
Projected service cost	3,524	3,438	3,354
Adjustment to life expectancy assumptions	+1 Year	None	- 1 Year
Present value of total obligation	130,928	126,220	121,686
Projected service cost	3,548	3,438	3,332

## Appendix 5 Re-measurements in other comprehensive income

Remeasurement of the net assets / (defined liability)	Year to	Year to
	31 Mar 2019	31 Mar 2018
	£000s	£000s
Return on Fund assets in excess of interest	5,557	(22)
Other actuarial gains/(losses) on assets	-	-
Change in financial assumptions	(5,906)	6,039
Change in demographic assumptions	7,150	-
Experience gain/(loss) on defined benefit obligation	-	-
Changes in effect of asset ceiling	-	-
<b>Remeasurement of the net assets / (defined liability)</b>	<b>6,801</b>	<b>6,017</b>

## Appendix 6 Projected pension expense for the year to 31 March 2020

Projections for the year to 31 March 2020	Year to 31 Mar 2020 £000s
Service cost	3,438
Net interest on the defined liability (asset)	1,062
Administration expenses	30
<b>Total loss (profit)</b>	<b>4,530</b>
<b>Employer contributions</b>	1,386

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2019. These projections are based on the assumptions as at 31 March 2019, as described in the main body of this report.

## **Examples of Achievements and Activities**

**During**

**Quarter 4 2018/19**

## PEOPLE

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

**Second Knife Amnesty Event** - Gedling Borough Council supported the second Nottinghamshire Police Knife Amnesty Event in March. 635 knives were handed in across Nottinghamshire including at a reception point in the Civic Centre in Arnold. This is the highest number since the amnesty launch in 2013. Weapon searches in open space, test purchases to ensure that knives are not sold to those under 16 and talks to schools were also carried out. The amnesty helps prevent potentially deadly weapons falling into the wrong hands.

**Community Theatre** - Work has continued with The Pythian Group on knife crime prevention holding eight events in Q4 for young people.

### **Objective: Provide a range of leisure activities for young people**

**Diversionsary Activities at Local Youth Settings** - Diversionsary activities continue to expand with Netherfield Youth club starting to deliver Smash up badminton sessions in the New Year. Youth Club Staff will be attending training and will therefore be delivering the session within the youth club setting to allow the sessions to be sustainable.

The delivery of club 1 individual fitness activities will commence in January at Newstead Youth Club. Sessions have been planned by the coaches to give the young people in Newstead the opportunity to try a range of activities.

These activities have been possible following funding secured by Gedling Borough Council.

**Carlton Forum's Pools** - Due to improved training of staff, a pool plant review and a programme of planned preventative maintenance the good news is that Carlton Forum have not cancelled a swimming lesson or closed the swimming pools due to a plant room failure since February 2018. As a result of this operational stability, improved pool programming and good staff Carlton Forums swim school has grown in members and income.

**Record number of kids learning to Swim** - Gedling's swimming pools are at an all-time high in terms of the number of children currently on the 'learn to swim scheme'. By the end of March, there were 2669 compared to 2223 in March last year, which demonstrates the excellent teaching standards and overall service at the sites that is attracting so many new customers.

**Football Development** - Football Development Group meeting held on Monday 21st January, with representatives from 9 different clubs. Topics discussed included Local Football Facility Plan, Playing Pitch Strategy and the confirmed FA level 1 course running at Redhill in April/May 2019.

A Community Infrastructure Levy application successful for funding towards Lambley Lane Rec to make necessary improvements to the football facilities on that site. Initial consultation with Lambley Lane Rec users has taken place and an FA Pitch inspection has taken place.

## **Objective: Reduce hardship and provide support to the most vulnerable**

**Warm Homes on Prescription** - The innovative Warm Homes on Prescription service has continued to grow in 2018/19 which has been its most successful year to date. A total of 14 low income households suffering priority medical conditions have been supported with improvement works such as improved insulation or heating systems to remove hazards in the home and lift householders out of fuel poverty. The project partnership approach has been recognised and picked up the Efficiency East Midlands "*Collaborative Working Award 2019*".

The council recently adopted an Energy Company Obligation Statement of Intent which seeks to attract substantially more funding from utilities companies in 2019/20 to help vulnerable household in the borough.

