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

Agenda

Cabinet

Date:	**Thursday 11 February 2021**
Time:	**2.00 pm**
Place:	**Virtual Meeting**
	For any further information please contact: **Caroline McCleary** Democratic Services Officer 0115 901 3910

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Cabinet

Membership

Chair Councillor John Clarke

Vice-Chair Councillor Michael Payne

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

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AGENDA

MINUTES
CABINET

Thursday 28 January 2021

Councillor John Clarke (Chair)

Councillor Michael Payne
Councillor Peter Barnes
Councillor David Ellis
Councillor Gary Gregory
Councillor Jenny Hollingsworth
Councillor Viv McCrossen
Councillor Henry Wheeler

68 APOLOGIES FOR ABSENCE

None.

69 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 10 DECEMBER 2020

RESOLVED:

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

70 DECLARATION OF INTERESTS

None.

71 PRUDENTIAL CODE INDICATOR MONITORING 2020/21 AND QUARTERLY TREASURY ACTIVITY REPORT FOR QUARTER ENDED 31 DECEMBER 2020

The Director of Corporate Resources and Section 151 Officer introduced a report, which had been circulated in advance of the meeting, updating Members on the performance monitoring of the 2020/21 Prudential Code Indicators, and advising Members of the quarterly Treasury activity as required by the Treasury Management Strategy.

RESOLVED:

To note the report, together with the Treasury Activity Report 2020/21 for Quarter 3 at Appendix 1, and the Prudential and Treasury Indicator Monitoring 2020/21 for Quarter 3, at Appendix 2 to the report.

72 BUDGET MONITORING (Q3) AND VIREMENT REPORT

The Director of Corporate Resources and Section 151 Officer introduced a report, which had been circulated in advance of the meeting, updating Members on the forecast outturn for Revenue and Capital budgets for 2020/21 and requesting approval for the changes to the budget as set out in the report.

RESOLVED to:

1) Approve the General Fund Budget virements set out in Appendix 1 to the report;

2) Approve the amendments to the Capital programme set out in Appendix 3 to the report;

3) Note the use of reserves and funds and virements approved during quarter two as detailed in Appendix 2 to the report;

4) Agree the withdrawal of the Commercial Property Investment Strategy as detailed in paragraph 2.7 to the report and recommend it to Council for approval.

73 GEDLING PLAN QUARTER 3 PERFORMANCE REPORT

The Chief Executive introduced a report, which had been circulated prior to the meeting, informing Members in summary of the position against Improvement Actions and Performance Indicators in the 2020-23 Gedling Plan at the end of 2020/21 quarter 3.

RESOLVED:

To note the progress against Improvement Actions and Performance Indicators in the 2020-23 Gedling Plan for the end of 2020/21 quarter 3.

74 HOUSING ALLOCATION POLICY

The Head of Regeneration and Welfare introduced a report, which had been circulated in advance of the meeting, updating Members on two rounds of public consultation regarding proposed amendments to the Council's Housing Allocation Policy and seeking approval to adopt the new policy.

RESOLVED:

To approve the revised Housing Allocation Policy, as detailed in Appendix A to the report, in light of the public consultation undertaken.

75 FORWARD PLAN

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

RESOLVED:

To note the report.

76 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 3.17 pm

Signed by Chair:
Date:

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Gedling Borough Council

Report to Cabinet

Subject: Update on the work of the Policy Advisors

Date: 11 February 2021

Author: Chief Executive

Wards Affected

Borough-wide

Purpose

To update Cabinet on the actions and activities that the Policy Advisors have undertaken since their appointment in May 2019.

Key Decision

This is not a key decision.

Recommendation(s)

Members are recommended to note the content of the report.

1. Background

1.1 At the Annual General Meeting on 22 May 2019 the Leader of the Council notified the Council of the composition of the Cabinet and resulting Portfolio Holders.

1.2 The Leader also announced that the Cabinet would be supported by the following Policy Advisors:

Policy Advisor for Growth and Regeneration - Councillor Julie Najuk
Policy Advisor for Young People and Equalities – Councillor Kathryn Fox
Policy Advisor for Environment – Councillor Ron McCrossen
Policy Advisor for Health and Well-being – Councillor Rosa Keneally
Policy Advisor for Housing and Homelessness – Councillor Des Gibbons

1.3 Policy Advisors do not hold delegated responsibility but support their respective Cabinet member on development and progression of specific

Gedling Plan actions as appropriate. The precise focus for the work of each Policy Advisor is agreed by the Leader, Deputy Leader and relevant Cabinet member in discussion with the Policy Advisor.

1.4 The work of each Policy Advisor has been reported to the Leader on a regular basis since May 2019, and this report provides a summary of work undertaken across all portfolios by Policy Advisors.

1.5 The onset of Covid-19 in early 2020 and the introduction of social distancing and self-isolation measures has had an impact on delivery of some of the Gedling Plan actions, which has in turn impacted on the work of some of the Policy Advisors. In addition, the response work to Covid-19 by Members and officers has in some areas led to a change in working priorities, particularly in respect of those most vulnerable in our society who have been significantly impacted by the pandemic either through physical or mental ill-health, or financial hardship. The necessary refocus of officer and Member activity onto dealing with the pandemic has understandably impacted on the delivery of key initiatives that would have been worked on by the Policy Advisors.

1.6 In general terms the work undertaken by Policy Advisors has been agreed by the Leader, Deputy Leader and relevant Cabinet member as follows:

Work Applicable to all Policy Advisors

- Initially the roles involved fact finding and understanding how decisions are made in each applicable directorate/service area.
- Attending regular meetings held between the Portfolio Holder, relevant Director, and Heads of Service (formerly Service Managers) to discuss delivery of actions and initiatives as approved within the Gedling Plan.
- These meetings also involve discussion of operational matters that are of significance to the Portfolio Holder and Policy Advisor.
- Attending individual meetings with Service Managers and officers as appropriate to deliver specific actions as allocated by the Leadership.
- Feeding back updates, ideas and concerns to the Portfolio Holder and officers at the regular meetings on the work undertaken.
- Keeping up to date with business held at Cabinet, Scrutiny, Licensing and Planning meetings as appropriate.

1.7 **Work undertaken by individual Policy Advisors**

The following actions and activities have built upon the above actions and activities in furtherance of the specific projects allocated to each Policy Advisor.

<u>Policy Advisor for Growth and Regeneration - Councillor Julie Najuk</u>

- Contacted and engaged with local groups to consult on the possible use of the Town Centre and redevelopment of Arnold market. This work is still ongoing as the development project progresses.
- Attended the Gedling Business Partnership meetings with the intention that this role will grow over time. This is ongoing and relationships with

members of the group are developing. This engagement is particularly important during Covid-19 as many businesses have been significantly impacted and the Council continues to offer support and advice to local businesses.

- Supported the officers during the consultation with shoppers at Carlton Square in respect of the redevelopment of Carlton Square.
- Supported the delivery of school based employability events, which is ongoing work.
- Engaged with discussions and plans for the Christmas activities programme.
- Worked with officers on the Economic Bounce-back Plan which covers initiatives that restore business confidence, delivery on regeneration projects, and re-opening of our Towns' high streets safely.

Policy Advisor for Young People and Equalities – Councillor Kathryn Fox

- Organised a Bone Marrow Donor registration event, summer activities schedule, and autumn school holiday activities.
- Worked with the Communications team to discuss press releases, leaflets and social media for events such as the Bone Marrow donors, young people's activities, and how to work closely with the Youth Council to improve interaction with young people via social media.
- Attended Youth Council meetings with the intention to build closer working relationships with them and raise issues such as mental health, knife crime, and the environment.
- Advised and developed the Council's Young People survey and consultation process to identify issues and priorities that are of concern.
- Attended We R Here open days and meetings, and discussed the possibility for future partnership working to access funding streams for therapeutic counselling and services for young people's mental and emotional wellbeing.
- Worked on the development of a future Young People's Cinema club.
- Considered what actions can be taken around Social Mobility.
- Attended all 'Kids Against Plastic' meetings.
- Worked with partners to promote Youth counselling services.
- Scoped all UK councils for best practice regarding equalities structures, framework and Protected Characteristics language to assist officers in the development of the Equalities Policy and Action Plan.

Policy Advisor for Environment – Councillor Ron McCrossen

- Numerous in-depth discussions around walkways and cycle routes across the borough. These include rights of way and improving public access, the Minor to Major project, promoting good health through walking and Park Runs, linkages to heritage sites, and the development of the two former Mineral lines.
- Strategic lead for the 'Big Clean' initiative, working alongside community groups to improve their locality environments. This includes being the Chair of the Steering Group and directing council resources in support of those community activities.
- Produced a joint report on Community Based Voluntary Street Cleaning in conjunction with Steering Group colleagues to provide an update on the

developing partnership between the council and community groups of volunteers who are actively engaged in street cleaning within the borough. This report also set out an ambitious programme of community based clean-up activities, and resulted in a number of recommendations for improvement.

- Organised Member/officer visit to Veolia Recycling Centre in Mansfield, creating a wider understanding of how our waste is recycled, and the detrimental impact that bin contamination has on our recycling targets.
- Participated in the review of the Green Space Strategy and Play Areas.

Policy Advisor for Health and Well-being – Councillor Rosa Keneally

- Attended numerous We R Here open days, events and Annual General Meeting to learn about the work that staff and volunteers do to support children and families impacted by trauma.
- As the Council's Hate Crime champion, completed training in Hate Crime Shift Champions Scheme which is a development opportunity for people working with the public to equip themselves with specialist skills and knowledge to effectively tackle hate crime.
- Attended Nottinghamshire Women's Aid briefings and meetings which both explored the holistic support needs for families who have experienced trauma whilst going through legal family court proceedings, and how disabled women and those with long-term illness find it harder to access the support they need.
- Attended the Sport and Physical Activity Strategy workshop with officers which discussed physical activity levels within the borough and how we support the uptake and improvement for individuals.
- Attended a seminar on Working with Children and Young People impacted by domestic violence, exploring the detrimental ways in which this affects a child's health and development, and how to develop effective responses.
- Completed e-learning training in equalities, diversity, human rights, health, safety, welfare, safeguarding, and conflict resolution.
- Engaged in a research project by the University of Nottingham surrounding the current provision of therapeutic and restorative service provision for survivors of domestic abuse.
- Completed the Signs of Safety training which helps to develop skills in formulating health and wellbeing goals for children and families.

Policy Advisor for Housing and Homelessness – Councillor Des Gibbons

- Shadowed frontline staff within the housing and homelessness contact team to understand how decisions around allocation of homes and temporary accommodation are made.
- Involved in the council's response to the government consultation on Section 21 'no fault' evictions.
- Worked on the refresh of the Homeless Rough Sleeper Strategy.
- Promoted homeless prevention initiatives including school engagement, advertising strategies and use of social media.
- Worked with the officers to develop a temporary Accommodation Strategy.
- Investigated options for Credit Unions to assist in loans for housing related issues.

- Assisted the development of the Housing Allocations Policy.
- Worked to establish two community kitchens in Bestwood village and St Albans.
- Listened to residents' concerns and issues around potential homelessness and signposted these to the relevant support services within the Council.

2. Proposal

2.1 It is proposed that Members note the summary of work undertaken by Policy Advisers since May 2019.

2.2 The Leader will take this opportunity to review and refresh the Policy Advisor roles and will confirm any changes verbally at the Cabinet meeting.

3. Alternative Options

3.1 An alternative option is to not to update Members on the work undertaken. Whilst Portfolio Holders will be fully aware of the work the Policy Advisor is undertaking within their specific portfolio, this provides an update of work undertaken across all portfolios.

4 Financial Implications

4.1 Each Policy Advisor receives a Special Responsibility Allowance as approved annually by full Council as part of the Independent Remuneration Panel report (usually in March). There are no other costs associated with these positions.

5 Legal Implications

5.1 There are no legal implications arising from this report.

6 Equalities Implications

6.1 It is the duty of all representatives of the Council to be fully aware of the equality legislation. Also as set out in this report, the Leader of the Council has nominated a Policy Advisor to be specifically responsible for equalities, namely the Policy Advisor for Young People and Equalities.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/environmental sustainability implications arising from this report. However, the Leader of the Council has nominated a Policy Advisor to be specifically responsible for the environment, namely the Policy Advisor for Environment.

8 Appendices

None.

9 Background Papers

None.

10 Reasons for Recommendations

To share with Members the good work that the Policy Advisors have been undertaking since May 2019 across all portfolios.

Statutory Officer Approval	
Approved by:	**Chief Financial Officer**
Date:	**01/02/2021**
Approved by:	**Monitoring Officer**
Date:	**01/02/2021**

Report to Cabinet

Subject: Temporary Accommodation

Date: 11 February 2021

Authors: Head of Regeneration and Welfare

Wards Affected: All wards

Purpose:

To introduce Cabinet to the Temporary Accommodation Options Appraisal findings and the proposed future approach to reduce B&B and nightly paid for accommodation usage.

In addition, this report also updates Members on the progress made with a range of external funding opportunities (including the Next Steps Accommodation Programme (NSAP) funding and 2020 Cold Weather Fund).

Key Decision

This is not a key decision.

Recommendation(s)

THAT Cabinet:

1) **Notes the Temporary Accommodation Options Appraisal (Appendix A to this report), which sets out the preferred approach for the Council to reduce its use of B&B and nightly paid accommodation usage for temporary accommodation purposes.**

2) **Note that a request for approval of a Capital Budget of £1,154,000 has been included in the Capital Budget Report being presented to Cabinet on 11 February 2021 for referral to Council for approval on 4 March 2021 to allow for the purchasing 8 properties for use as temporary accommodation.**

3) **Note that a request for approval of a Capital Budget of £2,647,000 has been included in the Capital Budget Report being presented to Cabinet on 11 February 2021 for referral to Council for approval on 4 March 2021 for the development of Station Road and Burton Road sites.**

4) **Notes the achievements delivered by funding secured from the Next**

Steps Accommodation Programme (NSAP) and the recent award from the Cold Weather Fund 2020.

1 Background

Context

1.1 Nationally and locally there has been an increase in demand in temporary accommodation (TA) over the past few years. This is due to a number of factors including the increased duties of local housing authorities to prevent homelessness following the implementation of the Homelessness Reduction Act 2017, a lack of affordable housing and welfare reforms.

1.2 During 2019/20 the number of households accepted as homeless and placed in temporary accommodation was 141, an increase of 37 households compared to 2018/19. Between the 1st April and 31st December 2020, we have already placed 124 households in temporary accommodation. It is therefore projected that the total number of households requiring temporary accommodation in 2020/21 will again increase from the previous year figure of 141.

1.3 Cabinet will recall a detailed report was considered at the Cabinet meeting in October 2020, outlining the work programme of the "Temporary Accommodation Officer Working group". This group comprises officers from the Strategic Housing and Housing Needs teams with support from finance and legal services. The group have been reviewing the Council's provision of temporary accommodation and other matters linked to temporary accommodation. The two main streams of work includes:

- **Reducing time spent in temporary accommodation** - these are measures to improve the supply of, and access to, permanent accommodation and the prevention of homelessness thus reducing the need for temporary accommodation; and
- **Improving the provision of suitable temporary accommodation** - these are measures to improve the quality and the cost effectiveness of temporary accommodation.

1.4 As detailed in the previous report, there are a number of initiatives the working group are undertaking. This includes preparing an options appraisal (included at Appendix A) to consider:

1) current demand including reviewing the numbers of households, makeup of households, the types of TA being used and the length of time households are in TA;
2) understanding the impact of the increased demand on TA and use of bed and breakfast (B&B) and other nightly paid accommodation as TA because of lack of available Council properties, including the cost

implications for the Council;
3) how to reduce the reliance of B&B/nightly paid accommodation as TA; and
4) to identify the preferred option to tackle the known demand for TA and to reduce B&B and nightly paid accommodation.

Temporary Accommodation Options Appraisal

Current situation

1.6 The options appraisal (see Appendix A) reviewed the demand on the Council for temporary accommodation in detail since April 2019 and how this was broken down into the different types of accommodation (a summary table is shown below) and the size of the households placed in temporary accommodation.

Type of temporary accommodation	Average
Council owned properties	7
Council leased properties	6
Hound Lodge (hostel)	4
B&B	12
Housing Network (nightly)	3
Serviced Apartment (nightly)	1
Night shelter (SWEP)[1]	0
Total	33

1.7 The Council currently utilises a range of properties to meet its statutory duty to provide eligible homeless households with TA. This includes properties which the Council either owns or leases, Hound Lodge hostel, B&B or other nightly paid for accommodation, such as serviced apartments or properties provided by The Housing Network (a provider of self-contained accommodation) and the use of a night shelter. After a review of the types of temporary accommodation, it was found that:

- **Council leased/owned properties** – provide suitable accommodation with all the main facilities and is reasonable in cost to the Council;
- **Hound Lodge** – this hostel is outside of the Borough but provides free accommodation (to the user and no ongoing cost to the Council) at short notice for individuals with the basic facilities;
- **B&B accommodation** – provides accommodation at short notice for

[1] Winter months only

individuals with the basic facilities, such accommodation is expensive to the Council;

- **Nightly paid for accommodation currently via The Housing Network** – provide suitable accommodation with all the main facilities but is relatively expensive for the Council;
- **Serviced Apartments** – provide suitable accommodation with all the main facilities but can be expensive for the Council; and
- **Night shelter** - provides accommodation (which the Council have received funding for) at short notice for individuals with the basic facilities during the winter months.

1.8 The appraisal also looked at the number of households accommodated in TA by the Council, the length of time those households spent in TA and the cost implications for the Council of using these types of accommodation, which is steadily increasing. A summary of this information is included in the table below.

Financial year	Number of TA cases	Number of days in TA	Net Expenditure		Total Amount spent on nightly accommodation
			Bed & Breakfast £	Other Nightly Accommodation £	
2013/14	34	1560	12,400	0	12,400
2014/15	41	1683	25,300	0	25,300
2015/16	55	2142	30,900	0	30,900
2016/17	50	2478	24,000	0	24,000
2017/18	64	3668	60,500	0	60,500
2018/19	98	2585	74,100	0	74,100
2019/20	123	6770	185,000	35,100	220,100
2020/21 forecast			250,700	27,900	278,600

1.9 The options appraisal also reviews the future supply of affordable housing and how this may impact on the future requirement for temporary accommodation. From this work, it is clear that there is a growing issue with the increased usage of B&B and nightly paid for accommodation which has significant financial implications for the Council. Furthermore, the length of stay is significantly higher than the target for the performance indicator and causes further social and mental wellbeing issues.

Appraisal process

1.10 Officers considered a number of options that are available to the Council to meet the demand for TA. A number of these options were discounted as part of the process (see section 3 of the options appraisal for detail). This left three delivery options that were considered in detail:

- **Delivery option 1: Purchase of properties on the open market/auction** - taking ownership of a property on sale on the open market or at auction;
- **Delivery option 2: Build our own units –** use of Council owned land to build properties for use as temporary accommodation; and
- **Delivery option 3: Lease of properties from private owners/landlords** – this means agreeing to terms and taking responsibility for the property (including the ongoing maintenance) for a specified period of time.

1.11 The options appraisal considers the positive and negative aspects of each of these options, as well as a detailed financial appraisal/breakdown. The findings of these are detailed within the appraisal and in section 2.

External funding

Next Steps Accommodation Programme funding

1.12 The Council submitted a joint funding application with Broxtowe and Rushcliffe to NSAP which was reported to Cabinet October 2020. As a result of the application the Council was successfully awarded an initial £42,500. This funding is targeted at rough sleepers and people who are at risk of being homeless over the winter period, and links back to the Government's ambition to provide 3,300 units of long term move on accommodation, targeted at rough sleepers by March 2021. This funding was to be split as follows:

- £20,000 for block booking of B&B accommodation across all three authorities; and
- £22,500 The Private Sector Initiative Funding to provide an enhanced offer to the private sector (£7,500 per authority).

1.13 The Council block booked 4 rooms with a B&B accommodation provider from the beginning of December. That provisions has now been increased to 5 rooms and the rooms available for use by the Council, along with the other participating authorities, to accommodate homeless individuals and households until the end of March 2021. The Private Sector Initiative Funding has been shared equally between the three boroughs (Gedling, Broxtowe and Rushcliffe).Each Borough is receiving £7,500 to be used for a variety of initiatives, including an insurance scheme which covers landlords for both rent arrears and damage to the property.

1.14 Additionally, in partnership with Framework Housing Association, a further £226,800 of NSAP funding was awarded to enable Framework Housing Association to purchase 6 units to provide supported accommodation, shared equally across the three boroughs. All six units have now been identified and are under offer, with the expectation that there will be available for use by 1st April (and will have support provided by Framework).

1.15 The initial bid also included other initiatives, but these were not funded. One of the options was for the conversion of a former craft room and office at Elizabeth House to provide three further rooms (this is another option being considered for future use as temporary accommodation). The capital costs of conversion total £24k, and the three authorities have decided to fund the works as it represents excellent value for money.

Cold Weather Fund 2020

1.16 An application for a pre-determined allocation of £6,400 was submitted on the 4th December 2020, and confirmation has been received that the bid was successful, and the full amount will be allocated to Gedling. This allocation is based on the number of rough sleepers reported within the borough. This funding will be used towards the cost of both B&B and also the capital costs of conversion of three rooms at Elizabeth House.

2 Proposal

Options Appraisal - Recommended approach

Summary of findings

2.1 This options appraisal has reviewed a variety of initiatives and options the Council could utilise when meeting its statutory duty to accommodate homeless individuals and households and identified three potential delivery options. These three options were considered in detail, including the financial implications, exit strategy and availability of properties. A summary of the options appraisal findings are shown below:

2.2 **Purchase property on the open market -** there is an identified supply of suitable properties, in the right location and has been demonstrated to be the best option. A range of 2 and 3 bedroomed properties, predominantly in the urban areas of Arnold, Carlton and Gedling, are being considered in view of both the range of facilities and availability within these locations. It is also the preference and/or expectation of the majority of people who approach the Council for assistance that they will be placed in one of these areas. These locations would also enable the majority of applicants to benefit from any ongoing support they receive from family and friends which is important to people experiencing homelessness. The findings from the appraisals suggests that this is a strong option for consideration, as any costs will be recouped through rental income and/or eventual re-sale. This will then increase the Council's asset base, and would be considered a long term option. If demand for temporary accommodation dropped significantly, then the asset could be disposed of and a capital receipt realised. In order to progress this delivery method, a capital budget would need to be approved (subject to a separate Cabinet paper on this agenda). If budget approval is obtained and a suitable property identified, approval for the acquisition will be sought from the Portfolio Holder for Resources and Reputation in accordance with Executive delegations.

2.3 **Build our own properties –** there are two sites in the Council ownership which have been identified as having potential to be suitable for residential development, which could provide both affordable housing and temporary accommodation (Station Road and Burton Road). Officers have been working to identify the development potential of the two sites and the initial outline schemes show that a total of 17 units could be provided across both sites (10 on Station Road site and 7 on Burton Road site). Detailed plans are being drawn up to inform a detailed business case and ensure swift delivery (once the necessary approvals have been sought and obtained). This is an option which would be considered a longer term method of securing more temporary accommodation units (as well as delivering some Council owned affordable units). The findings from the options appraisal suggests that this could be a good option to deliver affordable houses in two highly sustainable locations, allowing a proportion of these units to be used for temporary accommodation for an indefinite period. In order to progress this delivery method, a capital budget would need to be approved (subject to a separate Cabinet paper on this agenda) and the detailed business case and development scheme would be subject to a further approval.

2.4 **Leasing properties on the open market -** the financial modelling shows that this is a viable option for the Council. The range of properties and flexibility on their location means that Officers can choose properties that are most suitable to customer's needs of for temporary accommodation as evidenced in the options appraisal. Furthermore, this option could provide properties to cover the interim period whilst plans are being progressed with the build delivery option (if approved). In order to progress with leasing a property, portfolio holder approval would be sought to enter into a lease per property on specified terms.

Conclusion

2.5 From the review of the three potential delivery options, and in view of the pressing need to increase the Council's supply of temporary accommodation quickly, the options appraisal suggests that the following approach is taken:

- **Purchase delivery option**: buying units has been demonstrated to the most preferable option and therefore it is proposed that the Council considers purchasing 8 units (mix of 2/3 bedroomed), at an average cost of £140,000 per property. This approach is subject to budget approval and Portfolio Holder approval would be required to approve each property purchase;

- **Build delivery option**: subject to a successful detailed business case, budget approval and approval of the overall scheme, delivery of 7 two bedroomed units for temporary accommodation as part of the residential development of Council owned land at Station Road and Burton Road could be achieved in the future; and

- **Lease delivery option**: to provide properties in the near future, whilst the proposed development of the sites at Station Road and Burton Road are progressed, 7 properties (mix of 2/3 bedroomed) could be leased on 2 year terms commencing from March 2021 (on average at £650/month). This would be dependent on Portfolio Holder approval being obtained to enter into a lease.

2.6 Cabinet are asked to note the Options Appraisal attached at Appendix A, including the identified preferred delivery options to increase the Council's provision of properties available for use of affordable housing and thus reduce its use of B&B and nightly paid for accommodation. Officers will then need to secure further approvals (as detailed in the report) in order to progress as properties are identified on the open market to purchase or lease and the proposal to develop Station Road and Burton Road are advanced in order to address the growing demand for temporary accommodation.

2.7 Cabinet are also asked to note the request for approval of a Capital Budget for the build and purchase delivery options have been included in the Capital Budget Report being presented to Cabinet on 11 February 2021 for referral to Council for approval on 4 March 2021. This includes £1,154,000 to allow for the purchasing 8 properties for use as temporary accommodation and £2,647,000 for the development of Station Road and Burton Road sites.

External Funding

2.7 Members are asked to note the officers work to secure external funding from NSAP and the Cold Winter Fund and the outcomes of this funding as set out in this report.

3 Alternative Options

3.1 There are a variety of options available to intervene and to secure more access to temporary accommodation. These options have been considered in the Options Appraisal. Here is a summary of the options discounted at this point:

- **Serviced apartments** – although these provide the majority of the facilities required, in normal market conditions, these are too costly to and so have been discounted as an alternative to B&B style accommodation. Such premises may be used by the Council on an ad-hoc basis where no other accommodation is available or because the circumstances deem this to be the most suitable type of accommodation i.e. as with the covid-19 pandemic;
- **Formalise the relationship with the Housing Provider -** this has been used as a short term measure and could be considered as a way of alleviating some more of the pressure on B&B usage going forward. Dependent on the offer from the provider, the Council may need to run a procurement exercise before entering into a formal contract for the provision of properties for temporary accommodation;
- **Taking an equity stake in temporary accommodation dwellings** - potential to purchase an equity stake from a housing provider in temporary accommodation. This will enable more stock in the private sector to be purchased by housing providers to be used as temporary accommodation. However, this option is currently not available, due to the lack of appetite from housing providers. This may an option in the long term and will be considered if appropriate;
- **Lease further properties from social landlords** – this would mean taking over responsibility for a property from a social landlord for a specified period of time. The Council currently utilises this approach at Jacobs Court and Brook Avenue (Derwent Housing) and Church Lane and Redland Grove (Jigsaw Homes). However, due to a significant lack of affordable properties available in the borough, this option has been discounted at this stage as it is not felt appropriate as this would reduce the number of affordable houses available in the borough; and
- **Use a third party to lease properties -** this means agreeing to terms for a period of time, but dependent on the offer, could include management and maintenance of the properties, thereby reducing the risk to the Council. However, there is a variety of options available from various sources and many often require signing up for long periods of time (5-10 years leases) with unclear terms and conditions. For this reason, this option is currently discounted.

3.2 Do nothing, and allow the anticipated increase in expenditure to continue as the Council’s use of B&B and nightly paid accommodation for temporary accommodation would continue.

4 Financial Implications

Temporary Accommodation Options Appraisal

4.1 The Options Appraisal attached in Appendix A sets out a recommended approach for the Council to deal with it responsibilities in regards to the provision of TA, and demonstrates that there is ongoing demand for an additional 15 units needed for TA within the Borough.

4.2 In order to ascertain the most cost effective method of delivery of these 15 units, financial modelling has been undertake to compare the net cost to the Council of purchasing or leasing. The table below demonstrates that the purchase option has a significantly lower net costs to the Council compared to the lease option.

Options	**Purchase**	**Lease**
	£	£
1 Year (Net cost)	36,000	70,000
5 Year (Net cost)	173,000	356,000
25 Year (Net cost)	712,000	1,994,000

4.3 The Council is currently utilising the higher-priced provision of B&B to accommodate cases. This provision is largely unbudgeted for and is placing significant pressures on the Council's Housing Needs base budget.

4.4 It is clear from this financial modelling, both the purchase and lease options would significantly reduce the Council's cost when compared to using Bed & Breakfast accommodation. However, greater savings would be generated through the purchase option.

4.5 As stated in the Options Appraisal, there is currently a business case being prepared up for the delivery option to build owned units on Station Road and Burton Road. The proposal suggests the scheme could realise seven owned units in around two years' time for use as TA. Whilst this scheme has not yet been approved it would not be appropriate at this time to consider purchasing all 15 units. Therefore, we could assume the most financially beneficial mix would be as follows:

- 7 units leased on a 2 year lease term commencing from March 2021;
- 8 Units purchased in 2021/22, at an average cost of £140,000 per unit plus Stamp Duty Land Tax at 3% a total capital outlay of £1,154.000.

4.6 The table below sets out the five year revenue budget impact of this proposal in respect of temporary accommodation requirements:

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£
Lease (7 units)	32,500	32,800	33,200	33,600	33,900	166,000
Purchase (8 units)	19,200	20,900	20,600	20,300	20,000	101,000
Other Nightly TA	126,500	35,000	35,000	35,000	35,000	266,500
Total Cost	**178,200**	**88,700**	**88,800**	**88,900**	**88,900**	**533,300**
Current Provision of B&B						
2020/21 Budget	**280,000**	**280,000**				
Potential Savings	**101,800**	**191,300**				

4.7 The table above is based on the assumption that in year 1 there will be timing issues related to the purchase of units, therefore, a B&B budget will be required to enable the provision of TA whilst the units are being procured. The current forecast expenditure for temporary accommodation in 2020/21 is expected to be in the region of £280,000, therefore the proposal could generate savings of £101,800 in year 1.

4.8 The savings could increase to £191,300 from year 2 on the assumption that all the units are procured by this time, a small budget for provision of emergency B&B would remain. Principally these savings enable a reduced reliance on earmarked reserves that are currently required to cover additional costs, the release of grant funding in the region of £16,000 to enable additional investment in homelessness prevention measures and a saving in the Council's ongoing budget for bed and breakfast accommodation of £35,000.

4.9 The net revenue cost of purchasing and leasing units as set out in Table 12 of c£89,000 per year will be met by utilising the Homelessness Reduction Grant which is expected to continue for the foreseeable future.

Risks

4.11 There is a risk that the requirement for TA reduces. The Council would have number of options for the use of any purchased units including rental for social housing or affordable housing.

4.12 Alternately, the Council could use the purchased units to replace the current stock of TA, which are identified as needing significant maintenance works in the future. The assets could also be sold to raise capital receipts for repayment of debt.

4.13 There is also a risk that the property market could fall. However, historically property has tended to appreciate over time; therefore, this risk is viewed as minimal in the medium to long term.

Capital Budget

4.12 A capital bid for this proposal has been considered as part of the 2021/22 Budget process and a recommendation to approve a budget of £1,154,000 is included in the Capital Budget report being presented to Cabinet on 11 February 2021 for referral to Council for approval on 4 March 2021.

4.13 A more detailed financial analysis is set out in the Options Appraisal in Appendix A.

External funding

Next Steps Accommodation Programme

4.2 The successful application to MHCLG accessed £270k, which will fund five B&B rooms over the winter period, and provide an enhanced offer to private landlords to help rehouse people. This funding also included £226,800 for 6 units to be purchased by Framework, and to be a shared resource for the 3 boroughs. In addition to this Gedling Borough Council needs to contribute £44k, for its share of the 6 supported properties in perpetuity.

Cold Weather Fund 2020

4.3 A successful funding application was submitted and the predetermined allocation of £6,400 will be issued shortly.

4.4 The opportunity to convert a former craft room and office at Elizabeth House was included in the funding application, but was unsuccessful. However the three boroughs considered that in view of the capital costs of £24k, they would share the costs as it represents excellent value for money, and will provide Gedling Borough Council with access to 1 supported room in perpetuity. Whilst Framework have requested additional revenue funding, the Councils have been clear throughout that it is a one off capital payment which can be provided. Gedling Borough Councils share is £8k which will share will be covered by both the Cold Weather Fund (£6,400), and the recently announced Protect Plus funding (£5k)

5 Legal Implications

5.1 The Council owes statutory duties to eligible individuals / households who are either homeless or threatened with homelessness under the Part VII of the Housing Act 1996 which can include a requirement to provide temporary accommodation. The Council must therefore have means of accommodating these households.

5.2 The Council has a general power pursuant to section 120 of the Local Government Act 1972 to acquire land by agreement for the purposes of any of their functions or the benefit, improvement or development of the area. The Council can therefore acquire properties, both leasehold and freehold, for use as temporary accommodation.

5.3 Furthermore, the Council has various legal powers to develop land it owns which will be considered in further detail should proposals come forward to develop the two sites at Station Road and Burton Road for housing.

6 Equalities Implications

6.1 An Equality Impact Assessment (EIA) is not required for this report.

6.2 The Council has a duty to provide suitable accommodation which includes taking account of any equality issues. This includes assessing the household specific needs, such as access arrangements, size and nature of the temporary accommodation (wherever possible). This is therefore considered as part of the work that the Housing Needs Team do and is not a matter for this Cabinet report.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 These are considered throughout the work programme, but there is no specific implications at this point. Further options for this will be considered going forward.

8 Appendices

A – Temporary Accommodation Options Appraisal

9 Background Papers

None

10 Reasons for Recommendations

10.1 To update Members on the work being done to reduce Council's reliance and use of B&B and nightly paid accommodation to provide temporary accommodation and to note the preferred approach to address the Council's approach to address this.

10.2 To update Members of the request to approve a capital budget (£1,154,000 to allow for the purchasing 8 properties for use as temporary accommodation) in the same Cabinet meeting, which is linked to the preferred approach as detailed within the report.

10.3 To update Members of the request to approve a capital budget £2,600,000 for the development of Station Road and Burton Road sites) in the same Cabinet meeting, which is linked to the preferred approach as detailed within the report.

10.2 To update Members on the successful NSAP funding submission and successful Cold Weather Fund application 2020.

Statutory Officer Approval	
Approved by:	**Chief Financial Officer**
Date:	**03/02/2021**
Approved by:	**Monitoring Officer**
Date:	**02/02/2021**

Temporary Accommodation

Options Appraisal

January 2021

Contents

1.0 Introduction

Current position

1.1 Homeless figures and use of temporary accommodation continue to rise nationally and locally. The Council has statutory duties to assist and, in specified circumstances, accommodate eligible individuals / households who are homeless or threatened with homelessness under Part VII of the Housing Act 1996. This includes a duty to provide interim accommodation whilst the Council is making enquiries as to whether a full housing duty is owed. In other words, the Council must find them temporary accommodation. Wherever the Council accommodates an applicant, it must ensure that the accommodation secured is suitable for the applicant and their household

1.2 Presently the Council meets this duty through access it has to various properties that it owns or leases which are used as temporary accommodation. Where these properties are fully occupied, the Council also utilises private accommodation that is available on a nightly basis, primarily Bed and Breakfast accommodation (B&B), which are often located outside of the Borough. This use of this type of accommodation has been increasing year on year since 2016/17, and creates two main concerns:

- **Health and well-being implications** – the facilities at a B&B mean that cooking healthy meals in the accommodation is not possible and therefore adds to the costs of living of the individual / household. Living in emergency accommodation can also affect mental health and well-being.
- **Significant cost implications** - the total spend on B&B accommodation has risen significantly over the last few years with only £32k being spend in 2016/17, rising to £96k in 2018/19 and a spend of £278k in 2019/20.

Temporary accommodation officer working group

1.3 A corporate officer group was established ("Temporary Accommodation Officer Working Group") in April 2019 with officers from Strategic Housing, Housing Needs, Finance and Legal teams to review the Council's provision of temporary accommodation and other matters linked to temporary accommodation. The TA group currently has two main streams of work:

- **Reducing time spent in temporary accommodation** – these are measures to improve the supply of, and access to, permanent accommodation and the prevention of homelessness thus reducing the need for temporary accommodation; and
- **Improving the provision of suitable temporary accommodation** – these are measures to improve the quality and the cost effectiveness of temporary accommodation.

Reducing the Time Spent in Temporary Accommodation

Improve the supply of permanent accommodation

1.4 One of the main factors that impacts on the need to use temporary accommodation, is the amount of affordable properties available for people to move into. As part of the planning process and with the delivery of key housing sites, an increase in the amount of affordable housing being provided as part of the private developments (secured through planning obligations given by the owner to the Council) is expected. This could have a significant impact on the Council's housing waiting list and should help to reduce the need for temporary accommodation. More information is provided within this report.

Improve access to permanent accommodation

1.5 Following legislative changes, the Council's Housing Allocation Policy has been reviewed and revisions to the policy have been consulted on two occasions. The proposed changes are designed to ensure that people at risk of homelessness are given additional priority on the Council's waiting list. This should help to reduce the need for temporary accommodation, as a secure tenancy in permanent accommodation will be found more quickly.

Homelessness Prevention

1.6 One of the main streams of work is to prevent the threat of homelessness and the number of people presenting as homeless. This includes various initiatives:

- **Call Before You Serve –** this is a specialist support service for private landlords who are considering evicting a tenant, seeking possession or needing advice on tenancy support. This initiative is designed to provide independent advice and support to the landlord with the objective of preventing evictions.
- **Advertising the housing needs service** – this is focused on ensuring local residents are aware of the help that the Council can provide, if they are at risk of being evicted or made homeless. Early intervention enables the best outcomes and is viewed as good practice by MHCLG.
- **Youth/school engagement** - Broxtowe Youth Homeless have been commissioned to undertake a series of sessions with schools to help educate children about their housing options.
- **Citizens Advice Bureau in GP surgeries** – trial for the CAB to be located in one doctor's surgery and provide housing and debt advice to people who are also visiting the doctor with health problems.
- **Housing prevention officers** – the Council employs two housing prevention officers. Their role is to work with people to prevent them from becoming homeless, by offering advice and guidance. This can also mean working with the landlords or family members.

Improving the Provision of Suitable Temporary Accommodation

1.7 Officers have been seeking improvements to the quality and quantity of temporary accommodation available to the Council. This includes a variety of projects:

- **Securing additional properties for temporary accommodation** – this options appraisal is being prepared to consider the provision of additional properties as an alternative to B&B and nightly accommodation – for example by purchase, leasing or the development of new units by the Council.
- **Securing external funding to increase provision –** Various funding applications have been submitted to the MHCLG/Homes England linked to this stream of work. The latest is the bid to the Next Steps Accommodation Funding Programme fund (more details are provided below).
- **Improvements to provision through Covid19 –** under the Government's "Everyone In" initiative and the need to ensure people in temporary accommodation could isolate, Officers have been sourcing appropriate self-contained accommodation and moved people swiftly.
- **Development of a procurement framework** for B&B accommodation and nightly accommodation – this will ensure that any accommodation we use meets a certain standard and that the value for money is secured through a tendering process. This is currently being prepared.
- **Severe Weather Emergency Protocol (SWEP)** – this provision is for rough sleepers or people at risk of being homeless to provide them with a place to stay in adverse weather conditions, and linking them with support services to address their housing situation.

Summary

1.8 Overall, the only way to reduce the need for temporary accommodation is for households to be able to access permanent affordable accommodation and to become more effective at preventing homelessness in the first place. However, the Council has a statutory duty to provide temporary accommodation to eligible individuals and their households. Furthermore, based on the current usage, it is essential to identify options to reduce the use of B&B accommodation to ensure individuals/households are placed in accommodation suitable for them and to reduce the costs incurred by the Council. There is a need to therefore identify options to reduce and improve the quality of other temporary accommodation in both the short and medium to long term.

1.9 This options appraisal will seek to establish the existing usage of all forms of temporary accommodation and a preferred method of meeting the current and future projected need for temporary accommodation, with the overarching objectives of reducing the use of B&B accommodation, improving the quality of the accommodation on offer, complying with the Government's Homelessness code of guidance for authorities ("Homelessness Code") and reducing the cost of temporary accommodation to the Council.

1.10 This Option Appraisal is specifically looking at improving the provision of suitable temporary accommodation and reducing the use of B&B and other nightly paid accommodation.

2.0 Local Position

Current supply of temporary accommodation

2.1 In order to meet its statutory duties to provide accommodation for eligible homeless individuals/households, Gedling Borough Council currently have access to various properties in the borough which are used as temporary accommodation. As the Council transferred its housing stock to a registered provider of social housing in 2008, it is not able utilise and access a supply of Council-owned housing stock with which to flexibly support the changing demands for temporary accommodation.

2.2 The Council therefore relies on a mixture of Council-owned properties and leased properties. The Council currently has use of 7 two bedroom Council owned flats and leases a further 4 three bedroom houses. The Council also leases 2 two bedroom flats from a registered social landlord, making a total of 13 properties owned or controlled by the Council available for use as temporary accommodation (see table below).

Table 1: Breakdown of types of temporary accommodation

Address	Owned by?	Type of property	Agreement
2 Jacobs Court	Derwent Housing	2 bed ground floor flat	Long lease (99 year lease with an annual review)
5 Jacobs Court, Arnold	Derwent Housing	2 bed ground floor flat	
18 Brook Avenue, Arnold	Derwent Housing	3 bed house	
20 Brook Avenue, Arnold	Derwent Housing	3 bed house	
6A Wollaton Avenue, Gedling	GBC	2 bed first floor flat	GBC owned
8A Wollaton Avenue, Gedling	GBC	2 bed first floor flat	GBC owned
10A Wollaton Avenue, Gedling	GBC	2 bed first floor flat	GBC owned
12A Wollaton Avenue, Gedling	GBC	2 bed first floor flat	GBC owned
3A Beechwood Road, Arnold	GBC	2 bed first floor flat	GBC owned
6a Beechwood Road, Arnold	GBC	2 bed first floor flat	GBC owned
141A Oxclose Lane, Arnold	GBC	2 bed first floor flat	GBC owned
49 Church Lane, Arnold	Jigsaw Homes	3 bed house	2 year lease (ending March 2023)
84 Redland Grove, Carlton	Jigsaw Homes	3 bed house	

2.3 It should be noted that the Council-owned accommodation will require further investment to bring the properties up to standard in the short to medium term.

2.4 Where these properties are fully occupied, the Council utilises accommodation that is available on a nightly basis, primarily B&B, but also other nightly paid for accommodation such as hotels or serviced apartments. The Council can also refer cases to a neighbouring authority who run a hostel (Hound Lodge), which is located outside of the Borough.

2.5 The Council currently sources three additional properties from the Housing Network is a company specialising in providing accommodation to local authorities. These charged at a nightly rate which makes these properties nearly as expensive as B&B accommodation, but they do provide better facilities and self-contained accommodation. As such this is not a permanent solution and is being reviewed as part of this process. Details of these properties are shown in the table below.