**Netherfield Cinder Path** - The Cinder Path received approximately £90,00 funding from WREN, Gedling Homes and Gedling Borough Council in September to refurbish a space that is well loved by residents. The new route was opened by the Mayor in March 2019 and local schoolchildren attended from Netherfield Primary School and Colwick St Johns Primary to undertake a local history quiz on the day.

The improvements have opened up the route so it feels safer for users with new lighting installed, old lighting reconfigured, dead and diseased trees and shrubbery removed. Four new interpretation panels have also been installed depicting the history of Cinder Path and its link with the former Bourne factory, the history of the local railway line and information boards to promote walking and its health benefits.

**Gedling Mineral Line** - A Strategy has been developed for the implementation of a cycling/walking route along the mineral line. With the current landowner being Network Rail and the responsibility for cycling and walking sitting with Nottinghamshire County Council, the Borough Council is seeking to work with Nottinghamshire County Council to come up with a plan for moving the project forward.

The Locality Coordinator for Netherfield has been in regular liaison with Network Rail regarding improvements to the current condition of the route.

Plans are also being developed to extend the work of the Cinder Path to take in Manvers Street and to link with the Mineral Line route. This section is also owned by Network Rail. Detailed design work is being undertaken and costed and then will be presented to Network Rail to inform and influence delivery possibilities. £3,500 funding from Gedling Homes has been received to undertake this work.

**Conway Park** - Refurbishment Plan and Strategy has been produced for Conway Park and further work to align this with the Borough's Heritage Strategy is planned. A funding bid has now been submitted to Nottinghamshire County Council's Local Improvement Scheme for an Adult Gym and a further bid submitted to WREN for children's Play Area.

**WeRHere** - WeRHere is a counselling service for families who are facing crisis and the Council agreed a Service Level Agreement and grant funding with the service for 2018/19.

WeRHere supported 19 clients and delivered 313 sessions in the first 6 months of 18/19. Figures for the second half of the year are due in May 2019.

**GBC Staff Training** - An Improving Health through Warmer Homes course was co-ordinated for GBC staff. 13 members of staff from, Community Relations, Housing, Public Protection and Customer Services attended the course delivered by the Notts Energy partnership.

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

**Heritage Brought Alive Project** - On 15<sup>th</sup> March Gedling Borough's "Heritage Brought Alive Project" was launched at Café 1899 at Gedling Country Park. The event included a book launch, the unveiling of mosaics created by local children, a mural and a short film showing information about the borough's historic places, people and industries. The project, made possible thanks to a £74,900 grant from the Heritage Lottery Fund and the work of volunteers over the last 15 months, is part of the council's heritage strategy with more projects planned to follow.

**Memorial to Florence Paton** - A memorial to Florence Paton, the first woman Member of Parliament in Nottinghamshire has been installed at Carlton Hill Garden for the Blind. She represented the Rushcliffe Constituency for Labour from 1945- 1950. In 1945 Rushcliffe included Gedling, Colwick and the entire urban district of Carlton. Artist Hilary Cartmel was commissioned by Councillor Roxanne Ellis along with the International Women's Day steering group to produce the memorial. The art work describes some of Florence's key political concerns and her links to the local area.

**Caribbean Elders** - This local elders group was previously unconstituted, without a bank account, internal policies, nor any membership administration and totally reliant upon former Gedling CVS staff for all arrangements, from booking of meals, day trips, Christmas outings, guest speakers and regular chair based exercise sessions. As a result of ongoing one to one support from the Council since the closure of Gedling CVS, the group now has a committee of four individuals, a bank account, has adopted a constitution and full set of required policies, membership forms and maintains a membership register. The group has also participated in high profile media projects over the last two years and was successful in receiving a further three year's grant funding from the County Council in 2018 with support from the Community Investment Manager. Three members of the group also regularly attend meetings of the Gedling Seniors Council.

**Eagles Nest Community Centre and VCS Hub** - One year on from the successful asset transfer, recent one to one meetings and discussions with Eagles Nest have yielded outstanding outcomes at the Eagles Nest CC. Eagles Nest has just filed the first full year's Annual Report and is now making a £5k surplus, is fully booked and delivering a wide range of programmes and activities, including parent and toddler groups, social and creative activities for older people, intergenerational sessions and much more. Plans are underway for further reinvestment back into the centre as follows.

The Eagles Nest has acted as a mentor to other groups considering Asset Transfer, and a natural progression of this has been the establishment of a VCS Resource Hub at Arnot Hill House. We have actively promoted the facilities through the COMMUNITY E Newsletter and Contacts, which has led to at least two new groups signing up to use the facilities. Collaborative work is also underway between GBC, Eagles Nest and NCC to improve the Gedling search facility of the Notts Help Yourself website.

**Pride of Gedling Awards** - In March we hosted the third Pride of Gedling awards event, showcasing the outstanding work of the people who live in the borough, especially those who make such a positive contribution to society. The entrants this year were some of the strongest yet. A judging panel of councillors and Nottingham Post editor, Mike Sassi, had the difficult task of selecting a winner. On the night there was a huge array of emotions listening to the incredible stories of the people nominated.

**Chinese New Year Event** - The Council, with support from Gedling Play Forum delivered a family arts and crafts event offering Chinese New Year inspired activities. Local company, 'Handmade Theatre' provided story and puppetry workshops and around 160 children attended with their parents. The event also hosted the popular traditional Lion Dance outside the Civic Centre.

**Members Community Initiatives Fund** - The Members Community Initiatives 18/19 fund closed on 15<sup>th</sup> March and final outturn reported. Initial analysis shows that around 145 community groups and organisations have benefitted from funding this year.

**Intergenerational Event** - On 30<sup>th</sup> March the Youth Council hosted a spectacular intergenerational event at The Beacon, working collaboratively on the planning with members of the Gedling Seniors Council. The event was attended by over 40 members of the younger and older communities, incorporated jokes, poetry, filmmaking and photography and involved structured, speed dating style debate on six key issues identified by the planning group. These were:

- School life
- Bullying/Cyberbullying
- Prejudice and Discrimination
- Loneliness and Isolation
- Mental Health
- Knife Crime, fear of crime
- 

Outcomes from the event will be:

- A manifesto for change on the above issues to be presented to policy makers and influencers
- A film presentation to be showcased at Council and Partnership meetings
- A permanent art installation (subject to further funding)
- Further intergenerational collaboration.

**Haywood Road Community Centre** - All agreed pre transfer financial investment in the site has been completed and a successful WREN bid has enabled development of the external grassed area. A Formal CAT submission has been received in late March 2019 from the Haywood Road Community Centre Committee. Next step will be to trigger formal consultation and make an assessment of the application post Easter break.

**Wollaton Avenue Community Centre** - Following one to one meetings and financial support to enable the group to produce a business plan with assistance from Community Accounting Plus, Gedling Play Forum has submitted a new business plan to the Council for comments with a view to taking on a new lease for the Wollaton Avenue building in Gedling.

**Newstead Centre** - Support from Locality was commissioned and delivered in September 2018 to develop a vision and business plan for the Newstead Centre. As a result, the Committee has been re-galvanised with old and new skilled members joining/rejoining the existing committee. An interim monthly grant of £900 has been awarded by GBC under an SLA for the period from January to June 2019, to enable the group to put their business plan into action, and to make applications for funding to invest in the site, including proposals to relocate the community café and improve WIFI connectivity. Ongoing support in this to be provided by the Newstead Locality Coordinator.

**Netherfield St Georges Centre/ Netherfield Medical Centre** - The Community Investment Manager has been supported the St Georges Centre in applying for funding to appoint consultants to develop a business plan and design feasibility study for the development of a new Children, Young People and Families Hub . A subsequent Awards For All application, prepared on behalf of Netherfield Forum LTD, was successful to the tune of £10,000.

High quality business plan and design feasibility studies have been produced regarding taking on the current adjacent Medical Centre, a detailed valuation of the site commissioned and a further grant submission has been made by the Community Investment Manager on behalf of the group to the NCC LIS Capital Fund Feb 2019 for a further £10,000 to engage in wider consultation and technical development of the proposal. Outcome May 2019.

A high level meeting took place in March between Netherfield Forum, the GBC Community Investment Manager, Vernon Coaker and local Elected Members with a view to engaging with the National Lottery Reaching Communities Fund in lieu of a substantial £500,000+ bid to enable purchase and first phase development of the site. Next steps are to formally submit the business plan and project design feasibility study for consideration as part of the Netherfield Locality work and to hold a business meeting with the National Lottery Reaching Communities Fund.