Table 2: Breakdown of types of temporary accommodation

Address	Owned by?	Type of property	Agreement
25 Kingswell Avenue, Arnold	Housing Network	2 bed house	Nightly charged
27 Kingswell Avenue, Arnold	Housing Network	2 bed house	Nightly charged
110 Southdale Road, Carlton[1]	Housing Network	4 bed house	Nightly charged

2.6 In summary, the properties the Council currently uses for temporary accommodation is varied and includes:

- **Council leased/owned properties** – provide suitable accommodation with all the main facilities and is reasonable in cost to the Council
- **Hound Lodge** – this hostel is outside of the Borough but provides free accommodation (to the user and no ongoing cost to the Council) at short notice for individuals with the basic facilities
- **B&B accommodation** – provides accommodation at short notice for individuals with the basic facilities, such accommodation is expensive to the Council
- **Nightly paid for accommodation currently via The Housing Network** – provide suitable accommodation with all the main facilities but is relatively expensive for the Council
- **Serviced Apartments** – provide suitable accommodation with all the main facilities but can be expensive for the Council
- **Night shelter** - provides accommodation (which the Council have received funding for)at short notice for individuals with the basic facilities during the winter months

Current usage of all temporary accommodation

2.7 During 2019/20 the number of households accepted as homeless and placed in temporary accommodation by the Council was 141, an increase of 37 households compared to 2018/19. Between the 1st April and 31st December 2020, we have already placed 124 households in temporary accommodation. It is therefore projected that the total number of households requiring temporary accommodation in 2020/21 will again increase from the previous year figure of 141.

2.8 The average length of stay of in all forms of temporary accommodation during 2019/20 was 117 days (16.7 weeks), an increase of 34 days (4.9 weeks) from the previous year. Of the 141 cases eligible for temporary accommodation, 118 of these households were placed in nightly accommodation, including B&B, whilst either alternative more suitable temporary accommodation was secured or permanent accommodation was found. In total, these 118 households were placed in B&B style accommodation at a net cost of £220,000. Data from the Housing Needs Team

[1] This property has not been in use since July 2020..

(December 2020)shows that the average length of stay[2] in just B&B and nightly accommodation (not including the temporary accommodation owned or leased by the Council) was 65.5 days (8 weeks).

2.9 Table 2 shows the number and type of temporary accommodation placements Gedling has made since April 2019 (data taken at the end of every month, as a snap shot).

Table 3: Usage of all temporary accommodation[3] by type per month (April 2019 – December 2020)

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	July 20	Aug 20	Sept 20	Oct 20	Nov 20	Dec 20	Average
Council owned properties	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	6	7
Council leased properties	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	5	6
Hound Lodge (hostel)	5	4	4	6	5	4	5	5	4	6	6	0	0	0	2	1	1	0	0	0	0	3
B&B	7	8	5	11	17	15	14	12	8	9	14	9	15	20	17	21	24	22	22	22	17	15
Housing Network (nightly)	-	-	3	3	3	3	3	3	4	3	2	2	2	1	3	1	1	1	2	2	2	2
Serviced Apartment (nightly)	-	-	-	-	-	-	1	1	1	1	1	11	2	-	-	-	-	-	-	-	-	1
Night shelter (SWEP)	-	-	-	-	-	-	-	-	1	2	2	0	-	-	-	-	-	-	-	-	-	0
Total	24	25	25	33	38	35	36	34	31	34	38	35	32	34	35	36	39	36	37	37	30	34

2.10 As shown above, the number of temporary accommodation placements are relatively static with an average of 34 over the last 21 months. Furthermore, there was a shift away from the hostel at Hound Lodge and the night shelter into other types of temporary accommodation during the first Covid19 lock down period – March to May 2020, to ensure that social distancing and self-isolation could occur. The use of serviced apartments in March 2020 is specifically down to the Government's

[2] As per the performance indicator target: "the average length of time spent in temporary accommodation (in weeks)"
[3] This includes the properties owned and leased by the Council, as well as B&B accommodation and nightly paid accommodation.

"Everyone In" Initiative (linked to Covid 19 restrictions) and therefore is a one-off, unexpected use of nightly accommodation, which is not expected to be used again.

2.11 Table 3 shows that on average of about 12 households are placed in B&B and 3 in nightly paid accommodation through the Housing Network. On this basis, the Council will need to source or provide a further 15 properties for use as temporary accommodation to reduce the need for B&B and nightly paid accommodation. This is on the basis that the use of hostels, B&B and serviced apartments could be used in the future as last resort where there is spike in need, i.e. because of Covid or other emergency that cannot be planned for, and the type of accommodation will be sourced depending on what is suitable in the circumstances.

Temporary accommodation costs

2.12 B&B and nightly accommodation is used when the Council does not have an available temporary accommodation property that it either leases or owns. The net cost of which is projected to be over £200,000 again this financial year which has been exacerbated due to the additional demands arising from Covid19. This included the requirement for self-contained accommodation and the requirement to house rough sleepers/people at threat of being homeless under the "Everyone In" initiative (see table below), which meant self-contained accommodation was required.

Table 4: Use of B&B/Nightly accommodation since 2013/14

Financial year	Number of TA cases	Number of days in TA	Net Expenditure		Total Amount spent on Nightly accommodation
			Bed & Breakfast £	Other Nightly Accommodation £	
2013/14	34	1560	12,400	0.00	12,400
2014/15	41	1683	25,300	0.00	25,300
2015/16	55	2142	30,900	0.00	30,900
2016/17	50	2478	24,000	0.00	24,000
2017/18	64	3668	60,500	0.00	60,500
2018/19	98	2585	74,100	0.00	74,100
2019/20	123	6770	185,000	35,100	220,100
2020/21 (as of 31/12/20)	98	5876	182,800	21,300	204,100
2020/21 forecast	-	-	250,700	27,900	278,600

2.13 The table above shows the changes since 2013/14. Of note is the increased number of TA cases and the very significant numbers of days spent in temporary accommodation since 2018 which in turn has led to the steep increasing costs of B&B accommodation.

Size of households in temporary accommodation

Council owned/leased properties

2.14 Further analysis has been done on the size of the group being placed in temporary accommodation owned or leased by the Council (as detailed in table 1). The average household numbers are shown below and the detailed (month by month) breakdown are shown in Appendix A.

Table 5: Size of households in Council owned/leased accommodation (April 2019 – December 2020)

Size of households	Average number of households
1 or 2 adult(s)	0
1 or 2 adult(s)/1 Child	2
1 or 2 adult(s)/2 children	4
1 or 2 adult(s)/3 children	4
1 or 2 adult(s)/4 children	1
1 or 2 adult(s)/ 5 children	1
1 or 2 adult(s)/ 6 children	0
1 or 2 adult(s)/ 7 children	1
Total	13

2.15 The table above shows of the 13 temporary accommodation properties the Council leases or owns, the majority of them are being used for households with a single adult or couple with 2 or 3 children.

B&B/nightly paid for accommodation

2.16 The table below shows the average size of households in B&B/nightly paid for accommodation (only including the Housing Network properties) in the period between April 2019 and pre-Covid19 (March 2020) and then also between April 2019 and December 2020. The average household numbers are shown below and the detailed (month by month) breakdown are shown in Appendix A.

Table 6: Size of households in B&B and the Housing Network nightly accommodation (since April 2019)

Size of households	Average number of households	
	Pre Covid19 (April 2019 – March 2020)	April 2019 – December 2020
1 or 2 Adult(s)	6	7
1 or 2 Adult(s)/1 Child	6	6
1 or 2 Adult(s) / 2 Children	2	2
1 or 2 Adult(s) / 3 children	2	2
1 or 2 Adult(s)/4 children	0	0
1 or 2 Adult(s)/ 5 children	0	0
Total	15	17

2.17 The table above shows that on average there are 15 households in B&B/nightly accommodation (Housing Network properties) since April 2019 until Covid19 restrictions started (March 2020) and that this rose to 17 households after this period (up to December 2020). Of these households, the majority are the smaller ones – either single applicants or couples or those with 1 or 2 children. There was a clear spike in the figures of singles/couples being houses after Covid19 restrictions were in place in April 2020 (see highlighted cells in Appendix A). Local knowledge suggests that this is due to the Covid19 restrictions and housing at least 5 single/couples pursuant to the Government's "Everyone In" policy announced in March 2020.

2.18 Overall, table 5 and 6 shows that the largest households we provide temporary accommodation tend to be accommodated in our own/leased properties (as these tend to be 2 or 3 bedroomed properties) whilst leaving B&B/nightly paid accommodation of the smaller households.

2.19 Table 6 below shows the assumed size of property required for the different size placements in the B&B/nightly paid for accommodation (Housing Network properties) since April 2019 and pre-Covid19 restrictions (March 2020). The overall average since April 2019 has also been included for reference.

Table 7: Assumed size properties required to meet size of recent placements in B&B and nightly accommodation

	Total in B&B/nightly accommodation	1 or 2 Adult(s)	1 or 2 Adult(s)/1 Child	1 or 2 Adult(s)/2 Children	1 or 2 Adult(s)/3 children
Assumed property size required		1 bed	2 bed	2/3 bed	3 bed
Number required based on placements pre Covid19	15	5.5	6	2	1.5
Number required based on placements since April 2019	17	6.5	6	2	1.5

2.20 The table above demonstrates that there is current proven need for 2 and 3 bedroomed properties (weighted more towards 2 bedrooms) to help meet the recent demand for B&B and nightly paid accommodation.

Future need for temporary accommodation

2.21 There are many factors that impact on the need to use temporary accommodation and how long it is required for. One of the main factors is the amount of affordable properties available. The table below shows the expected numbers and locations for additional affordable properties to be built within the Borough.

Table 8: Future supply of affordable housing within the Borough (as of December 2020)

Site	Number of affordable units[4]	Planning Status	Expected delivery[5]
Teal Close, Netherfield	13 (9 rent and 4 s/o)	Outline planning permission (2013/0546). Reserved matters approved (2019/0152) for the second phase. Reserved matters application 2019/0560 for the final phase being determined	On site. First affordable units due September. Entire scheme due to be delivered in phases to 2028
Vale Road, Colwick	44 (21 rent and 23 s/0)	Full planning permission (2016/0347) secured	On site – units to be delivered by 2021/22
Chase Farm	105 units split in 3 phases (15 already provided).	Planning application approved.	Phase 1 completed and phase 2 currently under construction.
Lendrum Court	34 sheltered units	Full planning permission approved (2019/0876)	Start 2021 and practical completion by January 2022
Millbeck House, Arnold	Zero	Full planning application (2020/0009) being determined	N/A
West of Mapperley Plains, Mapperley	49 (33 rent and 16 s/o)	Full planning application 2019/0213 secured subject to the signing of the s106	Start 2021/22 and completed by 2023/24
Dark Lane, Calverton	11 (8 rent and 3 s/o)	Full planning application secured (2019/0213)	Start 2021/22 and completed by 2023/24

[4] Spilt into social rent, shared ownership (s/o) or sheltered units.
[5] Taken from the Five year Supply document

Linden Grove, Gedling	24 (17 rent and 7 s/o)	Planning application (2019/1186) approved subject to the s106	Start 2021/22 and completed by 2024/5
Park Road, Calverton	70 (49 rent and 21 s/o)	Outline permission secured (2018/0607). Reserved matters application (2020/0020) pending consideration	Start 2021/22 and completed by 2028/9
Earl of Chesterfield, Carlton Hill	23 sheltered units	This has a resolution to grant permission subject to signing of the s106	Dependent on planning decision but expected within 24 months of decision being made
Flatts Lane, Calverton	16 (11 rent and 5 s/o)	Reserved matters approval (2020/0822)	Start 2021/22 and completed by 2023/24
Rolleston Drive	Est. 131 (65 rent and 66 s/o)	Jigsaw offer accepted. Planning application submitted (2020/1054)	No units expected until 2022.
Top Wighay, Linby	241 (169 rent and 72 s/o)	Outline application (2020/0050) being determined	Start 2021/22 and completed by 2028

2.22 From the table above we are therefore expecting a significant amount of social housing being provided as part of the private developments (secured through mainly through planning obligations). This could have a significant impact on the Council's waiting list and may help to reduce the need for temporary accommodation. However, many of these developments have yet to start or have agreed their s106 contributions (and viability of the scheme has the potential to significantly reduce the amount of affordable homes provided).

2.23 In summary, there are:

- 160 social units and 34 sheltered units have full planning permission and are either on site or will be on site this financial year. The first of these units are due this financial year (at Teal Close) and then the 44 units at Vale Road are due to be completed in the next financial year with the others coming forward on a phased basis before 2028
- Another 84 social units with a resolution to grant planning permission, subject to the s106 agreement being signed, due to be completed by 204/25
- Planning applications for 86 social units and 23 sheltered units currently being determined
- A further 372 social units could come forward from allocated housing sites in the future if they progress through the planning process and are delivered as expected.
- Whilst there was a pre-existing requirement for affordable housing on the Chase Farm site, which is being delivered against. Jigsaw Homes have recently purchased an additional 8 x 2 bedroomed flats at Chase Farm (bought on the open market and is over and above the affordable housing requirement through the planning application), and is a considerable windfall for the Council.

2.24 There are other reasons for the increased demand for temporary accommodation, especially in light of Covid19. These include an increase in domestic violence cases where one party is fleeing and requires emergency housing (nationally there has been a 50% increase in these cases), early release of prisoners (a government initiated response, though relatively low numbers presenting to the Council) and increase in private sector evictions (potential to increase when the courts re-open and the embargo on evictions is ended, this has been extended again until the end of March 2021, but post that date a significant increase in private sector evictions is anticipated). These could all cause an increase in demand for temporary accommodation, but to what extent is unknown at this time.

2.25 With this in mind, the current demand for temporary accommodation is a reasonable basis to project future demand over the next few years (but is subject to change if the planned affordable units are built through the planning system, but may also increase with further implications from Covid19).

3.0 Options Appraisal Scope

Overall Objective

3.1 The objective for this option appraisal is to identify and evaluate a variety of alternative accommodation options to significantly reduce the usage (and therefore cost to the Council) of B&B and nightly paid accommodation as temporary accommodation to improve the quality of accommodation provided and to adhere to Government guidance.

Parameters

3.2 For the purposes of this options appraisal, set parameters have been used to assist with comparing the various delivery options (detailed in para 4.3 below). It was agreed to use specific properties within the urban conurbation of Gedling as set parameters, for the following reasons:

- as there is known strong demand for these units for temporary accommodation within this area;
- semi-detached properties will be better value for money than detached properties;
- focusing on 2 and 3 bedroomed properties as this is the demand shown by current usage of B&B/nightly paid accommodation;
- GBC is particularly keen to reduce usage of B&B by families;
- to ensure compliance with statutory provisions and guidance; and
- assume that housing benefit can be reclaimed (see Appendix B).

Delivery options scope

3.3 There were a number of delivery options discounted for this appraisal, as they did not meet the objective of reducing the use of B&B accommodation, whilst also reducing the cost and improving the quality of temporary accommodation. The options discounted, include:

- **Serviced apartments** – although these provide the majority of the facilities required, in normal market conditions, these are too costly to be considered; also none could be identified any within the borough so use would mean accommodating eligible individuals/households outside of the borough;
- **Formalise the relationship with the Housing Provider -** this has been used as a short term measure and could be considered as a way of alleviating some more of the pressure on B&B usage going forward. Dependent on the offer from the provider, the Council may need to run a procurement exercise before entering into a formal contract for the provision of properties for temporary accommodation;
- **Taking an equity stake in temporary accommodation dwellings** - potential to purchase an equity stake from a housing provider in properties for use as temporary accommodation. This will enable more stock in the private sector to be purchased by housing providers to be used as temporary accommodation. However, this option is currently not available due to the lack of appetite from housing providers. This may an option in the long term and will be considered if appropriate; and

- **Lease further properties from social landlords** – this would mean taking over responsibility for a property from a social landlord for a specified period of time. The Council currently utilises this approach for properties at Jacobs Court and Brook Avenue (Derwent Housing) and Church Lane and Redland Grove (Jigsaw Homes, formerly Gedling Homes). However, due to a significant lack of affordable properties available in the Borough, this option has been discounted at this stage, as it depletes the number of affordable homes able to redress housing need on a permanent basis.
- **Use a third party to lease properties -** this means agreeing to terms for a period of time, but dependent on the offer, could include management and maintenance of the properties. However, there is a variety of options available from various sources although many often require signing up for long periods of time (5-10 years leases) with unclear terms and conditions. For this reason, this option is currently discounted.

3.4 Therefore, the delivery options that are being considered in detail as part of this options appraisal include:

1. **Purchase of properties on the open market/auction -** taking ownership of a property for sale on the open market or at auction;
2. **Build our own units –** use Council owned land to build properties for use as temporary accommodation; and
3. **Lease of properties from private owners/landlords** – this means agreeing to terms and taking responsibility for the property (including the ongoing maintenance) for a specified period of time.

4.0 Delivery Options Review

Delivery option 1: Purchase a property on the open market

4.1 A potential option is to buy dwellings on the open market or at auction. An assessment of property prices for 1, 2 and 3 bedroom houses in the urban conurbation was undertaken through the Rightmove website in August and then was repeated in November to identify the available properties. The results are included in Appendix C and are summarised below:

Table 9: House price data

	Range of house prices		
	Flat	Terraced	Semi-detached
1 bed	Aug: £70-85k Nov: £100-120k	Aug: N/A Nov: £120k	Aug: N/A Nov: N/A
2 bed	Aug: £90k Nov: £85-120k	Aug: £115-140k Nov: £125-140k	Aug: £145-150k Nov: £150k
3 bed	Aug: N/A Nov: N/A	Aug: £115-140k Nov: £110-140k	Aug: £145k Nov: £125-135k

4.2 Purchase of properties would require an upfront capital contribution at the outset; along with the costs associated with a purchase such as legal fees and disbursements and any costs to bring the property up to standards. Purchase would also mean that the Council would be responsible for any repairs required to the property over time and any falls in value. Equally the Council would benefit from any growth in the housing market should it chose to dispose of the asset in the future.

Positive aspects

4.3 A significant positive aspect of this approach would be that the Council gains a capital asset which can be used at temporary accommodation to reduce the usage of B&B accommodation and would still retain a value if it was no longer required for temporary accommodation. Each property would be assessed and chosen to ensure it is of a good standard and provides suitable accommodation at a reduced cost than B&B usage. This approach also means that the supply of social housing in the borough is not reduced.

Negative aspects

4.4 As stated above, there is a significant initial capital requirement. Additionally, there are ongoing maintenance costs with the property, including all the structural repairs, general ongoing maintenance required and compliance with statutory requirements, such as gas and electric safety checks which are required for each new letting.

Delivery option 2: Build our own units

Land owned by the Council could be used to build properties for use as temporary accommodation. There are two specific sites that have been identified at Burton Road and Station Road Carlton which could deliver around 17 dwellings (10 on Station Road site and 7 on Burton Road site). Options are being considered for these sites to deliver affordable housing with some units retained by the Council for use as temporary accommodation (subject to budget approval and a detailed business case for the scheme being approved).

Positive aspects

4.5 A significant positive aspect of this approach would be that the Council gains a capital asset which can be used to reduce the usage of B&B accommodation and would still retain a value if it was no longer required for temporary accommodation. The properties would be designed and built to ensure it is of a good standard and provide suitable accommodation at a reduced cost than B&B usage. This approach could also provide a means that if increasing the supply of social/affordable housing in the borough if a proposal to deliver both temporary accommodation and social/affordable rented units on both sites were approved. The Council also holds grant funding and commuted sums from financial contributions made towards the provision of affordable housing through planning obligations which could be used towards the financing of the overall scheme (but could not be used to fund any temporary accommodation units).

Negative aspects

4.6 As stated above, there is a significant initial capital requirement, which would need a business case to justify the expenditure. Additionally, there are ongoing maintenance costs with the property, including all the structural repairs and statutory requirements.

Delivery option 3: lease a property from a private owner/landlord

4.7 A third option is to lease properties from private owners/landlords. This is likely to mean agreeing terms with a landlord to take control of the property for a medium to long term (likely 1-5 years) in return for a set payment of rent. The Council is likely to be responsible for all internal repairs and general maintenance but would have the opportunity to flexibly house people in need of temporary accommodation. Leasing of properties from a private landlord may require a significant incentive to the landlord such as payment up front, but research has identified potential leased properties within the borough.

4.8 A review of the property prices for 1, 2 and 3 bedroom houses in the urban conurbation was undertaken through the Rightmove website in August and in November to identify the available properties. The results are included in Appendix D and are summarised below.

Table 9: House rental values data

	Range of house rent/month		
	Flat	Terraced	Semi-detached
1 bed	Aug: £425-595 Nov: £450-595	Aug: 550 Nov: N/A	Aug: N/A Nov: N/A
2 bed	Aug: £550-625 Nov: £412	Aug: £575-650 Nov: £600	Aug: N/A Nov: N/A
3 bed	Aug: N/A Nov: N/A	Aug: £675 Nov: £775-795	Aug: £750-850 Nov: £750

Positive aspects

4.9 A significant positive aspect of this approach would be that the Council has the ability to access a greater number of temporary properties on a relatively flexible basis without significant up front capital costs and potentially this could be achieved relatively quickly. This approach also means that the supply of social housing in the borough is not reduced.

Negative aspects

4.10 The Council would not own the property and therefore would not have a capital asset. Furthermore, the appetite from landlords to this approach is not yet known. Financial incentives may be required for a private landlord to lease a property to the Council. Therefore, it is difficult to fully quantify the costs and extent of opportunity of this approach however other local authorities have implemented similar schemes. The market research shows that there are significantly less properties to rent than there is to purchase, which may impact on our ability to secure the right type and quality property at an affordable cost.

5.0 Financial Observations

5.1 As stated above, one of the methods of delivery the Council currently utilises to deal with the current demand for Temporary Accommodation is Bed and Breakfast (B&B). In addition to the health & wellbeing concerns highlighted in section 1.4 of this report, using this type of accommodation is widely understood to be an expensive option. For the financial year 2020/21 expenditure associated with placing individuals and families into B&B accommodation is expected to cost c£300,000.

5.2 The Council currently have an approved budget for B&B of £35,000 per year; the additional cost has been funded by utilising the Homelessness Support Grant and Earmarked Reserves. However, using reserves to fund ongoing pressures is an unsustainable method of funding. One of the objectives of this project is to identify and assess a more economical method of delivering the Councils responsibilities in regards to Temporary Accommodation.

5.3 As detailed above three options have been considered for alternate delivery of Temporary Accommodation these are as follows:

- Purchase on the open market or at auction;
- Lease on the open market;
- Build owned units (this financial analysis does not consider this option in any detail as the Station & Burton Road Business Cases will separately consider and identify the risks and benefits of these potential projects).

5.4 The options appraisal has identified that in addition to the units that the Council currently owns and leases 15 more properties are require to meet estimated ongoing demand.

Purchase

5.5 Using the cost information on Appendix C the financial model has assumed an average price of £140,000 per unit. This relates to mainly the purchase of two bedroom properties but would give some flexibility to include a small number one and three bedroom properties.

5.6 Borrowing from PWLB would be used to finance the project over a 25-year period, which would be appropriate given the properties are not likely to be new.

Lease

5.7 Using the information set out in Appendix D the financial model has assumed an average rental sum of £650pcm. Again, this is mainly based on two bedroom properties and would give a degree of flexibility to include some one and three bedroom units.

5.8 The financing of a leased option would be through the Revenue Budget.

5.9 Both financial models have allowed for repairs, maintenance dilapidation payments and managements costs.

Financial Analysis

5.10 This Options Appraisal sets out a recommend approach for the Council to deal with its responsibilities in regards to the provision of temporary accommodation, and demonstrates that there is ongoing demand for an additional 15 units needed for Temporary Accommodation within the Borough.

5.11 In order to ascertain the most cost effective method of delivery of these 15 units, financial modelling has been undertake to compare the net cost to the Council of purchasing or leasing. (This part of the financial model is to purely to consider the most cost effective method of delivery the proposed mix is considered below) Table 9 below demonstrates that the purchase option has a significantly lower net costs to the Council compared to the lease option.

Table 9: Financial analysis of temporary accommodation options

Options	Purchase	Lease
	£	£
1 Year (Net cost)	36,000	70,000
5 Year (Net cost)	173,000	356,000
25 Year (Net cost)	712,000	1,994,000

5.12 The net cost to the Revenue Budget of purchasing 15 units modelled on the assumptions above is £712,000 over the 25 borrowing term. This equates to an average c£29,000 per year. The net cost in year one would be £36,000 this decreases year on year due to a 1% inflation included on rent payments.

5.13 In comparison, the net cost of a lease option is £1,994,000 over the 25-year period, which is on average is £48,000 a year £70,000 in year one. The same 1% inflation increase has been included as the purchase option above.

Bed and Breakfast

5.14 The Council is currently utilising the higher-priced provision of B&B to accommodate cases. As stated above this provision is largely unbudgeted for and causing significant pressures on the Council’s budget. Table 10 below sets out the comparable net costs to accommodate15 cases in B&B accommodation.

Table 10: Overview of B&B costs for 15 rooms

Table 2.		
No. of rooms	**1 Room**	**15 Rooms**
	£	£
B&B Cost per annum	29,000	437,000
Reimbursement HB	(5,000)	(77,000)
Net Cost	24,000	360,000

5.15 The net cost of accommodation of an equivalent 15 cases is £360,000 each year or £24,000 per case.

5.16 Table 11 below compare the two options of purchase and lease with the net costs of B&B provision.

Table 11: Annual comparison between purchase and B&B costs

Options	Purchase	Lease	B&B
	£	£	£
Cost per 1 unit	2,400	4,600	29,000
Cost per 15 units	36,000	70,000	360,000

5.17 It is clear from the above tables, that both the purchase and lease options would significantly reduce the Councils cost when compared to using B&B accommodation. However, greater savings would be generated through the purchasing option.

Financial Summary

5.18 The above tables indicate that both the purchase and lease options would generate significant cost savings to the Council when compared to using B&B accommodation. However, the annual net cost of purchasing 15 properties in year 1 would be £36,000 compared to the leasing option of £70,000. This would generate savings from current use of B&B of £26,000 per unit of purchased and £23,000 for leasing.

5.19 From a financial perspective the purchase option would be a more cost effective solution and would generate significantly more savings than the lease option. In addition, purchase of properties would result in ownership of an asset, which can be sold at some point on the future to raise a capital receipt for repayment of debt.

Risks

5.20 There is a risk that the requirement for Temporary Accommodation reduces. The Council would have number of options for the use of any purchased units including rental for social rents, affordable rent or market rent.

5.21 Alternately the Council could use the purchased units to replace current stock which are a lower quality accommodation. The assets could also be sold to raise capital receipts for repayment of debt.

5.22 There is also a risk that the property market could fall. However, historically property has tended to appreciate over time; therefore, this risk is viewed as minimal. If this did happen Council could chose to rent out the units until the market improved.

5.23 The leasing option would eliminate this risk, however may be subject to lease increases or decreases in line with market rents.

Conclusion

5.24 If after all the risks and rewards of purchased v lease have been considered and the Council concludes that the most effective option is to purchase, the next step is to consider a proposed mix.

5.25 There is currently a Business case being prepared up for the delivery option to build our own units on Station & Burton Road. The proposal suggests the scheme could realise 7 owned units in around 2 years' time for use as Temporary Accommodation. Whilst this scheme has not yet been approved it would not be appropriate at this time to consider purchasing all 15 units. Therefore, we could assume the most financially beneficial mix would be as follows:

- 7 units leased on a 2 year lease commencing from March 2021, however it should be noted that the timings of this may be delayed due to market conditions which have yet to be assessed.
- 8 units purchased in 2021/22, at an average cost of £140,000 per unit plus Stamp Duty Land Tax at 3% a total capital outlay of £1,154.000. However, depending on the market and the timings of purchases this may spread across more than one financial year.

5.26 The five-year revenue impact of this proposal would be as follows.

Table 12: Five Year Revenue

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	£	£	£	£	£	£
Lease (7 units)	32,500	32,800	33,200	33,600	33,900	166,000
Purchase (8 units)	19,200	20,900	20,600	20,300	20,000	101.000
Housing Needs Budget	126,500	35,000	35,000	35,000	35,000	266,500
Total Cost	**178,200**	**88,700**	**88,800**	**88,900**	**88,900**	**533,500**
Current Provision of B&B						
	280,000	**280,000**				
Potential Savings	**101,800**	**191,300**				

5.27 The table above is based on the assumption that in year 1 there will be timing issues related to the purchase of units, therefore, a B&B budget will be required to enable the provision of TA whilst the units are being procured. The current forecast expenditure for temporary accommodation in 2020/21 is expected to be in the region of £280,000, therefore the proposal could generate savings of £101,800 in year 1.

5.28 The savings could increase to £191,300 from year 2 on the assumption that all the units are procured by this time, a small budget for provision of emergency B&B would remain. Principally these savings enable a reduced reliance on earmarked reserves that are currently required to cover additional costs, the release of grant funding in the region of £16,000 to enable additional investment in homelessness prevention measures and a saving in the Council's ongoing budget for bed and breakfast accommodation of £35,000.

5.29 The net revenue cost of purchasing and leasing units as set out in Table 12 of c£89,000 per year will be met by utilising the Homelessness Reduction Grant which is expected to continue for the foreseeable future.

6 Recommended Approach

Summary of findings

This options appraisal has reviewed a variety of initiatives and options, some of which have been discounted (as detailed in section 4). Of the three options considered in more detail, there were various aspects considered, including the financial implications, exit strategy and availability of properties. A summary of these assessments are shown below:

- **Purchase property on the open market -** there is an identified supply of suitable properties, in the right location and have demonstrated to be the best option from a financial point of view. This will then increase the council's asset base, and would be considered a longer term option. If demand for temporary accommodation dropped significantly, then the asset could be disposed of and a capital receipt realised.
- **Build our own properties –** this option will allow the Council to design and build 17 properties to meet the current affordable housing requirements of the Borough, whilst also ensuring 7 of these properties were made available for temporary accommodation.
- **Leasing properties on the open market --** the financial modelling shows that this is a viable option for the Council. The range of properties and flexibility on their location means that Officers can choose properties that are most suitable to their needs of for temporary accommodation as evidence in the options appraisal. Furthermore, this option could provide properties to cover the interim period whilst plans are being progressed with the build delivery option (if approved).

Conclusion

From the review of the three delivery options (outlined in section 5), and in view of the pressing need to increase the Council's supply of properties for use as temporary accommodation quickly, it is proposed to adopt the following approach:

- **Purchase delivery option**: buying units as the most preferable option and so it is proposed to purchase 8 units (mix of 2/3 bedroomed), at an average cost of £140,000 per property;
- **Build delivery option**: subject to a successful detailed business case and budget approval, delivery of 7 two bedroomed units on the Council owned land at Station Road and Burton Road; and
- **Lease delivery option**: in order to have access to 7 units whilst the ones on Station and Burton Road are being built, it is proposed to lease 7 properties (mix of 2/3 bedroomed) on a 2 year lease commencing from March 2021 (on average at £650/month).

Exit strategy

Whilst there has been considerable evidence to show the repeated demand for temporary accommodation since April 2019, officers have considered what may happen if this demand decreases. It is considered that there are two main options:

- use of any purchased units including rental for social rents or affordable rent; and/or
- use the purchased units to replace current stock which are a lower quality accommodation. The assets could also be sold to raise capital receipts for repayment of debt.

Appendix A: Size of households in the various types of temporary accommodation

Table 13: Size of households in Council owned/leased accommodation (at end of each month)

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	July -20	Aug -20	Sept – 20	Oct-20	Nov-20	Dec 20	Average
1 or 2 Adult(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 or 2 Adult(s)/1 Child	3	3	4	3	3	3	2	2	0	0	0	1	1	1	1	1	1	1	1	1	1	2
1 or 2 Adult(s) / 2 Children	2	2	2	3	3	3	4	4	5	6	6	5	5	5	5	5	6	5	5	5	2	4
1 or 2 Adult(s) / 3 children	4	5	4	4	5	4	4	4	5	5	5	5	5	5	5	4	3	4	4	4	5	4
1 or 2 Adult(s)/4 children	2	2	2	2	2	2	2	2	2	1	1	1	1	1	1	1	1	1	1	1	1	1
1 or 2 Adult(s)/ 5 children	1	1	1	1	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	1
1 or 2 Adult(s)/ 6 children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	1	1	0
1 or 2 Adult(s)/ 7 children	0	0	0	0	0	1	1	1	1	1	1	1	1	1	1	0	0	0	0	0	0	1
Total	12	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	11[6]	13

[6] Two of the properties were undergoing essential maintenance at the end of December 2020.

Table 14: Size of households in B&B and some nightly accommodation[7] (at end of each month)

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20[8]	Apr-20	May-20	Jun-20	July-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20	Average
1 or 2 Adult(s)	5	5	2	4	7	7	8	5	0	0	3	6	10	13	9	13	11	10	11	11	8	7
1 or 2 Adult(s)/ 1 Child	2	3	4	5	8	6	6	6	10	10	9	11	5	4	5	5	9	8	9	5	5	6
1 or 2 Adult(s) / 2 Children	0	0	1	4	4	3	3	2	1	1	3	3	2	2	3	2	3	1	0	3	3	2
1 or 2 Adult(s) / 3 children	0	0	1	1	1	1	1	3	2	2	2	2	2	2	3	2	2	3	3	4	2	2
1 or 2 Adult(s)/ 4 children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0
1 or 2 Adult(s)/ 5 children	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 or 2 Adult(s)/ 6 children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	7	8	8	14	20	18	18	16	13	13	17	22	19	21	20	22	25	23	24	24	19	17

[7] This does not include Hound Lodge
[8] The use of temporary accommodation in the period after March 2020 was impacted with the Coivd19 restrictions and the "Everyone In" Initiative. Before this period, the average was 15 households in B&B and some nightly paid accommodation.

Table 15: Size of households in B&B and all nightly accommodation[9] (at end of each month)

	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	July-20	Aug-20	Sept-20	Oct-20	Nov-20	Dec-20	Average
1 or 2 Adult(s)	6	5	2	4	7	7	8	5	1	2	5	6	10	13	9	13	11	10	11	11	8	8
1 or 2 Adult(s)/ 1 Child	4	6	6	7	9	7	8	9	12	15	14	11	5	4	6	5	9	8	9	5	5	8
1 or 2 Adult(s) / 2 Children	1	1	3	8	8	6	6	4	3	2	4	3	2	2	3	2	3	1	0	3	3	3
1 or 2 Adult(s) / 3 children	1	0	1	1	1	1	1	3	2	2	2	2	2	2	4	3	3	3	3	4	2	2
1 or 2 Adult(s)/ 4 children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	0
1 or 2 Adult(s)/ 5 children	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 or 2 Adult(s)/ 6 children	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	12	12	12	20	25	22	23	21	18	21	25	22	19	21	22	23	26	23	24	24	19	21

[9] This does include Hound Lodge.

Appendix B: Housing Benefit costings

Source document

Circular HB S5/2017 (3rd revision)

Current B&B calculation

When using B&B accommodation the Housing Benefit (HB) subsidy is calculated using the LHA rate as at January 2011 as per the above circular. We can only claim one bedroom LHA rate for B&B and this amounts to a maximum of £98.08 per week.

In simple terms if we book a room in a privately owned Bed and Breakfast for £50.00 a night for 7 days the weekly cost is £350.00 per week. **IF** they claim HB we can claim back a maximum of £98.08 per week meaning a cost to the Housing Need's budget of £251.92 per week for just one household. For non-benefit customers we would expect the customer to pay the £98.08 that they would receive if they were on Housing Benefit,, again with the remaining cost being borne by the Housing Needs budget.

Leasing

For all homeless accommodation in England that is self-contained and leased to the LA for a period not exceeding 10 years we can claim the 90% of the appropriate LHA rate as set at January 2011. The calculation is 90% of the appropriate LHA rate and not the household size.

1 bed property:

For a 1-bedroom property the appropriate LHA rate in January 2011 was £98.08. Therefore, we can claim up to 100% subsidy on 90% of this figure, which amounts to £88.27 per week.

£88.27 per week calculates to £382.50 per month. If the core rent we need to pay a private landlord to lease their accommodation is more than £382.50 per month then this would again be a cost to the HN budget.

In simple terms if we lease a property for £468.69 per month, based on current LHA rates from April 2020 the Council would be losing £86.19 in HB shortfall per month. This only equates to £19.89 per week compared to £251.92 per week in B&B as in example 1 above. This is already a saving of £232.03 per week per household and this will provide them will a better quality property and self-catering facilities. Over a 52-week period, this property could potentially save the Council £12,065.56 per annum on existing B&B expenditure.

2 bed property:

For a 2-bedroom property, assuming the family need the 2 bedrooms the appropriate LHA rate in January 2011 was £114.23 per week. Therefore, we can claim up to 100% subsidy on 90% of this figure, which amounts to £102.81 per week.

£102.81 per week calculates to £445.51 per month. If the core rent we need to pay a private landlord to lease their accommodation is more than £445.51 per month then this would again be a cost to the HN budget.

In simple terms if we lease a property for £548.51 per month, based on current LHA rates from April 2020 the Council would be losing £103.00 in HB shortfall per month. This only equates to £23.77 per week compared to £251.92 per week in B&B as in example 1 above. This is already a saving of £228.15 per household per week and this will provide them with a better quality property and self-catering facilities. Over a 52-week period, this property could potentially save the Council £11,863.80 per annum on existing B&B expenditure.

3 bed property:

For a 3-bedroom property, assuming the family need the 3 bedrooms the appropriate LHA rate in January 2011 was £126.92 per week. Therefore, we can claim up to 100% subsidy on 90% of this figure, which amounts to £114.23 per week.

£114.23 per week calculates to £495.00 per month. If the core rent we need to pay a private landlord to lease their accommodation is more than £495.00 per month then this would again be a cost to the HN budget.

In simple terms if we lease a property for £623.31 per month, based on current LHA rates from April 2020, the Council be losing £128.31 per month in HB shortfall. This only equates to £29.61 per week compared to £391.92 per week in B&B as in example 1 above. This is already a saving of £362.31 per household per week and this will provide them will a better quality property and self-catering facilities. Over a 52-week period, this property could potentially save the Council £18,840.12 per annum on existing B&B expenditure.

LA Owned

Self-contained homelessness accommodation, which the authority has a right to use under an agreement other than a lease with a third party, attract 90% of the appropriate LHA rate as set at January 2011.

Current Temporary Accommodation

Below is a list of the current TA we use and the weekly rents associated with them. It also shows the potential amount of rent we can generate annually.