**COMMUNITY E-Newsletter** - The Community E-Newsletter have been distributed to over 2159 representatives of voluntary, community organisations and the general public in the Borough, providing information about VCS Support initiatives, events, volunteering and funding available in Gedling.

### **Objective: Improve health and wellbeing**

**New Year's Day Parkrun** - Gedling held an event on New Year's Day which attracted 466 runners. This was the highest ever attendance at Gedling parkrun many of the runners then went over to Colwick to do it again at 10:30am. 126 runners were tourists from Sydney as well as Leeds, Wellingborough, Exeter, London, Dewsbury and Lincoln. There were 5 participants taking part for the first time.

**Boditrax** - The leisure centres have been trialling a Boditrax machine that measures body composition enabling customers the ability to measure the makeup of their body, fat, muscle, water etc. simply and quickly by standing on the machine for a short time. This provides a baseline assessment for members at the start of their fitness journey, which can then be used to demonstrate improvements. 998 assessments have been carried out in the 5-week trial, demonstrating how useful customers are finding this assessment.

**£10,000 for Food Environment Project** - GBC has been awarded £10,000 from Nottinghamshire County Council to undertake a Food Environment project during 2019/20. This builds of preparation work done by the Locality Coordinators with local partners and the local GP in Netherfield to start the process of developing a cookery book for the local community.

The project will be seeking to deliver:

- Local people attending cook and eat sessions.
- Number of people attending social eating events.
- Number of community champions identified and trained
- Provision of slow cookers to vulnerable clients
- Creation of costed healthy eating recipe and sharing.
- Community recipe books targeting different ages.
- Number of sessions at school holiday activities including providing healthy meals and cooking skills.
- Capturing ideas from local community into newsletter.
- Number of local people engaged and offered affordable healthy eating advice at events.
- Public health analyst data report.
- Information to inform future funding bids.

**SPRIING** - The SPRIING project has been successfully extended for an additional 12 months to March 2020. Both GBC and Gedling Homes have secured funding for the part time co-ordinators. Referrals continue through a range of sources and 31 community navigators are now signed up to the project and have gone through an induction and training. A 12 month evaluation will now take place and planning for the next 12 months is in place. The caseload currently stands at 60 people and the project has been redesigned to include regular 'SPRIING Link' social and information events, and is building a wide range of partnerships with local and strategic groups and organisations.

**ROSPA** - Gedling's leisure centres have been awarded the silver standard in the ROSPA (The Royal Society for the Prevention of Accidents) external health and safety award scheme. These awards offer organisations an opportunity to prove their ongoing commitment to raising health and safety standards.

**Facility Improvements** - During Q4 Carlton Forum has improved the squash courts with filled and painted walls as well as the floor being sanded and relined, to improve the overall experience of customers utilising the facility. Additionally the upstairs toilets have also been redecorated with new vanity units and lighting. Feedback from customers has been very positive about both areas.

**Leisure Transformation** - During quarter 4 a consultant began work on the Leisure Facilities Investment Strategy and Physical Activity Strategy, which will be used to shape the future leisure provision in the borough.

**Bonington Cinema** - Significant growth has continued for the Bonington Cinema during Q4 with attendances for the year up from 17,500 in 17/18 to 32,000 in 18/19. Screenings specifically aimed at parents with Babies & Toddlers have now become a regular feature of the programme.

**Health and Wellbeing Newsletter** - Two editions of the Community Health and Wellbeing newsletter sent out to over 3000 subscribers and contained information on a number of activities and services provided to improve health and wellbeing including: Falls Prevention advice, Change4Life snack swaps, NHS Cervical Screening campaign, smoking advice, online gambling support and Everyone Health's latest weight management service.

**Memorial to Thomas Hawksley** - Following an award of £10,000 from Severn Trent an artist has been commissioned to create a memorial to Thomas Hawksley, who famously pioneered a network of pumping stations with steam engines, to enable clean drinking water to be piped to homes and businesses. A steering group for the project comprised of members of Arnold Local History Group, the director of Papplewick Pumping Station, and a number of local history enthusiasts have selected Richard Janes to produce the memorial. Richard Janes has previously worked with the Council on a memorial and decorative benches at Gedling Country Park. A number of local schools will be involved in finalising the design of the memorial. Hawksley was born in Arnot Hill House and the completed art work will be installed in Arnot Hill Park in the autumn.