Address	Rent	Weeks	Calculation	Owned
2 Jacobs Court	£127.61	52	£6,635.72	Derwent
5 Jacobs Court	£127.61	52	£6,635.72	Derwent
18 Brook Ave	£135.17	52	£7,028.84	Derwent
20 Brook Ave	£135.17	52	£7,028.84	Derwent
6A Wollaton Ave	£123.76	52	£6,435.52	GBC
8A Wollaton Ave	£123.76	52	£6,435.52	GBC
10A Wollaton Ave	£123.76	52	£6,435.52	GBC
12A Wollaton Ave	£123.76	52	£6,435.52	GBC
3A Beechwood Rd	£123.76	52	£6,435.52	GBC
6a Beechwood Rd	£123.76	52	£6,435.52	GBC
141A Oxclose Lane	£123.76	52	£6,435.52	GBC
49 Church Lane	£114.23	52	£5,939.96	Gedling Homes
84 Redland Grove	£114.23	52	£5,939.96	Gedling Homes
Total			**£84,257.68**	

Appendix C: House Sales Values

Market research (August 2020)

1 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Chelsbury Court	Flat	1	£85,000	Fixed price - agent	Top floor with garage
Killarney Park	Park Home	1	£72,500	Agent	
Oxborough Road	Flat	1	£69,950	Agent	
Carlton					
Manor Road	2 x Flats	1 & 2	£140,000	Agent	Parking at rear

Range is £70-85k for a 1 bed flat

2 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Duke Street	Terraced house	2	£120,000 guide price	Agent	
Edison Way	Flat	2	£94,950 fixed	Agent	
Queens Bower Road	Terraced House	2	£115,000	Agent	
Carlton					
Mayfield Road	Semi	2	£145,000	Agent	Courtyard Garden
Foxhill Road	End Terrace	2	£140,000	Agent	Shared Driveway
Carlton Square	Flat	2	£135,000	Agent	
Kestrel Close	Mid Townhouse	2	£130,000	Agent	
Foxhill Road	Maisonette	2	£110,000	Agent	
Fletton Court	Flat	2	£99,000	Agent	
Holme Lodge	Flat	2	£80,00	Agent	Parking
Gedling					
Florence Road	Semi	2	£150,000	Agent	
Stoke Lane	Flat	2	£140,000	Agent	
Stoke Lane	Maisonette	2	£120,000	Agent	
Beckett Court	Maisonette	2	£90,000	Agent	

Netherfield/Colwick					
The Elms	Townhouse	2	£130,000	Holden Copley	
Nether Pasture	Semi	2	£145,000	Haart	Parking
The Elms	Maisonette	2	£120,000	Nottingham	Ground Floor
Cooper Street	Terrace	2	£120,000	Nottingham	
Carnarvon Street	Terrace	2	£115,000	Johnsons	
Festus Street	Terrace	2	£115,000	Agent	
Vale Road	Terraced	2	£125,000	Thomas James	
Daybrook					
St Albans Road	End Terrace	2	£140,000	Greaves	
Edwards Lane	Mid Terrace	2	£120,000	Walton & Allen	

Range is £90k (flat), £115-140k (terraced) through to £145k (semi)

3 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Mildenhall Cres	Semi det house	3	£125,000	Agent	
Danes Close	Semi det House	3	£140,000	Agent	
Glade Hill Road	Semi det house	3	£150,000	Agent	
Chippenham Road	Semi det house	3	£150,000 guide	Agent	
Carlton					
Yeomans Parade	Mid Townhouse	3	£150,000	Agent	Parking
Southdale Road	Mid Townhouse	3	£135,000	Agent	
Mayfield Road	Terrace	3	£130,000	Agent	
Foxhill Road	Semi	3	£140,000	Auction	
Gedling					
Newcastle Road	Semi	3	£150,000	Agent	
Bessecar Avenue	Mid Townhouse	3	£140,000	Agent	
Queens Avenue	Mid Townhouse	3	£125,000	Agent	
Philip Grove	End Terrace	3	£125,000	Agent	
Netherfield/Colwick					

Godfrey Street	Semi	3	£150,000	Agent	
Daybrook					
St Albans Road	End Terrace	3	£130,000	Frank Innes	

Range is £125k (terrace) to £150k (semi)

Market research (November 2020)

1 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Milbeck House, Oakdale Road	Flat	1	£119.999	David James	Parking
Carlton					
Cross Street	Flat	1	£100,000	Holden Copley	Ground Floor
Carnarvon Grove	Mid Terrace	1	£120,000	Johnsons & Partners	

Range is £100-120k (flat) and £120k terraced)

2 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Ulgham Close	End Town House	2	£150,000	Holden Copley	
Brookfiled Road	Semi	2	£150,000	David James	
Cavendish Street	End Terrace	2	£143,000	Saint	
Canonbie Close	End Town House	2	£140,000	David James	
Goddard Court	Flat	2	£140,000	Holden Copley	
Sherbrook Road	Flat	2	£120,000	Walton & Allen	
Kingswell Avenue	Flat	2	£110,000	Holden Copley	
Derwent Crescent	Flat	2	£95,000	Holden Copley	
Larkspur Avenue	Maisonette	2	£85,000	David James	

Carlton					
Radcliffe Gardens	End Town House	2	£145	David James	
Carlton Hill	Town house	2	£140,000	David James	
Carlton Square	Flat	2	£110,000	Bairstow Eves	
Fletton Court	Flat	2	£99,950	Home	
Dale Road	Mid Terrace	2	£125,000	David James	
Chatsworth Avenue	Terrace	2	£125,000	Just Move	
Gedling					
Beckett Court	Maisonette	2	£90,000	Strike	
Netherfield/Colwick					
Arthur Street	Mid Terrace	2	£105,000	Holden Copley	
Daybrook					
St Albans Road	End Terrace	2	£140,000	Greaves	

Range is £85-120k (flat) and £125-140k (house)

3 bedroomed properties

Street	Type of Property	No of Beds	Cost £	Agent	Other Information
Arnold					
Mildenhall Cres	Semi det house	3	£125,000	Holden Copley	
Mosswood Crescent	Semi	3	£130,000	Holden Copley	
Milverton Road	Semi	3	£130,000	Holden Copley	
Broadwood Road	Mid Terrace	3	£130,00	Holden Copley	
Carlton					
Apple Walk	Mid Townhouse	3	£115,000	Purple Bricks	
Southdale Road	Mid Townhouse	3	£140,000	Johnson & Partners	
Foxhill Road	Semi	3	£135,000	Auction	
Gedling					
Bessecar Avenue	Mid Townhouse	3	£100,000	Johnson & Partners	Auction

Queens Avenue	Mid Townhouse	3	£1250000	Johnson & Partners	
Philip Grove	End Terrace	3	£110,000	Haart	
Netherfield/Colwick					
n/a					
Daybrook					
n/a	End Terrace	3	£130,000	Frank Innes	

Range is £110-140k (terraced) and £125-135k (semi)

Appendix D: House Rental Values

Market research (August 2020)

1 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
Church Avenue	Terrace	1	£550	Leaders	
Carlton					
Southcliffe Road	Flat	1	£425	Slater & Brandley	
Douglas Court	Maisonette	1	£595	David James	

Range is £425 to £595/month

2 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
St Albans Road	Mid terrace	2	£625	David James	
Edison Way	Block of flats	2	£625	Platinum	
St Albans Road	Terraced	2	£625	David James	
Carlton					
Station Road	Flat	2	£550	Ashcourt	First Floor
Forester Road	Semi	2	£650	Woo Properties	
Netherfield/Colwick					
Forester Street	End Terrace	2	£575	Smooth Moves	
Victoria Road	Flat	2	£550	Bairstow Eves	

Range is £550 to £650/month

3 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
St Albans Road	Terraced	3	£675	Slater & Brandley	
Worrall Avenue	Detached	3	£725	Wise Properties	
Carlton					
Calverton Avenue	Semi	3	£750	Open Rent	
Bentinck Road	Semi	3	£850	Wise Properties	
Redland Grove	Detached	3	£750	Tassi Lettings	

Range is £675 to £850/month

Market research (November 2020)

1 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
Milford Court. Sherbrook Road	Flat	1	£450	Belvoir	
Carlton					
Burton Road	Flat	1	£550	Frank Innes	
Albert Avenue	Flat	1	£425	Slater & Brandley	
Colwick					
Verona Avenue	Maisonette	1	£595	Fairview	

Range is £425 to £595/month

2 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
St Albans Road	Terrace	2	£600	Base Lettings	
Carlton					
Old Brickyard	Flat	2	£412	Bairstow Eves	
Netherfield/Colwick					
n/a					

Range is £412 to £600/month

3 bedroomed properties

Street	Type of Property	No of Beds	Cost £/month	Agent	Other Information
Arnold/Daybrook					
Chestnut Grove	Semi	3	£750	Belvoir	
Carlton & Gedling					
n/a					
Colwick					
Langton Close	Town House	3	£775	Royston Lund	
Gedling					
Priory Road	End Terrace	3	£795		

Range is £750 to £795/month

Gedling Borough Council

Report to Cabinet

Subject: Gedling Borough Five Year Housing Land Supply Assessment 2020

Date: 11th February 2021

Author: Planning Policy Manager

Wards Affected

All

Purpose

To note the Five Year Housing Land Supply Assessment 2020

Key Decision

No

Recommendation(s)

THAT:

1) **Notes the Gedling Borough Five Year Housing Land Supply 2020**

1 Background

1.1 This report sets out the latest Gedling Borough Five Year Housing Land Supply position at 31st March 2020, which is attached at **Appendix A**. The National Planning Policy Framework requires that local planning authorities update their five year housing land supply assessments on an annual basis.

1.2 The Five Year Housing Supply Assessment has been updated to take into account the position as at 31st March 2020. The assessment includes the housing sites in the Local Planning Document which was adopted by Council on 18th July 2018. The five year period is 1st April 2020 to 31st March 2025. For clarity, this is the assessment against the housing requirement as calculated using the Government's standard methodology (published December 2020) as the Aligned Core Strategy was adopted in

September 2014 and the policies are yet to be reviewed. For Gedling Borough the Government's standard methodology derived annualised housing need is 458 dwellings per annum.

1.3 The reason for the delay in updating the Five Year Land Supply Assessment is because it is informed by the Strategic Housing Land Availability Assessment (SHLAA). The annual assessment includes a mailshot to developers and landowners in order to establish up to date information on the likely timescales for the delivery of the site. The mailshot was held back to provide developers and landowners more time to consider the implications of the lockdown restrictions due to the coronavirus pandemic.

1.4 It is also important to note that the methodology for undertaking the 2020 SHLAA has changed and is now based on a joint methodology prepared in conjunction with the other Greater Nottingham authorities. A report prepared by Ove Arup July 2019 compared approaches to SHLAA across Greater Nottingham and resulted in 30 recommendations. The report noted where different approaches were taken by the authorities and considered where it might be appropriate that a consistent approach was taken.

1.5 A joint methodology has now been published (November 2020) and has been prepared by Broxtowe Borough Council, Erewash Borough Council, Gedling Borough Council, Nottingham City Council and Rushcliffe Borough Council. It is considered that a common approach will be more robust and the new methodology is intended to be more transparent and evidence based. The joint methodology comprises a common methodology document plus a separate appendix for each authority to justify the assumptions used (www.gedling.gov.uk).

1.6 The assessment shows that against the housing requirement as calculated using the standard methodology (published December 2020), Gedling Borough Council does have a five year plus 20% buffer supply of land for housing. The Council has a 6.53 year supply. This is an increase from the 2019 assessment's figure of 5.08 year supply.

1.7 The reasons for this increase is twofold:-

1) The new joint methodology includes a number of evidence-based changes which have increased the supply of land anticipated to deliver homes within the 5 year period.

2) There are a number of larger housing sites allocated in the Local Planning Document which are now coming forward and are anticipated to deliver homes within the 5 year period.

2 Proposal

2.1 To ask Cabinet to note the content of the Gedling Borough Five Year Housing Supply Assessment 2020 as set out in **Appendix A**.

3 Alternative Options

3.1 The National Planning Policy Framework requires that local planning authorities update their five year housing land supply assessment on an annual basis and there is no alternative option other than to prepare the Gedling Borough Five Year Housing Supply Assessment 2020.

4 Financial Implications

4.1 There are no financial implications arising out of producing the Five Year Housing Supply Assessment 2020 which is met through existing budgets.

5 Legal Implications

5.1 Paragraph 73 of the National Planning Policy Framework states that 'Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old'

6 Equalities Implications

6.1 None, this report monitors the supply of housing sites. An Equalities Impact Assessment has already been undertaken on the Council's policies (including housing allocations) through the assessment of the adopted version of the Local Plan.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 None, this report monitors the supply of housing sites. Consideration of carbon reduction/environmental sustainability implications has already been undertaken on the Council's policies (including housing allocations) through the preparation of the adopted version of the Local Plan.

8 Appendices

8.1 **Appendix A** – Gedling Borough Five Year Housing Land Supply Assessment 2020

9 Background Papers – all available from https://www.gnplan.org.uk/evidence-base/

9.1 Background Paper 1 - Ove Arup Review of Greater Nottingham SHLAAs, July 2019

9.2 Background Paper 2 – Council's Response to SHLAA Review, July 2020

9.3 Background Paper 3 – SHLAA Joint Methodology Report, November 2020

10 Reasons for Recommendations

10.1 To note the Gedling Borough Council's Five Year Housing Land Assessment 2020.

Statutory Officer approval

Approved by:	Alison Ball
Date:	29/01/2021
On behalf of the Chief Financial Officer	
Approved by:	Francesca Whyley
Date:	29/01/2021
On behalf of the Monitoring Officer	

Gedling Borough Council

Five Year Housing Land Supply Assessment 2020

Published February 2021

Contents

Introduction

1 The five year land supply assessment is based on the Council's Strategic Housing Land Availability Assessment (SHLAA) 2020 update.

2 The purpose of this five year land supply assessment is to monitor and review the Council's housing supply against the housing requirement set out in adopted strategic policies or against their local housing need where the strategic policies are more than five years old as required by the National Planning Policy Framework 2019.

3 The Ministry of Housing, Communities & Local Government published the results of the Housing Delivery Test for 2019 on 13 February 2020. Paragraph 75 of the National Planning Policy Framework states where the Housing Delivery Test indicates that delivery has fallen below 95% of the housing requirement over the previous three years, the council should prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in future years. The Housing Delivery Test result for 2019 for Gedling Borough Council is 58% and is based on the three year period 1 April 2016 to 31 March 2019. This is an improved performance in comparison with 51% with the previous Housing Delivery Test result for 2018. Following the Housing Delivery Test result for 2018, the Council was required to publish an Action Plan and a buffer of 20% was added to the supply of deliverable sites for the purposes of housing delivery assessment. The Housing Delivery Test result for 2019 means that the Council must continue to prepare an action plan and to apply a buffer of 20% to its calculated five year housing supply. It should be noted that the Housing Delivery Test takes a different approach to the five year land supply assessment. For further information on the Housing Delivery Test and the Council's Action Plan, please see separate Gedling Borough Housing Delivery Action Plan 2020 which is available at the following web page www.gedling.gov.uk/resident/planningandbuildingcontrol/planningpolicy/monitoringreports.

4 The current development plan for Gedling Borough consists of the Aligned Core Strategy and the Local Planning Document. The Aligned Core Strategy was adopted in September 2014 and allocates strategic sites for housing and other uses. The Aligned Core Strategy sets the housing requirement. The Local Planning Document was adopted on 18 July 2018 and allocates non-strategic sites for housing and other uses.

Policy context

5 Paragraph 73 of the National Planning Policy Framework 2019 states that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old (unless these strategic policies have been reviewed and found not to require updating).

6 The supply of specific deliverable sites should in addition include a buffer of:-

a) 5% to ensure choice and competition in the market for land; or

b) 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or

c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply. This is measured against the Housing Delivery Test where this indicates that delivery is below 85% of the housing requirement.

7 Annex 2 of the National Planning Policy Framework 2019 defines deliverable sites:-

To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

8 Paragraph 70 of the National Planning Policy Framework 2019 states that local planning authorities may only make an allowance for windfall sites as part of anticipated housing supply if there is compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. The Framework also states that local planning authorities should consider the case for setting out policies in their Local Plans to resist inappropriate development of residential gardens, for example where development would cause harm to the local area. The previous version of the National Planning Policy Framework states that the windfall allowance should not include residential gardens.

9 The Aligned Core Strategy sets a housing requirement of 7,250 homes for the plan period 2011-2028, as shown in **Table 1**.

Table 1: Housing requirement (2011-2028)

2011 to 2013	2013 to 2018	2018 to 2023	2023 to 2028
500 (250 per annum)	2,200 (440 per annum)	2,400 (480 per annum)	2,150 (430 per annum)

10 As the Aligned Core Strategy was adopted in September 2014 and the policies are yet to be reviewed, this means that the housing requirement figure is out of date and the Council must now monitor and review the housing supply against the annual local housing need figure calculated using the standard method.

11 The annual local housing need for Gedling Borough is 458. **Appendix A** explains and provides the breakdown on how the figure was calculated using the standard method as published in December 2020.

Methodology

12 The Council calculate housing supply using the approach set out in the Greater Nottingham Planning Partnership's Joint Methodology Report for Strategic Housing Land Availability Assessments (SHLAAs) which can be found at the following web page www.gedling.gov.uk/shlaa. This will be referred to as the "SHLAA methodology report" throughout in this document.

Deliverable sites that make up the housing supply

13 The sites that will make up the housing supply are those assessed to be deliverable within five years. The SHLAA methodology report explains that, in accordance with the NPPF, this consists of sites that are available now, suitable and achievable now. They include sites that are currently under construction, small sites with outline planning permission, sites with detailed planning permission and medium/large sites with outline planning permission with evidence that the site will be progressed within five years.

14 All sites in the assessment have been identified through the Council's SHLAA 2020 update and are listed in **Appendix B**. The appendix includes:-

- All strategic sites in the Aligned Core Strategy and site allocations in the Local Planning Document.
- New sites submitted by developers and sites granted planning permission before 31 March 2020.
- Updates to existing sites in the SHLAA database during the current financial year (i.e. since 1 April 2020) such as work starting on site, construction completing, a new planning permission being granted or a new planning application being submitted have been noted.

15 New sites that are not currently in the SHLAA and have been granted planning permission during the current financial year (i.e. since 1 April 2020)

are not included in this assessment, but will be included in next year's assessment.

16 The assessment takes account of the loss of a dwelling where this is replaced by at least one dwelling in order to provide a net figure for the number of new dwellings. **Appendix B** does not include sites that involve a loss of a dwelling where replaced by a single dwelling, unless the loss has occurred and work on the replacement dwelling has not yet started.

17 The approach taken to completion timescales and delivery rates is set out in the SHLAA methodology report.

18 Where allocated sites are complete or do not contribute towards the housing supply within the five year period, they are listed in **Appendix B** for the sake of completeness. Where sites have already been granted planning permission, approved subject to s106 agreement or are the subject of a planning application have recently taken place, the number of homes permitted or proposed via the planning application form has been used.

19 **Appendix B** comprises separate tables for each locality for clarity as follows:-

- Strategic sites in the Aligned Core Strategy and site allocations in the Local Planning Document;
- Sites that are currently under construction; and
- Sites with planning permission, which consists of small sites with outline planning permission, sites with detailed planning permission and medium/large sites with outline planning permission with evidence that the site will be progressed within five years.

Future sources of supply (windfall allowance)

20 Paragraph 70 of the National Planning Policy Framework 2019 states that local planning authorities may only make an allowance for windfall sites as part of anticipated housing supply if there is compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. The National Planning Policy Framework defines windfall sites as sites not specifically identified in the development plan (which includes Local Plan).

21 Paragraphs 41-45 of the SHLAA methodology report explains the approach taken and concludes that a windfall allowance of 148 dwellings per annum will contribute to the housing supply from Year 4 onwards.

Consideration of undersupply (under-delivery)

22 The National Planning Practice Guidance states that local planning authorities should aim to deal with any undersupply within the first five years of the plan period where possible, thereby raising the issue of whether the Liverpool or Sedgefield method should be used. However where the standard method for

assessing local housing need is used instead, the standard method already factors in past under-delivery as part of the affordability ratio so there is no requirement to specifically address under-delivery when establishing the annual local housing need figure.

5%, 10% or 20% buffer

23 Paragraph 73 of the National Planning Policy Framework states that a 20% buffer should be applied where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply. The Housing Delivery Test defines under delivery as where below 85% of the housing requirement has been delivered.

24 In February 2020 the Ministry of Housing, Communities & Local Government published the results of the Housing Delivery Test for 2019. The Housing Delivery Test 2019 result for Gedling Borough Council is 58% and, as such, a buffer of 20% should be applied. It should be noted that the need for a buffer does not increase the number of dwellings to be delivered within the plan period, but rather additional dwellings are required to be delivered within the five year period i.e. they have been moved forward from later in the plan period.

Forward look approach

25 It is considered appropriate for the five year period to begin with the current financial year i.e. this assessment will look at the period 1 April 2020 to 31 March 2025.

Non-implementation (lapse) rates

26 Paragraphs 47-48 of the SHLAA methodology report explain the approach taken to non-implementation rates which will be applied to the totalled figure of all unimplemented sites with planning permission i.e. sites where construction work has not started. The non-implementation rates are:-

- 10% for small sites (1-9 dwellings) and;
- 1% for medium/large sites (10+ dwellings).

Five year land supply calculation

27 In accordance with the advice of the Planning Advisory Service (PAS) and as set out in the SHLAA methodology report, the Council calculates its 5 year land supply as follows:-

[Local housing need for 5 year period] + [5%, 10% or 20% buffer] = 5 year housing supply target

5 year housing supply target ÷ 5 years = annual target

Housing supply for 5 year period (including the non-implementation rates for unimplemented sites with planning permission) ÷ annual target = supply in years

Summary

28 In summary, the methodology in calculating the five year assessment is as follows:-

- The sites that make up the housing supply include sites that are currently under construction, small sites with outline permission, sites with detailed planning permission and medium/large sites with outline planning permission with evidence that the site will be progressed within five years;
- The windfall allowance will contribute to the housing supply from Year 4 onwards;
- Addressing under-delivery is already built in to the annual local housing need figure;
- The Council adopts a 20% buffer due to the Housing Delivery Test result;
- The Council considers the five year period starting from the current financial year rather than taking a forward look approach;
- The non-implementation (lapse) rates are applied to unimplemented sites with planning permission; and
- The methodology used to calculate the five year supply accords with PAS advice.

Five year housing land supply assessment

29 The local housing need for the five year period is 2,290 homes (annual figure of 458 homes multiplied by five years). However as a result of the Housing Delivery Test 2019 result, a 20% buffer is applied (moved forward from later in the plan period) which increases the need for the five year period to 2,748 homes.

30 Paragraphs 13 to 19 explain the sites that make up the housing supply. The estimated housing supply for the five year period is shown in **Table 2**.

Table 2: Estimated housing supply for the five year period

	Allocations in the Local Plan#	Sites under construction	Small sites with permission	Medium/ large sites with permission	**Total**
Urban area	1,736	116	182	56	
Edge of Hucknall	439	0	0	0	
Bestwood Village	147	14	1	0	
Calverton	361	20	12	0	
Ravenshead	102	11	7	0	
Other villages	48	14	13	38	
Total	2,833	175	215	94	
Non-implementation (lapse) rates applied	N/A	N/A	10% rate applied	1% rate applied	
Revised total	2,833	175	194	93	3,295
Windfall allowance (148 x 2 years = 296)					296
Housing supply					**3,591**

Aligned Core Strategy and Local Planning Document

31 Comparing the estimated housing supply of 3,591 homes to the five year local housing need of 2,748 homes, there is an oversupply of 843 homes.

Housing supply for five years	3,591
Annual requirement (2,748 ÷ five years = 550 homes)	550
No of years supply	**6.53 years**

32 **Appendix B** lists out the sites that are expected to deliver homes during the five year period. The appendix also includes information on whether the delivery information comes from the agent, developer or landowner through the SHLAA process or using the assumptions from the SHLAA methodology report. For housing allocations without planning permission and where delivery information has not been provided, annual delivery information is not available as the assumptions do not apply to sites without planning permission. However, the sites are included in the table for the sake of completeness.

33 **Appendix C** shows the housing trajectory for the plan period. This updates and provides more detail than the housing trajectory included in Appendix A of the Local Planning Document.

Conclusion

34 The assessment shows that against the housing requirement of the Local Plan, Gedling Borough Council has a 6.53 year supply.

Appendix A: Calculating the annual local housing need

The minimum annual local housing need figure for Gedling Borough is calculated using the standard method as published in December 2020.

Standard method

The standard method to calculate a minimum annual local housing need figure is set out in the national Planning Practice Guidance which can be found at the following web page https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments.

Step 1 – Setting the baseline

Set the baseline using national household growth projections (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

The national household growth projections are available at the following web page https://www.gov.uk/government/collections/household-projections.

Step 2 – An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.

The most recent median workplace-based affordability ratios can be found at the following web page https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4 , the average household growth should be increased by a quarter of a percent.

Where an adjustment is to be made, the precise formula is as follows:

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio\ -4}{4}\right) x\ 0.25 + 1$$

Step 3 – Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last five years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

This also applies where the relevant strategic policies have been reviewed by the authority within the five year period and found to not require updating.

Where the relevant strategic policies for housing were adopted more than five years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

a. the projected household growth for the area over the 10 year period identified in step 1; or
b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

Step 4 – cities and urban centres liftoff

A 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.

Whether a cities and urban centres uplift applies depends on whether the local authority contains the largest proportion of population for one of the 20 cities or urban centres in England within the list.

The cities and urban centres list is devised by ranking the Office for National Statistics list of Major Towns and Cities by population size using the latest mid-year population estimates (nomis, official labour market statistics).

The top 20 cities and urban centres list can be found at the following web page https://www.ons.gov.uk/aboutus/transparencyandgovernance/freedomofinformationfoi/townsandcitiesintheuk.

Note: where a cap is applied in Step 3, the 35% uplift is applied after the cap.

Calculating the annual local housing figure for Gedling Borough

Step 1 – Baseline

Latest household projections taken from Table 406 of the 2014-based household projections from the following web page https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections.

Household projections for 2020 = 52,989

Household projections for 2030 = 57,001
Difference = 4,012
Divided by 10 years = 401.2

Average annual household growth = 401.2 (not rounded).

Step 2 – Affordability factor

Latest ratio of median house price to median workplace-based earnings from Table 5C of the house price to workplace-based earnings ratio dataset (released on 19 March 2020) from the following web page https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian.

Ratio of median house price to median workplace-based earnings for 2019 = 6.25
Adjustment = ([6.25 minus 4] divided by 4) = 0.5625
Multiply by 0.25 = 0.140625
Add 1 = 1.140625

Multiply average annual household growth (from step 1) by 1.140625 = 457.62

Annual local housing need = 458 (rounded).

Step 3 – should the cap be applied?

The relevant strategic policies for housing are the housing requirement in the Aligned Core Strategy adopted in 2014 which is more than five years ago.

a. 40% above projected household growth identified in step 1 (above)

Projected household growth over 10 year period is 4,012 or 401.2 homes per annum
4,012 + 40% = 1,604.8
4,012 + 1,604.8 = 5,616.8 or 561.68 per annum

b) 40% above the average annual housing requirement set out in the most recently adopted strategic polices

Most recently adopted strategic polices = Aligned Core Strategy (2014)
Housing requirement = 7,250 homes for plan period 2011-2028 or 426.47 per annum
426.47 + 40% = 170.59
426.47 + 170.59 = 597.06 per annum

The annual local housing need calculated according to the standard method in steps 1 and 2 is 458. This figure does not exceed the higher of the two caps calculated in step 3 and therefore the cap does not apply.

Step 4 – should the uplift be applied?

As at December 2020, the list of urban local authorities does not include Gedling and therefore the uplift does not apply.

The annual local housing need for Gedling Borough is 458.

Appendix B: Schedule of deliverable sites in the plan period 2011 to 2028

Please note that there has been a change to the site referencing for the SHLAA sites.

Urban Area

Net completions 1 April 2011 to 31 March 2020:-

Arnold = 637 homes
Carlton = 1,169 homes
Total = 1,806 homes

Allocations in the Local Plan

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
ACS	Teal Close	Carlton	735	Based on past build-out rates	SHLAA site G782. The site is allocated in the Aligned Core Strategy and has outline planning permission for residential development, employment uses and other uses (2013/0546). First housing phase of 199 homes is currently under construction (2017/0800). Reserved matters permission for the second housing phase of 353 dwellings (2019/0152) was granted on 22 June 2020. Reserved matters application (2019/0560) for the third and final housing phase of 277 dwellings was submitted in June 2019 and pending consideration. As at 31 March 2020, 95 plots have been built. Assumptions for delivery rates for the site based on past build-out rates i.e. average number of plots built per year.	95	95	95	95	95	95	95	70
H1	Rolleston Drive	Arnold	131	Assumptions for lead-in times and build-out rates	SHLAA site G18. The site is allocated for 140 homes in the Local Planning Document (site H1). Full planning application (2020/1054) for 131 dwellings was submitted in October 2020 and pending consideration. Assume application is granted permission during 2021/22.			35	35	35	26		
H2	Brookfields Garden Centre	Arnold	90	SHLAA consultation response 2020 for 32 homes. Delivery rates to be added when planning application is submitted or permission granted for the remainder of the site (58 homes)	SHLAA site G49. The site is allocated for 90 homes in the Local Planning Document (site H2). Outline planning permission for up to 32 homes on part of the site (to the rear of Brookfields Garden Centre) (2017/0155) granted in March 2020. Information from the SHLAA 2020 consultation provides the delivery rates for the 32 homes with outline permission on part of the site.					15	17		

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H3	Willow Farm	Carlton	110	SHLAA consultation response 2020	Part of the SHLAA site G459 is allocated for 110 homes in the Local Planning Document (site H3). Information from the SHLAA 2020 consultation provides the delivery rates for the housing allocation site.			20	30	30	30		
H4	Linden Grove	Carlton	120	SHLAA consultation response 2020	SHLAA site G542. The site is allocated for 115 homes in the Local Planning Document (site H4). Outline planning application for up to 120 homes (2019/1186) granted in August 2020 subject to the signing of the s106. Information from the SHLAA 2020 consultation provides the delivery rates for the site.		10	40	40	30			
H5	Lodge Farm Lane	Arnold	148	Assumptions for lead-in times and build-out rates	SHLAA site G48. The site is allocated for 150 homes in the Local Planning Document (site H5). Outline planning application for up to 148 homes (2018/0347) granted in August 2019 subject to the signing of s106. Information from the SHLAA 2020 consultation states that they are in consultation with the owners/promoters of housing allocations X2 and X3 to design a junction along the A60 which will provide access to both sites. Assume access issue is resolved and a detailed planning application for 148 dwellings submitted and granted permission during 2021/22.			35	35	35	35	8	
H6	Spring Lane	Carlton	0	Building Control	Site completed in April 2019.								
H7	Howbeck Road/ Mapperley Plains	Arnold	205	SHLAA consultation response 2020 for 164 homes. Delivery rates to be added when planning application is submitted or permission granted for the remainder of the site (41 homes)	The site (which consists of SHLAA site G51 and G671) is allocated for 205 homes in the Local Planning Document (site H7). Majority of the housing allocation (SHLAA site G51) is currently under construction for 164 homes (2019/0213). Information from the SHLAA 2020 consultation provides the delivery rates for the 164 homes on site.		45	45	45	29			

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H8	Killisick Lane	Arnold	230	Delivery rates to be added when planning application is submitted or permission granted	The site (which consists of SHLAA sites G50, G871 (part), G872, G873 (part) and G1032) is allocated for 230 homes in the Local Planning Document (site H8). The allocation site adjoins the Dorket Head clay quarry and to avoid sterilising mineral working through proximal development it will need to be phased so as to allow the proposed southern extension to the quarry to be worked out and restored in advance of the housing development. The minerals extractions and progressive restoration is proposed to be complete in the mid 2020s. Phase 1 will limit housing development to the south western part of the site H8 with 65 units which is phased to commence in 2020/21 progressing northwards and completed by 2021/22. The second phase will commence during 2022/23 progressing northwards. The phasing of the housing development takes a cautious approach reflecting the timetable for the minerals extraction and restoration but with some flexibility built in to reduce risk. Information from the previous SHLAA 2019 consultation states the information provided above remains unchanged. No planning application has been received.								
H9	Gedling Colliery/ Chase Farm	Carlton	864	SHLAA consultation response 2019	SHLAA site G131. The site is identified in the Aligned Core Strategy as a strategic location and is allocated for 1,050 homes in the Local Planning Document (site H9). Site is currently under construction for phase 1 (2015/1376). As at 31 March 2020, 186 plots have been built. Information from the previous SHLAA 2019 consultation indicates the delivery rates of 120 homes per year from 2020/21.	120	120	120	120	120	120	120	24
X1	Daybrook Laundry	Arnold	49	Delivery rates to be added when planning application is submitted or permission granted	SHLAA site G477. The site boundary was amended in 2017 to exclude the retail unit on site (2012/1373). The site is allocated in the Local Planning Document (site X1). The planning report for 2012/1373 states "details of a potential residential development scheme on the remainder of the site has been provided". An illustration in the Design and Access Statement shows 46 dwellings on the remainder of the site. No planning application has been received. No information has been received through the SHLAA 2020 consultation and previous consultations on the delivery of the site.								
X2	West of A60 A	Arnold	72	Assumptions for lead-in times and build-out rates	SHLAA site G479. The site is allocated for 70 homes in the Local Planning Document (site X2). Full planning permission for 72 homes (2016/0854) granted in December 2018. Assume construction work on site begin before permission lapses in December 2021.		35	35	2				
X3	West of A60 B	Arnold	150	Delivery rates to be added when planning application is submitted or permission granted	SHLAA site G778. The site is allocated for 150 homes in the Local Planning Document (site X3). No planning application received.								
Total						**215**	**305**	**425**	**402**	**389**	**323**	**223**	**94**

Sites under construction (or complete during the current financial year)

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1185	Byron Street (64, Land Adj To)	Arnold	1	Assumptions for build-out rates	Site is currently under construction for a new dwelling (2019/1192).	1							
G1048	Dairy Farm	Arnold	4	Assumptions for build-out rates	Site is currently under construction for change of use from farm buildings to four residential units (2016/1159).	2	2						
G1084	Gleneagles Drive (30)	Arnold	1	Building Control	Site completed in July 2020 i.e. during the 2020/21 year.	1							
G1049	Greys Road (1, Land Adj To)	Arnold	1	SHLAA consultation response 2020	Full planning permission for a new dwelling (2016/1264) granted in April 2017. Information from the SHLAA 2020 consultation indicates that the construction of the site is currently underway and that the applicant intends to develop the site in 2022/23.			1					
G93	Henry Street (10)	Arnold	4	Assumptions for build-out rates	Site is currently under construction (2018/1077).	4							
G935	Rolleston Drive (5)	Arnold	1	Building Control	Site completed in November 2020 i.e. during the 2020/21 year.	1							
G1118	Barons Close (2, Land To The South Of)	Carlton	1	Assumptions for build-out rates	Site is currently under construction (2018/0709).	1							
G735	Blenheim Avenue (21 and 23)	Carlton	1	Assumptions for build-out rates	1 plot completed in September 2017 (2014/0234). 1 remaining plot is currently under construction (2017/1084).	1							
G1166	Carlton Hill (388)	Carlton	1	Building Control	Site completed in October 2020 i.e. during the 2020/21 year.	1							
G1128	Carlton Police Station	Carlton	66	Building Control	Site completed in June 2020 i.e. during the 2020/21 year.	66							
G1122	Deabill Street (87, Land Adj To)	Carlton	2	Assumptions for build-out rates	Site is currently under construction (2018/0932).	2							
G689	Festus Street (2, Land Rear Of)	Carlton	2	Assumptions for build-out rates	Site is currently under construction for change of use to two residential units (2017/0363).		2						
G898	Florence Road (26)	Carlton	1	Building Control	Site completed in November 2020 i.e. during the 2020/21 year.	1							
G83	Manvers Street (24 & 32)	Carlton	2	Assumptions for build-out rates	Site is currently under construction for two dwellings (2018/0173).	2							
G1108	Mapperley Plains (148)	Carlton	1	Assumptions for build-out rates	Site is currently under construction (2018/0693).	1							
G902	Midland Road (6)	Carlton	1	Assumptions for build-out rates	Site is currently under construction (2015/0066). Information from the previous SHLAA 2019 consultation says the site is now complete, however this has not yet been signed off as 'complete' by Building Control. Assume plot will be signed off as complete in 2020/21.	1							

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1182	New Vale Road (11, Land Adj To)	Carlton	3	Building Control	Site completed in September 2020 i.e. during the 2020/21 year.	3							
G1081	Norman Road (32 and 34)	Carlton	2	Assumptions for build-out rates	Site is currently under construction for two dwellings (2017/1261). Plot 1 was built in August 2020 i.e. during the 2020/21 year.	2							
G1087	Porchester Road (164-166, Land to the Rear Of)	Carlton	1	Building Control	Site completed in June 2020 i.e. during the 2020/21 year.	1							
G960	Porchester Road (194)	Carlton	4	Building Control	Site completed in May 2020 i.e. during the 2020/21 year.	4							
G962	Rowland Avenue (1)	Carlton	1	Building Control	Site completed in April 2020 i.e. during the 2020/21 year.	1							
G1169	Vale Road (229)	Carlton	1	Building Control	Site completed in June 2020 i.e. during the 2020/21 year.	1							
G137	Wood Lane	Carlton	14	Assumptions for build-out rates	Site is currently under construction for 14 new dwellings (2018/0577).		10	4					
Total						**97**	**14**	**5**	**0**	**0**	**0**	**0**	**0**

Sites with planning permission

Small sites with planning permission

The list of sites starts with sites located within Arnold first followed by sites within Carlton.

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1184	Angela Close (4, Land Adj To)	Arnold	2	Assumptions for lead-in times and build-out rates	Full planning permission for two detached houses (2019/0601) granted in February 2020.		2						
G351	Calverton Road	Arnold	6	Building Control for plots 36 and 48. Assumptions for lead-in times and build-out rates for the remainder of the plots.	Remaining five plots on site - plots 35, 36, 48, 49 and 62. Information from the previous 2018 SHLAA consultation states that the landowner is in the process of selling these plots and the purchasers do have the intention of building them. Full planning permission for 1 detached dwelling on plot 35 (21 Ellington Road) was granted in June 2019 (2019/0205). 1 detached dwelling on plot 36 (14 Ellington Road) was built in December 2020 i.e. during the 2020/21 year. 2 semi-detached dwellings on Plot 48 (7 and 9 Glanton Way) (2019/0033) were built in June 2020 i.e. during the 2020/21 year. Full planning permission for 1 detached dwelling on plot 62 (9 Shotton Drive) was granted in January 2020 (2019/1117). Full planning permission for 1 detached dwelling on plot 49 was submitted in October 2020 and pending consideration (2020/1002).	3	2	1					

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1113	Church Street (3)	Arnold	2	Assumptions for lead-in times and build-out rates	Full planning permission for change of use from offices to two apartments (2018/0749) granted in November 2018.		2						
G1165	Coppice Farm	Arnold	3	Assumptions for lead-in times and build-out rates	Outline planning permission for three detached houses (2019/0283) granted in June 2019.			2	1				
G626	Fairacre and Mapperley Plains (335)	Arnold	9	Assumptions for lead-in times and build-out rates	The site boundary was amended in 2018 to reflect planning permission 2017/1276. Outline planning permission (2017/1276) granted in June 2018 for the replacement of 2 dwellings for 11 dwellings, net gain of 9 dwellings.			2	2	2	2	1	
G1051	Front Street (64)	Arnold	1	Assumptions for lead-in times and build-out rates	Full planning permission for change of use of first floor to residential use (2017/0437) granted in May 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		1						
G1098	Henry Street (6)	Arnold	1	Assumptions for lead-in times and build-out rates	Full planning permission (2018/0353) granted in May 2018 for the conversion of 1 existing dwelling to 2 dwellings, net gain of 1 dwelling.		1						
G1162	Mansfield Road and Cross Street	Arnold	6	Assumptions for lead-in times and build-out rates	Full planning permission for six residential apartment (2019/0018) granted in May 2019.		2	2	2				
G1114	Nottingham Road (113-119, Land Rear Of)	Arnold	2	SHLAA consultation response 2020	Full planning permission for two new residential flats (2018/0829) granted in November 2018. Information from the SHLAA 2020 consultation states that the applicant intends to build two flats in 2022/23.			2					
G1010	Nottingham Road (153-157)	Arnold	3	Council assumptions	Full planning permission for residential development (2016/0809) granted in September 2016.	3	0						
G1097	Sandfield Road (98)	Arnold	3	Assumptions for lead-in times and build-out rates	Full planning permission for three new dwellings (2019/0793) granted in December 2019.		3						
G930	The School House (323 Gedling Road)	Arnold	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2017/0826) granted in December 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		1						
G797	Warren Hill Community Church	Arnold	6	Assumptions for lead-in times and build-out rates	Full planning permission for residential development (2017/0557) granted in March 2018. Information from the SHLAA 2020 consultation states the land is in trust to a charity and they would need to seek an alternative property for the charity before considering building homes on site. The coronavirus pandemic meant that they need to reconsider their needs regarding alternative property. However they confirmed their continued intention to build homes.		2	2	2				

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G218	Woodchurch Road (64, Land South Of)	Arnold	4	Assumptions for lead-in times and build-out rates	Full planning permission for four new dwellings (2018/0911) granted in January 2019.		2	2					
G162	Briarbank Avenue (Land North)	Carlton	6	Assumptions for lead-in times and build-out rates	Full planning permission for two 4-bed communal living accommodation units at ground floor and four 1-bed apartments at first floor (2019/0775) granted in November 2019.		2	2	2				
G184	Broadway East (12A)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for one new dwelling (2019/0961) granted in December 2019.		1						
G991	Broadway East (2)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2018/0997) granted in December 2018. Full planning application for the same scheme was submitted in August 2020 and pending consideration (2020/0762).		1						
G1057	Burton Road (148)	Carlton	4	Assumptions for lead-in times and build-out rates	Full planning permission for four new dwellings (2019/1167) granted in September 2020.		2	2					
G979	Carlton Hill (137, Land Adj To)	Carlton	2	Assumptions for lead-in times and build-out rates	Full planning permission for two new dwellings (2017/1102) granted in December 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		2						
G1062	Celia Drive (5, Land Adj To)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dormer bungalow (2020/0097) granted in April 2020.		1						
G1112	Church Street (9)	Carlton	5	Assumptions for lead-in times and build-out rates	Full planning permission for change of use to five residential flats (2018/0717) granted in October 2018.		2	2	1				
G999	Dunstan Street (46 to 50)	Carlton	2	Council assumptions	Full planning permission for residential development (2016/0263) granted in November 2016.	0	2						
G1055	Earl Of Chesterfield	Carlton	23	SHLAA consultation response 2020	The public house on site was demolished in 2018. Full planning application for 23 sheltered accommodation flats with one office (2019/1031) granted in September 2020 subject to the signing of the s106. Information from the SHLAA 2020 consultation states that the applicant intends to develop 23 flats in 2021/22.		23						
G1076	Elm Avenue (17)	Carlton	2	Assumptions for lead-in times and build-out rates	Full planning permission (2017/1136) granted in January 2018 for the replacement of 3 dwellings with 5 dwellings, net gain of 2 dwellings.		2						
G1117	Gardenia Grove (31-35)	Carlton	5	Assumptions for lead-in times and build-out rates	Full planning permission for five dwellings (2019/0902) granted in January 2020.		2	2	1				
G848	Green's Farm Lane (27)	Carlton	1	SHLAA consultation response 2019	The plot has extant planning permission dating back to 1970-80's. Information from the previous SHLAA 2019 consultation states that the applicant intends to develop a plot around 2022/23.			1					

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1187	Hucknall Crescent (2A)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2020/0070) granted in March 2020.		1						
G1171	Kenrick Road (218)	Carlton	2	Assumptions for lead-in times and build-out rates	Outline planning permission (2019/0813) granted in October 2019 for a replacement dwelling with 3 dwellings, net gain of 2 dwellings. Reserved matters application for 3 dwellings was submitted in November 2020 and pending consideration (2020/1198).		2						
G1107	Lymn Avenue (26, Land Adj To)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2017/1521) granted in August 2018.		1						
G1177	Main Road (17)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for erection of rear extension comprising ground floor offices with one flat above (2019/0646) granted in December 2019.		1						
G1095	Marshall Road (33)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission (2019/0532) granted in September 2019 for a replacement dwelling with 2 dwellings, net gain of 1 dwelling.		1						
G200	Midland Road	Carlton	6	Assumptions for lead-in times and build-out rates	Full planning permission for six new apartments (2016/0632) granted in July 2017. Information from the previous SHLAA 2018 consultation indicates that the site is currently on the market for sale. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		2	2	2				
G737	Mile End Road (Electricity Sub Station)	Carlton	8	Assumptions for lead-in times and build-out rates	Full planning permission for eight new flats (2020/0969) granted in December 2020.		2	2	2	2			
G221	Mount Pleasant (12, Land Adj To)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2020/0839) granted in October 2020.		1						
G505	Northcliffe Avenue (48)	Carlton	2	Assumptions for lead-in times and build-out rates	Full planning permission for two new dwellings (2018/0066) granted in October 2018.		2						
G159	Nursery Drive (1) Plot A	Carlton	3	Assumptions for lead-in times and build-out rates	Outline planning permission for three new dwellings (2018/0499) granted in December 2018. This outline permission covers SHLAA sites G159, G160 and G161.	1	2						
G160	Nursery Drive (1) Plot B	Carlton	0	See SHLAA site G159	This site is part of outline planning permission 2018/0499 - see SHLAA site G159 for information.								
G161	Nursery Drive (1) Plot C	Carlton	0	See SHLAA site G159	This site is part of outline planning permission 2018/0499 - see SHLAA site G159 for information.								
G151	Old Brickyard (1-15)	Carlton	7	Assumptions for lead-in times and build-out rates	Full planning permission (2020/0602) granted in October 2020 for change of use of ground floor storage units to seven additional new flats.		2	2	2	1			
G1168	Pearson Street (1A)	Carlton	6	Assumptions for lead-in times and build-out rates	Full planning permission for six new apartments (2018/0931) granted in August 2019.		2	2	2				

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G725	Plains Road (86)	Carlton	1	Council assumptions	Outline planning permission (2015/0566) granted in August 2016 for a replacement dwelling with 2 dwellings, net gain of 1 dwelling. Full planning application for the same proposal was submitted in July 2019 and pending consideration (2019/0721).	1							
G1082	Priory Court	Carlton	2	Assumptions for lead-in times and build-out rates	Full planning permission for two apartments (2019/1181) granted in March 2020.		2						
G818	Sandford Road (2 & 2A)	Carlton	8	Assumptions for lead-in times and build-out rates	Full planning permission (2016/1033) for the replacement of 2 existing dwellings with 10 apartments (net gain of 8 dwellings) granted in June 2017. Information received from the previous SHLAA 2017 consultation indicates that the site is currently on the market and it is expected the site be completed within 3 years after permission granted. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		2	2	2	2			
G1096	Sandford Road (23)	Carlton	2	Council assumptions	Outline planning permission for two new dwellings (2018/0043) granted in April 2018.		2						
G175	Sandford Road (44)	Carlton	3	Assumptions for lead-in times and build-out rates	Full planning permission for a replacement dwelling with 4 detached dwellings, net gain of 3 dwellings (2019/0908) granted in April 2020.		2	1					
G1090	Scotgrave Farm	Carlton	4	Assumptions for lead-in times and build-out rates	Full planning permission for four new detached dwellings (2019/0852) granted in January 2020.		2	2					
G71	Standhill Avenue	Carlton	9	Assumptions for lead-in times and build-out rates	Full planning permission for 9 new dwellings (2019/0435) in September 2020.		2	2	2	2	1		
G901	The Elms (Land Off)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for residential development (2017/0454) granted in June 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		1						
G1179	Verne Close (12)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for conversion of the existing dwelling to two apartments (2019/0716) granted in January 2020.		1						
G1127	Victoria Road (28)	Carlton	5	Assumptions for lead-in times and build-out rates	Full planning permission for change of use of upper floors to five residential flats (2019/0002) granted in March 2019.		2	2	1				
G365	Wood Lane (31)	Carlton	1	SHLAA consultation response 2020	Full planning permission for a chalet bungalow (2003/0923). Information from the previous SHLAA 2018 consultation states that the construction of the site is currently underway. Information from the SHLAA SHLAA 2020 consultation provides the delivery rates for the site.				1				

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1164	Woodborough Road (876)	Carlton	7	SHLAA consultation response 2020	Full planning permission for 7 apartments (2019/0826) granted in February 2020. Information from the SHLAA 2020 consultation states that applicant intends to start construction work in September/October 2021.			7					
G1061	Woodborough Road (898)	Carlton	1	Assumptions for lead-in times and build-out rates	Full planning permission for change of use from offices to residential flat (2017/0862) granted in September 2017.		1						
Total						**8**	**94**	**46**	**25**	**9**	**3**	**1**	**0**

Medium/large sites with planning permission

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1039	Chase Farm, Mapperley Plains	Carlton	72	Assumptions for lead-in times and build-out rates	Outline planning permission for residential development (2019/0764) granted in September 2020. An indicative plan submitted with the planning application demonstrates the site could be developed for 27 dwellings and 19 apartments (46 dwellings in total). Information from the SHLAA 2020 consultation indicates that the site has been sold subject to contract and planning for 73 dwelling units. Delivery rates based on assumptions for 46 homes with outline permission.			35	11	0			
G229	Westdale Lane East (72-74)	Carlton	10	Assumptions for lead-in times and build-out rates	Full planning permission for 10 new apartments (2020/0828) granted in November 2020.		10						
Total						**0**	**10**	**35**	**11**	**0**	**0**	**0**	**0**

Edge of Hucknall

Net completions 1 April 2011 to 31 March 2020:-

136 homes

Allocations in the Local Plan

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
ACS	North of Papplewick Lane	Hucknall	139	Based on past build-out rates	SHLAA site G463. The site is allocated for up to 300 homes in the Aligned Core Strategy and is currently under construction for 237 homes (2017/0201). As at 31 March 2020, 98 plots have been built. Full planning application for additional 18 homes (2020/0258) granted in December 2020 subject to the signing of s106. Assumptions for delivery rates for the remaining 139 of the 237 homes on site based on past build-out rates i.e. average number of plots built per year.	50	50	39					
ACS	Top Wighay Farm	Hucknall	807	Based on information from the SHLAA consultation response 2020	SHLAA site G989. The site is allocated for 845 homes in the Aligned Core Strategy and part of the site for 38 homes (2014/0950) is built. Outline planning application for mixed-use development comprising 805 homes was submitted in January 2020 and pending consideration (2020/0050). Information from the SHLAA 2020 consultation provides the delivery rates for the site. The delivery rates information has been put back a year given anticipated timescales regarding determination of planning application and signing of s106.			100	100	100	100	100	100
H10	Hayden Lane	Hucknall	120	Delivery rates to be added when planning application is submitted or permission granted	SHLAA site G460. The site is allocated for 120 homes in the Local Planning Document (site H10). No planning application has been received. Information from the SHLAA 2020 consultation indicates that site is to be marketed shortly.								
Total						**50**	**50**	**139**	**100**	**100**	**100**	**100**	**100**

Sites under construction (or complete during the current financial year)

None.

Sites with planning permission

Small sites with planning permission

None.

Medium/large sites with planning permission

None.

Bestwood Village

Net completions 1 April 2011 to 31 March 2020:-

75 homes

Allocations in the Local Plan

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H11	The Sycamores	Bestwood Village	11	SHLAA consultation response 2020	SHLAA site G484. The site is allocated for 25 homes in the Local Planning Document (site H11). Full planning permission for eight homes (2018/0650) on part of the site granted in September 2018 and full planning permission for three homes (2019/0678) on the remainder of the site granted in November 2019. Information from the SHLAA 2020 consultation provides the delivery rates for the site.	11							
H12	Westhouse Farm	Bestwood Village	210	SHLAA consultation response 2020 for 101 homes and council assumptions for the lead-in times and build-out rates for the remainder of the site (109 homes)	SHLAA site G26. The site is allocated for 210 homes in the Local Planning Document (site H12). Full planning permission for 101 homes (2018/0823) on part of the site allocation granted in August 2019. Information from the SHLAA 2020 consultation states that the construction of the 101 homes on site is currently underway and provides the delivery rates for the 101 homes on site. A detailed application for phase 2 (109 homes) will be submitted in early part of 2021 and development of phase 2 will follow on from phase 1 to enable the development to be completed during the plan period. Assume detailed planning application for phase 2 submitted and granted permission in 2021/22.	20	25	25	25	41	35	35	4
H13	Bestwood Business Park	Bestwood Village	220	Delivery rates to be added when planning application is submitted or permission granted	SHLAA site G20. The site is allocated for 220 homes in the Local Planning Document (site H13). Outline planning permission for up to 220 homes (2014/0214) lapsed in March 2018. Information from the previous SHLAA 2019 consultation states the information provided through the previous SHLAA 2017 consultation remains unchanged, which indicates that in the short term the owners see the Business Park as remaining as an employment site. The lease arrangements are commercially sensitive but the owners have confirmed that the residential development is likely to commence beyond the five year period but would be completed by 2028. No planning application has been received.								
Total						**31**	**25**	**25**	**25**	**41**	**35**	**35**	**4**

Sites under construction (or complete during the current financial year)

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G829	Beeston Close (Land West Of)	Bestwood Village	8	Assumptions for build-out rates	Site is currently under construction for eight dwellings (2019/0401). As at 31 December 2020, 6 plots have been built.	8							
G683	Bottom House Farm (Barn)	Bestwood Village	2	Assumptions for build-out rates	Site is currently under construction to covert a single barn into two dwellings (2019/1056).	2							
G269	Hill Road (42, Land Adj To)	Bestwood Village	2	Building Control	Site completed in July 2020 i.e. during the 2020/21 year.	2							
G814	The Sycamores	Bestwood Village	1	Building Control	Site completed in May 2020 i.e. during the 2020/21 year.	1							
G1067	Wild Acres	Bestwood Village	1	SHLAA consultation response 2020	Site is currently under construction (2017/0998). Information from the SHLAA 2020 consultation states that the applicant intends to develop the site in 2020/21.	1							
Total						**14**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sites with planning permission

<u>Small sites with planning permission</u>

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1063	Goosedale Lane (Land South Of)	Bestwood Village	1	Assumptions for lead-in times and build-out rates	Full planning permission for change of use to residential dwelling (2017/0531) granted in October 2017. Information from the previous SHLAA 2019 consultation states the information provided through the previous SHLAA 2018 consultation remains unchanged, which indicates that the applicant would like to proceed with the conversion of the building to a dwelling but has outstanding issue regarding the electricity supply to the building.		1						
Total						**0**	**1**	**0**	**0**	**0**	**0**	**0**	**0**

<u>Medium/large sites with planning permission</u>

None.

Calverton

Net completions 1 April 2011 to 31 March 2020:-

194 homes

Allocations in the Local Plan

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H14	Dark Lane	Calverton	57	SHLAA consultation response 2020	SHLAA site G130. The site is allocated for 70 homes in the Local Planning Document (site H14). Full planning permission for 57 homes (2017/1263) granted in November 2020. Information from the SHLAA 2020 consultation provides the delivery rates for the site.		20	20	17				
H15	Main Street	Calverton	75	SHLAA consultation response 2020	SHLAA site G544. The site is allocated for 75 homes in the Local Planning Document (site H15). Outline planning application for up to 79 homes (2018/0360) granted in March 2019 subject to the signing of the s106. Information from the SHLAA 2020 consultation indicates that a detailed application will be submitted in 2021 and provides the delivery rates for the site.		13	22	22	22			
H16	Park Road	Calverton	390	SHLAA consultation response 2020	The site (which consists of SHLAA sites G47 (part), G662 and G665 (part)) is located within the area known as the North West Quadrant Urban Extension in the Calverton Neighbourhood Plan. The site is allocated for 390 homes in the Local Planning Document (site H16). Full planning permission for 351 homes on the majority part of the housing allocation site (2020/0020) granted in September 2020. Full planning application for 20 bungalows (2018/0817) on part of the housing allocation site granted in October 2020 subject to the signing of the s106. Information from the SHLAA 2020 consultation provides the delivery rates for the 351 dwellings on site (including 90 dwellings to be delivered after 2028).		21	40	40	40	40	40	40
X4	Flatts Lane	Calverton	84	Assumptions for lead-in times and build-out rates	SHLAA site G37. The site is located within the area known as the North West Quadrant Urban Extension in the Calverton Neighbourhood Plan. The site is allocated for 60 homes in the Local Planning Document (site X4). Outline planning permission for up to 84 homes (2018/1143) granted in March 2020. Information from the SHLAA 2020 consultation states that an application to vary a number of conditions (2020/0726) has been submitted.		35	35	14				
Total						**0**	**89**	**117**	**93**	**62**	**40**	**40**	**40**

Sites under construction (or complete during the current financial year)

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G946	Broadfields (38)	Calverton	1	Building Control	Site completed in November 2020 i.e. during the 2020/21 year.	1							
G1075	Burnor Pool (7, 8 and The Oasis)	Calverton	1	Assumptions for build-out rates	Site is currently under construction (2017/0240) for the replacement of 2 existing dwellings and a hall with 3 dwellings, net gain of 1 dwelling. Construction work on the conversion of a hall into a dwelling started in September 2018.	1							
G1028	Crookdole Lane (21)	Calverton	2	Assumptions for build-out rates	Site is currently under construction (2015/1358).	2							
G1029	Georges Lane (10)	Calverton	1	Building Control	Site completed in April 2020 i.e. during the 2020/21 year.	1							
G490	Longue Drive (Plots 34 To 59)	Calverton	4	Assumptions for build-out rates	Site is currently under construction (2008/0700). As at 31 March 2020, 22 dwellings have been built which means 4 dwellings remaining (plots 38, 39, 47 and 52). Plot 52 was built in April 2020. Information from the SHLAA 2020 consultation says the site is now complete. However plots 38, 39 and 47 have not yet been signed off as 'complete' by Building Control and assume the plots will be signed off as complete in 2020/21.	4							
G491	Longue Drive (Plots 63 To 72)	Calverton	1	SHLAA consultation response 2018	Site is currently under construction (2008/0268). 9 dwellings completed and 1 dwelling remaining. Information from the previous SHLAA 2018 consultation states that the applicant intends to develop plot 70 around 2022-23.			1					
G1079	Main Street (92)	Calverton	5	Building Control	Site completed in May 2020 i.e. during the 2020/21 year.	5							
G948	Spring Farm Kennels (plot 1)	Calverton	1	Assumptions for build-out rates	Site is currently under construction (2015/1333).	1							
G801	Spring Farm Kennels (plot 4)	Calverton	1	Assumptions for build-out rates	Site is currently under construction for one new dwelling (2020/0370).	1							
G947	Spring Farm Kennels (plot 5)	Calverton	1	Assumptions for build-out rates	Site is currently under construction for a new dwelling (2018/0726).	1							
G733	Spring Farm Kennels (plots 2 and 3)	Calverton	2	Assumptions for build-out rates	Full planning permission for change of use of kennel buildings to two dwellings (2012/0187) granted in April 2012. Information from the previous SHLAA 2017 consultation indicates that the construction of the site is currently underway.	2							
Total						**19**	**0**	**1**	**0**	**0**	**0**	**0**	**0**

Sites with planning permission

Small sites with planning permission

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G289	Bottom Farm	Calverton	1	Council assumptions	Full planning permission for a new bungalow (2016/0805) granted in December 2016.	1							
G489	Little Tithe Farm	Calverton	3	SHLAA consultation response 2020	Site has planning permission for a replacement dwelling (2008/0630) and Discharge of Conditions was accepted in November 2011 (2011/0932DOC). The site had prior approval for change of use of agricultural building to 2 dwellings (2015/0427PN). Information from the previous SHLAA 2019 consultation states the consent for the replacement dwelling has, following the discharge of all pre-commencement conditions, now been implemented and that they are still intending to develop the other two dwellings. Information from the SHLAA 2020 consultation provides the delivery rates for the site. The prior approval application would need to be renewed.		3						
G1064	St Wilfrids Square	Calverton	8	Assumptions for lead-in times and build-out rates	Full planning permission for eight new residential flats (2017/0207) granted in October 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021.		2	2	2	2			
Total						**1**	**5**	**2**	**2**	**2**	**0**	**0**	**0**

Medium/large sites with planning permission

None.

Ravenshead

Net completions 1 April 2011 to 31 March 2020:-

108 homes

Allocations in the Local Plan

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H17	Longdale Lane A	Ravenshead	30	Assumptions based on delivery of site H19.	SHLAA site G41. The site is allocated for 30 homes in the Local Planning Document (site H17). No planning application has been received. Information from the SHLAA 2020 consultation states the site can only be delivered when the adjoining housing allocation site H19 (SHLAA site G40) is developed as access to the H17 site can only be from site H19. Assume site will be developed after H19 is fully built.						10	10	10
H18	Longdale Lane B	Ravenshead	31	SHLAA consultation response 2020 for	SHLAA site G39. The site is allocated for 30 homes in the Local Planning Document (site H18). Outline planning application (2014/0273) for up to 31 homes on part of the remainder of the site granted in August 2018 subject to the signing of the s106. Information from SHLAA 2020 consultation states that the drafting of the s106 is still ongoing and the delivery on site to commence 2021 onwards.		10	10	11				
H19	Longdale Lane C	Ravenshead	47	SHLAA consultation response 2020	SHLAA site G40. The site is allocated for 70 homes in the Local Planning Document (site H19). Full planning permission for 47 homes (2017/1164) granted in December 2019. Information from the SHLAA 2020 consultation provides the delivery rates for the site.		11	14	14	8			
X5	Kighill Lane A	Ravenshead	19	Assumptions for build-out rates for six homes under construction and assumptions for lead-in times and build-out rates for eight homes with outline permission	The site (which consists of SHLAA sites G166, G669 and G841) is allocated for 20 homes in the Local Planning Document (X5). Officers are working with the landowners to ensure that the allocation site is developed in a comprehensive manner. A new dwelling on the north east part of the SHLAA site G669 (2018/1004) was completed in August 2019. Part of the site is currently under construction for 6 residential units (2020/0741) (SHLAA site G166). Full planning application (2019/0129) for a new dwelling on north part of the SHLAA site G669 was refused. Appeal lodged (APP/N3020/W/19/3234515) but dismissed. Outline planning application for up to eight dwellings on SHLAA site G841 was submitted in December 2019 and pending consideration (2019/1187). Assume outline application granted permission during 2020/21.	6		2	2	2	2		
X6	Kighill Lane B	Ravenshead	30	SHLAA consultation response 2020 for SHLAA sites G845 and G1046	The site (which consists of SHLAA sites G843, G845 and G1046) is allocated for 30 homes in the Local Planning Document (X6). Officers are working with the landowners to ensure that the site is developed in a comprehensive manner. No planning application has been received. Information from the SHLAA 2020 consultation provides the delivery rates for the SHLAA sites G845 and G1046 i.e. part of the housing allocation.			6	6				

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Total						**6**	**21**	**32**	**33**	**10**	**12**	**10**	**10**

Sites under construction (or complete during the current financial year)

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1088	Heavytrees Avenue (9)	Ravenshead	1	Assumptions for build-out rates	Site is currently under construction (2017/1494) for a replacement dwelling, net gain zero. The existing dwelling has been demolished and work on the replacement plot has started in November 2018.	1							
G1026	Longdale Craft Centre	Ravenshead	3	Assumptions for build-out rates	Site is currently under construction (2017/0960).	2	1						
G800	Longdale Lane (12)	Ravenshead	3	Assumptions for build-out rates	Site is currently under construction (2019/0748) for a replacement dwelling with 4 dwellings, net gain of 3 dwellings.	3							
G1116	Main Road (70)	Ravenshead	1	Building Control	Site completed in June 2020 i.e. during the 2020/21 year.	1							
G1101	Sheepwalk Lane (86)	Ravenshead	1	Assumptions for build-out rates	Site is currently under construction for a replacement dwelling (2018/0425). The existing dwelling has been demolished and work on the replacement plot has started.	1							
G1091	Wood End Drive (1)	Ravenshead	1	Assumptions for build-out rates	Site is currently under construction (2014/0890). Construction work started in May 2018.	1							
G633	Woodlands Farm (outbuilding)	Ravenshead	1	Assumptions for build-out rates	The site is part of full planning permission for residential development (2013/0346) granted in July 2013 - a replacement dwelling and residential conversion. The replacement dwelling plot is recorded under SHLAA site G634 and the residential conversion plot is recorded under SHLAA site G633. Information from the previous SHLAA 2018 consultation states that the construction work on the residential conversion has started.	1							
Total						**10**	**1**	**0**	**0**	**0**	**0**	**0**	**0**

Sites with planning permission

Small sites with planning permission

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G214	Chapel Lane (148, Land Rear Of)	Ravenshead	1	Assumptions for lead-in times and build-out rates	Outline planning permission for a detached dwelling (2020/0734) granted in October 2020.			1					

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1078	Fairview Farm Stud	Ravenshead	1	Assumptions for lead-in times and build-out rates	Full planning permission for change of use to dwelling house (2017/1285) granted in January 2018. For information, the majority of the permitted site including the residential development element falls within Gedling Borough and the remainder falls in Newark and Sherwood District.		1						
G87	Main Road (120, Land Rear Of)	Ravenshead	1	Assumptions for lead-in times and build-out rates	Full planning permission for one new dwelling (2019/0733) granted in June 2020.		1						
G1109	Vernon Crescent (81)	Ravenshead	2	Assumptions for lead-in times and build-out rates	Full planning permission (2018/0586) granted in September 2018 for a replacement dwelling with 3 dwellings, net gain of 2 dwellings.		2						
G1173	Woodside Gardens (20) Plot 1	Ravenshead	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new 'self-build' dwelling (2018/1191) granted in July 2019.		1						
G1174	Woodside Gardens (20) Plot 2	Ravenshead	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new 'self-build' dwelling (2018/1193) granted in July 2019.		1						
Total						**0**	**6**	**1**	**0**	**0**	**0**	**0**	**0**

Medium/large sites with planning permission

None.

Other Villages

Net completions 1 April 2011 to 31 March 2020:-

Burton Joyce = 16 homes
Lambley = 23 homes
Linby = 5 homes
Newstead = 9 homes
Papplewick = 2 homes
Stoke Bardolph = zero
Woodborough = 15 homes
Total = 70 homes

Allocations in the Local Plan

The sites are listed in alphabetical order by village name.

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H20	Mill Field Close	Burton Joyce	14	SHLAA consultation response 2019	SHLAA site G469. The site is allocated for 20 homes in the Local Planning Document (site H20) and is currently under construction for 14 homes (2018/0613). Information from the previous SHLAA 2019 consultation provides the delivery rates for the site.	9	5						
H21	Orchard Close	Burton Joyce	15	SHLAA consultation response 2020	SHLAA site G527. The site is allocated for 15 homes in the Local Planning Document (site H21). The site is part of a larger SHLAA site G31. Outline planning permission for up to 15 homes (2018/1034) granted in March 2020. Information from SHLAA 2020 consultation states that it is anticipated that a reserved maters application will be submitted by the end of 2020 and provides the delivery rates for the site.		15						
H22	Station Road	Newstead	40	Delivery rates to be added when planning application is submitted or permission granted	SHLAA site G132. The site is allocated for 40 homes in the Local Planning Document (site H22). Allocated in the Local Planning Document but not included in housing supply due to uncertainty over delivery, in part due to difficulties regarding access. No planning application has been received. The public house on site was demolished in early 2018.								
H23	Ash Grove	Woodborough	11	Assumptions for lead-in times and build-out rates for plot 2 and SHLAA consultation response 2019 for the remaining plots	SHLAA site G196. The site is allocated for 10 homes in the Local Planning Document (site H23). This site has full planning permission for 12 homes (2007/0831). Plot 1 (3 Ash Grove) (2016/0888) was built in May 2018. Full planning application for one detached dwelling on plot 2 (plot adjacent to 3 Ash Grove) was granted in March 2020 (2019/1147). Information from the previous SHLAA 2019 consultation provides the delivery rates of the site which is 2 homes per year from 2023/24 to 2027/28.		1		2	2	2	2	2

Local Plan ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
H24	Broad Close	Woodborough	15	Assumptions for lead-in times and build-out rates	The site (which consists of SHLAA sites G776, G825 and G840) is allocated for 15 homes in the Local Planning Document (site H24). Full planning application for three detached houses on part of the site to be accessed off Private Road (2019/1079) granted in August 2020 subject to the signing of the s106. Outline planning application for 11 residential houses on the remainder of the site to be accessed off Broad Close (2019/1080) was submitted in November 2019 and pending consideration. Information from the SHLAA consultation indicates that construction work would start in 2021/22.		2	11	1				
Total						**9**	**23**	**11**	**3**	**2**	**2**	**2**	**2**

Sites under construction (or complete during the current financial year)

The sites are listed in alphabetical order by village name.

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G1068	Bridle Road (34)	Burton Joyce	1	Assumptions for build-out rates	Site is currently under construction for a replacement dwelling (2017/1203). The existing dwelling has been demolished and work on the replacement plot has started in January 2018.	1							
G1125	Chesterfield Drive (Free Church)	Burton Joyce	2	Assumptions for build-out rates	Site is currently under construction for two new dwellings (2018/0531).	2							
G996	Main Street (60)	Burton Joyce	2	Assumptions for build-out rates	Full planning permission for two new dwellings (2016/1236) granted in January 2017. Information from the previous SHLAA 2019 consultation states that site is now complete, however this has not yet been signed off as 'complete' by Building Control. Assume plot will be signed off as complete in 2020/21.	2							
G1025	Spring Lane (112)	Lambley	1	Assumptions for build-out rates	Site is currently under construction (2016/0071) for a replacement dwelling, net gain zero. The existing dwelling has been demolished and work on the replacement plot has started in January 2019.	1							
G997	Spring Lane (114)	Lambley	3	Assumptions for build-out rates	Four full planning permissions granted for total of four dwellings on site. Plots 1 and 4 are currently under construction (2018/0647 and 2017/0867 respectively). Plot 3 was completed in December 2019 (2017/1134). Plot 2 was completed in July 2020 (2018/0548).	2	1						
G1126	Spring Lane (292)	Lambley	1	Building Control	Site completed in December 2020 i.e. during the 2020/21 year.	1							
G1070	Sunrise Farm	Lambley	4	SHLAA consultation response 2020	Site is currently under construction for four new dwellings (2017/0690). As at 31 December 2020, 2 plots have been built. Information from the SHLAA 2020 consultation provides the delivery rates for the site.	4							
Total						**13**	**1**	**0**	**0**	**0**	**0**	**0**	**0**

Sites with planning permission

Small sites with planning permission

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G940	Bridle Road (106, Land Rear Of)	Burton Joyce	1	Assumptions for lead-in times and build-out rates	Full planning permission for part demolition and part conversion of existing barn to a single dwelling (2019/0291) granted in August 2019.		1						
G943	Lambley Lane (33A)	Burton Joyce	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2019/0620) granted in October 2019.		1						
G847	Lee Road (2)	Burton Joyce	3	Assumptions for lead-in times and build-out rates	Full planning permission for three new dwellings (2017/1296) granted in February 2018.		3						
G1111	Nottingham Road (230)	Burton Joyce	1	Assumptions for lead-in times and build-out rates	Full planning permission for change of use of existing garage block to residential dwelling (2018/0116) granted in October 2018.		1						
G142	Vicarage Drive (Land)	Burton Joyce	1	Assumptions for lead-in times and build-out rates	Full planning permission for 1 new dwelling (2018/0729) granted in May 2019.		1						
G1071	Woodside Road (14)	Burton Joyce	1	Assumptions for lead-in times and build-out rates	Full planning permission for two bungalows (2019/0083) granted in June 2019 for a replacement dwelling with 2 dwellings, net gain of 1 dwelling.		1						
G753	Catfoot Squash Club	Lambley	1	SHLAA consultation response 2020	Full planning permission for a new dwelling (2017/0164) granted in May 2017. The Business and Planning Act 2020, which came into force on 22 July 2020, allows sites with planning permission that expire between 23 March 2020 and 31 December 2020 to be extended until 1 May 2021. Information from the SHLAA 2020 consultation provides the delivery rates for the site		1						
G1115	Harlow Wood Farm (The Stables)	Lambley	1	SHLAA consultation response 2020	Full planning permission for change of use to residential dwelling (2017/1325) granted in November 2018. Information from the SHLAA 2020 consultation provides the delivery rates for the site.	1							
G1038	The Riding Stables	Lambley	1	SHLAA consultation response 2020	The site is part of a larger SHLAA site G838 and within the Green Belt. Full planning permission for a redevelopment of existing stables to provide one dwelling (2020/0269) granted in June 2020. Information from the SHLAA 2020 consultation provides the delivery rates for the site.	1							
G1167	St Lukes Way (3)	Stoke Bardolph	1	Assumptions for lead-in times and build-out rates	Full planning permission for a new dwelling (2018/1127) granted in August 2019.		1						
G978	Woodsend	Woodborough	1	Assumptions for lead-in times and build-out rates	Full planning permission (2018/0122) granted in April 2018 for a replacement dwelling, net gain zero. The existing dwelling has been demolished in 2018 and the replacement plot has not yet been built.	1							
Total						**3**	**10**	**0**	**0**	**0**	**0**	**0**	**0**

Medium/large sites with planning permission

SHLAA ref	Site name	Locality/area	Units (remaining)	Housing delivery source	Assessment conclusion	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
G539	Glebe Farm (Land At), Burton Joyce	Burton Joyce	14	Assumptions for lead-in times and build-out rates for 14 dwellings on part of site	The site is in the Green Belt and adjacent to Burton Joyce village. Full planning permission for 14 homes (2020/0475) on part of the site granted in October 2020. This site is adjacent to SHLAA site G30 Woodside Road (Land Off) and a new access road has been constructed across site G30 to provide an alternative access to site G539.		10	4					
G1189	Lendrum Court	Burton Joyce	34	Assumptions for lead-in times and build-out rates	Full planning permission for 34 flats and 1 guest suite on the site of an existing sheltered housing complex (2019/0876) granted in February 2020.		10	10	10	4			
Total						**0**	**10**	**14**	**10**	**4**	**0**	**0**	**0**

Appendix C: Housing trajectory

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	A	Total
Past completions (net)	**275**	**227**	**321**	**311**	**174**	**198**	**237**	**286**	**360**										**2389**
Past completions (net) - urban area	183	199	296	206	120	104	193	218	287										1806
Past completions (net) – Edge of Hucknall	0	0	0	0	0	36	2	43	55										136
Past completions (net) - Bestwood Village	30	2	1	19	0	14	6	0	3										75
Past completions (net) - Calverton	16	3	10	64	56	10	17	15	3										194
Past completions (net) - Ravenshead	42	15	5	15	-5	21	4	4	7										108
Past completions (net) - Burton Joyce	0	2	1	0	2	7	0	3	1										16
Past completions (net) - Lambley	3	3	2	2	1	5	4	2	1										23
Past completions (net) - Linby	1	0	1	1	0	-1	2	0	1										5
Past completions (net) - Newstead	0	0	1	0	0	0	8	0	0										9
Past completions (net) - Papplewick	1	0	0	2	0	-1	0	0	0										2
Past completions (net) - Stoke Bardolph	0	0	0	0	0	0	0	0	0										0
Past completions (net) - Woodborough	-1	3	4	2	0	3	1	1	2										15
Urban area - ACS and LPD allocations										**215**	**305**	**425**	**402**	**389**	**323**	**223**	**94**	**528**	**2904**
Teal Close									95	95	95	95	95	95	95	95	70		830
H1 - Rolleston Drive												35	35	35	26				131
H2 - Brookfields Garden Centre														15	17			58	90
H3 - Willow Farm												20	30	30	30				110
H4 - Linden Grove											10	40	40	30					120
H5 - Lodge Farm Lane												35	35	35	35	8			148
H6 - Spring Lane						27	64	55	4										150
H7 - Howbeck Road/Mapperley Plains											45	45	45	29				41	205

Page 112

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	A	Total
H8 - Killisick Lane																		230	230
H9 - Gedling Colliery/Chase Farm							25	65	96	120	120	120	120	120	120	120	24		1050
X1 - Daybook Laundry																		49	49
X2 - West of A60 A											35	35	2						72
X3 - West of A60 B																		150	150
Urban area - sites under construction										**97**	**14**	**5**							**116**
Urban area - small sites with permission										**8**	**94**	**46**	**25**	**9**	**3**	**1**			**186**
Urban area - medium/large sites with permission											**10**	**35**	**11**						**56**
Edge of Hucknall - ACS and LPD allocations										**50**	**50**	**139**	**100**	**100**	**100**	**100**	**100**	**138**	**877**
North of Papplewick Lane								43	55	50	50	39						18	255
Top Wighay Farm						36	2					100	100	100	100	100	100		738
H10 - Hayden Lane																		120	120
Edge of Hucknall - sites under construction																			**0**
Edge of Hucknall - small sites with permission																			**0**
Edge of Hucknall - medium/large sites with permission																			**0**
Bestwood Village - LPD allocations										**31**	**25**	**25**	**25**	**41**	**35**	**35**	**4**	**220**	**441**
H11 - The Sycamores										11									11
H12 - Westhouse Farm										20	25	25	25	41	35	35	4		210
H13 - Bestwood Business Park																		220	220
Bestwood Village - sites under construction										**14**									**14**
Bestwood Village - small sites with permission											**1**								**1**
Bestwood Village - medium/large sites with permission																			**0**
Calverton - LPD allocations										**0**	**89**	**117**	**93**	**62**	**40**	**40**	**40**	**20**	**501**

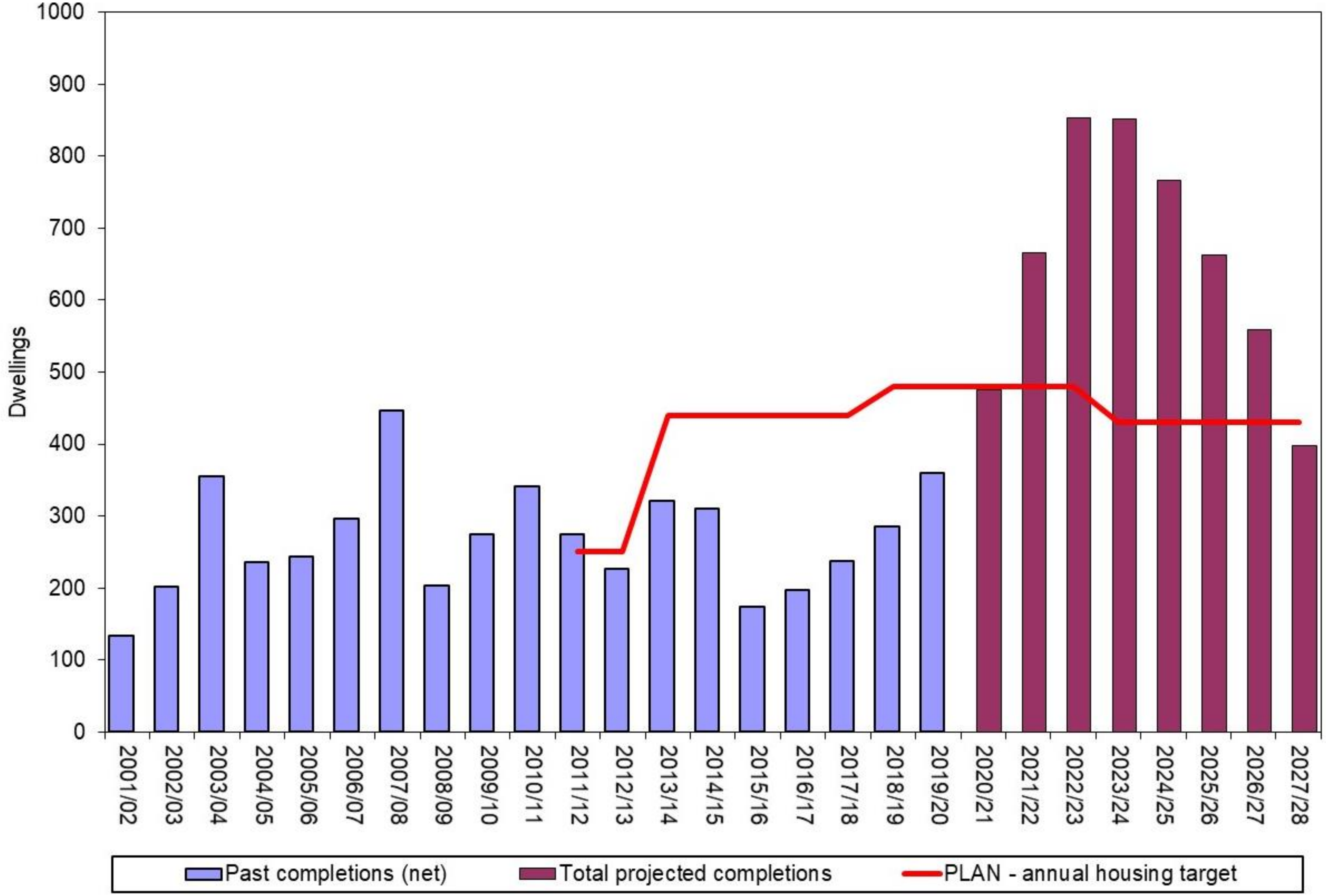
Page 113

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	A	Total
H14 - Dark Lane											20	20	17						57
H15 - Main Street											13	22	22	22					79
H16 - Park Road											21	40	40	40	40	40	40	20	281
X4 Flatts Lane											35	35	14						84
Calverton - sites under construction										**19**		**1**							**20**
Calverton - small sites with permission										**1**	**5**	**2**	**2**	**2**					**12**
Calverton - medium/large sites with permission																			**0**
Ravenshead - LPD allocations										**6**	**21**	**32**	**33**	**10**	**12**	**10**	**10**	**18**	**152**
H17 - Longdale Lane A															10	10	10		30
H18 - Longdale Lane B											10	10	11						31
H19 - Longdale Lane C											11	14	14	8					47
X5 Kighill Lane A									1	6		2	2	2	2				15
X6 Kighill Lane B												6	6					18	30
Ravenshead - sites under construction										**10**	**1**								**11**
Ravenshead - small sites with permission											**6**	**1**							**7**
Ravenshead - medium/large sites with permission																			**0**
Other villages - LPD allocations										**9**	**23**	**11**	**3**	**2**	**2**	**2**	**2**	**0**	**54**
H20 - Mill Field Close (Burton Joyce)										9	5								14
H21 - Orchard Close (Burton Joyce)											15								15
H22 - Station Road (Newstead)																			0
H23 - Ash Grove (Woodborough)								1			1		2	2	2	2	2		12
H24 - Broad Close (Woodborough)											2	11	1						14
Other villages - sites under construction										**13**	**1**								**14**

	2011/ 12	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24	2024/ 25	2025/ 26	2026/ 27	2027/ 28	A	Total
Other villages - small sites with permission										**3**	**10**								**13**
Other villages - medium/large sites with permission											**10**	**14**	**10**	**4**					**38**
Windfall allowance													**148**	**148**	**148**	**148**	**148**		**740**
Total projected completions										476	665	853	852	767	663	559	398	924	**6157**
Cumulative completions	275	502	823	1134	1308	1506	1743	2029	2389	2865	3530	4383	5235	6002	6665	7224	7622	8546	**8546**
PLAN - annual housing target	250	250	440	440	440	440	440	480	480	480	480	480	430	430	430	430	430		**7250**
PLAN - housing target (cumulative)	250	500	940	1380	1820	2260	2700	3180	3660	4140	4620	5100	5530	5960	6390	6820	7250	7250	
MONITOR - number of dwellings above or below cumulative housing target	25	2	-117	-246	-512	-754	-957	-1151	-1271	-1275	-1090	-717	-295	42	275	404	372	1296	
MANAGE - annual housing target taking account of past/projected completions	426	436	450	459	470	495	522	551	580	608	626	620	573	504	416	293	26		**-1296**
Remaining years	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1		

Notes

- No delivery rates have been provided for sites H8 Killisick Lane, X1 Daybrook Laundry, X3 West of A60 B, H10 Hayden Lane and H13 Bestwood Business Park. Delivery rates to be added when planning application is submitted or permission granted. It is expected that these sites will be delivered by 2028. The Local Plan capacity figures are provided in column A.
- Permission for the additional 18 dwellings on part of North of Papplewick Lane site and 20 bungalows on part of H16 Park Road site are subject to the signing of the s106. No delivery rates have been provided for those dwellings through the SHLAA 2020 consultation and it is expected that they will be delivered by 2028. The figures are provided in column A.
- No delivery rates have been provided for the remaining 58 dwellings on part of H2 Brookfields Garden Centre site, the remaining 48 dwellings on part of H7 Howbeck Road/Mapperley Plains site and the remaining 18 dwellings on part of X6 Kighill Lane B site. Delivery rates to be added when planning application is submitted or permission granted. It is expected that these dwellings will be delivered by 2028. The figures are provided in column A.
- No delivery rates have been provided for site H22 Station Road because it is not expected the site be developed by 2028. The projected completed columns are blank.
- The housing trajectory does not take account of the non-implementation (lapse) rates which are used for the purposes of the Five Year Land Supply Assessment.



Notes

The projected completions as shown in column A in the housing trajectory are not shown in the above chart as annual information on completions is not available.

Gedling Borough Council

Report to Cabinet

Subject: Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2021/22

Date: 11 February 2021

Author: Director of Corporate Resources and S151 Officer

Wards Affected

All

Purpose

To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2021/22, for referral to Full Council on 4 March 2021.

Key Decision

This **is** a key decision because it is likely to result in the Council incurring expenditure or savings, which are significant having regard to the budget for the service or function concerned.

Recommendations:

Members are recommended to:

1. Approve the Prudential and Treasury Indicators and Treasury Management Strategy Statement 2021/22, which includes the key elements below, and refer it to Full Council on 4 March 2021 for approval as required by the Regulations:

a. The Minimum Revenue Provision (MRP) Policy Statement (2.2);
b. The Borrowing Strategy (2.3.4);
c. The Annual Investment Strategy (2.3.8);
d. Capital Affordability Prudential Indicators for 2021/22 to 2023/24 (Appendix 1);
e. Treasury Indicators including affordability limits to borrowing for 2021/22 to 2023/24 (Appendix 1).

2. Note the indicative Prudential and Treasury Indicators for 2024/25 and 2025/26 (Appendix 1).

Background

1.1 Introduction

1.1.1 CIPFA defines Treasury Management as “the management of the local authority’s borrowing, investments and cash flows, its banking, money-market and capital-market transactions; the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.”

“Investments” in the definition above include all the Council’s financial assets (treasury investments) which are defined as the placement of cash in relation to the S12 Local Government Act 2003 investment powers (ie. they represent the residual cash left in the Council’s bank account as a result of its day-to-day activities). However, investments also include other “non-financial assets” (non-treasury investments) which are held primarily for financial returns, for example commercial investment property portfolios and loans to third parties. Whilst commercial initiatives and loans to third parties will have an impact on the Treasury Management function, these activities are generally classed as “non-treasury activities” (as they usually arise from capital expenditure), and are separate from day to day Treasury Management activities.

However, all investments require appropriate risk management under the Treasury Management Code, and the key principle of the control of risk and optimisation of returns should be applied across all investment activities, including those that are more commercially based.

Following the outcome of the HMT consultation with local authorities the Council reviewed its Commercial Property Investment Strategy (CPIS) and subsequently concluded that commercial property investment was no longer viable. Cabinet on 28 January 2021 supported a proposal to Council to withdraw the CPIS and remove the £5m budget from the capital programme.

1.1.2 The Council is required to operate a “balanced budget”, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management service is to ensure that cashflow is adequately planned, with cash available when it is needed. Surplus cash is invested in low-risk counterparties and instruments commensurate with the Council’s low risk appetite, providing adequate liquidity before considering investment return.

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

The contribution made by the Treasury Management function is critical as the balance of debt and investment operations ensure liquidity, ie. the ability to meet spending commitments as they fall due. Treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits impacting the overall budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

1.2 Statutory reporting requirements

Current reporting requirements were introduced by the 2017 CIPFA Prudential Code and CIPFA Treasury Mangement Code, plus updated Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance and Minimum Revenue Provison (MRP) Guidance.

There is now an explicit requirement to prepare a Capital Strategy to provide a longer-term focus to capital planning, and to meet the greater reporting requirements for any commercial activity undertaken under the Localism Act 2011. The Council's Capital Strategy is being reported separately, but its pupose and content is summarised below for completeness.

1.2.1 Capital Strategy

The revised CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

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

The aim of the Capital Strategy report is to ensure that all elected Members, ie. Full Council, fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

The Capital Strategy is reported separately from the TMSS. Cabinet on 28 January 2021 proposed the withdrawal of the Commercial Property Investment Strategy (CPIS) and the removal of the £5m budget from the capital programme (see 1.1.1 above). However any future "non-treasury" investments would be reported through the Capital Strategy to ensure the separation of the core treasury function under security, liquidity and yield principles, and any policy and commercialism investments usually driven by expenditure on an asset. The Capital Strategy would show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;

- The risks associated with each activity.

Should any non-treasury investment sustain a loss during the final accounts and audit process, the strategy and revenue implications would be reported through the same procedure as the Capital Strategy.

1.2.2 Treasury Management Reporting

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

a) Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) - this report:

This first, and most important report is forward-looking and covers:

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

b) Mid-year Treasury Management Report:

This is primarily a progress report and updates Members on the capital position, amending prudential indicators as necessary, and whether the treasury strategy is appropriate or whether any policies require revision.

The Council has adopted a policy of presenting quarterly Treasury Management progress reports to Members, and this exceeds the minimum requirement.

c) Annual Treasury Report:

This is a backward looking review and provides details of a selection of actual prudential and treasury indicators, and actual treasury operations compared to the estimates within the strategy.

1.2.3 Scrutiny

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

1.3 Treasury management strategy for 2021/22

The treasury management strategy for 2021/22 covers two main areas:

Capital issues including:

- The Council's capital expenditure plans, and the prudential indicators;
- The minimum revenue provision (MRP) policy.

Treasury management issues including:

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

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

1.4 Training

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

The training needs of officers involved with Treasury Management are reviewed periodically.

1.5 Treasury Management consultants

The Council uses LAS as its Treasury Management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times, and will ensure that undue reliance is not placed upon the external service providers. All decisions will be undertaken with regard to all the available information, including but not solely that from the treasury advisers.

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

The scope of the Council's investments currently includes only conventional treasury investments (the placing of residual cash from Council functions), following the withdrawal of the Commercial Property Investment Strategy which covered more commercial type investments. Commercial investment requires additional specialist advice and the Council will obtain this should it become necessary in the future.