## **PLACE**

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

**The Gedling Big Spring Clean** - The campaign was launched across the borough to help communities who want to do more to keep tidy where they live, starting with a clean-up day on 16<sup>th</sup> March supported by community leaders and attended by volunteers who were provided with litter picking equipment, waste bags and high-vis clothing. The clean-up comes as the council announces further plans for investment in frontline services in the borough, including the introduction of a new Rapid Response Cleaning Team to further strengthen efforts to deal with litter, dog fouling and fly tipping.

**Electric Vehicle Charging Points** - Fourteen new electric vehicle charging points have been installed in Netherfield and Carlton with more to follow.

**Burton Joyce Neighbourhood Plan** - The Burton Joyce Neighbourhood Plan was officially made (adopted) by Gedling Borough Council on 10<sup>th</sup> January 2019. This means that the Neighbourhood Plan is being used in conjunction with the Aligned Core Strategy (2014) and the Local Planning Document (2018) to determine planning applications in the Neighbourhood Plan (being the parish of Burton Joyce).

## **PERFORMANCE**

### **Objective: Improve the customer experience of dealing with the Council/ Give taxpayers value for money**

**Gedling Borough Council Funding Strategy** - The Community Investment Manager has produced an External Funding Strategy for the Council, in collaboration with a Funding Strategy Steering Group. The draft document has been presented to a meeting of the Senior Leadership Team and Service Managers in Q4 and is collating final amendments before the document is formally adopted by The Council.

### **Objective: Maintain a positive and productive working environment and strong staff morale**

**Wellbeing at Work** - Latest staff newsletter circulated including information on: No Smoking day, salt awareness, online gambling, staff activities and Menopause information. A new blood pressure monitor has been purchased to offer staff Blood pressure checks in the workplace. So far 14 members of staff have taken up this offer. Additional Bone Density and NHS health checks offered to staff in January 2019.



## Report to Cabinet

**Subject:** DEFRA Air Quality Grant

**Date:** 24 May 2019

**Author:** Scientific Officer, Public Protection

### Wards Affected

Borough Wide

### Purpose

Gedling Borough Council has been successful in bidding for DEFRA Air Quality Grant Fund to continue the ECO Stars Fleet Recognition Scheme, and expand the scheme to cover taxi and private hire vehicles. Members are asked to agree to the grant monies being expended in the manner set out in this report and to approve the establishment of the budget for this project.

### Key Decision

This is not a key decision

### Recommendation(s)

#### THAT:

- 1) **Members agree to the Air Quality Grant Funding being used to continue with the ECO Stars Fleet Recognition Scheme and to the expansion of that scheme to cover taxi and private hire vehicles as detailed in this report.**
- 2) **Approve the establishment of the budget for the ECO Stars project of £55,000.**

## 1 Background

- 1.1 The ECO Stars Fleet Recognition Scheme (Efficient and Cleaner Operations) is a free, voluntary scheme designed to provide recognition, guidance and advice to operators of commercial vehicles.

The scheme works by giving businesses, operating commercial vehicle fleets, the following support:

- Providing advice via the tailored action plan provided upon joining the scheme, members are given practical advice on changes to their current operating processes, which can reduce fuel usage, particularly in the urban area.
- Promoting a culture of efficiency and environmental responsibility, the schemes aim to improve the fuel management methods of fleet operators and increase the number of operators promoting eco-driving skills among their workforce, as well as increase the number of taxi, heavy duty and light goods van vehicles using clean fuel technologies.
- Each individual action plan, bespoke for the operator, will focus on fleet composition, a fuel management programme, driver skills development, vehicle specification/maintenance, the use of IT support systems and performance management.

ECO Stars rates individual vehicles and the fleet's overall road transport operation using star rating criteria, to recognise levels of operational and environmental performance.

- 1.2 There are now twenty eight ECO Stars Fleet Recognition Schemes throughout the United Kingdom; and five ECO Stars Taxi Schemes. ECO Stars has been recognised by DEFRA within guidance as “a mechanism to reduce emissions from freight traffic”.
- 1.3 The ECO Stars scheme is one of the key measures found in the Air Quality Action Plan for the A60 Mansfield Road.
- 1.4 The Gedling scheme started in 2012 with DEFRA Grant money to seed the scheme in Gedling Borough. Following the success of this, the scheme then expanded using Local Sustainable Transport Plan funding to cover the Nottingham Urban Area.