Proposal

2.1 The Capital Affordability and Prudential Indicators 2021/22 to 2023/24

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

The output of the Council's capital expenditure plans is reflected in prudential indicators, which are designed to assist Members to overview and confirm such plans. The indicators for the three years 2021/22 to 2023/24 are attached at Appendix 1 and these must be referred to Full Council for approval in accordance with the regulations.

Indicative indicators for 2024/25 and 2025/26 are also included in Appendix 1, to reflect the 5-year period of the Medium Term Financial Plan. The purpose of this is to ensure that longer-term forecasts for capital expenditure and borrowing are fully considered, and that they can be demonstrated to be prudent and affordable. The inclusion of these indicators aligns with the Capital Programme and Capital Investment Strategy elsewhere on this agenda.

2.1.1 <u>Capital expenditure</u>

The indicator includes a summary of the proposed capital expenditure plans for 2021/22 to 2023/24, including both those schemes agreed previously and those forming part of this budget cycle.

The Capital Programme now includes only "service-related" expenditure, following the Cabinet's proposal on 28 January to withdraw the Commercial Property Investment Strategy (CPIS) and the associated budget of £5m.

Capital Expenditure:	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Service Investment	10,868.3	4,022.5	2,581.0
Total Capital Expenditure	**10,868.3**	**4,022.5**	**2,581.0**

The table below analyses the capital expenditure plans by portfolio.

Portfolio Capital Expenditure:	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Housing, Health & Wellbeing	2,587.5	1,323.5	0.0
Public Protection	1,720.0	1,000.0	1,000.0
Environment	1,440.5	1,079.0	1,161.0
Growth & Regeneration	4,195.3	0.0	0.0
Resources & Reputation	925.0	450.0	250.0
Equipment Replacement	0.0	70.0	70.0
Development Bids	0.0	100.0	100.0
Total Capital Expenditure	**10,868.3**	**4,022.5**	**2,581.0**

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

Financing of Capital Expenditure:	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Capital Expenditure (above):	**10,868.3**	**4,022.5**	**2,581.0**
Financed by:			
Capital receipts	610.9	610.1	610.9
Capital grants & contributions	2,842.4	1,000.0	1,000.0
S106 & CIL	882.8	0.0	0.0
Direct Revenue Financing	1,139.2	0.0	0.0
Net Borrowing Need	**5,393.0**	**2,412.4**	**970.1**

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

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

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

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

Capital Financing Requirement (CFR)	**2021/22 Estimate £000s**	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**
Closing CFR:	15,290.4	16,902.6	16,964.9
Movement in CFR within the year	**+4,783.7**	**+1,612.2**	**+62.3**
Represented by:			
Net financing need	+5,393.0	+2,412.4	+970.1
MRP	-609.3	-800.2	-907.8
Movement in CFR within the year	**+4,783.7**	**+1,612.2**	**+62.3**

The predominantly private-sector based concept of "gearing" provides an opportunity to compare the total underlying borrowing need to the Council's total fixed assets. The gearing ratio can provide an early indication where debt levels are rising relative to the long-term assets held.

The Council's treasury advisers, Link Asset Services, have analysed the balance sheets of over 200 authorities and established that average gearing is around 35% for councils similar in size to Gedling. The table below demonstrates that, on the basis of current assumptions, Gedling sits close to this average.

Gearing:	**2021/22 Estimate £000s**	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**
Estimated closing Long Term Assets: (Property, Plant, Equipment & Investment Assets)	45,240	48,263	49,844
Closing CFR (above)	15,290.4	16,902.6	16,964.9
Gearing Ratio	**34%**	**35%**	**34%**

2.1.3 Other Capital Affordability Prudential Indicators

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

- **Ratio of financing costs to net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs, net of investment income) against the net revenue stream.

  Financing costs represent the element of the Council's budget to which it is committed even before providing any services, because they reflect the current costs of previous and planned capital financing decisions. Furthermore, if the net revenue stream falls as funding sources decline and cuts are made to expenditure, financing costs may be fixed, increasing the ratio of financing costs to the net revenue stream. If for example the ratio of financing costs to the net revenue stream is 8%, that leaves 92% with which to provide all the Council's other services. If the percentage rises to 10%, only 90 % is available for services.

  Estimates of financing costs include current commitments and the proposals included in the Gedling Plan report elsewhere on this agenda. Costs in 2021/22 include £1.0392m of direct revenue financing, which increases the ratio significantly when compared to future years.

Financing costs and the net revenue stream:	**2021/22 Estimate £000s**	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**
Net revenue stream	11,654.3	11,381.7	11,366.7
Financing costs (net)	2,062.9	1,152.6	1,273.1
Ratio to net revenue stream	**17.70%**	**10.13%**	**11.20%**

- **Maximum Gross Debt** - The Council must ensure that its gross debt does not, except in the short term, exceed the total of the opening capital financing requirement, plus estimates of any additional CFR for the year in question and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. Please see 2.3.1 below.

  The 2021/22 Capital Programme and Capital Investment Strategy report provides full details of the proposed capital programme. All the capital prudential indicators can be found at Appendix 1, and represent capital investment plans that have been fully factored into the Council's Medium Term Financial Plan, and are assessed as affordable, prudent and sustainable, subject to securing the commitment to delivering an efficiency programme in the medium term, as proposed in the Gedling Plan.

Maximum Gross Debt:	2021/22 Estimate £000s	2022/23 Estimate £000s	2023/24 Estimate £000s
Opening CFR (ie. closing CFR in preceding year)	10,506.7	15,290.4	16,902.6
Additions (only) in-year + following 2 years	6,458.2	1,674.5	133.3
Maximum Gross Debt	**16,964.9**	**16,964.9**	**17,035.9**
Estimated total GBC debt outstanding at 31 March	12,811.6	14,811.6	14,811.6
Under/(over) borrowing	**4,153.3**	**2,153.3**	**2,224.3**

All the estimated total debt figures above relate to service related activities.

2.2 Minimum Revenue Provision (MRP) Policy Statement

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

MHCLG regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options is provided to councils, but there must be "prudent provision". The guidance does not define "prudent", instead making recommendations on the interpretation of the term. It is the responsibility of each authority to decide upon the most appropriate method of making a prudent MRP, having had regard to the guidance and its own circumstances, the broad aim being to ensure that borrowing is repaid over a period that reflects the useful lives of the assets acquired. The guidance seeks to ensure that local authorities make borrowing and investment decisions in a way that is commensurate with their statutory responsibilities, and their best value duty. The Council is obliged to have regard to the MHCLG guidance, but it is not prescriptive.

The Council is recommended to approve the following Statement for 2021/22:

MRP Statement 2021/22

a. The Council will assess MRP in accordance with the recommendations within the guidance issued under section 21(1A) of the Local Government Act 2003.

b. The CFR method will be used for calculating MRP in respect of all capital expenditure incurred up to and including 31 March 2008. This is the simplest approach available, being calculated as a straightforward 4% of the relevant element of the CFR at the end of the previous year. In the current economic climate, the Chief Financial Officer considers that use of the CFR Method is prudent.

c. The Asset Life Method will be used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. From 1 April 2019 an annuity approach has been adopted in making this calculation, allowing for a slightly lower MRP charge in the early years than under the previously used equal instalment approach. This is considered prudent because it better reflects the time value of money, whereby £100 paid ten years hence represents less of a burden than paying £100 today.

d. The Chief Financial Officer will determine estimated asset lives. Where expenditure of different types is involved, it will be grouped together in a manner which best reflects the nature of the main component of expenditure. It will only be divided up in cases where there are two or more major components, with significantly different asset lives.

e. MHCLG guidance provides that any charge made <u>over</u> and above the statutory MRP, ie. a voluntary revenue provision (VRP) or “overpayment”, can be reclaimed in later years if deemed necessary or prudent, providing the cumulative overpayment made to date is disclosed in this policy statement. In view of the economic climate and significant budgetary pressures, the Council will <u>not</u> provide for an additional voluntary contribution to MRP in 2021/22, and neither has it done so in previous years.

f. Based on the above policy, the net MRP charge for 2021/22 has been calculated as £609,300 as detailed below, and this sum has been included in the Council’s 2021/22 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

Minimum Revenue Provision (MRP)	**2021/22 £s**
CFR Method - up to 31 March 2008	203,700
Asset Life Method (annuity approach) - from 1 April 2008	405,600
Total MRP	**609,300**

2.3 Treasury Strategy 2020/21 - Borrowing and Investment

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

2.3.1 <u>Projected portfolio position</u>

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

Projected Gross Debt compared to CFR	**2021/22 Estimate £000s**	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**
Estimated Debt 1 April	9,811.6	12,811.6	14,811.6
Estimated change in debt	3,000.0	2,000.0	0.0
Other long term liabilities	0.0	0.0	0.0
Estimated Gross Debt 31 March	**12,811.6**	**14,811.6**	**14,811.6**
Estimated Closing CFR	15,290.4	16,902.6	16,964.9
Under/Internal / (Over) borrowing	**2,478.8**	**2,091.0**	**2,153.3**
Internal borrowing as % of estimated closing CFR	**16%**	**12%**	**13%**

Under-borrowing represents the extent of the Council's "internal borrowing" position, ie. the use of reserves and balances that are being used as a short-term alternative to taking external debt. This represents the Council's exposure to interest rate movements (whilst internal balances are used, PWLB rates may rise) and the element of borrowing that is being undertaken at variable rates (ie. rates equivalent to lost investment income).

Balance sheet reviews undertaken by Link Asset Services have established that the average level of internal borrowing is around 20%, however authorities with a relatively low CFR (like Gedling) may be able to successfully run a higher internal borrowing position. The table above shows that Gedling's ratio is estimated to be between 16% and 12% over the next three years, ie. below the average, to lessen the risk of interest movements.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. As detailed at 2.1.3 above, to comply with the "gross debt" indicator, the Council must ensure that its gross debt does not, except in the short term, exceed the total of the closing CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue, or for speculative purposes.

The Chief Financial Officer can report that the Council has complied with this prudential indicator during the current year, 2020/21, and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

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

a. The Operational Boundary for external debt

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

b. The Authorised Limit for external debt

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

2.3.3 Prospects for Interest Rates

The Council has appointed Link Asset Services (LAS) as its treasury adviser and part of their service is to assist the Council to formulate a view on interest rates. The following table and commentary gives the latest LAS forecast at 9 November, adjusted for the 1% reduction effective from 26 November following the conclusion of the HMT consultation. Further information on interest rates can be found at Appendix 2.

Link Group Interest Rate View 9.11.20													
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

The coronavirus outbreak has done huge economic damage to the UK and world economies. After the Bank of England took emergency action in March 2020 to cut Bank Rate first to 0.25% on 11 March, and then to 0.10% on 19 March, it left Bank Rate unchanged at its subsequent meetings to 16 December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently considers that such a move would do more damage than good, and that more quantitative easing (QE) is the favoured tool should further action become necessary. As shown in Link's forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31 December 2020, and as this has now occurred, these forecasts do not need to be revised.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9 November when the first results of a successful Covid-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

Investment returns are likely to remain exceptionally low during 2021/22 with little increase in the next two years.

Borrowing rates fell to historically low rates as a result of the Covid-19 crisis and the QE operations of the Bank of England, indeed gilt yields up to 6 years were negative during most of the first half of 2020/21. The policy of avoiding borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 basis points in PWLB rates on top of the then current margin over gilt yields of 80 basis points in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, on 25 November 2020, the Chancellor announced the conclusion of the HMT review of margins over gilt yields for PWLB rates. The standard and certainty margins were <u>reduced</u> by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had <u>any</u> purchase of assets for yield in its three year capital programme, hence the recent proposal to withdraw the Council's Commercial Property Investment Strategy (CPIS). The PWLB certainty rate, for which Gedling qualifies, has now returned to gilts plus 80 basis points.

As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, value can also be obtained by borrowing for shorter maturity periods, and the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

The Council is currently budgeting to take an additional £3m of new borrowing in 2021/22 to finance its capital programme. There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will almost certainly incur a revenue cost.

2.3.4 Borrowing Strategy 2021/22

The Council is currently maintaining an under-borrowed position (see 2.3.1 above). This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This represents "internal borrowing". This strategy is prudent since investment returns remain low, and counterparty risk is still an issue that needs to be considered.

However, against this background and the risks within the economic forecast outlined above, and the potential cost of carry (see 2.3.5 below), caution will be adopted with the 2021/22 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

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

- If it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the rate of increase in central rates in the UK and US, an increase in world economic activity or a sudden rise in inflation risk, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they are projected to be in the next few years.

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

2.3.5 Policy on borrowing in advance of need

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

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

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

2.3.6 Debt rescheduling

Reasons for rescheduling to be considered include:

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

When the current day PWLB rate for the same term is higher than that being paid on an existing loan there is the potential for a discount to be available if the loan is repaid prematurely. Rescheduling of current borrowing in the Council's debt portfolio is unlikely to be considered in 2021/22 as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilts was reduced by 1% in November 2020.

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

2.3.7 New financial institutions as a source of borrowing

Currently the PWLB certainty rate is set at gilts plus 80 basis points, however consideration may be given to alternative sources of funding, including:

- Local authorities (primarily shorter dated maturities);
- Financial institutions (primarily insurance companies and pension funds but also some banks);

The Municipal Bond Agency is a public limited company currently owned by 56 local authority shareholders and the Local Government Association. It aims to provide Councils with access to market based borrowing via the issue of bonds, at rates lower than the PWLB. The Agency's first issue was made to Lancashire County Council during 2020. The Municipal Bond Agency is unlikely to be an option for the Council since it deals in multi-million pound advances, rather than the relatively small amounts that would be required by Gedling.

The extent to which these funding options may prove cheaper than PWLB is still evolving. The Council may make use of these sources of borrowing if appropriate, but only following advice from its advisers, LAS.

2.3.8 Annual Investment Strategy 2021/22

a. Investment Policy – management of risk

The MHCLG and CIPFA have extended the meaning of "investments" to include both financial (placement of surplus cash) and non-financial (primarily for financial return) investments. The TMSS report deals solely with financial investments managed by the Treasury Management team. Any non-financial investments, including the purchase of income-yielding assets such as commercial property, will be managed by the Property Services team should they be considered in the future.

The Council's investment policy has regard to:

- MHCLG's Guidance on Local Government Investments ("the guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code");
- CIPFA Treasury Management Guidance Notes 2018.

The Council's investment priorities will be security first, portfolio liquidity second, and then yield (return).

The MHCLG and CIPFA guidance place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

i. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus the avoidance of "concentration risk". The Council utilises the LAS Creditworthiness Methodology, whereby banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications. The Council has clearly stipulated its creditworthiness policy at 2.3.8 (b) below.

ii. Ratings will not be the sole determinant of the quality of an institution, as it is important to continually assess and monitor the financial sector in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets, and the Council will engage with its treasury advisers to maintain a monitor on market pricing.

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

iv. The Council has defined the types of financial investment instruments that are authorised for use and these are classified as either "Specified Investments" or "Non-Specified Investments" (see Appendix 3):

- **Specified Investments** are those with a high level of credit quality, subject to a maximum maturity limit of one year (365 days), and not defined as capital expenditure. Only minimal reference is given to specified investments in the Annual Investment Strategy, and they will generally be used for cash-flow management.

- **Non-Specified Investments** are all those <u>not</u> meeting the criteria for specified investments above, ie. those with a lower credit quality, for periods in excess of one year (365 days), or more complex instruments, eg. property funds, which require greater consideration by Members and officers before being authorised for use. Once an investment is classified as non-specified it remains non-specified through to maturity, ie. an 18 month deposit would still be a non-specified investment even when it had only 11 months left until maturity. If used, non-specified investments will tend to be used for the longer-term investment of core-balances. Appendix 3 also sets out:

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

v. Investment counterparty limits for 2021/22 will generally be **£3m** per individual counterparty, however a higher limit of **£4m** per Money Market Fund is considered prudent since such funds are already by definition highly diversified investment vehicles.

   A limit of **£4m** currently applies to Santander, which offers the Council preferential rates on its 95 and 180-day notice accounts, and has to give 60 days notice of any change. The Link methodology indicates that investments for up to 6 months are appropriate.

   A limit of **£4m** also currently applies to CCLA, represented by a maximum of £3m in the PSDF money market fund, plus £1m in the LAPF property fund.

   No limit is placed on deposits with the Debt Management Office (DMO), since these represent lending to the UK Government.

   The CFO has delegated authority to amend investment limits as she sees fit, and will report any such amendments to Cabinet for information as part of the next quarterly Treasury Management Report following the change.
   With regard to the Council's own banker, HSBC, for transactional purposes if the bank was to fall below the standard creditworthiness criteria below, cash balances would be minimised both in monetary size and in duration of deposit.

vi. The Council will set a limit on the amount of its investments placed with an initial term longer than one year (365 days).

vii. Investments will only be placed with approved counterparties from the UK, or those from other countries with a minimum sovereign rating (see Appendix 4).

viii. The Council has engaged external consultants (see para 1.5) to provide expert advice on how to optimise the appropriate balance of security, liquidity and yield – given the risk appetite of the Council in the context of the expected level of cash balances and the need for liquidity throughout the year.

ix. All investments will be denominated in sterling.

x. As a result of a change in accounting standards in 2019/20 under IFRS9, whereby movements in the value of investments are charged immediately to the revenue accounts, the Council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested, and resultant charges to the General Fund at the end of the year.

In November 2018, MHCLG concluded its consultation on a temporary override to allow English authorities time to adjust their portfolio of pooled investments by announcing a statutory override to delay the implementation of IFRS9 for 5 years commencing 1 April 2018, and currently due to end on 31 March 2023. The Council has an investment of £1m in the CCLA property fund which is subject to the statutory override. If the override is not extended, from 1 April 2023 <u>all</u> movements in the capital value of this investment, both positive and negative, will have to be charged to the General Fund, creating volatility which is a risk that will have to be carefully managed.

The alternative is to decide <u>not</u> to use pooled investments and withdraw the investment <u>before</u> 31 March 2023. This carries a risk of failing to recover the original value of £1m – depending on market performance and the fund's liquidity at the time the withdrawal request is made.

The initial value of the Council's £1m investment in the CCLA Property Fund in December 2017 was £936.7k. The latest value, at 31 December 2020, is £910.3k, which represents an improvement from a low of £895k in August. The fall in value has largely been the result of Covid-19 uncertainty, and indeed the LAPF was suspended from March to September 2020 due to the exceptional market conditions. Valuers could not be confident that their valuations truly reflected prevailing conditions, and where there is a material risk of disadvantage to either party, all transactions must be suspended until the required level of certainty is re-established.

An earmarked reserve has been set aside to mitigate the risk to the General Fund.

xi. The Council will pursue value for money in Treasury Management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

b. <u>Creditworthiness policy</u>

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

i. Security of capital – the categories of investment instruments to be used (specified and non-specified) are set out at Appendix 3;
ii. Liquidity of capital – regular cashflow monitoring determines the optimum period for which funds may be prudently committed at any particular time, and the creditworthiness methodology below determines the maximum time for which funds may be prudently committed with individual counterparties;
iii. Return on investment (yield).

<u>Counterparty selection:</u>

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

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

- Credit watches and credit outlooks from rating agencies;
- Credit default swap (CDS) spreads which give early warnings of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

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

- Yellow 5 years (UK government debt or its equivalent)
- Dark pink 5 years for Ultra Short Dated Bond Funds (credit score 1.25)
- Light pink 5 years for Ultra Short Dated Bond Funds (credit score 1.50)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks only)
- Orange 1 year
- Red 6 months
- Green 100 days

- No colour not to be used

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

Ratings under the LAS methodology will not necessarily be the sole determinant for the use of a counterparty. Other information sources used will include market data, the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Ringfencing:

Ringfencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail deposits from investment banking in order to improve resilience. In general, ringfenced banks will focus on lower risk day to day core transactions, whilst more complex and riskier activities will be the domain of an entirely separate non-ringfenced bank. Whilst the structure of banks included in this process may have changed, the fundamentals of credit assessment have not. The Council will continue to assess the newly formed entities under the LAS creditworthiness methodology.

Property Funds:

Property Funds are not credit-rated, due to their diverse portfolios and structures. There are inherent risks associated with Property Fund investment in that the capital value is not guaranteed, and past dividend performance is not a guarantee of future returns. Investments should therefore be made with a time horizon of at least five years, to accommodate potential reductions in property values in the short to medium term. Evidence from recent years suggests that over time, property has been a positive long-term investment, however the market is undeniably cyclical, and investing for less than five years, may pose a significant risk.

The timing of property fund investments represents some degree of risk both in terms of the dividend and the capital sum. The key unknown is the future performance relative to the risk. If investment is done at or near the bottom of a cycle, significant benefits might accrue from subsequent upturn, with rising dividends and increasing capital value. Conversely, should the cycle turn downwards for a significant proportion of the investment period, dividends might be lower than would be acceptable given the additional risks taken, and the capital sum returned might be **less** than that originally invested – see 2.3.8(a) (x).

Property is not a liquid asset and it can take time to realise an investment. A 90-day notice period for redemptions from the CCLA LAPF was introduced during 2020 following the temporary suspension of the fund due to the Covid-19 pandemic. This was done to align the dealing terms of the fund with the liquidity of the underlying assets, and to ensure resilience during periods of market stress.

Whilst Property Funds must hold a proportion of their assets as cash, in practice there may be a delay whilst assets are sold to realise the cash with which to make a redemption payment. Investment in Property Funds should be from core cash that is not likely to be required for at least five years, and even then not on demand.

Evidence to support the use of only core cash was clearly demonstrated on 4 December 2019 by the suspension of the M&G property fund, whereby investors were temporarily prevented from withdrawing their money from one of the UK's largest commercial property funds, worth some £2.5bn. The same fund was suspended for four months in 2016 following the EU referendum when money flooded out of property funds.

Country limits:

The Council will use approved **UK** counterparties subject to their individual credit ratings under the LAS methodology (see above). The Council **may** also use approved counterparties from countries with a minimum sovereign credit rating of **AA minus**. No more than £3m will be placed with **each** non-UK country at any time. The list of countries that currently qualify is shown at Appendix 4, however this list will be adjusted by officers in accordance with this policy should ratings change. The CFO has delegated authority to amend the minimum sovereign credit rating as she sees fit, and will report any such amendment to Cabinet for information as part of the next quarterly Treasury Management Report following the change.

***The ultimate decision on what is prudent and manageable for the Council will be taken by the Chief Financial Officer under the approved scheme of delegation*.**

c. Investment Strategy

The Council's in-house managed funds are mainly cash-flow derived however, there has for some time been a core balance available for investment over a longer period if appropriate.

If it is thought that Bank Rate is likely to rise significantly within the relevant time horizon, consideration will be given to keeping most investments short term or variable. Conversely, if it is thought that Bank Rate is likely to fall, consideration will be given to locking in to the higher rates currently obtainable for longer periods.

Bank Rate is unlikely to rise from 0.1% for a considerable period. LAS consider that it is prudent to assume that investment earnings from market-related instruments will be sub 0.5% for the foreseeable future. They suggest a budgeted rate of 0.1% for 2021/22, however the Council benefits from both its property fund investment and the preferential rates offerred by Santander, and the estimate for 2021/22 currently reflects 3% and 0.25% respectively.

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

For its cashflow generated balances, the Council will seek to utilise its money market funds, notice accounts and short dated deposits in order to benefit from the compounding of interest.

The overall balance of risk to economic growth in the UK is currently judged by LAS to be to the upside but is subject to major uncertainty due to Covid-19 and how quickly successful vaccines become available and widely administered to the population. There is relatively little domestic risk of movements in Bank Rate and PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations.

An Investment treasury indicator and limit must be set for the total principal funds invested for periods in excess of one year (365 days) in the forthcoming and two subsequent years (ie. new non-specified investments). The limit for each year is set with regard to the Council's liquidity requirements. As at 26 January 2021 the Council's **total** non-specified investment is £1,000,000 - represented by the £1,000,000 investment in the CCLA property fund.

The treasury indicator and limit for new non-specified investments to be made in each of 2021/22, 2022/23 and 2023/24 is £3m, as detailed at Appendix 1 (treasury indicators) however this is subject to an overall limit of £5m for the total non-specified investments held by the Council at any one time (see Appendix 3). The overall individual counterparty limit of £3m or £4m (see 2.3.8 (v) above) also applies, including both specified and non-specified investments.

In accordance with the revised Treasury Management Code, a statement in the TMSS stating how interest rate exposure is managed and monitored is required, and this is set out 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.*

d. Investment risk benchmarking

The Council will use the average 7-day and 3-month LIBID rates to benchmark its equated investment rate.

LIBID is the interest rate at which London banks are willing to borrow from each other in the inter-bank market. It is the average of rates which five major London banks are willing to bid for a £10 million deposit for a given period. The rate at which the London banks are BORROWING from each other in turn affects the rate at which they will borrow from other parties, eg. local authorities like Gedling, which are LENDING money.

e. Investments defined as capital expenditure

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

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

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

f. Provision for credit-related loss

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

g. End of Year Investment Report

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

h. Policy on the use of external service providers

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

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

2.3.9 Gedling Borough Council scheme of delegation

Full Council is responsible for:

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

Cabinet is responsible for:

- Approval of, and amendments to, the Council's adopted clauses, Treasury Management Policy Statement and Treasury Management Practices;
- Budget consideration and virement approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular Treasury Management monitoring reports (the scrutiny role), and acting on recommendations;

Audit Committee is responsible for:

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

2.3.10 The role of the Section 151 Officer (Chief Financial Officer)

The role of the S151 (responsible) officer includes the following:

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

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

- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management over a significant time-frame;
- Ensuring that the capital strategy is prudent, sustainable and affordable in the long term, and provides value for money;
- Ensuring that due diligence has been carried out on all treasury and non-financial investments, and is in accordance with the risk appetite of the authority;
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investment which exposes it to an excessive level of risk compared to its financial resources;
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- Provision to Members of a schedule of all non-financial investments including material investments in subsidiaries, joint ventures, loans and financial guarantees;
- Ensuring that Members are adequately informed and understand the risk exposure taken on by the authority;
- Ensuring that the authority has adequate expertise, either in-house or externally provided, to carry out any non-financial investments;
- The creation of Treasury Management Practices which specifically deal with how non-financial investments will be carried out and managed.

3. Alternative Options

An alternative option is to fail to present a Treasury Management Strategy Statement (TMSS), however this would contravene the requirements of the relevant Regulations.

4. Financial Implications

No specific financial implications are attributable to this report.

5. Legal Implications

To comply with the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP guidance, the CIPFA Treasury Management Code and the MHCLG investment guidance, the Council is required to have a strategy as set out in this report.

6. Equalities Implications

There are no equalities implications arising from this report.

7. Carbon Reduction/Environmental Sustainability Implications

There are no carbon reduction/environmental sustainability implications arising from this report.

8. Appendices

1. Prudential and Treasury Indicators 2021/22 to 2023/24 for approval, and Indicative Indicators for 2024/25 and 2025/26;
2. Interest rate forecasts;
3. Specified and non-specified investments;
4. Approved countries for investment.

9. Background Papers

None identified.

10. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 03.02.21

Approved by: Monitoring Officer

Date: 02.02.21

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Prudential Indicators for 2021/22 to 2023/24 & Indicative 2024/25 to 2025/26

Appendix 1

		2021/22 Estimate	2022/23 Estimate	2023/24 Estimate	2024/25 Indicative	2025/26 Indicative
	Prudential Indicators					
a)	Capital Expenditure:	**£ 10,868,300**	£ 4,022,500	£ 2,581,000	£ 2,000,000	£ 2,179,000
b	Capital Financing Requirement: (closing)	**£ 15,290,400**	£ 16,902,600	£ 16,964,900	£ 16,908,100	£ 16,979,100
c)	Gearing	**34%**	**35%**	**34%**	33%	33%
d)	Ratio of Financing Costs to Net Revenue Stream					
	Service activity	**17.70%**	10.13%	11.20%	11.98%	12.11%
	Commercial activity	**0.00%**	0.00%	0.00%	0.00%	0.00%
	Total	**17.70%**	**10.13%**	**11.20%**	**11.98%**	**12.11%**
e)	Ratio of Commercial Income to Net Revenue Stream	0.00%	0.00%	0.00%	0.00%	0.00%
f)	Maximum Gross Debt	**£ 16,964,900**	£ 16,964,900	£ 17,035,900	£ 17,035,900	£ 17,035,900
g)	Ratio of Internal Borrowing to CFR	**16%**	12%	13%	12%	13%
	Treasury Indicators					
a)	Operational Boundary for External Debt:					
	Borrowing	**£ 18,000,000**	£ 18,000,000	£ 18,000,000		
	Other Long Term Liabilities	**£ 1,500,000**	£ 1,500,000	£ 1,500,000		
	Total Operational Boundary	**£ 19,500,000**	£ 19,500,000	£ 19,500,000		
b)	Authorised Limit for External Debt:					
	Borrowing	**£ 19,000,000**	£ 19,000,000	£ 19,000,000		
	Other Long Term Liabilities	**£ 1,500,000**	£ 1,500,000	£ 1,500,000		
	Total Authorised Limit	**£ 20,500,000**	£ 20,500,000	£ 20,500,000		
e)	Upper limits for the maturity structure of o/s Borrowing during 2021/22 (Lower limit 0%)					
	Under 1 Year	**40%**				
	1 Year to 2 Years	**40%**				
	2 Years to 5 Years	**50%**				
	5 Years to 10 Years	**50%**				
	Over 10 Years	**100%**				
f)	Investment treasury indicator and limit Maximum NEW principal sums invested > 365 days (subject to overall individual counterparty limit AND total Non Specified Inv Limit)	**£ 3,000,000**	**£ 3,000,000**	**£ 3,000,000**		

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APPENDIX 2

INTEREST RATE FORECASTS TO MARCH 2024 (as at 5 January 2021)

The PWLB rates below are based on the new margins over gilts announced on 26 November 2020. There are no changes to these forecasts as at 05.01.21

Link Group Interest Rate View 9.11.20								(The Capital Economics forecasts were done 11.11.20)					
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Bank Rate													
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
5yr PWLB Rate													
Link	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-
10yr PWLB Rate													
Link	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-
25yr PWLB Rate													
Link	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
50yr PWLB Rate													
Link	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-

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LOCAL GOVERNMENT INVESTMENTS (England) page1

SPECIFIED INVESTMENTS 2021/22

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

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

SPECIFIED INVESTMENTS 2021/22 (CONTINUED)

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

Investment	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum Credit Rating?	Capital Expenditure?	Circumstance of use	Maximum period
Money Market Funds (MMFs) Collective investment schemes as defined in SI 2004 No 534 Since early 2019 there are 3 structural options for MMFs, CNAV (Constant Net Asset Value) LVNAV (Low Volatility Net Asset Value) and VNAV (Variable Net Asset Value) *These funds do not have any maturity date*	No	Yes	AAA	No	In-house with advice from LAS New rules strengthen the requirements for portfolio diversification and transparency for all MMFs. Advice will be taken from LAS but the assumption is that only CNAV and LVNAV funds will be used	*The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements*
Treasury bills Government debt security with a maturity less than one year and issued through a competitive bidding process at a discount to par value *Custodial arrangement required prior to purchase*	No	Yes	Govt-backed	No	In-house	365 days
Bonds issued by a financial institution that is guaranteed by the United Kingdom Government (as defined in SI 2004 No 534) with maturities under 12 months *Custodial arrangement required prior to purchase*	No	Yes	Govt-backed	No	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

SPECIFIED INVESTMENTS 2021/22 (CONTINUED)

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

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

NON-SPECIFIED INVESTMENTS 2021/22

The limit for the Council's TOTAL "Non-Specified Investments" is £5m. The maximum non-specified investment per counterparty is £3m, but this is also subject to the relevant prevailing TOTAL maximum investment limit per counterparty (ie. Specified plus Non-Specified).

Investment	(A) Why use it? (B) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating	Capital Exp?	Circumstance of use	Maximum Investment	Maximum maturity of investment
Term deposits with credit rated deposit takers (banks and building societies) with maturities greater than 1 year (365 days)	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment. (B) (i) Illiquid - as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk - potential for greater deterioration in credit quality over longer period	No	No	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	No	In-house	£3m any ONE counterparty **AND £5m in TOTAL.** AND subject to the prevailing OVERALL maximum investment with any one counterparty	3 years
Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities greater than 1 year (365 days) *Custodial arrangement required prior to purchase*	(A) (i) Although in theory tradable, are relatively illiquid. (B) (i) 'Market or interest rate risk' - Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/ advice from LAS	£3m	3 years

NON-SPECIFIED INVESTMENTS 2021/22 (Continued)

The limit for the Council's TOTAL "Non-Specified Investments" is £5m. The maximum non-specified investment per counterparty is £3m, but this is also subject to the relevant prevailing TOTAL maximum investment limit per counterparty (ie. Specified plus Non-Specified).

Investment	**(A) Why use it?** **(B) Associated risks?**	**Share/ Loan Capital?**	**Repayable/ Redeemable within 12 months?**	**Security / Minimum credit rating**	**Capital Exp?**	**Circumstance of use**	**Maximum investment**	**Maximum maturity of investment**
Fixed Term Deposits with variable rates and variable maturities with credit rated deposit takers (banks and building societies) with maturities greater than 1 year (structured deposits)	(A) (i) Enhanced income - Potentially higher return than using a term deposit with similar maturity. (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk - borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/ advice from LAS	£3m	3 years in aggregate
UK government gilts with maturities in excess of 1 year *Custodial arrangement required prior to purchase*	(A) (i) Excellent credit quality. (ii)Very Liquid. (iii) If held to maturity, known yield (rate of return) per annum - aids forward planning. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (v) No currency risk (B) (i) 'Market or interest rate risk' - Yield subject to movement during life of sovereign bond which could negatively impact on price of the bond i.e. potential for capital loss.	No	Yes	Govt backed	No	Buy and hold to maturity. To be used in-house after consultation/ advice from LAS	£3m	Maturity limit 5 years

NON-SPECIFIED INVESTMENTS 2021/22 (Continued)

The limit for the Council's TOTAL "Non-Specified Investments" is £5m. The maximum non-specified investment per counterparty is £3m, but this is also subject to the relevant prevailing TOTAL maximum investment limit per counterparty (ie. Specified plus Non-Specified).

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

NON-SPECIFIED INVESTMENTS 2021/22 (Continued)

The limit for the Council's TOTAL "Non-Specified Investments" is £5m. The maximum non-specified investment per counterparty is £3m, but this is also subject to the relevant prevailing TOTAL maximum investment limit per counterparty (ie. Specified plus Non-Specified).

Investment	(A) Why use it? (B) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating	Capital Exp?	Circumstance of use	Maximum Investment	Maximum maturity of investment
Bonds issued by multilateral development banks (as defined in SI 2004 No 534) with maturities in excess of 1 year *Custodial arrangement required prior to purchase*	(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts) (iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt - aids forward planning, enhanced return compared to gilts. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity) (B) (i) 'Market or interest rate risk' - Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen	Yes	Yes	AAA or government guaranteed	No	Buy and hold to maturity. To be used in-house after consultation/ advice from LAS	£3m	5 years
Property Funds Collective investment Schemes. The CCLA Local Authority Property Fund is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). *These funds do not have any maturity date*	(A) Property Funds allow a property element to be introduced into an investment portfolio, without the direct purchase of assets and associated risks. (B) (i) The value of Property Fund investments fluctuate, and can go down as well as up since past performance is no guarantee of future returns. There is therefore inevitably some risk to the capital sum. The timing of investment in a Property fund poses some additional risk. (B) (ii) Property is not a liquid asset and it may take time to realise an investment.	No	No	Property Funds are not rated, due to their diverse portfolios and structures	Investment in the CCLA LAPF is NOT deemed capital expenditure and ONLY such schemes will be used	To be used in-house after consultation/ advice from LAS and appropriate due diligence.	£3m	Property Funds do not have any maturity dates and therefore no maximum period of investment. A minimum period of 5 years is envisaged to take account of the property cycle.

NON-SPECIFIED INVESTMENTS 2021/22 (Continued)

The limit for the Council's TOTAL "Non-Specified Investments" is £5m. The maximum non-specified investment per counterparty is £3m, but this is also subject to the relevant prevailing TOTAL maximum investment limit per counterparty (ie. Specified plus Non-Specified).

Investment	(A) Why use it? (B) Associated risks?	Share/ Loan Capital?	Repayable/ Redeemable within 12 months?	Security / Minimum credit rating	Capital Exp?	Circumstance of use	Maximum Investment	Maximum maturity of investment
Share capital or loan capital in a body corporate	The acquisition of share capital or loan capital in a body corporate is defined as capital expenditure under regulation 25(1)(d) of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.	Yes	No		Yes	Use of these instruments is deemed to be capital expenditure, ie the application of capital resources. Advice will be sought on the appropriateness and associated risks of any share or loan capital investment.	£3m	Acquisitions of share and loan capital do not have maturity dates.

APPROVED COUNTRIES FOR INVESTMENT

The Council will use any UK Counterparties subject to their individual credit ratings under the Link Asset Services Methodology.

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

AAA

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

AA+

- Canada
- Finland
- USA

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **UK**

List provided by Link Asset Services as at 20 January 2021, based on the lowest rating from Fitch, Moody's and Standard & Poor's

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Report to Cabinet

Subject: Capital Programme and Capital Investment Strategy 2021/22 to 2025/26

Date: 11 February 2021

Author: Senior Leadership Team on behalf of the Leader

Wards Affected

All

Purpose

This report summarises:

a) The proposed Capital Investment Strategy for 2021/22 to 2025/26; and

b) The proposed Capital Programme for 2021/22 to 2023/24 for approval, and the indicative capital programme for 2024/25 to 2025/26, in light of the Council's priorities and the resources available.

The Capital Investment Strategy and Capital Programme determined by Cabinet at this meeting will be referred to the Council on the 4 March 2021 for final approval. The detailed capital programme proposals are shown in Appendix 2 to this report.

Key Decision

This is a Key Decision because the proposals will have a significant impact on all wards in the borough and include financial implications that are above the threshold of £0.5m determined by Council for decisions to be regarded as a Key Decision.

Recommendations

Members are recommended to:

1. Note the estimated capital financing available for 2021/22 to 2025/26;

2. Approve the Capital Investment Strategy 2021/22 to 2025/26 detailed at Appendix 1 and refer it to Council for approval on 4 March 2021;

3. Approve the Capital Programme for 2021/22 to 2023/24 detailed at Appendix 2 and refer it to Council for approval on 4 March 2021;

4. Note the indicative Capital Programme for 2024/25 to 2025/26.

Further information on the subject of this report is available from
Alison Ball, Corporate Director of Resources and S151 Officer on (0115) 9013980

Background

1.1 The prudential framework for Local Authority Capital Investment was introduced through the Local Government Finance Act 2003.

1.2 This prudential framework incorporates four statutory codes. These are:

- The Prudential Code prepared by CIPFA;
- The Treasury Management Code prepared by CIPFA;
- The Statutory Guidance on Local Authority Investments prepared by the Ministry of Housing, Communities and Local Government (MHCLG);
- The Statutory Guidance on Minimum Revenue Provision (MRP) prepared by MHCLG.

1.3 During 2017/18 both CIPFA and MHCLG updated all of the above codes in recognition of the changing landscape in which Councils are now required to deliver public services, i.e. the increasing move to commercialism following the sustained period of reduced public funding. The updated codes ensure that the key objectives remain relevant and can continue to be fulfilled in the context of this changing landscape and the activities that local authorities are undertaking e.g. investment in property as a tool to generate financial returns.

1.4 The Prudential Code underpins the systems of capital finance and planning and is the primary document which provides the framework for the development of the capital strategy and the capital programme which are proposed in this report. The key issues addressed by the code relate to how Councils will ensure prudence, in respect of longer term planning, the MRP, increasing commercialisation, understanding of risk and the ability to raise council tax.

1.5 The Prudential Code sets out the following key objectives, to ensure that:

- Local strategic planning, asset management planning and proper option appraisal are supported;

- The capital investment plans of local authorities are affordable, prudent and sustainable. Affordability has regard to the implications of capital expenditure for Council Tax, whilst prudence and sustainability have regard to the long term implications for external borrowing considering the actual impact, and potential impact on overall fiscal sustainability;

- Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved;

- The authority is accountable, by providing a clear and transparent framework.

To provide a clear and transparent framework authorities are required by the Code to formulate a Capital Strategy which sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and their impact on priority outcomes. Whilst the Code does not define 'long term' the Council's current capital investment strategy proposed at Appendix 1 covers the five year period of the medium term financial plan (MTFP), 2021/22 to 2025/26, to ensure that longer term forecasts for capital expenditure, disposals and borrowing are fully considered in the revenue budget and demonstrated to be prudent and affordable.

1.6 Following lengthy consultations, the MHCLG issued revised Investment Guidance and MRP Guidance in February 2018 with the aim of ensuring that local authorities continue to make borrowing and investment decisions in a way that is commensurate with their statutory duties. All Councils are required to have regard to this guidance in their investment decisions.

The revised Investment guidance extends the definition of “investment” to include expenditure driven activity, e.g. commercial property, as well as simple treasury cash. Such activity would represent “non-treasury investments”, i.e. investment in “non-financial assets”. The revised guidance also reaffirms that borrowing may only be undertaken for investments that are made for strategic purposes, and not “purely” for financial return.

The MRP guidance also focuses on expenditure on non-financial investments, e.g. commercial property, making it clear that the duty to make prudent MRP extends to commercial investment property where its acquisition has been partially or fully funded by an increase in borrowing.

1.7 The requirements of the codes are fully reflected in each of the Budget Cabinet reports which appear on this agenda to ensure fully integrated revenue, capital and treasury management planning.

Proposal

2. **Capital Investment Strategy**

2.1 The Capital Investment Strategy outlines the principles and framework that shape the Council’s capital investment decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council’s priorities and objectives as set out in the Gedling Plan.

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

2.3 The Prudential Code details the indicators that Councils are required to set to demonstrate that capital plans are affordable and prudent. The required indicators are included in the Prudential and Treasury Indicators and Treasury Management Strategy Statement, an item elsewhere on this agenda.

Over recent years, there has been a significant rise in commercial property investment by local authorities, generally financed by large amounts of PWLB borrowing. The level of this indebtedness for commercial reasons had become a major concern for HM Treasury and accordingly it undertook a consultation with local authorities with a view to tightening the rules. The outcome of this consultation was published in November 2020. HM Treasury will no longer allow local authorities to borrow money from the PWLB to purchase commercial property if the aim is primarily to generate an income stream (i.e. debt for yield). This restriction is on a whole plan basis – i.e. even if the Council intends to buy investments assets primarily for yield at any point in the plan and to finance them other than by borrowing or alternative funding sources, the PWLB will not lend to it

The Commercial Property Investment Strategy (CPIS) was approved by Council in April 2019 and makes clear that its objectives are to invest in property to generate a return. Following the outcome of the HM Treasury consultation with local authorities the (CPIS) was reviewed and it was concluded that commercial property investment primarily for generation of a financial return was no longer possible in light of HM Treasury restrictions meaning to do so would preclude the Council from accessing any PWLB borrowing for its service and operational requirements. In addition to the above issues, the Covid-19 pandemic has emphasised the risks of property investment, and the ease with which Councils can expose themselves to unacceptable levels of risk. The current economic conditions simply do not make commercial property investment a prudent option. At its meeting on 28 January 2021, Cabinet supported a proposal to withdraw the CPIS for referral to full Council and approved the removal of the related budget from the capital programme.

2.4 Based on the recommendation to Council all reference to the Commercial property Investment Strategy has been removed from the capital strategy.

2.5 A copy of the proposed Capital Investment Strategy for 2021/22 to 2025/26 is attached at Appendix 1.

3. Proposed Capital Programme

3.1 The following table presents the proposed three year Capital Programme for 2021/22 to 2023/24 for approval, together with the indicative programme for a further two years to match the period of the MTFP as detailed in paragraph 1.5 above. The full programme of schemes is presented in Appendix 2.

Portfolio	Proposed Programme for Approval			Indicative Programme	
	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Housing, Health and Wellbeing	2,587,500	1,323,500	0	0	0
Public Protection	1,720,000	1,000,000	1,000,000	1,000,000	1,000,000
Environment	1,440,500	1,079,000	1,161,000	580,000	759,000
Growth and Regeneration	4,195,300	0	0	0	0
Resources and Reputation	925,000	450,000	250,000	250,000	250,000
Future Equipment Replacement	0	70,000	70,000	70,000	70,000
Future Service Development Bids	0.00	100,000	100,000	100,000	100,000
Total Capital Programme	**10,868,300**	**4,022,500**	**2,581,000**	**2,000,000**	**2,179,000**

3.2 The proposed capital programme is derived from the following:

a) **Schemes already approved as part of the 2020/21 budget setting process**:

- Carbon Reduction Initiatives **£100,000** in 2022/23. Part of this will be used to implement: the Bee/Pollinator Action Plan as approved at Council on 27 January 2021; and the development of a 'green lung' for residents improving connectivity via a walking route between Gedling Country Park and Digby Park.

b) **<u>Proposed additions to existing schemes in the current approved capital programme:</u>**

- An additional **£30,000** for the Provision of Public Toilets.

c) **<u>Schemes re-profiled from 2020/21</u>**

Schemes totalling **£5,367,800** approved for deferral by Cabinet to 2021/22:

Schemes Re-profiled from 2020/21	**2021/22 £**
Arnold Market	2,350,300
Calverton Enterprise Units	1,370,000
Hazleford Way Industrial Units	350,000
Vehicle Replacement Programme	342,000
Civic Centre Window Replacement	200,000
Lambley Lane Changing Rooms and Pitch Renovation	160,000
Provision of Public Toilets	90,000
Play Area Development	111,000
Carlton Square Development	100,000
Customer Service Improvements	100,000
Play Area Development - Onchan Park	74,500
Hazelford Way - Drainage	60,000
Arnold Leisure Centre - Replacement Theatre System	35,000
Carlton Square Service Yard	25,000
Total	**5,367,800**

d) **<u>Ongoing Capital Programme Items (previously approved as ongoing)</u>**

- Disabled Facilities Grants **£1,000,000** per annum (subject to confirmation of grant funding via Better Care Fund).

- Future Service Development Bids **£100,000** per annum 2022/23-2025/26.

e) **Replacement Equipment/Vehicles and Asset Maintenance**

Replacement assets and maintenance to ensure continuation of existing service:

	Proposed Programme			Indicative Programme	
	2021/22	2022/23	2023/24	2024/25	2025/26
	£	£	£	£	£
Vehicle Programme	553,000	1,079,000	1,161,000	580,000	759,000
IT Licencing	100,000	100,000	100,000	100,000	100,000
Equipment Replacement	0	70,000	70,000	70,000	70,000
Civic Centre Fire Alarm	100,000	0	0	0	0
Arnot Hill House Fire Safety works	70,000	0	0	0	0
Civic Centre Lift Refurbishment	75,000	0	0	0	0
Leisure Management System	75,000	0	0	0	0
King George V Pavilion Refurbishment	50,000	0	0	0	0
General Asset Management	0	150,000	150,000	150,000	150,000
Total	**1,023,000**	**1,399,000**	**1,481,000**	**900,000**	**1,079,000**

The Leisure Management system will have an £18,000 ongoing revenue requirement.

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

The table below show schemes totalling **£4,671,000** 2021/22-2022/23 which score 15 points and above using the Council's approved methodology as detailed in the Capital Investment Strategy (see paragraph 2 above). The approved methodology assesses schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans. They are assessed as affordable in line with the Council's Prudential Code Indicators contained within the Treasury Management Strategy and within the overall context of the Medium Term Financial Strategy.

A number of the development bids have been introduced in the table below and details are as follows:

- Temporary Accommodation - to target investment of £1,154,000 to enable the Council to meet its statutory requirements in respect of Homelessness whilst reducing reliance on Bed & Breakfast accommodation and reducing the overall cost and improving the quality of provision. A separate report will be presented to Cabinet for approval of the detailed scheme delivery and final business case prior to scheme progression;
- Burton and Station Road Developments – an investment of £2,647,000 over 2021/22 and 2022/23 (partially funded by external grants and contributions) to Design and Build 17 units of accommodation to meet the objectives of the Housing Strategy to deliver social housing and temporary accommodation. A separate report will be presented to Cabinet for approval of the detailed scheme delivery and final business case prior to scheme progression;
- Green Homes Grants Scheme £720,000 – Grants to eligible households to enable energy efficiency and carbon reduction works (subject to a successful grant bid);
- Sand Martin Bank and Bird Hide – Construction of two Bird Hides at Gedling Country Park of £60,000 to provide a sustainable nesting habitat for Sand Martins, creating a recreational space for the local community and educational groups to appreciate wildlife at a closer level and encourage interest in the environment (Externally funded by Grant & Contributions);

- Flood Alleviation Scheme – Investment of £50,000 as a contribution to a larger multi-agency scheme, which aims to progress works to alleviate the risk of flooding in some of the higher risk flood areas in the Borough. It is anticipated that further development bids will come forward in future years for the delivery of further flood alleviation works in conjunction with partners;
- Cemetery Plant Safe - £20,000 to provide a secure unit to store plant and equipment at Carlton Cemetery;
- Honour our Heroes Memorial - £20,000 contribution towards a Gedling Borough permanent memorial to honour NHS and Key Workers and pay tribute to the victims of the Covid-19 pandemic.

Description	**Capital Budget**	**Capital Budget**	**Revenue Ongoing**
	2021/22	**2022/23**	**(Full Year Effect)**
	£	**£**	**£**
Temporary Accommodation	1,154,000	0	*(15,800)*
Burton Road Development	778,500	778,500	(7,000)
Station Road Development	545,000	545,000	(11,000)
Green Homes Grant Scheme	720,000	0	0
Sand Martin Bird Hide	60,000	0	0
Arnold Flood Alleviation	50,000	0	0
Cemetery Plant Safe	20,000	0	0
Honour our Heroes Memorial	20,000	0	0
Total Capital Development Bids	**3,347,500**	**1,323,500**	**(33,800)**

4. Capital Resources

4.1 Capital Receipts

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

The estimated annual capital receipt generation for 2021/22 to 2025/26 is detailed in the table below and it is proposed that these are fully utilised to finance the capital programme as detailed in paragraph 3.1:

	Proposed Programme			**Indicative Programme**	
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
	£	**£**	**£**	**£**	**£**
Land Sales	560,900	560,100	560,900	0	0
General Capital Receipts	50,000	50,000	50,000	50,000	50,000
Total Capital Receipt Estimate	**610,900**	**610,100**	**610,900**	**50,000**	**50,000**

4.2 Direct Revenue Financing

The use of earmarked revenue reserves and revenue equipment budgets as contributions to specific capital schemes totalling **£1,139,200** in 2021/22 are proposed as follows:

a) £794,200 contribution from the Business Rates Pool Reserve for the Arnold Market Development;

b) £150,000 contribution from the Business Rates Pool Reserve for the Calverton Enterprise Units extension (subject to securing grant funding for the project);

c) £25,000 contribution from the Economic Development Fund for the Carlton Square service Yard;

d) £100,000 contribution from the Economic Development Fund for Carlton Square Development;

e) £70,000 from the asset management revenue reserve for the maintenance works at Arnot Hill House.

4.3 Capital Grants and Contributions

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

Grants and contributions estimated for financing the capital programme include:

	2021/22	**2022/23 to 2025/26**
	£	**£**
Disabled Facilities/Better Care Fund Grant (assumed £1m per annum ongoing 2021/22-2025/26)	1,000,000	1,000,000
S106 Contribution for Affordable Housing Projects on Station and Burton Road	789,000	0
Green Homes Grant Funding (subject to a successful grant bid)	720,000	0
LEP for Calverton Enterprise Units (subject to successful funding bid)	660,700	0
HCA for Affordable and Temporary Housing, Station Road, Carlton.	176,000	0
FCC Communities Foundation Grant Contributions for Play Area Development (subject to successful funding bid)	174,500	0
S106 Contribution for Lambley Lane Pitch & Changing Rooms Project	30,000	0
CIL Contribution Lambley Lane Pitch and Changing Rooms Project	45,000	0
Football Foundation Grant Funding for Lambley Lane Pitch and Changing Rooms Project (subject to a successful bid)	70,000	0
Seven Trent Community Fund for Sand Martin Bank Bird Hide	41,200	0
S106 Contribution for Sand Martin Bank Bird Hide	18,800	0
Total Grants and Contributions	**3,725,200**	**1,000,000**

Disabled Facilities/Better Care Fund grant funding is now paid by the MHCLG to Nottinghamshire County Council for distribution. The actual allocations to each District Council are agreed by the Nottinghamshire Health and Wellbeing Board. There have not yet been any grant announcements for 2021/22 so an estimated grant amount of £1,000,000 is included for 2021/22 and for the future programme. Any variation will be reported to Cabinet via the usual quarterly budget monitoring process.

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

4.4 Prudential Borrowing

The total borrowing that is required to finance the proposed 2021/22 to 2023/24 capital programme is £8.775m. It is currently estimated that a further £2.08m of borrowing will be required to finance the indicative capital programme for 2024/25 to 2025/26. The proposed borrowing amounts are detailed in paragraph 4.5 below.

The Council's Prudential Indicators in respect of both the proposed programme 2021/22 to 2023/24 and the indicative programme for 2024/25 to 2025/26 are contained within the Prudential and Treasury Indicators and Treasury Management Strategy Statement, an item elsewhere on this agenda. These Prudential Indicators, in conjunction with the calculations within the Medium Term Financial Plan, show that this level of borrowing is affordable and sustainable, subject to securing the commitment to delivering the proposed budget reduction and efficiency programme detailed in the Medium Term Financial Plan, included in the Revenue Budget report, an item elsewhere on this agenda.

4.5 Capital Resources Summary

An estimate of the resources for financing the 2021/22 to 2023/24 programme is summarised below:

	Proposed Programme			**Indicative Programme**	
Capital Resources	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**
	£	**£**	**£**	**£**	**£**
Use of Capital Receipts	610,900	610,100	610,900	50,000	50,000
Direct Revenue Financing	1,139,200	0	0	0	0
Grants and Contributions	3,725,200	1,000,000	1,000,000	1,000,000	1,000,000
Total Cash Resource	**5,475,300**	**1,610,100**	**1,610,900**	**1,050,000**	**1,050,000**
Prudential Borrowing	5,393,000	2,412,400	970,100	950,000	1,129,000
Total Financing	**10,868,300**	**4,022,500**	**2,581,000**	**2,000,000**	**2,179,000**

Alternative Options

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

programme in any one year, and vice versa.

6. Financial Implications

As detailed in the report.

7. Legal Implications

Legal Implications, the Capital Strategy and Programme is prepared to ensure compliance with the Local Government Finance Act 2003 and the Codes introduced thereunder.

8. Equalities Implications

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

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

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

9. Carbon Reduction/ Environmental Sustainability Implications

There are three scheme mentioned in the report above which are specifically aimed at Carbon Reductions and Environmental Sustainability as detailed below:

1. Carbon Reduction Initiatives – a previously approved investment of £100,000 to identify and implement modification which will reduce the carbon footprint of the Council's operational buildings, and enable investment in community initiatives;
2. Green Homes Grants – An investment of £720,000 grant funding to domestic dwellings , which is targeted at the least energy efficient housing to help towards the cost of energy efficient improvements to their homes.
3. Flood Alleviation schemes - £50.000 investment towards a multi-agency programme to alleviate flooding in the borough's highest risk areas.

10. Appendices

1. Capital Investment Strategy 2021/21 – 2025/26

2. Proposed Capital Programme 2021/22 – 2023/24 (including Indicative Programme 2024/25 to 2025/26)

11. Background Papers

- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2021/22

- Gedling Plan 2020-23

12. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 2 February 2021

Approved by: Monitoring Officer

Date: 1 February 2021

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Appendix 1

Gedling Borough Council

CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

CAPITAL INVESTMENT STRATEGY 2021/22 to 2025/26

1. INTRODUCTION

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

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

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

The basic elements of the Strategy therefore include:

- A direct relationship to the Gedling Plan;
- A framework for the review and management of existing and future assets (the Property Asset Management Plan);
- An investment programme expressed over the medium term;
- A document that indicates the opportunities for partnership working;
- A framework that prioritises the use of capital resources;
- A consideration of the need to pursue external financing (grants, contributions etc.), which reconcile external funding opportunities with the Council's priorities and organisational objectives, so that it is the achievement of the latter that directs effort to secure the former;
- A direct relationship with the Treasury Management Strategy, and the limitations on activity through the treasury management Prudential Indicators;

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

- for the Cabinet and Council – to decide on capital investment policy within the overall context of investment need/opportunity and affordability;
- for Councillors – to provide an understanding of the need for capital investment and help them scrutinise policy and management. Training will be provided as necessary to support this scrutiny process;

- for Officers – to provide an understanding of the Council's capital investment priorities, to assist them in bidding for capital resources, and to confirm their role in the capital project management and monitoring arrangements;

- for taxpayers – to demonstrate how the Council seeks to prudently manage capital resources and look after its assets;

- for partners – to share with them our Vision and help to co-ordinate and seek further opportunities for joint ventures.

The capital programme consists of investment in the Councils own assets and also provides Disabled Facilities Grants to a number of private dwellings during the year. The Capital Programme is approved by Council for a period of 3 years but an Indicative programme for a further 2 years is also completed which matches the 5 year period of the Council's Medium Term Financial Plan. This ensures that longer term forecasts for capital expenditure, disposals and borrowing that are fully reflected in the MTFP are also demonstrated to be affordable and sustainable in the Prudential Indicators for the same period. The current summary capital programme is detailed in the table below:

	Proposed Programme for Approval			Indicative Programme	
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
	£	**£**	**£**	**£**	**£**
Expenditure:					
Gedling Assets	9,868,300	3,022,500	1,581,000	1,000,000	1,179,000
Disabled Facilities Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Programme	**10,868,300**	**4,022,500**	**2,581,000**	**2,000,000**	**2,179,000**
Financed by:					
Capital Receipts	610,900	610,100	610,900	50,000	50,000
Direct Revenue Financing	1,139,200	0	0	0	0
Grants and Contributions	3,725,200	1,000,000	1,000,000	1,000,000	1,000,000
Borrowing Requirement	5,393,000	2,412,400	970,100	950,000	1,129,000
Total Financing	**10,868,300**	**4,022,500**	**2,581,000**	**2,000,000**	**2,179,000**

2. PRINCIPLES SUPPORTING THE STRATEGY

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

The principles that underpin the Capital Investment Strategy include:

Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;

- The use of a rational process for assessing the relative importance of potential schemes.

Financial Principles:

- The overarching commitment to affordability of investments over the longer term, considering the actual impact, and potential impact, on overall fiscal sustainability;

- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;

- A commitment to developing partnerships, including the pursuit of joint venture and community arrangements where appropriate, to achieve the Council's investment aspirations;

- To pursue all available external funding where there is a direct compatibility with the Council priorities;

- Value for money of investments in assets over their full life cycle.

Asset Management Principles:

- The development of Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets;

- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the Capital Programme;

- Recognition of the value of surplus properties that are gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals;

- A process of declaring property assets as surplus will be led by the Head of Regeneration and Welfare in consultation with the holding department, who will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements;

- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans, in line with the Localism Act 2011;

- Management of assets to take full account of the Council's wider priorities including its environmental priorities;

- The continuation of financial support to schemes that involve site assembly, which will potentially generate significant capital receipts in the medium term;

- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.

- An assessment of asset condition to determine investment required over the life of the asset to ensure they continue to be fit for purpose in service delivery.

Implementation and Management Principle

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

Links to Other Financial Documents

Medium Term Financial Plan

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

Prudential Code

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

- local strategic planning, asset management planning and proper option appraisal are supported;

- The capital investment plans of local authorities are affordable, prudent and sustainable having regard to the long term implications for external borrowing considering the impact, and potential impact, on overall fiscal sustainability;

- Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved;

- The authority is accountable, by providing a clear and transparent framework.

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

The Prudential Code classifies Commercial Property Investment as a non-treasury investment to be reported through the Capital Strategy as the investment is usually driven by expenditure on assets. This is distinct from the core treasury investments of surplus cash which operate under strict principles of security, liquidity and yield as detailed in the Treasury Management Strategy. Where appropriate, the Prudential Code requires that indicators are set that are transparent in respect of Commercial Property Investments to demonstrate that these investments are proportionate to the level of resources available to the authority and that detail:

- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value.

<u>Treasury Management Strategy</u>

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

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

<u>Statement of Accounts</u>

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

Procurement Strategy

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

3. CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Gedling Plan 2020 - 2023 sets out the vision for Gedling. This Vision is intended to be external facing and clearly indicates the Council's ambition for the district and the people within. Underpinning the Council's contribution to the Gedling Plan vision are the priorities. These are:

Cohesive, Diverse and Safe Communities

- Promote and encourage pride, good citizenship and participation
- Reduce poverty and inequality and provide support to the most vulnerable
- Improve social mobility and life chances
- Reduce anti-social behaviour, crime and fear of crime

Healthy Lifestyles

- Improve health and wellbeing and reduce health inequalities
- Support physically active lifestyles
- Increase recreational activities and users to parks and open spaces
- Reduce levels of loneliness and isolation

Sustainable Environment

- Provide an attractive and sustainable environment that local people can enjoy
- Improve transport infrastructure and connectivity
- Conserve, enhance, promote and celebrate our heritage
- Promote and protect the environment by minimising pollution and waste

Vibrant Economy

- Provide more homes

- Ensure a robust strategic development framework is in place
- Safeguard and create job opportunities
- Create thriving and vibrant town and local centres
- Drive business growth workforce development and job opportunities

High Performing Council

- Improve the customer experience of engaging with the Council.
- Provide efficient and effective services
- Maintain a positive and productive working environment and strong staff morale.
- Improve use of digital technologies

4. FINANCIAL CONTEXT

Spending Review

The Comprehensive Spending Review Period 2016/17 to 2019/20 resulted in a multi-year local government finance settlement which included the removal of Revenue Support Grant with the intention that there would be a move to 100% funding by business rates income i.e. a system of Local Government funded by local taxation. A new multi-year settlement was expected for April 2021 alongside the implementation of the Fair Funding Review and 75% Business Rates Retention but due to Brexit and the Covid-19 Pandemic this has been delayed and is now expected to be implemented in April 2022.

In December 2020 the Chancellor announced a one year only local government finance settlement for 2021/22 which rolled forward the core components of the previous multi-year settlement meaning there is still no clarity of funding levels after March 2022 which hampers effective medium term financial planning. Total Settlement reductions now equate to 36.45% or £1.80m in cash terms over the spending review periods 2016/17 to 2021/22. Further changes to the New Homes Bonus (NHB) were also announced by Government in the local government finance Settlement 2021/22, providing a one year only award (instead of four years of award) which reduces Gedling's NHB to significantly lower levels.

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

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

- External partners – Traditionally Section 106 monies have been levied on private contractors where funds have been required to deliver (amongst other things) capital projects necessary to make a planning application acceptable e.g. to upgrade highways infrastructure, within the district. These opportunities are now extended to include the Community Infrastructure Levy (CIL), which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed to deliver new development. The infrastructure to be funded by CIL must be clearly set out and can include transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres.

- Grants – Capital grants are made available by the central government and other public sector bodies that could be used to fund capital expenditure. Unfortunately capital grants are now diminishing in number as further cuts are enforced on Local Government. For example, as detailed above, changes to the New Homes Bonus, which is an established non-ringfenced grant is not expected to be a source of capital funding going forward.

- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment.

- Local Asset Backed Vehicles (LABVs) – This is a form of public and private sector partnership that allows public sector bodies to use their assets (usually land and buildings) to attract long term investment from the private sector in order to deliver socio-economic development and regeneration. They are designed to encourage parties to pool resources, such as finance, planning powers, land and expertise, in order to deliver regeneration with an acceptable balance of risk and return for all those involved. They are increasingly being looked at as a potential model to help local authorities meet their regeneration aspirations.

- Tax Increment Financing (TIF) – This is an initiative that allows a local authority to borrow money against the predicted future growth in local business rates income.

- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced re-offending, and CCTV based on reduced anti-social behaviour and crime levels.

- Community Involvement – The Localism Act 2011 introduced the concept of “community asset transfer”, “community right to challenge” and “community right to bid” for services. These changes in legislation have opened up the whole spectrum of opportunities of private sector investment in community-led capital projects, where deemed appropriate.

- Collaborative Working – a move away from the traditional development agreement structure and towards a more collaborative approach, either to enhance marketing prospects for a site or to enhance its redevelopment value by addressing planning issues. This type of approach encourages interest from expert developers to promote a site or work together on the planning and infrastructure process, to enhance the attractiveness of the site to end users.

Financial Process

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

The funding of capital schemes is via the following hierarchy:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. CAPITAL BUDGET PREPARATION

The capital programme is derived from the following:

(a) Rolling Programme Items

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

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

Capital Investment Prioritisation

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

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

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

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

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

The Capital Budgeting Process

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

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

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

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

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

Bids are scored by the Director of Corporate Resources and Section 151 Officer and the Corporate Director of Neighbourhoods.

A good capital bid is likely to be one which:

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

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

The Capital Scoring Methodology

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

- the extent to which schemes meet the priorities identified. Weighting may be applied to the scores if Cabinet propose that a particular priority or ward area requires additional investment. No weighting has been applied in the development of the 2021/22 to 2025/26 programme;
- Asset management priorities – this section is used to prioritise Asset Management Fund items if bids to the fund exceed the budget allocation;
- the measure of the financial impact of the scheme, where points are awarded for external funding, income generation, value for money, impact of risk, and generation of capital receipts.

The maximum score possible (excluding Asset Management Fund items) is 80 points. The highest score would only be achievable if the scheme made a high contribution to all of the Council priorities together with a maximum positive financial impact in terms of value for money, funding/income generation and risk. The maximum available score is unlikely to be achieved by any individual scheme so scoring parameters are set, based on the level of contribution to priorities achieved, by which schemes are considered for inclusion in the proposed capital programme.

For the 2021/22 to 2025/26 capital budget, the following score parameters have determined the schemes to be proposed for inclusion in the capital programme based on contribution to priorities:

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

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

Managing the Capital Programme

A key role in the monitoring of the capital programme is undertaken by the Capital Monitoring Group and the Programme Board, who meet on a bi-monthly basis. The Capital Project Management Group is attended by responsible officers providing a supportive environment in which problem areas are identified corrective actions agreed and implemented at an early stage to avoid potential deferral of schemes, and will deal with the entire Capital programme.

The Programme Board is dedicated to the highest priority projects (Tier 1 or Tier 2) and is made up of members of the Senior Leadership Team.

Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

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

- Project Managers identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;

- Project Managers feed information on scheme progress to the Finance Business Partner to produce the monthly budget monitoring statement;

- Bi-monthly capital monitoring meetings consider each Project Manager's report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken;

- Heads of Service are responsible for ensuring that Project Manager monitoring reports and Programme Board highlight reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet;

- Capital budget monitoring is reported to Cabinet on a quarterly basis, for consideration of deferrals and budget amendments;

- At year end, Financial Services collate the outturn position for capital schemes, and report under and overspends and propose budget carry forwards. The Asset Register and Statement of Accounts are updated with new assets acquired within the year;

- A post-implementation review of capital projects after completion is important to assess to what extent the financial and non-financial aims of the project were met. Where they were not, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.

- Projects in Tier 1 & 2 will also be subject to the Councils Project Management Process.

6. CONCLUSION

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

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

The adoption of a three-year capital planning framework and indicative 5 year programme is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

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

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

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

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

Appendix A

Capital Resource Development Bid – Scoring Methodology

		Scoring system	Bid Name	Bid Name
1.	**Priorities**			
a.	**Cohesive, Diverse and Safe Communities**			
i	Promote and encourage pride, good citizenship and participation	**0 – 3**		
ii	Reduce poverty and inequality and provide support to the most vulnerable	**0 – 3**		
iii	Improve social mobility and life chances	**0 – 3**		
iv	Reduce anti-social behaviour, crime and fear of crime	**0 – 3**		
	Total for 1a: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**
b.	**Healthy Lifestyles**			
i	Improve health and wellbeing and reduce health inequalities	**0 - 3**		
ii	Support physically active lifestyles	**0 - 3**		
iii	Increase recreational activities and users to parks and open spaces	**0 - 3**		
iv	Reduce levels of loneliness and isolation	**0 - 3**		
	Total for 1b: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**
c.	**Sustainable Environment**			
i	Provide an attractive and sustainable local environment that people can enjoy	**0 - 3**		
ii	Improve transport infrastructure and connectivity	**0 - 3**		
iii	Conserve, enhance, promote and celebrate our heritage	**0 - 3**		
iv	Promote and protect the environment by minimising pollution and waste	**0 - 3**		
	Total for 1c: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**
d.	**Vibrant Economy**			
i	Provide more homes	**0 - 3**		
ii	Ensure a robust strategic development framework is in place	**0 - 3**		
iii	Safeguard and create job opportunities	**0 - 3**		
iv	Create thriving and vibrant town and local centres	**0 - 3**		
v	Drive business growth and job creation through local and inward investment	**0 - 3**		
	Total for 1d: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**

e	**High Performing Council**			
i	Improve the customer experience of engaging with the Council	**0 - 3**		
ii	Provide efficient and effective services	**0 - 3**		
iii	Maintain a positive working environment and strong employee morale	**0 - 3**		
iv	Make best use of digital technologies	**0 - 3**		
	Total for 1e: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**
	Total Priorities		**0**	**0**

2.	**Asset Management Plan Priority**			
a.	AMP 1 (urgent Health & Safety)	**25 pts**		
b.	AMP 2 (desirable Health & Safety)	**5 pts**		
c.	AMP 3 or 4	**0 pts**		
	Total for 2: Maximum Points =	**25**	**0**	**0**
3.	**Measure of Finance Impact**			
a.	External Funding	**0 - 10**		
b.	Income Generation	**0 - 10**		
c.	VFM	**0 - 10**		
d.	Risk	**0 - 10**		
e.	Capital Receipt Generation	**0 - 10**		
	Total for 3: Maximum points =	**20**	**0**	**0**
4.	**Weighting based on ABI impact**			
5.	**Total points Maximum points possible =**	**105**	**0**	**0**

Appendix 2

Proposed Capital Programme 2021/22 - 2023/24 and Indicative Programme 2024/25 to 2025/26

	Capital Programme for Approval			Indicative programme	
	2021/22	**2022/23**	**2023/24**	**2024/25**	**2025/26**
Housing Health and Wellbeing	£	£	£	£	£
Temporary Accommodation	1,154,000				
Burton Road Affordble Housing	778,500	778,500			
Station Road Affordable Housing	545,000	545,000			
Leisure Management System	75,000				
ALC Theatre System	35,000				
Health Housing & Welling Total	**2,587,500**	**1,323,500**	**0**	**0**	**0**
Public Protection					
Disabled Facilities Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Green Homes Grant Scheme	720,000				
Public Protection Total	**1,720,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
Environment					
Vehicle Replacement Programme	895,000	1,079,000	1,161,000	580,000	759,000
Play Area Development	111,000				
Play Area Development - Onchan Park	74,500				
Arnold Flood Alleviation	50,000				
Sand Martin Bank Bird Hide	60,000				
Cemetery Plant Safe	20,000				
Honour our Heroes Memorial	20,000				
King George V Pavilion Refurbishment	50,000				
Lambley Lane Pitch and Changing Rooms	160,000				
Environment Total	**1,440,500**	**1,079,000**	**1,161,000**	**580,000**	**759,000**
Growth & Regeneration					
Calverton Enterprise Units	1,370,000				
Arnold Market Development	2,350,300				
Carlton SquareDevelopment	100,000				
Carlton Square Yard	25,000				
Hazleford Way Business Unit Extension	350,000				
Growth & Regen Total	**4,195,300**	**0**	**0**	**0**	**0**
Resources & Reputation					
IT Licences	100,000	100,000	100,000	100,000	100,000
Asset Management Fund	0	150,000	150,000	150,000	150,000
Hazleford Way Drainage	60,000				
Arnot Hill House Fire Safety Works	70,000				
Civic Centre Window Replacement	200,000	200,000			
Civic Centre Fire Alarm	100,000				
Civic Centre Lift Refurbishment	75,000				
Carbon Reduction Initiatives	100,000				
Provision of Public Toilets	120,000				
Customer Service Improvements	100,000				
Future Resource Development Bids	0	100,000	100,000	100,000	100,000
Replacement Equipment	0	70,000	70,000	70,000	70,000
Resource & Reputation Total	**925,000**	**620,000**	**420,000**	**420,000**	**420,000**
Total Capital Budget	**10,868,300**	**4,022,500**	**2,581,000**	**2,000,000**	**2,179,000**

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Report to Cabinet

Subject:	**General Fund Revenue Budget 2021/22**
Date:	**11 February 2021**
Author:	**Senior Leadership Team on behalf of Leader of the Council**

Wards Affected

Borough wide.

Purpose

This report sets out revenue budget which aligns to the Gedling Plan priorities, objectives and top actions for the Council for the forthcoming year.

Key Decision

This is a Key Decision because the proposals will have a significant impact on all wards in the borough and include financial implications that are above the threshold of £0.5m determined by Council for decisions to be regarded as a Key Decision.

Recommendation(s)

Cabinet is asked to approve:

i. a 3% discretionary income inflation increase for the individual portfolios as shown in the table at paragraph 2.5.5.

Cabinet is asked to recommend to Council on 4 March 2021:

ii. that the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2021/22;

iii. a provisional Council Tax increase of 2.97% (£5.00) which balances the financing of a Net Council Tax Requirement of £6,471,100 in 2021/22. However, in recognition that the final local government finance settlement for 2021/22 will not be confirmed until 10 February 2021, the recommended Council Tax level will be confirmed at this meeting on 11 February 2021;

iv. that the detailed budget for 2021/22, as detailed in Appendix 2 be approved.

Background

1.1 The Constitution of the Council requires the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed efficiencies.

1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and to present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2021/22 budget proposals together with the Gedling Plan will be presented to Budget Council on 4 March 2021. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.

1.3 This report ensures that these requirements will be met for the 2021/22 budget process.

Proposal

2. <u>Proposed General Fund Budget 2021/22</u>

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

2.2 **<u>Principles Underpinning the Budget Strategy</u>**

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

- Emerging pressures are managed within existing overall budgets;
- Spending is aligned to key priorities as set out in the Gedling Plan;
- Income is only included in the budget where supported by robust proposals and is deliverable;
- The Council will maximise its commercial income where possible to ensure that fee charging services break-even over time and are provided with a nil cost subsidy from the taxpayer where appropriate, or return a surplus where appropriate;
- Where possible, future liabilities are anticipated;
- Budgets are sustainable;
- Savings proposals are supported by project plans and the impact on service delivery is clear;
- Capital and revenue planning must be integrated to ensure that implications are fully anticipated;

- The Council's reserves and balances are not to be used as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

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

2.3 **Central Government Spending Round 2020**

Members will recall that the 2019 Comprehensive Spending Review (CSR) was deferred due the uncertainties presented by Brexit and that this resulted in a one year only spending round. A full multi-year spending review was due to be conducted in 2020 to take into account the nature of Brexit and set out plans for long term reform.

However, in the autumn of 2020 the Chancellor announced that there would be no autumn Budget, focussing instead on continuing the Covid-19 support package. On 21 October the Chancellor confirmed that the planned 2020 CSR, originally launched to set government department budgets for 2021/22 to 2023/24, would not be implemented and instead another one year spending review would be completed.

On 25 November 2020, the Government announced the outcome of the Spending Round 2020. At national level, this announced an increase in the Core Spending Power for local authorities, equivalent to an average cash increase of 4.5% for 2021/22 which is mainly related to increases in funding for social care which is not a district council function.

Similar to the CSR, the Ministry of Housing, Communities and Local Government confirmed in April that the Fair Funding Review and the move to 75% Business Rates Retention would be deferred for a further year to allow councils to focus on meeting the public health challenge. This is the second year that the intended local government finance reforms have been deferred (see paragraph 2.4.9).

The ongoing delays in the CSR and the consequent one year only Local Government Finance Settlements, together with the ongoing deferral of local government finance reforms, means that Councils still have no clarity or certainty of how services will be funded beyond next year which presents incredible challenges, inhibiting meaningful financial planning and the development of a sustainable medium term financial plan. This is further exacerbated by the uncertainties resulting from Covid in terms of ongoing budget pressures, both additional costs and income losses, and how they will be financed.

2.4 **Local Government Finance Settlement (LGFS) 2021/22**

2.4.1 The local government finance settlement is the annual determination of funding for local government, distributing revenue raised from business rates and other funding streams through:

- Revenue Support Grant and Business Rates Retention known as the Settlement Funding Assessment;
- Other Key Grants – e.g. New Homes Bonus; a new Lower Tier Service Grant.

The provisional settlement figures for 2021/22 were announced by the Secretary of State for Housing, Communities and Local Government (MHCLG) on 17 December 2020. The Government's assessment of the Core Spending Power of local authorities, its proposals for the referendum principles for managing excessive council tax increases, and a Covid-19 funding package were also announced as part the Settlement proposals.

A full analysis of the provisional settlement was completed by the Local Government Association and is attached at Appendix 1 for information. At the time of publishing this report the final settlement for 2021/22 had not been announced. An update on the final settlement will be provided at the meeting.

2.4.2 Settlement Funding Assessment (SFA)

The 2021/22 Settlement determines how much Revenue Support Grant central government will give to each local authority in England in 2021/22 and sets the Baseline Funding Level for Business Rates (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base in accordance with the business rates retention scheme).

As detailed in 2.3 the Government announced a one year only Spending Round for 2021/22 and consequently is 'rolling forward' core components of the 2020/21 local government finance settlement without change to offer a one year local government finance settlement for 2021/22. The one year settlement means that there is still no clarity over funding levels after March 2022. This hampers meaningful financial planning at a time when demand pressures are increasing. There is still no detail available regarding when the Fair Funding Review will be relaunched or when the next stage of business rates retention consultation will commence.

As the 2021/22 figures represent a simple roll forward of the previous multi-year settlement period 2016/17 to 2019/20 and the one year settlement for 2020/21, they are presented with the previous periods for comparative purposes in the table below:

Year	Revenue Support Grant £	Business Rates £	**Total SFA £**	Cash (Reduction) /Increase £	Movement from Prev. Year	Movement from 2015/16 (last CSR)
2015/16	2,146,200	2,792,300	**4,938,500**			
2016/17	1,415,700	2,815,500	**4,231,200**	(707,300)	-14.3%	-14.3%
2017/18	780,500	2,873,000	**3,653,500**	(577,700)	-13.7%	-26.0%
2018/19	384,900	2,959,300	**3,344,200**	(309,300)	-8.5%	-32.3%
2019/20	0	3,027,100	**3,027,100**	(317,100)	-9.5%	-38.7%
2020/21	0	3,076,400	**3,076,400**	49,300	+1.6%	-37.7%
2021/22	0	3,076,400	**3,076,400**	0	0%	-37.7%

The total cumulative settlement reductions equate to 37.7% or £1.86m in cash terms over the spending review periods 2016/17-2021/22 compared to the base position of 2015/16. Total settlement reductions compared to the amount received in 2010/11 are £5.8m or 65% by 2021/22. This is the same position as last year.

SFA is reduced to 26% of Gedling's net budget for 2021/22, compared to 60% in 2010/11.

2.4.3 Business Rates Retention – Current 50% Retention Scheme

Business Rates growth compared to baseline funding levels of £3,076,400 for 2021/22 is estimated at **£726,800** giving total income from business rates of £3,803,200, including S31 grants to compensate for new reliefs and indexation introduced by the government since the scheme's introduction (Note: S31 Grants are used by central government to reimburse a local authority for additional activities which are not covered by existing funding methods). This does not include the impact of the Government's one-off compensation scheme for Covid related Collection Fund losses in 2021/22, or the mandated spreading of Collection Fund deficits, further details of which are included in paragraph 2.5.9.

Growth amounts for the medium term are currently forecast at a prudent level of £700,000 due to the uncertainties that remain in the estimation process i.e.:

- the business rates retention scheme has shown volatility in respect of the appeals process, the prediction of future growth, and the potential for significant local impact where a large business relocates/closes; and
- the impact of changes arising from the planned move to 75% business rates retention in 2022/23 remain largely unknown (see paragraph 2.4.9 below);
- potential impacts of Covid-19 on the economy and related business closures.

2.4.4 New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is funded from the centrally retained share of Business Rates income and paid as a separate non-ringfenced grant in addition to the Settlement Funding Assessment.

The principles of the grant are to reward local authorities for each new property completed within their boundary plus an additional reward for returning empty properties back into use. The value of the reward is linked to the national average council tax band D property for a number of specified years, initially set at six years.

When the NHB was introduced, the Department for Communities and Local Government stated in its final scheme design that it was intended to be a predictable, permanent and enduring feature of local government funding. However, since its introduction a number of changes have been made as summarised in the table below:

Scheme Period	Growth Level Awarded	Number of Years of Award
2011/12 – 2016/17	All	6
2017/18 – 2019/20	Above 0.4% Threshold	4
2020/21	Above 0.4% Threshold	1
2021/22	Above 0.4% Threshold	1

During 2016/17 the Government made changes to the NHB with the intention of delivering savings to fund pressures in social care. The main changes to the scheme included:

- Reducing the length of time bonus is paid from six years to four years;
- Introduction of a 0.4% growth threshold, recognising that some housing would be built regardless of the NHB, to remove what Government terms as ‘deadweight’ from the payment. Local authorities need to achieve growth of greater than 0.4% in each year before they receive any NHB funding. For Gedling, this equates to 180 Band D properties before any payment is made. It was considered that the baseline could remove any incentive to grow in relatively low growth areas and penalise areas with limited opportunity to grow.

Last year the Secretary of State for MHCLG stated that it was not clear that the NHB in its current form is focussed on incentivising homes where they are needed most and announced that the government would consult on the future of the housing incentive in the spring. However, this consultation did not proceed due to Covid-19.

The Government have confirmed that NHB will continue for 2021/22 on the same basis as 2020/21, with no change to the way the NHB is calculated with the award being for one year only.

For the period measured for the 2021/22 New Homes Bonus i.e. October 2019 to October 2020, growth in Gedling was 142 band D equivalent houses, equivalent to 0.3% growth. This is below the national baseline of 0.4% and NHB has been confirmed at **zero** for 2021/22. The Council does receive the affordable homes premium based on a growth of 8 units in the period which amounts to **£2,200** which will be paid for one year.

The impact of the scheme changes has been a significantly reduced award as demonstrated in the table below:

New Homes Bonus Projections Compared to 2016/17

Payment Relating to	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£000	£000	£000	£000	£000	£000	£000
2011/12	339						
2012/13	410						
2013/14	366	366					
2014/15	448	448					
2015/16	468	468	468				
2016/17	369	369	369	369			
2017/18		9	9	9	9		
2018/19			11	11	11	11	
2019/20				93	93	93	93
2020/21					270	0	0
2021/22						2	
Total MTFP	**2,400**	**1,660**	**857**	**482**	**383**	**106**	**93**
Reduction from 2016/17		**(740)**	**(1,543)**	**(1,918)**	**(2,017)**	**(2,294)**	**(2,307)**

There remains considerable uncertainty surrounding the future of the NHB scheme. Following the consultation process announced by the Secretary of State it is likely that NHB will be considered in the context of the Fair Funding review and may even be removed as part of the next Comprehensive Spending Review. It is considered prudent for medium term financial planning purposes to assume that zero NHB awards will be available to support revenue financing going forward. Any future awards will be available to support one off projects or an increase in balances to support future budgets.

2.4.5 Lower Tier Services Grant

As part of the provisional local government finance settlement the Government announced a new un-ringfenced Lower Tier Services Grant for 2021/22. The grant allocation methodology is two-fold:

- The first part of the grant is allocated to all lower tier councils on the basis of the 2013/14 Settlement Funding Assessment as the best available relative needs assessment, and for Gedling this equates to **£131,000**;
- The second is a minimum floor funding to ensure that no authority sees an annual reduction in Core Spending Power (CSP) and there is a nominal and real terms increase in CSP when comparing 2020/21 funding to 2021/22 proposed funding. For Gedling this is **zero** because the Government's measure of our CSP is increased by 1.4% for 2021/22. The CSP measure assumes a maximum increase in Council Tax for 2021/22 but this remains a local decision for full Council (see paragraph 2.4.6). The Government is clear that this funding is in response to the current exceptional circumstances and is a one-off. There has though been no consideration of CSP reductions that have been suffered by Councils prior to 2020/21 and therefore appears to protect those Councils that have not previously suffered decreases in NHB irrespective of the already anticipated reductions in their NHB including legacy payments.

2.4.6 Core Spending Power 2021/22 Compared to 2015/16

As part of the Settlement announcements the Government includes its projection and comparison of Core Spending Power for each authority. This demonstrates the movements in spending power for the four year spending review period 2016/17 - 2019/20 together with the 2020/21 spending round and the 2021/22 spending round.

For Gedling the components of Core Spending Power include the Settlement Funding Assessment (revenue support grant and business rates), the Government's estimate of Council Tax Receipts, the New Homes Bonus, Lower Tier Services Grant and S31 grants and these are summarised in the table below:

Core Spending Power 2016/17 to 2021/22

Year	SFA and S31 Grant £m	Assumed Council Tax £m	New Homes Bonus £m	Lower Tier Service £m	Total £m	Movement from Prior Year	Movement from 2015/16
2015/16	5.0	5.5	2.0	0	12.5		-
2016/17	4.2	5.5	2.4	0	12.2	-2.6%	-2.6%
2017/18	3.7	5.7	1.7	0	11.1	-9.0%	-11.2%
2018/19	3.3	6.0	0.9	0	10.2	-7.7%	-18.4%
2019/20	3.1	6.0	0.5	0	9.6	-5.9%	-21.5%
2020/21	3.2	6.3	0.4	0	9.9	+2.3%	-21.3%
2021/22	3.3	6.5	0.1	0.1	10.0	+1.4%	-20.2%

As detailed in paragraph 2.3 the Government reported a 4.5% cash terms increase in Core Spending Power for Local Government as a whole in 2021/22. The table shows a cash terms increase of 1.4% for Gedling in 2021/22 which is 3.1% below the average received by the sector as a whole, predicated on a maximum increase in Council Tax locally of £5 for 2021/22 equating to a total increase in income of £243,700 when compared to 2020/21. However, this will assume increases in council tax base which have not happened. The actual maximum increase in Council Tax equates to £188,000 and so the reported 1.4% increase in CSP is in reality only 0.8%.