This funding lasted for a further 2 years; since then GBC has continued to fund the scheme, to a lesser degree, for the past three years; maintaining the existing member base whilst also providing a low level of recruitment to the scheme.

There are currently **112 members** operating over **7500 vehicles** in the Nottingham Urban Area.

- 1.5 The proposal is to re-focus the existing fleet recognition scheme towards Gedling Borough (and in particular our Air Quality Management Area) whilst also keeping the existing member base engaged; through reassessments.
- 1.6 The proposal for the Taxi Recognition Scheme is to use the lessons learnt from existing schemes in the UK to assist Gedling's licensed vehicle fleet to meet the challenges that are on the horizon operating in cities such as Nottingham.

Also GBC has a number of licensed vehicles that operate as 'specialised transport', this area has, in the past, been a hard to reach sector.

The scheme would work in the same way as the commercial fleet scheme but can also signpost vehicle owners to grants, which may be available from the Office for Low Emission Vehicles (OLEV) for example.

## **2 Proposal**

- 2.1 We have been successfully in bidding for DEFRA Air Quality Grant funding to continue the scheme for a further year, and expand it into the area of our licensed taxi vehicles.
- 2.2 The grant funding available is **£55,000**.
- 2.3 The schemes will be delivered through a third party contractor, who will work alongside officers from Public Protection to deliver the project; in the timescale agreed with DEFRA.
- 2.4 An indicative breakdown of how the grant could be allocated is as follows:

### **1. ECO Stars Fleet Recognition Scheme**

The level of funding for a twelve month ECO Stars Fleet scheme is £30,000 to include all contracted services described below:

<b>Item</b>	<b>Cost (£)</b>
New Operator Recruitment	9000
New Operator Assessment	9000
Existing Operator re-engagement and re-assessment	6000
Production of tailored road maps	3000
Publicity and Promotion	1500
Evaluation	1500
<b>Total</b>	<b>30,000</b>

## **2. ECO Stars Taxi Recognition Scheme**

The level of funding for a twelve month ECO Stars Taxi scheme is £25,000 to include all contracted services described below:

<b>Item</b>	<b>Cost (£)</b>
New Operator Recruitment	10,000
New Operator Assessment	9,000
Production of tailored road maps	1,500
Publicity materials for the scheme	1,000
The scheme launch and supporting publicity	1,500
Evaluation of the scheme	2,000
<b>Total</b>	<b>25,000</b>

**Total grant bid = £55,000**

- 2.5 It is proposed members approve the funding being used in the manner described above and accordingly approval is given to establish the budget for the project.

### **Alternative Options**

- 3.1 Members could choose to not accept the offer of grant funding. The scheme would therefore cease to operate in Gedling.

## **4 Financial Implications**

- 4.1 The funding is from a DEFRA Air Quality Grant for £55,000. All match funding for this project from will be in the form of “in kind” contributions which are predominantly made up from officer’s time. There is therefore, no effect on the NET budget.

**5 Appendices**

5.1 None.

**6 Background Papers**

6.1 Air Quality Grant bid papers are attached for information.

**7 Reasons for Recommendations**

7.1 To accept the Air Quality Grant offer from DEFRA.

7.2 To continue the ECO Stars Fleet Recognition Scheme within the Borough

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## **Report to Cabinet**

**Subject:** DEFRA Air Quality Grant

**Date:** 23rd May 2019

**Author:** Scientific Officer, Public Protection

### **Wards Affected**

Borough Wide

### **Purpose**

Gedling Borough Council has been successful in bidding for DEFRA Air Quality Grant Fund to continue the ECO Stars Fleet Recognition Scheme, and expand the scheme to cover taxi and private hire vehicles. Members are asked to agree to the grant monies being expended in the manner set out in this report and to approve the establishment of the budget for this project.

### **Key Decision**

This is not a key decision

### **Recommendation(s)**

#### **THAT:**

- 1) Members agree to the Air Quality Grant Funding being used to continue with the ECO Stars Fleet Recognition Scheme and to the expansion of that scheme to cover taxi and private hire vehicles as detailed in this report.**
- 2) Approve the establishment of the budget for the ECO Stars project of £55,000.**

## **1 Background**

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