The Government's estimate of council tax receipts assumes that District/Borough Councils will increase Council Tax by the maximum possible. However, actual council tax receipts will be determined by local decisions for council tax increases and actual tax base growth. The Government forecast presents a total cumulative reduction in Core Spending Power by 2021/22 of 20.2% when compared to 2015/16**, making Gedling the worst affected Council in England for the second year running.**

2.4.7 Covid Funding Support Package

The Government published proposals for a Local Government Covid Support Package 2021/22 alongside the LGFS. The package covers 4 Covid-19 funding policies providing un-ringfenced grants as detailed below:

a) Covid-19 Expenditure Pressure Grant

Grant to cover all Covid related budget pressures in 2021/22, distributed on the basis of the Covid Relative Needs Formula. Gedling have been allocated **£534,700**;

b) Local Council Tax Support Grant

Funding to meet the additional costs of the local Council Tax Reduction Scheme (CTRS) arising from an increased caseload, to enable CTRS support to continue. The methodology for the grant allocation is subject to consultation. This indicative allocation for Gedling is **£117,700** which is expected to broadly cover the costs based on current estimates for increased caseload**.** Major preceptor will also receive funding directly to cover their share of CTRS costs.

At its meeting on 27 January 2021 Full Council committed to continuing its CTRS unchanged in 2021/22 to ensure support can continue for its financially vulnerable residents;

c) Local Tax Income Guarantee for 2020/21 losses

Funding to compensate local authorities for 75% of irrecoverable losses in Council Tax and Business Rates income in respect of 2020/21. Funding will be based on a comparison of expected income prior to Covid and actual collection. Further details of the current estimate for the funding is provided at paragraph 2.5.9. The local tax income compensation grant funding is estimated at **£718,000** which will part fund the estimated total collection fund losses of £898,000 which results in a net losses of **£180,000** to be funded by the taxpayer. There is no mention of compensation for irrecoverable losses relating to 2021/22 collection which may also be adversely affected as the impacts of the pandemic continue in the economy;

d) Sales, Fees and Charges (SFC) Compensation Scheme Extension

An extension of the current 2020/21 compensation scheme to cover 75% (after accounting first for a 5% deductible of budgeted income) of irrecoverable income losses for the first **3 months** of 2021/22 which is estimated at **£268,000.** The current estimate for sales, fees and charges income losses included in the 2021/22 budget, relating to leisure centres, totals **£1,056,000**. Income losses are expected to continue throughout 2021/22 with full recovery to pre-pandemic levels not anticipated until summer of 2022/23. After accounting for the SFC compensation for the announced 3 month period the net income reductions in the General Fund total of **£788,000**.

Whilst the Covid funding support package is welcome, it was announced before the most recent lockdown restrictions were implemented and the current proposals do not cover Gedling's estimated income losses for 2021/22.

The 2021/22 budget assumes full allocation of the Expenditure Pressure Grant of £534,700 to cover some of the remaining income losses not covered by SFC scheme or the Local Tax Income compensation scheme, leaving a **net cost to the General Fund of £453,300**. Therefore, in the absence of additional government funding, any further Covid pressures arising during 2021/22 will need to be accommodated from savings or cuts in other Council services.

The Council's response to the consultation on the Covid funding package asked Government to consider the ongoing impact of Covid and to extend its support in response to the changing circumstances, in particular, in respect of the SFC scheme to extend it beyond 3 months.

2.4.8 Council Tax Increase Referendum Trigger

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

In the Provisional Settlement the Government announced the referendum limit for 2021/22 for Shire Districts at 2% or £5 whichever is higher. For Gedling the £5 cash limit equates to 2.97% in 2021/22. Any Council which sets an increase greater than the referendum limit and does not get support from the electorate via a referendum will have to revert to a council tax level that is compliant, and bear the costs of re-billing its residents.

2.4.9 **Local Government Financing from 2022/23**

Fair Funding Review

Alongside the local government finance settlement in 2018/19, the Government announced its intention to implement the Fair Funding Review in April 2020, this was deferred for a year due to Brexit and it has been confirmed that this will be delayed for a second year due to Covid-19. It is now expected that the review will be relaunched with a conclusion expected in time for the next Comprehensive Spending Review in 2021. The objective of the Fair Funding Review is to deliver a sustainable funding allocation formula for local government.

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

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

Transitioning to the new funding distribution. The Government recognises that introducing a new needs and resources formula could result in significant changes to the funding baselines of some local authorities. It is therefore intended to introduce transitional arrangements that are fair, transparent and easily understood so that budgetary impacts can be accommodated. The consultation proposes that the starting baseline for the purposes of transition will be a measure of the current funding available to each local authority. This should mean that no authority will see its funding reduce as a result of the new system in the first instance. It is proposed that transition is time-limited, establishing a fixed period of time to enable target allocations to be reached as soon as practicable.

Whilst the need for a transition period is usual in these circumstances there is a risk that the funding reductions of 20.2% that Gedling have suffered since 2015/16, as detailed in the CSP measure, will be locked in for a period if:

a) the outcome of the review is that Gedling's funding is currently too low based on relative needs, which may be the case given that the disproportionate £2.5m funding reductions we have faced are mainly due to the NHB scheme which takes no account of relative needs; and

b) the current CSP is used as the comparative measure to apply protection similar to its use in the new 2021/22 Lower Tier Services Grant floor funding as detailed in paragraph 2.4.5.

Gedling will take an active part in the consultation process to ensure its position is understood and views are represented.

Future of Business Rates and Business Rates Retention

The Government states that it will revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review.

In the summer 2020 HM Treasury launched a consultation 'fundamental review of business rates: call for evidence'. This sought views from all stakeholders on how the business rates system currently works, issues to be addressed, ideas for change and a number of alternative taxes. The Local Government Association (LGA) response to the review stated that 'although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead of, or as well as, a reformed business rates system'.

As part of the 2020 Spending Review, it was announced that there will be no reset of the business rates baseline for 2021/22 which provides some funding certainty for next year i.e. it was anticipated that some existing business rates growth could be removed upon reset, reducing income levels. In his statement to the House of Commons, the Secretary of State confirmed that the Government will work with the sector and Members across the House to seek a new consensus for broader reforms to local government, including the business rates reset, and will ensure that councils are set on a long-term trajectory of sustainable growth and fair resources. It is unclear where this leaves proposals for increasing Business Rates Retention which intended to increase the current 50% retention, initially to 75%, and then to 100%.

2.5 General Fund Budget 2021/22 Summary

2.5.1 The following table summarises the proposed General Fund Budget for 2021/22. The detailed budgets are presented at Appendix 2 together with an explanation of major variances between the original estimate for 2020/21 and the estimate for 2021/22. In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 3. These have been included in both the annual base budget and MTFP calculations.

General Fund Budget Summary 2021/22

Portfolio	Original Budget 2020/21 £	Base Budget 2021/22 £	Variance £
Community Development	1,526,200	1,409,700	(116,500)
Housing, Health and Wellbeing	2,347,500	3,098,700	751,200
Public Protection	1,609,400	1,362,400	(247,000)
Environment	4,844,500	4,749,400	(95,100)
Growth and Regeneration	853,200	780,900	(72,300)
Resources and Reputation	2,174,100	1,503,800	(670,300)
Net Portfolio Budget	**13,354,900**	**12,904,900**	**(450,000)**
Transfer to/(from) Earmarked Reserves	(1,752,200)	(1,250,600)	501,600
Net Council Budget	**11,602,700**	**11,654,300**	**51,600**

2.5.2. **Major Budget Pressures**

The base budget includes the following major budget increases **greater than £50,000,** which are broadly in line with previous medium term financial plan expectations, with the exception of loss of income related to the COVID19 Pandemic;

- Loss of income across all Leisure Centres due to the ongoing impact of the COVID19 Pandemic restrictions is expected to be £1,056,000, which will be partially offset with Grant from the Governments Income Compensation Scheme of £268,000;
- Pay Award of 2% £272,000 has been included pending notification from the National Joint Council of any award to be given;
- An increase in Rent Allowances of £184,000 due to the expectation that overpayment recoveries will be significantly lower in 2021/22;
- Reduction in major planning applications of £100,000, an expected decrease due to planned housing developments in the local plan being completed.

2.5.3 **Major Budget Reductions – Efficiency Programme**

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

The Council's efficiency programme has been developed in accordance with the themes contained in the approved Efficiency Strategy i.e.:

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

Efficiency Programmes – Progress Update

Since 2014/15 Council have approved four separate efficiency programmes totalling £6.5m net of risk provision. Previous progress has been positive and budget reductions achieved have been in line with the profiled estimate.

Progress with the delivery of the remaining 2020/21 to 2022/23 programme of £1.705m (net of risk provision) has been fully reviewed as part of 2020/21 budget monitoring and the 2021/22 budget process. It has always been recognised that there is risk in delivering the full amount of the savings, mainly due to uncertainties inherent in a more innovative commercial approaches and alternative delivery models and this risk has been somewhat exacerbated by Covid-19, for example, in the review of leisure provision which has been significantly adversely affected meaning options for leisure provision will now be considered when the market position has stabilised. As a result non-deliverable efficiencies have now been identified, within the current programme totalling £605,000 (net of risk provision) leaving £1.1m of which £0.5m is expected for delivery in 2020/21, leaving £0.6m still to be delivered in 2021/22 to 2022/23. A new efficiency programme is being proposed as part of this budget report, which broadly replaces the amounts that remain undeliverable from the current efficiency programme as detailed below.

Efficiency Proposals – New Proposal 2021/22 to 2024/25

Due to the reduced delivery of the existing efficiency programme and new budget pressures arising e.g. additional pay award 0.75% above that estimated in 2020/21, a new cumulative efficiency target of £584,000 is proposed for approval and included in the MTFP, made up of the following annual ongoing targets: **2021/22 £254,200; 2022/23 £162,300; and 2023/25 £167,500.** The inclusion of this target maintains the level of efficiencies that are broadly in line with previous expectations and contribute to the achievement of a balanced budget.

The tables below summarise the proposed budget reductions analysed by Portfolio and Reduction type, a detailed list in included in Appendix 6.

Summary of Budget Reduction Proposals

Inclusion in 2021/22 Budgets and MTFP				
Portfolio	**2021/22 £**	**2022/23 £**	**2023-25 £**	**Total £**
Community Development	31,000	0	0	31,000
Housing Health & Wellbeing	28,000	68,000	0	96,000
Public Protection	0	0	54,500	54,500
Environment	62,400	0	113,000	175,400
Growth & Regeneration	45,000	40,000	0	85,000
Resources & Reputation	87,800	54,300	0	142,100
Total	**254,200**	**162,300**	**167,500**	**584,000**

Budget Reduction Proposals Summarised by Type

Summary 2021/22 - 2024/25	**Service Cut £**	**Efficiency and Effectiveness £**	**Income £**	**Total £**
Community Development	0	31,000	0	31,000
Housing, Health & Wellbeing	0	76,000	20,000	96,000
Public Protection	0	0	54,500	54,500
Environment	0	175,400	0	175,400
Growth & Regeneration	0	85,000	0	85,000
Resources & Reputation	0	107,200	34,900	142,100
Total	**0**	**474,600**	**109,400**	**584,000**

2.5.4 **Proposed Revenue Resource Developments 2021/22**

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

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

(a) Revenue Resource Developments 2021/22

Scheme	Revenue Bid 2021/22	Ongoing
	£	£
Tree Management Officer (*to manage and mitigate the risks presented by the Council's tree stocks on Council land as identified on the Corporate Risk Register)*	32,000	32,000
Total Revenue Bids	**32,000**	**32,000**

In addition to the above development bid a review of the Neighbourhood Warden role has been considered in the context of the contribution made to the Council's carbon reduction and climate change agenda and the support provided to the community in that respect. A Neighbourhood Warden post is currently vacant and in order to bring an improved focus to the delivery of Council's own carbon reduction projects and to support wider community initiatives it is proposed that this post be re-designated as a ***Climate Change Officer*** *which will be approved by the Head of Paid Service under normal delegation arrangements*.

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

(b) General Fund Ongoing Revenue Implications of the Proposed Capital Development and Asset Replacement Proposals (excluding borrowing costs)

Description	Capital Budget – For Information	Revenue Costs 2021/22	Ongoing Full Year Effect
	£	£	£
Temporary Accommodation Property Acquisition	1,154,000	0	(15,800)
Burton Road/Station Road Housing Development	2,647,000	0	(18,000)
Leisure Management System Replacement	75,000	18,000	18,000
Total Ongoing Revenue Costs/(Saving)		**18,000**	**(15,800)**

2.5.5 **Discretionary Income Inflation**

The Medium Term Financial Plan includes income inflation at 3% on discretionary income, (excluding leisure DNA memberships, trade waste, building control, town centre car parking), which equates to £88,500, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £29,500.

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

Portfolio	**Discretionary Income** **£**	**1% increase** **£**	**3% increase** **£**
Community Development	(80,900)	(900)	(2,600)
Housing, Health & Wellbeing	(1,492,200)	(14,900)	(44,600)
Public Protection	(612,200)	(6,100)	(18,400)
Environment	(703,500)	(7,000)	(21,200)
Growth & Regeneration	(2,200)	0	0
Resources & Reputation	(56,500)	(600)	(1,700)
Total	**(2,947,500)**	**(29,500)**	**(88,500)**

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

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

2.5.6 **Summary of Significant Budget Changes 2021/22**

In summary, the table below highlights the areas of significant variance in expenditure/income which have been reflected in the base budget 2021/22.

	Budget Impact 2021/22	
	£	£
Original Net Council Budget 2020/21		**11,602,700**
Revenue Budget Pressures		
Reduction in Leisure Centre Income (phased recovery from COVID19) Partially offset with Covid Income compensation scheme 3 months (Leisure)	1,056,000 (268,000)	
Provisional 2021/22 Pay Award 2%	272,000	
Additional Pay Award 2020/21 0.75%	101,600	
Increase in Rent Allowances	184,000	
Reduction in Major Planning Applications Income	100,000	
Increased Contribution to IT Replacement Reserve	40,000	
Reduced Investment Interest	35,000	
Increase in Electoral Register Postage Costs	27,300	
Reduction in Housing Benefit Administration Grants	26,800	
Reduced Market Income due to development	10,000	
Other minor variances (net)	(300)	
Total Pressures		**1,584,700**
Revenue Budget Growth		
Establishment of Tree Inspector Post	32,000	
Leisure Management System ongoing maintenance	18,000	
Total Growth		**50,000**
Efficiency/Budget Reduction Programmes		
Previously Approved Programmes	(171,300)	
Removal of 2020/21 Risk Provision	(100,000)	
Removal of Transformation Fund (one off)	(250,000)	
New Proposed Efficiency Programme	(254,200)	
Total Efficiency Programme (net impact)		**(775,500)**
Provisions		
Covid-19 Expenditure Pressures Government Grant	(534,700)	
Total Provision		(**534,700)**
Other Base Budget Reductions		
Removal of Asset Management Fund (one off)	(100,000)	
Fees and Charges Income Inflation (see para 3.6.5)	(88,500)	
Increase in Vacancy Provision	(30,000)	
Bestwood Country Park Contract Variation	(15,000)	
Increase in Civic Centre Rental Income	(39,400)	
Total Other Budget Reductions		**(272,900)**
Net Increase in Budget 2021/22		51,600
Proposed 2021/22 Net Council Budget		**11,654,300**

Note: In addition to the above 2021/22 budget changes and future inflationary increases the MTFP includes the following:

- Elections costs in 2023/24 £133,500;

- Assumptions about the transfer of Housing Benefit administration to the Department of Works and Pensions following the introduction of Universal Credit have been made including the deferral of the roll-out announced by the Government. The net cost to the authority is now expected to be £25,000 in 2022/23 rising to £100,000 by 2025/26.

2.5.7 **Review of Balance Sheet Reserves**

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

The Council's minimum General Fund Balance requirement is set at £1m. This is a change from previous years when the minimum balance was set at 7.5% of the Net Council Budget but as the net budget continues to reduce this methodology was setting the minimum at a level which, in the currently climate, is now considered to be too low (e.g. £870,000 for 2020/21) to manage emerging risks, for example ongoing uncertainties related to Covid. The General Fund balance is currently projected to be in excess of the minimum by £1.4m at 31 March 2022. The medium term projection on the General Fund Balance is detailed in the Medium Term Financial Plan summary at paragraph 3 below.

Earmarked Reserves on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks. The estimated movement on reserves for 2020/21 and 2021/22 are detailed at Appendix 4 and show expected balances of £3.47m at 31 March 2022. Whilst the majority is set aside to cover specific risk issues e.g. insurance risks, to support approved capital projects, to support ongoing service provision, including ring-fenced partner funds and grants, they may be diverted to support general expenditure should the need arise. In the region of £400,000-£500,000 remains that does not have specific approved plans which could be reclassified for general use. If spending pressures did arise in those 'earmarked' areas, in-year additional savings would need to identified at that time. The MTFP at paragraph 3 assumes that the reclassification of £500,000 earmarked reserves will be required in 2022/23 to support the budget. This will be kept under review and considered in the light of the outturn position for 2020/21 and detailed recommendations made for reclassification if required.

2.5.8 **Financing of the Capital Programme**

As detailed in the Capital Programme report earlier on this agenda it is currently forecast that borrowing will be required to finance part of the capital programme in 2021/22 to 2025/26. Borrowing has an impact on the revenue budget in terms of interest costs and principal repayment. This is reflected in the Medium Term Financial Plan.

2.5.9 **Collection Fund**

Council Tax

On 15 January each year, the Council is statutorily obliged to prepare an estimate of its Collection Fund transactions for Council Tax, and its expected position at 31 March. This estimate enables Gedling and the three major precepting authorities to take account of any anticipated surplus or deficit on the Fund when they set their own authority budgets.

As detailed in Appendix 5 a deficit of £515k was declared on 15 January 2021, for the estimated position at 31 March 2021. This is net of the "spreading adjustment" of £414k, which represents 2/3 of the in-year deficit of £622k, which is largely due to the impact of Covid-19 on the Council Tax collection fund, and ensures that the full financial impact of the deficit does not fall on a single year's accounts. The spreading adjustment is required by regulations which came into force on 1 December 2020. The declared deficit of £515k will be shared by the preceptors, with the sum of £48k falling on the General Fund in 2021/22.

To mitigate the exceptional deficit due to Covid-19, the Government is to provide Local Tax Income Loss Compensation to local authorities (as detailed in paragraph 2.4.7). A calculation will be made on 31 March 2021 to measure the difference between the actual Council Tax receivable for 2020/21 (adjusted for the originally expected collection rate) and the Council Tax Requirement used for the 2020/21 budget setting in March 2020. Income Loss Compensation will be calculated as 75% of this amount. The shortfall in income receivable for 2020/21 has been estimated at £879k, and compensation as £659k. Gedling's share of this compensation is estimated to be £61k.

Business Rates

The Business Rates Collection Fund balance at 31 March 2020 was slightly better than forecast and resulted in a deficit of only £0.671m being carried forward, compared to the estimated deficit of £0.789m declared in January 2020 for collection in 2020/21 - a decrease of £0.118m.

An estimated deficit of £12.135m at 31 March 2021 was declared in January 2021 for the anticipated position at 31 March 2021, however this is mitigated by additional S31 grant of £11.555m paid to the General Fund in respect of the expanded retail relief due to Covid 19 in 2020/21. As with Council Tax, the remaining exceptional in-year deficit is subject to a spreading adjustment to ensure that the full impact does not fall on a single year's accounts. The net deficit declared (excluding S31) is £582k, of which Gedling's share of 40% is £233k, and this will fall on the General Fund in 2021/22.

To mitigate the exceptional deficit due to Covid-19, the Government is to provide Income Loss Compensation to local authorities. A calculation will be made on 31 March 2021 to measure the difference between the actual Rating income (adjusted for the additional S31 grant) and the estimated rating income in January 2020. Compensation will be calculated as 75% of this amount. The shortfall in rating income receivable for 2020/21 has been estimated at £2.190m, and compensation as £1.642m. Gedling's share of this compensation is estimated to be £657k.

Note: Business Rates Reliefs
As detailed above the addition reliefs provided by the Government due to Covid will be fully funded by s31 grant from Government. However, due to the technical accounting requirements there will be a timing difference between the receipt of the grant which must be accounted for in 2020/21 and the collection fund deficit created by the awarding of the reliefs which will not need to be paid until 2021/22 (this element of the collection fund deficit cannot be spread over 3 years). Therefore, at the 2020/21 year end there will be a surplus in the General Fund balance of approx. £4.6m (Gedling's share) which must be retained for payment of the £4.6m deficit in 2021/22.

2.5.10 **Business Ratepayers Consultation**

There is a statutory requirement to consult with business ratepayers on the budget proposal. The consultation has commenced and any responses will be reported at the meeting.

3. MEDIUM TERM FINANCIAL PLAN

3.1 The implementation of the Local Government Act 2003, which introduced a requirement for the Council's Chief Financial Officer to comment on the robustness of the Council's estimates, and the need to look at the medium term (3 years) in order to produce the required indicators as detailed in the Prudential Code, means greater emphasis needs to be placed on the Council's medium term financial planning. Although an absolute requirement to look over three years is required, it is considered good practice to look over as long a period as is reasonable. This Council has a history of producing a Medium Term Financial Plan (MTFP) over a 5 year horizon and this is still considered the appropriate period for this authority.

3.2 The MTFP 2021/22 to 2025/26 is presented against a backdrop of major and unprecedented uncertainty, primarily due to the Covid-19 pandemic, which has resulted in difficulties in forecasting both funding and spending pressures beyond next year, namely:

- One year Government Spending Round and one year Local Government Finance Settlement;
- A further deferral in planned local government finance reforms, the Fair Funding Review and Business Rates Retention, now expected to be announced with Settlement late in 2021;
- Covid expenditure pressures and income reductions are uncertain;
- Downward pressure on pay awards (see note below).

3.3 The following table identifies the impact of all the proposals and assumptions that are contained in this report:

- Planned budget reductions and efficiency savings (paragraph 2.5.3)
- The incremental increase in base revenue expenditure from 2020/21 and budget growth items (paragraph 2.5.4);
- Pay Award of 2% per annum 2021/26. It should be noted that the Chancellor of the Exchequer announced a 2021/22 pay freeze for public sector workers earning above £24,000 pa and 1% for those earning less (excluding NHS staff). The Local Government pay award is not determined by Central Government and is subject to separate negotiation. Whilst the Central Government pay award usually indicates similar restraint in local government these are not normal times. Local Government staff have also been key workers at the forefront of Covid support to its communities and that, together with previous pay restraint over the long period of austerity still meaning many have not received a real terms increase in pay since that time, and the Government's target for inflation remaining at 2% for the MTFP period, it is considered prudent to retain this as the pay award forecast.
- Fees and charges to be increased by an average 3% (paragraph 2.5.5);
- Anticipated cost of borrowing to finance the capital programme for 2021/2026;
- A £5 Band D Council Tax increase (42p per month for a Band D property and 28p per month for a Band A property) has been assumed for 2021/22. Beyond that a £5 or 2% Council Tax increase, whichever greater, has been assumed for each year of the MTFP in line with the maximum possible without triggering a referendum. However, future council tax increases will be dependent upon future spending decisions, total local government funding and the achievement of efficiency savings;
- Reclassification of Earmarked Reserves back to General Fund Balance in 2022/23 £500,000 (subject to review as detailed in paragraph 2.5.7)

Based on the current information available, in order to achieve a balanced MTFP and ensure the Council's balances do not fall below the minimum required, additional ongoing budget reductions or funding increases of £600,000 will be required in the following profile: **£500,000 in 2022/23; £100,000 in 2024/25** and these are included in the summary MTFP table below. Any new demand pressures arising will require an increase in these budget reduction/savings projections to maintain a balanced budget.

Whilst these budget reductions are not yet supported by outline business plans meaning this aspect of the financial plan is less robust, given the prevailing backdrop of funding uncertainty detailed in paragraph 3.2 and that the first savings are not proposed for delivery until year 2 of the MTFP this gives the Council a good lead in time for developing detailed plans if required. The Council will not be complacent and will consider options for potential budget reduction options during 2021/22 which can be implemented from 2022/23 in the event that additional funding is not available in the next Local Government Finance Settlement.

The table below demonstrates a balanced medium term plan with a projected surplus on balances at the end of year 5 (2025/26). Whilst the budget still requires a contribution from balances in year 5, the inclusion of a higher savings projection to that detailed above is not recommended due to the uncertainties surrounding the future of local government funding. Given the many variables in the medium term financial plan there will be sufficient time to address any future imbalance that may arise.

MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2025/26 - HIGH LEVEL SUMMARY

	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Net Council Budget	11,654,300	11,381,700	11,366,700	11,410,600	11,672,700
Financed by					
SFA Business Rates Baseline	(3,076,400)	(3,138,000)	(3,200,700)	(3,264,800)	(3,330,000)
SFA – Revenue Support Grant	0	0	0	0	0
Lower Tier Grant	(131,000)	0	0	0	0
NNDR Growth/ Collection Fund(Surplus)/Deficit/ S31 Grant	(726,800)	(520,000)	(520,000)	(700,000)	(700,000)
NNDR Losses Grant	(656,900)	0	0	0	0
NDR Deficit re Reliefs 2020/21	4,621,000	0	0	0	0
Council Tax Deficit/Losses Grant/CTRS Support	(131,000)	19,100	19,100	0	0
New Home Bonus - Current	(2,200)	0	0	0	0
New Homes Bonus - Legacy	(104,300)	(93,100)	0	0	0
Less: Amount (from)/to Balances	(4,975,600)	(924,900)	(673,600)	(183,500)	(114,900)
Council Tax Requirement	6,471,100	6,724,800	6,991,500	7,262,300	7,527,800
Council Tax increase	£5 (2.97%)	£5 (2.89%)	£5 (2.81%)	£5 (2.73%)	£5 (2.66%)
Tax Base	37,390	37,765	38,190	38,615	38,990

The MTFP above assumes that a £5 increase will be applied between 2021/22 and 2025/26 but the actual increase will be determined on an annual basis by Council.

Expected balances at year end	2,398,700	1,973,800	1,300,200	1,116,600	1,001,800
Required balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(Surplus)/Deficit on required balances	**(1,398,700)**	**(973,800)**	**(300,200)**	**(116,600)**	**(1,800)**

Note: Actual General Fund Balance at 1 April 2020 was £3,909,200 and the estimated balance at 1 April 2021 is £7,274,300 which includes the s31 grant for the funding of 2020/21 business rates reliefs, which will fund the related Collection Fund deficit of £4,621,000 (as detailed in 2.5.9 and the table above). Estimated balances assumed the reclassification of £500,000 of Earmarked Reserves back to General Fund Balance in 2022/23.

4. COUNCIL TAX

4.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2021/22.

4.2 Gedling's share of the council tax for a band D property for 2020/21 is £168.07. The level of council tax for 2021/22 depends on the extent of service reductions/developments and financial risk issues (see paragraph 5 below) that the Council decides to provide for in the budget for next year. For illustration, an increase in council tax by 1% provides additional funding of £62,800. In the above MTFP a £5 (equivalent to 2.97%) increase has been assumed for 2021/22. **The MTFP at paragraph 3.2 assumes that a £5 increase will be applied for the whole period of the plan but the actual increase will be determined on an annual basis by Council**. The maximum council tax increase that a shire district can apply without triggering a referendum is £5 or 2%, whichever is greater. To illustrate the impact of the £5 increase, the overall position in terms of the increase for the year ahead on each band would be as follows:

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

5. ROBUSTNESS OF ESTIMATES

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

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

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

The key strategic risks in considering the 2021/22 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are detailed in paragraphs 5.2 to 5.8 below.

5.2 Financial Settlement/Funding Streams

The originally planned 2019 Comprehensive Spending Review was deferred due to Brexit and the subsequently intended 2020 Comprehensive Spending Review has been deferred due to the Covid-19 pandemic resulting a second, one year only Local Government Finance Settlement. The deferral of the CSR for 2 years has had a knock on impact onto the timing of the planned local government finance reforms i.e. Fair Funding Review and Business Rates Retention with these also being deferred. This means that Councils still have no clarity or certainty of how services will be funded beyond next year which presents incredible challenges, inhibiting meaningful financial planning and the development of a sustainable medium term financial plan. This is further exacerbated by the uncertainties resulting from Covid in terms of ongoing budget pressures and how they will be financed.

Prior to the announced deferral of the 2020 Comprehensive Spending Review in March the Treasury indicated that the Spending Review envelope would be less generous than the 2020/21 spending round and that the Chancellor would increase funds for the NHS but few other areas, and in launching the Spending Review he was clear that given the impact on the economy there will need to be tough choices in other areas of spending asking departments to identify opportunities to reprioritise and deliver savings, indicating that there will be no significant increase in funding. Whilst ultimately the 2020 Spending Round announced a 4.5% real terms increase in Core Spending Power for the local government sector in 2021/22, this has not applied to Gedling which only reported a 1.4% cash (i.e. not real terms) increase. There is also no commitment to full funding for Covid-related pressures. The overall message is one of continuing financial restraint which in itself creates some degree of inherent risk. The following specific items carry a particular risk for this authority:

- **<u>Business rates retention/Fair Funding Review</u>**: The extension of the business rates retention scheme and implementation of the Fair Funding Review was planned for 2020/21 but this has now been delayed for a second year until 2022/23 to coincide with the next spending review period with announcements on wider local government finance reforms expected in time for the Local Government Finance Settlement 2022/23. The Government continues to pilot the 100% business rates retention scheme but has not introduced and new pilots in 2021/22.

  The 2021/22 settlement is for a another one year period only and it is a concern that there is no clarity over funding levels after March 2022. This hampers meaningful financial planning at a time when demand pressures are increasing.

  The intention of the retention scheme is that it will be fiscally neutral and in order to achieve this, additional responsibilities will need to be transferred to Local Government. Any retention of business rates will still require a mechanism to ensure funding is distributed in respect of need which will create winners and losers which will be determined by the Fair Funding Review. With an obvious emphasis already included in the Spending Review to support upper tier authorities in respect of their funding for social care, there is a real risk that district councils could lose further under any new allocation process. In addition, care will be needed to ensure that new transferred responsibilities are capable of being fully funded in both the short and long term.

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

- **New Homes Bonus**: the main body of the report at paragraph 2.4.4, identifies the significant impact that changes to this funding stream has for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in a significantly reduced awards since 2016/17.

  In line with the line with the one year only local government finance settlement, the NHB award has continued on a one year only basis for 2021/22. Previously the government has stated that it is no longer clear that the NHB in its current form is focussed on incentivising homes where they are needed most and they plan to consult on the future of the housing incentive in the spring which has been deferred due to Covid-19. Following the consultation process it is likely that the future of NHB will be considered in the context of the Fair Funding review and may even be removed as part of the 2021 Comprehensive Spending Review.

  Whilst there may still be an opportunity to receive NHB in the future it is considered that there is a significant downside risk to this arising and it is not prudent to rely on this funding stream to support the revenue budget. This risk came to fruition for 2021/22 as Gedling received a zero award because growth was below the threshold. Therefore the MTFP assumes future payments will be zero. In the event that the Council does receive some NHB in the future, this will be used to support projects or be transferred to balances to support future budget setting.

- **Council Tax**: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by 2% or £5 per annum whichever is greater and that growth in the tax base will recover from the adverse impact of Covid due to the increased Council Tax Reduction Scheme caseload and will increase by the creation of additional hereditaments. These may be optimistic assumptions and in any case leave very little room for local discretion to set a higher Council Tax in order to plug any funding gaps. The MTFP contained in this report assumes that a £5 increase will be applied between 2021/22 and 2025/26 but the actual increase will be determined on an annual basis by Council. In the absence of additional ongoing funding in the local government finance settlement, any Council Tax increase below the £5 will require an increase in the efficiency/budget reduction targets to ensure that a balanced MTFP is secured.

- **COVID19:** There remains a significant amount of uncertainty and risk around the financial impact of Covid-19 in the medium terms in respect of the ongoing response work that may be required, increased demand pressures arising from the economic downturn e.g. increased business closures and unemployment, and the ongoing impact on income for

Council services e.g. leisure, and local tax collection reductions. There remains a risk that the Covid financial impacts are higher than estimated and in the absence of additional government funding these will need to be met from an increase in savings/budget reductions in other Council services.

- **<u>Economic Growth/Inflation</u>**: The Chancellor announced that there would be no autumn budget and a one year only spending review for 2020 to enable a focus on managing the Covid-19 pandemic. Covid-19 has had a major adverse impact on the economy and the related ongoing uncertainly creates major challenges for economic forecasting. With effective vaccines the economic outlook is improved which may allow GDP to rise back to pre-pandemic levels late in 2022, a year earlier than expected and meaning that unemployment might peak at 7% in 2021 rather than 9%. The final Brexit trade agreement was reached in December 2020 eliminating a significant downside risk for the UK economy. There is further work to be done on to reach a permanent agreement in respect of the services sector. Without a multi-year settlement or an understanding of what the Fair Funding Review or business rates retention will bring any future pressure arising from an economic downturn e.g. business closures, additional support for the vulnerable, would need to be managed within local resources i.e. from further budget reductions or efficiencies.

  Inflation assumptions have been incorporated in the MTFP as detailed in Appendix 3, including pay award. The Chancellor removed the 1% public sector pay cap in 2018/19 and since then pay increases equated to an average 3% for 2018/19, 3.1% for 2019/20 and 2.75% in 2020/21. These increases still do not represent a real terms increase at a level that recovers the pay freezes experienced through the previous years of austerity. The Chancellor of the Exchequer has announced a 2021/22 pay freeze for public sector workers earning above £24,000 pa and 1% for those earning less (excluding NHS staff). The Local Government pay award is not determined by Central Government and is subject to separate negotiation. Whilst the Central Government pay award usually indicates similar restraint in local government these are not normal times and with the Government's target for inflation remaining at 2% for the MTFP period, it is considered prudent to retain this as the pay award forecast. However, given the uncertainties in the economy present there is an upside financial risk that future awards could be lower than 2% if a period of public sector austerity ensues and is reflected in local government finance reforms and Settlement.

5.3 A minimum balance of £1m on the General Fund is recommended by the Chief Financial Officer to be a prudent amount given the scale of the business conducted by the Council. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial position in the medium term.

5.4 The (surplus)/deficit on balances in the MTFP table in 3.2 shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £1,398,700 in 2021/22 declining to £1,800 by the end of 2025/26. Achievement of this position is reliant upon efficiency plans being progressed and delivered during the period of the MTFP or additional funding being made available via the local government finance reforms. Underlying this is an annual deficit between the amounts of income expected and anticipated expenditure which needs to be managed beyond the five-year horizon but this is significantly reduced to manageable levels with the inclusion of the efficiency/savings programmes. However this still does not leave significant capacity to manage future budget and inflation pressures that may arise which will have to be managed by further budget reductions.

The Council has a substantial programme of budget reductions planned for delivery, as detailed in paragraph 2.5.3. Whilst risk provisions and transformation funds have previously been approved, (which mitigate the risk of non-delivery) and in the main the delivery of the programme has gone well, more recently difficulties have been experienced particularly with regards to projects that contain uncertainties inherent in more innovative commercial approaches and the impacts of Covid-19 which presents an increasing downside risk to successful delivery. Programmes are regularly monitored and progress reported to Cabinet to manage this risk and as detailed in paragraph 2.5.3 new efficiency proposals recommended to ensure this downside risk is effectively managed.

The challenges that lie ahead remain equal to those in previous years, but this plan is considered robust. Gedling is not alone in facing this challenge - it is a national problem - and it is better placed than most councils to react and to develop strategies to meet the set efficiency targets.

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

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

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

5.7 There is an increased risk arising from these assumptions and it has been necessary to increase minimum balances to £1m from 7.5% of net projected expenditure (approx. £850,000). As the Council is responding to the challenges through efficiency measures and service reductions it is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan will not be easy to deliver.

5.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to still be at a manageable level, although it should be expected that there may need to be some contraction of service delivery/performance if existing efficiency plans do not proceed in line with expectations or there are funding reductions following the implementation of the Fair Funding Review.

6. <u>Risk Assessment</u>

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

Risk	Impact	Comments
Time	Medium	Gedling has always aimed to be at least one year ahead of the budget reductions it needs to make, so that any changes required are as trouble free as possible. Efficiency plans to meet the approved targets will continue to be implemented over the next 4 years to help balance the MTFP.

Viability	Medium	The ongoing deferral of the Comprehensive Spending Review (CSR) and local government finance reforms and resulting one year only Settlement, together with the reduction in New Homes Bonus and ongoing impacts of Covid19, increases the risks to the finances of the Council; Whilst it has reserves to cushion the impact, these are quickly reducing and delivery of the approved efficiency programmes will be essential.
Finance	Medium	With the continued removal of central government support, the Council will increasingly rely on income generated by local fees and charges, and council tax, and these will need to consistently increased year on year to offset the momentum of continual reductions in available budgets. Covid19 presents an additional risk to income levels for which the recovery period in uncertain
Profile	Medium	The achievement of a balanced and sustainable MTFP is reliant upon the effective delivery of the efficiency programme, with £1.2m planned for delivery 2021/22 to 2024/25. In the absence of additional funding following the next CSR, further budget reductions of £0.6m over 2022/23 to 2024/25 will be required.
Adaptability	High	Working with partners will be essential to successfully respond to the challenges that face the Council. The joint work with the DWP has provided a positive model of partnership working and Gedling is working more closely with the Police and the local Clinical Commissioning Group to work laterally across the sector.

7. Equality Issues

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

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

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

8. Key Decision Thresholds

In accordance with the Council's Constitution, full Council will in each year determine the financial thresholds for each service or function above which expenditure or saving is regarded to be significant and should therefore be regarded as a Key Decision. Traditionally the threshold has operated at above £0.5m and it is proposed that this value be continued for 2021/22.

9. Alternative Options

Cabinet could consider recommending an alternative budget and service plan. Recommending an alternative budget may alter the level of recommended Council Tax for 2021/22. If Cabinet chose not to recommend a budget to Council this would be in contravention of the Council's Constitution and would not be in compliance with the Local Government Finance Act 1992.

10. Financial Implications

As detailed in the report.

11. Legal Implications

It is a statutory requirement under Local Government Finance Act 1992 that the budget is presented to Council for approval. The budget has been prepared taking into account the Council's Gedling Plan priorities and Council objectives for the coming year, as well as with regard to statutory requirements.

12. Carbon Reduction/Environmental Sustainability Implications

The Council has committed through the Gedling Plan to promote a sustainable environment, recognising the responsibility it has to safeguard the local environment by reducing its own Carbon Footprint, and working with the local community to reduce global warming. This commitment impacts on the budget in terms of investments and expenditure required to deliver such changes, and in considering the risk of climate change to the Council in terms of impact on its residents and delivery of services.

13. Appendices

Appendix 1 - Local Government Association Settlement Briefing
Appendix 2 - Detailed Gedling Plan Portfolio Budgets 2021/22
Appendix 3 - Major Price Indices – Medium Term Financial Plan
Appendix 4 - Movement on Earmarked Reserves
Appendix 5 - Council Tax Collection Fund Estimate 2021/22
Appendix 6 - Summary of Budget Reduction Proposals 2021/22 – 2024/25

14. Background Papers

- Central Government Report – Local Government Finance Report 2021/22
- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2021/22
- Capital Programme and Capital Investment Strategy 2021/22 to 2025/26
- Gedling Plan 2020/21 to 2022/23

15. Reasons for Recommendations

To obtain approval of the General Fund Revenue Budget 2021/22 for referral to Council.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 2 February 2021

Approved by: Monitoring Officer

Date: 2 February 2021

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Local Government Association
Provisional Local Government Finance Settlement 2021/22
On the Day Briefing
17 December 2020

Local Government Association

Briefing

Introduction

The local government finance settlement is the annual determination of funding to local government from central government. This briefing covers the provisional local government finance settlement for 2021/22. We expect the final 2021/22 settlement to be laid before the House of Commons, for its approval, in late January or early February 2021.

The LGA has issued a media statement responding to today's statement.

Key messages

- The settlement indicates that core spending on local services has the potential to increase by £2.2 billion in 2020/21, an increase of 4.5 per cent. Extra money to meet COVID-19 costs, new funding for adult and children's social care and for councils with responsibility for services such as homelessness, planning, recycling and refuse collection will help meet cost and demand pressures next year.

- However, more than 85 per cent of the potential core funding increase next year is dependent on councils increasing council tax by up to 5 per cent next year. This leaves councils facing the tough choice about whether to increase bills to bring in desperately needed funding to protect services at a time when we are acutely aware of the significant burden that could place on some households.

- Council tax rises – particularly the adult social care precept – have never been the solution to the long-term pressures faced by councils, particularly in social care which is desperately in need of reform. Increasing council tax raises different amounts of money in different parts of the country, unrelated to need.

- Councils also need clarity and certainty about how all local services will be funded over the next few years and beyond. Next year we need a multi-year settlement and meaningful progress towards a long-term, sustainable solution to the funding crisis our adult social care services continue to face. There must be no further delays to the process of reform.

- It is vital that the Government guarantees the financial challenge facing councils as a result of COVID-19 will be met in full, including funding for cost pressures and full compensation for lost income and local tax losses.

Laura Johnson, Public Affairs and Campaigns Adviser
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- The Government must urgently publish next year's public health grant settlement so councils can get on with the job of helping keep their communities healthy and resilient, in the face of the ongoing pandemic.

- The Government needs to work closely with councils during its review of the New Homes Bonus as soon as possible to allow them to plan their 2022/23 budgets and into the future.

- The impact of the pandemic has not changed the way general Government grants are distributed between councils which remains complex, opaque and out of date. We are calling on the Government to resume the Fair Funding Review, but with a guarantee that the transitional mechanisms ensure that no councils experience a loss of income.

- The Government must use its review of business rates to determine the future of the tax - which accounts for around a quarter of all council spending power - and shift attention towards developing new sources of finance for councils and different ways of incentivising growth.

- We will continue to promote the role councils play in making a huge difference to the lives of our residents and communities. As we prepare our response to the 2021 Budget and look ahead to the Spending Review, we will be campaigning for local services to be provided with a long-term, sustainable future which gives councils clarity and certainty over their funding. This will allow local government to play our full part as we improve outcomes and value for money in public services, rebuild our economy, get people back to work, level up inequalities some face and create new hope in our communities.

Council Tax Referendum Principles

The following council tax referendum principles were announced:

  - a core principle of up to 2 per cent applying to shire county councils, unitary authorities, London borough councils, the City of London, the Isles of Scilly, the GLA general precept and fire and rescue authorities.
  - a continuation of the Adult Social Care precept, with an additional 3 per cent flexibility available for social care authorities on top of the core principle. This can be spread over two years.
  - 2 per cent or £5, whichever is higher, for shire district councils.
  - £15 for Police and Crime Commissioners.
  - no referendum principle for Mayoral Combined Authorities or town and parish councils.

The settlement in detail

The Ministry for Housing Communities and Local Government (MHCLG) has announced the provisional local government finance settlement for 2021/22.

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

Today's statement is broadly in line with the indicative figures for 2021/22 announced in the 2020 Spending Review in November 2020.

The closing date for responses to the consultation document to MHCLG is 16 January 2021. We expect the final settlement to be published in late January / early February 2021.

The 2021 Annual Local Government Finance Conference will take place online in two parts on 7 and 12 January 2021 and will provide further analysis of the settlement. During these webinars, you will have the chance to explore the latest developments in local government finance and what their implications are for local authorities, as well as the opportunity to share your views directly with central government. You will need to make two separate bookings if you wish to participate in the webinar on 7 January 2021 (Part I) and the webinar on 12 January 2021 (Part II).

Core Spending Power

The Government figures indicate that Core Spending Power will rise by an average 4.5 per cent in 2021/22 in cash terms. These Government forecasts are on the assumption that every local authority will raise their council tax by the maximum permitted without a referendum.

Core Spending Power in 2021/22 consists of:

- Settlement Funding Assessment (which consists of Revenue Support Grant, which will increase by £12.8 million and the baseline funding level (BFL) which is unchanged for 2021/22);
- Compensation for under-indexing the business rates multiplier; this relates to the multiplier freeze for 2021/22 as announced in the Spending Review as well as historic caps on multiplier increases and uprating the multiplier by the Consumer Price Index instead of the Retail Price Index;
- Income from the New Homes Bonus;
- The Social Care Grant for 2021/22;
- Improved Better Care Fund;
- A new Lower Tier Services Grant;
- Rural Services Delivery Grant;
- Income from council tax assuming that the tax base grows, and councils increase council tax by the 2 per cent basic referendum limit in 2021/22 as well as the maximum possible social care precept in 2021/22, and the additional flexibilities for shire districts.

Detailed Core Spending Power figures are included in Annex A.

LGA view:

- It is good that the Settlement has provided a potential increase of 4.5 per cent in council core spending power to support vital local services. However, this assumes that council tax bills will rise by maximum allowable levels, including 5 per cent for social care authorities, next year, and this will place a significant financial burden on households in a year of economic uncertainty. If councils choose to spread the increase in the adult social care precept over two years the increase will be less than 4.5 per cent.

- The ability to raise extra council tax remains a sticking plaster and not a long-term solution.

- We look forward to working with the Government to ensure that the 2021 Spending Review provides sustainable long-term funding for local services.

COVID-19 Funding

As part of package of support to local authorities in England for COVID-19 pressures in 2021/22 the Government:

- Confirmed allocations of the £1.55 billion of unringfenced funding to meet expenditure pressures in 2021/22, distributed using the COVID-19 Relative Needs Formula. This formula includes population and deprivation factors, as well as an area cost adjustment to account for the differing costs of delivering services across the country. The additional funding for COVID-19 pressures next year is not included in Core Spending Power.

- Set out how losses in scope of the guarantee to compensate for 75 per cent compensation of irrecoverable 2020/21 business rates and council tax losses will be measured. For council tax, this is broadly a comparison of each authority's council tax requirement and an adjusted Net Collectable Debit. For business rates, this is broadly a comparison of income as calculated in the National Non-Domestic Rates ('NNDR') statistical collection forms 1 and 3.

The Government is consulting on the other financial support measures included in the COVID-19 2021/22 package:

- The Government intends to distribute the £670 million to support households least able to afford council tax payments in 2021/22 based on the proportion of working-age local council tax support caseload using data from quarter 1 and quarter 2 of 2020/21, adjusted to reflect the average bill per dwelling in the area. Under this methodology the Government plans to pay allocations as section 31 grants directly into the general funds of billing and major precepting authorities in April. Provisional allocations of this funding and a detailed methodology note will be published here shortly.

- The Government has proposed a continuation of the Sales, Fees, and Charges compensation scheme for the first three months of 2021/22 and to use a quarter of each council's 2020/21 budgeted income as the baseline from which to assess losses.

The consultation, as well full details on the COVID-19 funding package for local government in 2021/22 published today, is available here. The consultation deadline is 14 January.

In the consultation document accompanying the provisional settlement, the Government confirms that it will, once the pandemic is over, continue to work with local government to understand the lasting impact the COVID-19 pandemic has had on both service demands and revenue raising.

LGA view:

- Council services have been critical in the fight against COVID-19 and it is good that the Chancellor has provided further funding for councils to manage the cost pressures and income losses they face as a result of the pandemic.

- The Chancellor's pledge to compensate for 75 per cent of irrecoverable council tax and business rates income, and to extend the scheme to fund a portion of councils lost income from fees and charges during the early part of the next year provide some much-needed stability but will need to be reviewed and probably extended.

- We welcome the Government's commitment to work with local government on the lasting impact of the COVID-19 pandemic. It is vital that the Government guarantees the financial challenge facing councils as a result of COVID-19 will be met in full, including funding for cost pressures and full compensation for lost income and local tax losses.

Council tax

The basic referendum principle for 2021/22 is proposed to be 2 per cent, with the exception of shire district authorities, for which the higher of either 2 per cent or £5 (on a Band D bill) applies.

As previously announced, social care authorities will be able to levy a 3 per cent adult social care precept (in addition to the existing basic referendum threshold of 2 per cent referred to above). This can be spread over two years.

There will be no referendum principles for mayoral combined authorities (MCAs).

The Government will continue with its policy of not setting referendum limits for parish and town councils. It will take account of the increases set by parishes in 2021/22 when reviewing the matter ahead of next year's settlement.

As announced in the Spending Review, Police and Crime Commissioners (PCC), including the Police element of Greater London Authority, and the PCC component of the Greater Manchester Combined Authority precept will be allowed to increase by £15.

The Government is awaiting proposals from the Mayor of London, as part of the responses to this consultation, on the GLA referendum principle.

LGA view:

- Whilst it is good that there will be flexibility for councils to raise the adult social care precept by a further 3 per cent in 2021/22, this is not a sustainable solution to funding adult social care.

- An increase in council tax of up to 5 per cent will place a significant burden on households. In addition, increasing council tax raises different amounts of money in different parts of the country, unrelated to need.

- We have always maintained that the council tax referendum limit should be abolished so councils and their communities can decide how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

- We agree that districts should have the extra flexibility but in view of the proposed £15 threshold proposed for Police and Crime Commissioners, we would call for a higher limit than £5.

Adult and children's social care

The Government has confirmed there will be an additional Social Care Grant of £300 million for adult and children's services. This is in addition to all existing social care funding continuing in 2021/22.

Of this £300 million, £60 million will be distributed on the basis of the 2013/14 adult social care relative needs formula, with £240 million used to adjust for the funding that could potentially be raised through the adult social care precept in 2021/22.

As mentioned above, the Government is also consulting on a 3 per cent adult social care precept. This 3 per cent flexibility can be phased in over two years.

LGA view:

- The additional funding for adult and children's social care is welcome, as is that the funding will not be ringfenced, providing councils with flexibility on how their allocations are best used locally. However, the £300 million sum is not significant in comparison to the cost pressures that these vital services face. It is disappointing that the improved Better Care Fund has been frozen.

- Councils have increased children's social care budgets year on year at the expense of other services, but have been unable to keep up with increasing demand. Additional funding is urgently needed to ensure children are safe and well, and to reinvest in the important preventative services that can prevent children and families reaching crisis point.

- The adult social care precept provides limited means to raise additional funding, but it is not sustainable. It raises different amounts of money in different parts of the country, is unrelated to need and adds an extra financial burden on households. Nearly 10 per cent of the average council tax bill is now made up of the precept.

- Overall, this is a continuation of the sticking plaster approach to funding adult and children's social care. For example, the Prime Minister promised to 'fix adult social care' in July 2019 and everyone connected to adult social care is frustrated by the lack of progress on this crucial agenda; there must be no further delays to the process of reform.

District-level services

The Government has announced a new £111 million 'lower tier services' grant.

£86 million will be allocated to district councils and unitary authorities in line with their shares of the 'lower-tier' element of the settlement funding assessment. The remaining £25 million will be allocated to district councils to ensure that no council sees its core spending power reduce in 2021/22.

The announcement states that this £25 million funding is in response to the current exceptional circumstances and is a one-off and that no local authority should take this funding floor as guaranteeing similar funding floors in future years, including in future finance reforms.

LGA View:

- Councils receiving this funding will welcome the additional resource, but full compensation for covid-19 related costs, including lost income, is required.

New Homes Bonus

The provisional amount of £622 million for the New Homes Bonus (NHB) has been included in Core Spending Power in 2021/22. The bonus consists of the legacy payments for 2018/19 and 2019/20 and the new money for 2021/22, as well as the Affordable Homes Premium across those years. The England total of allocations for 2021/22 is £196 million.

As previously announced, there is no legacy payment in respect of 2020/21, and there will be no legacy payment in respect of 2021/22 in forthcoming years. The threshold over which the bonus is paid remains at 0.4 per cent.

The Government has set out its intention to hold a consultation on the future of the New Homes Bonus, with a view to implementing reform in 2022/23.

LGA view:

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities.
- The Government needs to work closely with councils as part of its review of the NHB in order to ensure it helps us deliver more homes and works for local government.
- It is important that sufficient clarity about the outcome of the review is provided to councils as soon as possible to allow them to plan their 2022/23 budgets and beyond.

Education and children

In a written Ministerial statement the Secretary of State for Education confirmed school and early years revenue funding allocations for 2021/22.

In the 2020 Spending Review the Government confirmed that schools budget will increase by £2.2 billion from £47.6 billion in 2020/21 to £49.8 billion in 2021/22. The Government has also confirmed that high needs funding to support children with Special Educational Needs and Disabilities (SEND) will increase by £730 million or 10 per cent for 2021/22.

In the 2020 Spending Review the Government also confirmed an additional £44 million for early years education in 2021/22 to increase the hourly rate paid to childcare providers for the Government's free hours offer.

LGA view

- The LGA welcomes the Government's announcement to increase schools budgets by £2.2 billion for 2021/22. It is however disappointing that further funding has not been made available to help cover the exceptional costs incurred by schools in responding to COVID-19 since they reopened in September, and new expectations continue to be introduced such as the testing announcements just today.
- The additional high needs funding for 2021/22 is also welcome; the Government must use the on-going review of Special Educational Needs and Disability (SEND) to give councils the powers and long-term certainty of funding to support children and young people with SEND.
- The LGA has repeatedly raised concerns about the underfunding of the early entitlements, so additional funding is welcome. However, with many early years providers struggling in the light of COVID-19, it is disappointing that this is not a more significant and immediate investment to support providers during this time. It is crucial we retain the good quality early education and childcare that improves children's outcomes and reduces the disadvantage gap.

Public health

The settlement includes no information about the national total, or individual council allocations, of the public health grant for 2021/22.

LGA view:

- We call on government to provide councils with clarity on the funding available in 2021/22 as a matter of urgency. The current delay to the announcement is making it extremely difficult for councils to plan effectively at a time when public health services are vital to the fight against COVID-19.

- Sufficient ongoing funding is needed to ensure all local authorities can continue to meet their public health responsibilities beyond COVID-19 as well. The Government should match the growth in public health grant to growth in overall NHS funding under the Long Term Plan. This means the public health grant would have to increase to at least £3.9 billion by 2024/25.

Business rates and business rates retention

The Government states that it will revisit the priorities for reform of the local government finance system, taking account of wider work on the future of the business rates tax and on the Adult Social Care system. Final decisions will be taken in the context of next year's Spending Review.

As announced in the Spending Review, there will be no reset of the business rates baseline for 2021/22. In his statement to the House of Commons, the Secretary of State confirmed that the Government will work with the sector and Members across the House to seek a new consensus for broader reforms to local government, including the Fair Funding Review and the business rates reset, and will ensure that councils are set on a long-term trajectory of sustainable growth and fair resources.

There are no new business rates pilots in 2021/22. The business rates pilots for areas with ratified devolution deals and the GLA will continue. These are: Greater Manchester, Liverpool City Region, Cornwall Council, the Combined Authorities of the West of England and the West Midlands. In addition, the London retention percentage will stay at 67 per cent, of which 30 per cent is for the boroughs and City of London and 37 per cent for the Greater London Authority.

MHCLG is consulting on 26 business rates pools.

As announced in the 2020 Spending Review, the business rates multiplier will be frozen for 2021/22. It will remain at 49.9p (small business multiplier) and 51.2p (national business multiplier). Councils will receive £650 million in compensation in 2021/22 for under-indexing of the business rates multiplier.

LGA view:

- In our response to the Call for Evidence for the Business Rates Review, we stated that although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead or as well as a reformed business rates system.

- The move to 75 per cent business rates retention should only be revisited, if appropriate, once the business rates review concludes.

- Not resetting the business rates baseline will provide councils with some of the funding certainty and stability they need for next year.

- We welcome the fact that local government will be fully compensated for the freezing of the business rates multiplier in 2021/22. However, this decision reduces buoyancy in the business rates system, and without alternative means of funding, council income would reduce in the medium term.

The Fair Funding Review

In the consultation document accompanying the provisional settlement, the Government confirms that it will, once the pandemic is over, continue to work with local government to understand the lasting impact the COVID-19 pandemic has had on both service demands and revenue raising.

In his statement to the House of Commons, the Secretary of State confirmed that the Government will work with the sector and Members across the House to seek a new consensus for broader reforms to local government finance, including the Fair Funding Review and the business rates reset, and will ensure that councils are set on a long-term trajectory of sustainable growth and fair resources.

LGA view:

- We are calling on the Government to resume the Fair Funding Review, but with a guarantee that the transitional mechanisms ensure that no councils experience a loss of income.

- When the Fair Funding Review is relaunched, it is right that the Government reviews progress made to date to ensure that it is still fit for purpose, or flexible enough to deal with shifts in council service models as a result of COVID-19.

Rural Services Funding

The Rural Services Delivery Grant will be £85 million in 2021/22. This is an increase of £4 million compared to 2020/21. The Government is minded to retain the current method of distributing the grant and has included a consultation question on this.

LGA view:

- Councils in rural areas will welcome this additional funding.

- We encourage affected local authorities to respond to the consultation.

Fire Funding

As set out above, Fire and Rescue Authorities will be able to raise their precept by 2 per cent in 2021/22. In line with councils, fire authorities will also receive an increase in their revenue support grant in line with inflation and an increase in the compensation grant for under-indexing the business rates multiplier. Some fire and rescue authorities will receive a share of the £4 million increase in the rural services delivery grant.

LGA view:

- After a number of years where there have been reductions in Fire and Rescue Authorities' funding, a further inflationary increase for 2021/22 following on from the inflationary increase in 2020/21 is helpful.

- However fire and rescue services need to be funded to take account of the full range of risks, demands and cost pressures they face. While we would prefer council tax referendum limits to be removed, in view of the flexibility given to Police and Crime Commissioners, an increase in the precept flexibility for Fire and Rescue Authorities would assist.

- The outcomes of the cases brought about discriminatory practices in the fire fighters pension scheme will have implications for the pension administrative costs and employer contributions to be made by Fire and Rescue Authorities. Unless these additional cost pressures are funded by government they will have a significant impact on Fire and Rescue Authority budgets in 2021/22 and beyond.

- As has been identified in Her Majesty's Inspectorate of Constabulary and Fire and Rescue Services reviews greater investment is needed in fire and rescue services protection teams and to meet the recommendations arising from reviews of building safety after the Grenfell fire and implementation of the provisions in the Building Safety Bill. £20 million was made available to the sector in 2020/21 for enhanced protection activity, with a further £10 million made available to respond to the recommendations of the Phase 1 report of the Grenfell Tower Inquiry. Additional funding needs to be made available to the sector in 2021/22 to further enhance protection activity, respond to any further recommendations from the Grenfell Tower inquiry, and so services are better placed to work alongside the Health and Safety Executive in its new role as the Building Safety Regulator.

- We will continue to work with the Home Office and the National Fire Chiefs Council ahead of the 2021 Spending Review, and we will be making the case for additional funding to be made available to enable fire and rescue services to drive transformation in the way they deliver their services, as well as for the capital funding issues faced by some services to be addressed.

Police Funding

The Provisional Police Grant Report (England and Wales) 2021/22 was published by the Home Office today in a written Ministerial statement. Funding to Police and Crime Commissioners (PCCs) will increase next year by up to an additional £703 million (5.4 per cent), assuming full take-up of precept flexibility. PCCs will be able to increase their Band D precept by up to £15 in 2021/22 (which could raise up to £288 million), without the need to call a local referendum. In addition to this, the Government announced that PCCs will receive some of the £670 million of additional grant funding announced for local council tax support as part of the Spending Review 2020.

The Government has announced today that an additional £20 million will be available for a second round of the Safer Streets Fund 2021/22.

LGA view:

- Further funding to help local areas improve community safety through the Safer Street Fund is welcome and we will be seeking further details about this funding announcement. Given the key role that councils have in supporting safer and stronger communities, we will be calling for the second round of funding to also be open to councils to bid directly into.

Redmond Review

Alongside the settlement, The Secretary of State announced the Government's response to the Independent review of Local authority financial reporting and external audit (the Redmond Review). This included the following:

- The deadline for audits will be put back to September 30th for two years in 2021 and 2022.
- £15 million will be provided for councils in 2021/22 to pay for additional costs arising from new reporting requirements recommended by the Redmond review and expected increases audit fees driven by additional audit requirements arising from the new NAO code of practice.

The Government is still considering whether structural changes are required to the procurement and regulatory arrangements for local audit and will make a decision on that in 2021.

LGA view

- We will review the full response in detail and continue discussions with central government and the sector. The change to the audit deadline is something that we called for and is welcome and we also called for any increases in costs as a result of the review recommendations or changes in audit requirements to be fully funded.

Other topics included in the Secretary of State's speech

The Secretary of State re-announced a number of funds available to local authorities, including the UK Shared Prosperity Fund, Levelling Up Fund, the Troubled Families Programme, Domestic Abuse Bill implementation and rough sleeping, as set out in the Spending Review on 25th November.

Further Information

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

For further information on the content of this briefing please contact Mike Heiser, Senior Adviser (Finance) (mike.heiser@local.gov.uk / 020 7664 3265) and Laura Johnson, Public Affairs Adviser (laura.johnson@local.gov.uk / 07921 604235).

Annex A: Core Spending Power

	2015/16 £ million	2016/17 £ million	2017/18 £ million	2018/19 £ million	2019/20 £ million	2020/21 £ million	2021/22 £ million
Settlement Funding Assessment	**21,249.9**	**18,601.7**	**16,632.6**	**15,574.2**	**14,559.6**	**14,796.9**	**14,809.7**
Compensation for under-indexing the business rates multiplier	**165.1**	**165.1**	**175.0**	**275.0**	**400.0**	**500.0**	**650.0**
Improved Better Care Fund	**0.0**	**0.0**	**1,115.0**	**1,499.0**	**1,837.0**	**2,077.0**	**2,077.0**
Rural Services Delivery Grant	**15.5**	**80.5**	**65.0**	**81.0**	**81.0**	**81.0**	**85.0**
Transition Grant	**0.0**	**150.0**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**
Adult Social Care Support Grant	**0.0**	**0.0**	**241.1**	**150.0**	**0.0**	**0.0**	**0.0**
New Homes Bonus	**1,167.6**	**1,461.9**	**1,227.4**	**947.5**	**917.9**	**907.3**	**622.1**
New Homes Bonus - returned funding	**32.4**	**23.1**	**24.5**	**0.0**	**0.0**	**0.0**	**0.0**
Winter pressures Grant	**0.0**	**0.0**	**0.0**	**240.0**	**240.0**	**0.0**	**0.0**
Social Care Support Grant	**0.0**	**0.0**	**0.0**	**0.0**	**410.0**	**1,410.0**	**1,710.0**
Lower Tier Services Grant	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**111.0**
Council Tax	**22,035.9**	**23,247.3**	**24,665.8**	**26,331.6**	**27,767.8**	**29,226.9**	**31,145.3**
Core Spending Power	**44,666.5**	**43,729.5**	**44,296.5**	**45,098.3**	**46,213.3**	**48,999.1**	**51,210.2**
Year-on-year Change (£ million)		*-937.0*	*567.0*	*801.8*	*1,115.0*	*2,785.8*	2,211.1
Year-on-year Change (%)		*-2.1%*	*1.3%*	*1.8%*	*2.5%*	*6.0%*	4.5%

Source: Core Spending Power: Supporting Information

Annex B – Glossary of Local Government Finance Technical Terms

Adult Social Care Precept	Local authorities with responsibility for adult social care have flexibility to raise additional council tax above the referendum threshold. Funding raised through this additional 'precept' must be used entirely for adult social care.
Affordable Homes Premium	As part of the New Homes Bonus, affordable homes delivered in an area attract an additional £350 per unit on top of the standard Bonus grant.
Area Cost Adjustment (ACA)	A factor to reflect the differences in service cost delivery in different areas. The current ACA reflects differences in wages (the 'Labour Cost Adjustment') and differences in rateable values (the 'Rates Cost Adjustment') between local authorities across the country.
Business rates baseline	The business rates baseline for each authority determined at the start of the 50 per cent business rates retention scheme in 2013/14, uprated in line with the small business rates multiplier each year.
Business rates baseline funding level (BFL)	The amount of the settlement funding assessment (SFA) provided through the local share of business rates.
Better Care Fund (BCF)	A single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.
Business rates revaluation	A regular exercise by the Valuation Office Agency, last carried out in 2017, to reassess the rateable value of individual non-domestic hereditaments. The results are used to set new business rates bills. The next revaluation is planned for 2023.
Central Share	The percentage share of locally collected business rates paid to central government by billing authorities. In 2013/14 when business rates retention began this was set at 50 per cent. The central share is redistributed to local government through grants including the Revenue Support Grant.
Core Spending Power	The Government's measure of the core components of local government funding, comprising the Settlement Funding Assessment, assumed income from council tax (including the adult social care precept), New Homes Bonus, Rural Services Delivery Grant and the improved Better Care Fund and Adult Social Care Support Grant
COVID-19 Relative Needs Formula	The COVID-19 Relative Needs Formula (RNF) is a formula used to allocate some COVID-19 related funding grants to Local Government. The formula uses deprivation, population and an Area Cost Adjustment. The weightings for these factors have been determined using regression analysis of the financial pressures reported by local authorities.
Dedicated Schools Grant	The Dedicated Schools Grant is the principal source of funding for schools and related activities in England. It is a ringfenced grant paid to local authorities for maintained schools. School-level allocations are currently determined in consultation with the schools forum in each local authority area. From April 2017 has also included the 'retained duties' element previously paid as part of the Education Services Grant
Improved Better Care Fund (iBCF)	Additional funding for adult social care authorities from 2017/18 onwards that has to be included within the Better Care Fund plans.
Levy account	A Government account into which proceeds from the business rates levy, and any top-slice, are paid and which is used to pay safety net to qualifying authorities. Any surplus is to be returned to authorities.
Local Share	The percentage share of locally collected business rates retained by local government. This was set at 50 per cent at the implementation of business rates retention.

Lower Tier Services Grant	A grant introduced in 2021/22 to provide funding for shire district councils and unitary authorities providing shire district-level services (so called 'lower tier services' by the Government).
(Business Rate) Multiplier	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. Unless the Government decides to set a lower increase, the small business multiplier is uprated annually by the Consumer Prices Index and the other multiplier adjusted accordingly.
Net Collectable Debit	The total amount that authorities expect to collect if every taxpayer paid the full amount for which they are liable for the current financial year after discounts and benefits.
New Homes Bonus (NHB)	A grant paid to reward local authorities for the number of homes built and brought back into use.
Revenue Support Grant	A grant paid to local authorities as part of the Settlement Funding assessment (see below) which can be used to fund revenue expenditure on any service.
Rural Services Delivery Grant	A grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
Safety Net	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than a given level below their baseline funding level. In 2021/22 this level is set at 7.5 per cent for authorities with 50 per cent business rates retention and 3 per cent for authorities with 100 per cent business rates retention.
Sales Fees and Charges Reimbursement Scheme	A scheme set up by the Government to compensate councils for part of their lost sales, fees and charges as a result of the COVID-19 pandemic.
Section 31 Grant	A grant paid to local councils under Section 31 of the Local Government Act 2003, under such conditions as the minister may determine. This mechanism is used to compensate local authorities for the costs of additional business rates reliefs announced by Government.
Settlement Funding Assessment (SFA)	This is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
Small Business Rate Relief	Businesses with a property with a rateable value of £12,000 and below receive 100 per cent relief on business rates. Businesses with a property with a rateable value between £12,000 and £15,000 receive tapered relief.
Social Care Support Grant	A non-ringfenced grant for adult and children's social care services.
Top-Ups and Tariffs	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are self-funding at the outset of the scheme and uprated in line with the small business rates multiplier each year, except for recalculation so that authorities do not have gains or losses solely due to business rates revaluation.
Under-indexing grant	A grant provided by the Ministry for Housing, Communities and Local Government to compensate councils for the impact of the Government's decisions to increase the business rates multiplier by lower than the Retail Prices Index (so-called 'underindexing'). This is intended to make sure that councils do not experience funding reductions as a result of this policy.

Portfolio Summary - Revenue Budget 2021-22

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Portfolio				
Community Development	1,818,629	1,526,200	1,409,700	(116,500)
Housing, Health & Well-being	2,418,471	2,347,500	3,098,700	751,200
Public Protection	1,636,371	1,609,400	1,362,400	(247,000)
Environment	4,995,586	4,844,500	4,749,400	(95,100)
Growth & Regeneration	811,290	853,200	780,900	(72,300)
Resources & Reputation	866,034	2,174,100	1,503,800	(670,300)
Net Portfolio Budget	**12,546,381**	**13,354,900**	**12,904,900**	**(450,000)**
Transfer to(from) Earmarked Reserves	**(812,946)**	**(1,752,200)**	**(1,250,600)**	**501,600**
Net Council Budget	**11,733,435**	**11,602,700**	**11,654,300**	**51,600**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	14,674,433	14,558,100	14,324,700	(233,400)
Premises Related Expenses	2,021,997	1,896,300	1,897,800	1,500
Transport Related Expenses	594,551	595,500	587,500	(8,000)
Supplies & Services	6,451,468	4,751,000	4,187,100	(563,900)
Third Party Payments	395,266	311,100	311,100	0
Transfer Payments	21,621,448	18,141,500	17,155,000	(986,500)
Capital Interest	1,093,010	2,337,500	2,122,900	(214,600)
Revenue Income	(34,305,792)	(29,236,100)	(27,681,200)	1,554,900
Controllable	**12,546,381**	**13,354,900**	**12,904,900**	**(450,000)**
Consisting of				
Premises Related Recharges	116,532	157,200	144,600	(12,600)
Transport Related Recharges	1,565,500	1,674,500	1,659,800	(14,700)
Supplies & Services Related Recharges	257,197	250,000	257,000	7,000
Central Support and Service Admin	5,517,648	5,889,700	5,236,100	(653,600)
Internal Recharges	(7,456,876)	(7,971,400)	(7,297,500)	673,900
Recharges	**0**	**0**	**0**	**0**
Consisting of				
Capital Financing Charges	3,878,262	2,961,200	2,833,000	(128,200)
Capital Entries	(3,878,262)	(2,961,200)	(2,833,000)	128,200
Capital	**0**	**0**	**0**	**0**
Net Portfolio Revenue Budget	**12,546,381**	**13,354,900**	**12,904,900**	**(450,000)**
Consisting of				
Transfer to Reserves	858,900	202,400	340,900	138,500
Transfer from Reserves	(1,671,846)	(1,954,600)	(1,591,500)	363,100
Reserves	**(812,946)**	**(1,752,200)**	**(1,250,600)**	**501,600**
Transfer to(from) Earmarked Reserves	**(812,946)**	**(1,752,200)**	**(1,250,600)**	**501,600**
Net Council Budget	**11,733,435**	**11,602,700**	**11,654,300**	**51,600**

Community Development

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Democratic Mgt & Representation	692,339	695,100	662,900	(32,200)
Localities	148,312	158,000	145,500	(12,500)
Community Grants	575,139	278,800	252,600	(26,200)
The Arts & Tourism	46,142	49,100	49,400	300
Community Centres	208,557	213,600	196,900	(16,700)
Events	148,140	131,600	102,400	(29,200)
Total Community Development Portfolio Budget	**1,818,629**	**1,526,200**	**1,409,700**	**(116,500)**
Transfer to(from) Earmarked Reserves				
Community Development	(52,597)	(38,000)	(18,000)	20,000
Total Reserves	**(52,597)**	**(38,000)**	**(18,000)**	**20,000**
TOTAL	**1,766,032**	**1,488,200**	**1,391,700**	**(96,500)**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	511,631	534,200	522,800	(11,400)
Premises Related Expenses	79,849	64,000	54,100	(9,900)
Transport Related Expenses	5,193	6,800	6,800	0
Supplies & Services	652,668	609,400	581,000	(28,400)
Revenue Income	(145,299)	(135,900)	(137,800)	(1,900)
Controllable	**1,104,042**	**1,078,500**	**1,026,900**	**(51,600)**
Consisting of				
Premises Related Recharges	9,167	13,100	12,300	(800)
Supplies & Services Related Recharges	4,906	5,000	4,800	(200)
Central Support and Service Admin	347,183	373,200	315,600	(57,600)
Recharges	**361,256**	**391,300**	**332,700**	**(58,600)**
Consisting of				
Capital Financing Charges	553,163	56,400	50,100	(6,300)
Capital Entries	(199,832)	0	0	0
Capital	**353,331**	**56,400**	**50,100**	**(6,300)**
Total Community Development	**1,818,629**	**1,526,200**	**1,409,700**	**(116,500)**
Consisting of				
Transfer to Reserves	14,494	0	0	0
Transfer from Reserves	(67,091)	(38,000)	(18,000)	20,000
Reserves	**(52,597)**	**(38,000)**	**(18,000)**	**20,000**
Transfer to(from) Earmarked Reserves	**(52,597)**	**(38,000)**	**(18,000)**	**20,000**
TOTAL	**1,766,032**	**1,488,200**	**1,391,700**	**(96,500)**

R140 Democratic Mgt & Representation	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	119,409	122,600	131,400	8,800
Transport Related Expenses	3,942	5,500	5,500	0
Supplies & Services	340,306	338,200	338,200	0
Revenue Income	(1,400)	(10,000)	(10,200)	(200)
Controllable	**462,257**	**456,300**	**464,900**	**8,600**
Supplies & Services Related Recharges	1,243	1,300	1,100	(200)
Central Support and Service Admin	228,839	237,500	196,900	(40,600)
Recharges	**230,082**	**238,800**	**198,000**	**(40,800)**
Total	**692,339**	**695,100**	**662,900**	**(32,200)**

R210 Localities	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	99,562	101,100	104,600	3,500
Premises Related Expenses	10,833	9,900	0	(9,900)
Transport Related Expenses	784	1,000	1,000	0
Supplies & Services	26,090	16,200	13,200	(3,000)
Revenue Income	(13,500)	0	0	0
Controllable	**123,769**	**128,200**	**118,800**	**(9,400)**
Supplies & Services Related Recharges	963	1,000	1,000	0
Central Support and Service Admin	23,580	28,800	25,700	(3,100)
Recharges	**24,543**	**29,800**	**26,700**	**(3,100)**
Transfer to Reserves	7,004	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	**7,004**	**0**	**0**	**0**
Total	**155,316**	**158,000**	**145,500**	**(12,500)**

R420 Community Grants	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	76,565	78,700	82,600	3,900
Transport Related Expenses	123	0	0	0
Supplies & Services	181,101	168,600	143,600	(25,000)
Revenue Income	(7,490)	0	0	0
Controllable	**250,298**	**247,300**	**226,200**	**(21,100)**
Supplies & Services Related Recharges	695	700	700	0
Central Support and Service Admin	24,146	30,800	25,700	(5,100)
Recharges	**24,840**	**31,500**	**26,400**	**(5,100)**
Transfer to Reserves	7,490	0	0	0
Transfer from Reserves	(42,110)	(35,000)	(15,000)	20,000
Reserves	**(34,620)**	**(35,000)**	**(15,000)**	**20,000**
Capital Financing Charges	499,832	0	0	0
Capital Entries	(199,832)	0	0	0
Capital	**300,000**	**0**	**0**	**0**
Total	**540,519**	**243,800**	**237,600**	**(6,200)**

R765 The Arts & Tourism	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	30,123	30,800	33,700	2,900
Transport Related Expenses	179	100	100	0
Supplies & Services	4,908	4,500	4,100	(400)
Controllable	**35,209**	**35,400**	**37,900**	**2,500**
Supplies & Services Related Recharges	278	300	300	0
Central Support and Service Admin	10,655	13,400	11,200	(2,200)
Recharges	**10,933**	**13,700**	**11,500**	**(2,200)**
Total	**46,142**	**49,100**	**49,400**	**300**

R775 Community Centres	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	138,709	153,500	150,100	(3,400)
Premises Related Expenses	69,015	54,100	54,100	0
Transport Related Expenses	58	200	200	0
Supplies & Services	6,710	7,400	7,400	0
Revenue Income	(105,254)	(110,700)	(111,900)	(1,200)
Controllable	**109,240**	**104,500**	**99,900**	**(4,600)**
Premises Related Recharges	9,167	13,100	12,300	(800)
Supplies & Services Related Recharges	1,307	1,300	1,300	0
Central Support and Service Admin	35,513	38,300	33,300	(5,000)
Recharges	**45,987**	**52,700**	**46,900**	**(5,800)**
Transfer from Reserves	(16,151)	0	0	0
Reserves	**(16,151)**	**0**	**0**	**0**
Capital Financing Charges	53,331	56,400	50,100	(6,300)
Capital	**53,331**	**56,400**	**50,100**	**(6,300)**
Total	**192,406**	**213,600**	**196,900**	**(16,700)**

R780 Events	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	47,262	47,500	20,400	(27,100)
Transport Related Expenses	107	0	0	0
Supplies & Services	93,553	74,500	74,500	0
Revenue Income	(17,655)	(15,200)	(15,700)	(500)
Controllable	**123,268**	**106,800**	**79,200**	**(27,600)**
Supplies & Services Related Recharges	421	400	400	0
Central Support and Service Admin	24,451	24,400	22,800	(1,600)
Recharges	**24,871**	**24,800**	**23,200**	**(1,600)**
Transfer from Reserves	(8,830)	(3,000)	(3,000)	0
Reserves	**(8,830)**	**(3,000)**	**(3,000)**	**0**
Total	**139,310**	**128,600**	**99,400**	**(29,200)**

Housing, Health & Well-being

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Housing Needs	518,670	390,100	408,800	18,700
Leisure Services Division	122,490	0	0	0
Calverton Leisure Centre	229,370	273,300	336,200	62,900
Carlton Forum Leisure Centre	199,583	228,800	501,900	273,100
Redhill Leisure Centre	218,865	222,100	345,000	122,900
Arnold Theatre	129,504	158,300	189,600	31,300
Arnold Leisure Centre	311,579	363,400	516,800	153,400
Richard Herrod Centre	319,169	346,600	331,400	(15,200)
Health & Wellbeing	(52,215)	(4,000)	(3,800)	200
Council Tax Benefits	(6,946)	(9,500)	(4,000)	5,500
Rent Allowances	(27,538)	(135,000)	49,000	184,000
Housing Benefit Administration	451,162	508,400	415,300	(93,100)
Rent Rebates	4,779	5,000	12,500	7,500
Total Housing, Health & Well-being Portfolio Budget	**2,418,471**	**2,347,500**	**3,098,700**	**751,200**
Transfer to(from) Earmarked Reserves				
Housing, Health & Well-being	(204,484)	18,000	(37,700)	(55,700)
Total Reserves	**(204,484)**	**18,000**	**(37,700)**	**(55,700)**
TOTAL	**2,213,987**	**2,365,500**	**3,061,000**	**695,500**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	3,196,153	3,311,500	3,257,300	(54,200)
Premises Related Expenses	858,541	889,700	891,900	2,200
Transport Related Expenses	4,445	5,100	5,100	0
Supplies & Services	1,761,515	867,800	858,700	(9,100)
Transfer Payments	21,621,448	18,141,500	17,155,000	(986,500)
Capital Interest	561	0	0	0
Revenue Income	(26,382,635)	(22,374,100)	(20,425,700)	1,948,400
Controllable	**1,060,028**	**841,500**	**1,742,300**	**900,800**
Consisting of				
Premises Related Recharges	34,693	45,200	42,100	(3,100)
Supplies & Services Related Recharges	25,712	25,800	27,500	1,700
Central Support and Service Admin	987,305	1,097,500	1,001,500	(96,000)
Recharges	**1,047,710**	**1,168,500**	**1,071,100**	**(97,400)**
Consisting of				
Capital Financing Charges	310,733	337,500	285,300	(52,200)
Capital	**310,733**	**337,500**	**285,300**	**(52,200)**
Total Housing, Health & Well-being	**2,418,471**	**2,347,500**	**3,098,700**	**751,200**
Consisting of				
Transfer to Reserves	180,374	18,000	18,000	0
Transfer from Reserves	(384,857)	0	(55,700)	(55,700)
Reserves	**(204,484)**	**18,000**	**(37,700)**	**(55,700)**
Transfer to(from) Earmarked Reserves	**(204,484)**	**18,000**	**(37,700)**	**(55,700)**
TOTAL	**2,213,987**	**2,365,500**	**3,061,000**	**695,500**

R630 Housing Needs	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	285,002	316,300	323,900	7,600
Premises Related Expenses	33,573	33,100	34,300	1,200
Transport Related Expenses	430	600	600	0
Supplies & Services	855,868	194,400	303,200	108,800
Revenue Income	(798,605)	(300,100)	(382,500)	(82,400)
Controllable	**376,268**	**244,300**	**279,500**	**35,200**
Premises Related Recharges	2,511	2,000	1,800	(200)
Supplies & Services Related Recharges	2,670	2,700	2,900	200
Central Support and Service Admin	125,841	130,400	111,800	(18,600)
Recharges	**131,023**	**135,100**	**116,500**	**(18,600)**
Transfer from Reserves	(168,251)	0	(36,000)	(36,000)
Reserves	**(168,251)**	**0**	**(36,000)**	**(36,000)**
Capital Financing Charges	11,380	10,700	12,800	2,100
Capital	**11,380**	**10,700**	**12,800**	**2,100**
Total	**350,419**	**390,100**	**372,800**	**(17,300)**

R700 Leisure Services Division	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	33,398	0	0	0
Transport Related Expenses	59	0	0	0
Supplies & Services	118,311	0	0	0
Revenue Income	(29,652)	0	0	0
Controllable	**122,116**	**0**	**0**	**0**
Supplies & Services Related Recharges	374	0	0	0
Recharges	**374**	**0**	**0**	**0**
Transfer from Reserves	(29,848)	0	0	0
Reserves	**(29,848)**	**0**	**0**	**0**
Total	**92,642**	**0**	**0**	**0**

R725 Calverton Leisure Centre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	332,452	376,800	375,900	(900)
Premises Related Expenses	127,432	124,900	125,400	500
Transport Related Expenses	441	600	600	0
Supplies & Services	59,077	78,000	69,600	(8,400)
Capital Interest	47	0	0	0
Revenue Income	(370,085)	(395,900)	(317,900)	78,000
Controllable	**149,363**	**184,400**	**253,600**	**69,200**
Premises Related Recharges	4,338	4,600	4,600	0
Supplies & Services Related Recharges	2,722	2,700	3,000	300
Central Support and Service Admin	66,457	75,800	70,800	(5,000)
Recharges	**73,517**	**83,100**	**78,400**	**(4,700)**
Transfer to Reserves	21,701	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	**21,701**	**0**	**0**	**0**
Capital Financing Charges	6,490	5,800	4,200	(1,600)
Capital	**6,490**	**5,800**	**4,200**	**(1,600)**
Total	**251,071**	**273,300**	**336,200**	**62,900**

R730 Carlton Forum Leisure Centre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	787,329	789,400	815,900	26,500
Premises Related Expenses	259,134	264,500	265,000	500
Transport Related Expenses	920	800	800	0
Supplies & Services	170,382	185,500	177,100	(8,400)
Capital Interest	314	0	0	0
Revenue Income	(1,249,321)	(1,257,800)	(979,000)	278,800
Controllable	**(31,243)**	**(17,600)**	**279,800**	**297,400**
Premises Related Recharges	6,765	7,300	7,300	0
Supplies & Services Related Recharges	5,582	6,000	6,200	200
Central Support and Service Admin	166,606	181,900	159,900	(22,000)
Recharges	**178,952**	**195,200**	**173,400**	**(21,800)**
Transfer to Reserves	14,848	0	0	0
Transfer from Reserves	0	0	(19,700)	(19,700)
Reserves	**14,848**	**0**	**(19,700)**	**(19,700)**
Capital Financing Charges	51,873	51,200	48,700	(2,500)
Capital	**51,873**	**51,200**	**48,700**	**(2,500)**
Total	**214,430**	**228,800**	**482,200**	**253,400**

R735 Redhill Leisure Centre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	352,466	388,900	391,000	2,100
Premises Related Expenses	109,762	132,800	132,800	0
Transport Related Expenses	602	200	200	0
Supplies & Services	82,881	94,600	86,200	(8,400)
Capital Interest	4	0	0	0
Revenue Income	(439,135)	(533,100)	(385,200)	147,900
Controllable	**106,581**	**83,400**	**225,000**	**141,600**
Premises Related Recharges	2,785	4,600	4,600	0
Supplies & Services Related Recharges	2,606	2,600	2,900	300
Central Support and Service Admin	85,301	96,600	88,500	(8,100)
Recharges	**90,692**	**103,800**	**96,000**	**(7,800)**
Transfer to Reserves	20,994	18,000	18,000	0
Transfer from Reserves	0	0	0	0
Reserves	**20,994**	**18,000**	**18,000**	**0**
Capital Financing Charges	21,592	34,900	24,000	(10,900)
Capital	**21,592**	**34,900**	**24,000**	**(10,900)**
Total	**239,858**	**240,100**	**363,000**	**122,900**

R740 Arnold Theatre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	150,614	159,700	163,900	4,200
Premises Related Expenses	46,333	33,900	33,900	0
Transport Related Expenses	102	100	100	0
Supplies & Services	111,170	98,100	101,700	3,600
Capital Interest	17	0	0	0
Revenue Income	(245,784)	(206,200)	(165,800)	40,400
Controllable	**62,452**	**85,600**	**133,800**	**48,200**
Premises Related Recharges	0	300	300	0
Supplies & Services Related Recharges	1,090	1,100	1,100	0
Central Support and Service Admin	53,159	59,100	53,600	(5,500)
Recharges	**54,249**	**60,500**	**55,000**	**(5,500)**
Capital Financing Charges	12,803	12,200	800	(11,400)
Capital	**12,803**	**12,200**	**800**	**(11,400)**
Total	**129,504**	**158,300**	**189,600**	**31,300**

R745 Arnold Leisure Centre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	430,872	446,700	449,500	2,800
Premises Related Expenses	165,155	167,100	167,100	0
Transport Related Expenses	486	900	900	0
Supplies & Services	50,293	46,200	39,900	(6,300)
Capital Interest	84	0	0	0
Revenue Income	(533,339)	(521,900)	(344,500)	177,400
Controllable	**113,551**	**139,000**	**312,900**	**173,900**
Premises Related Recharges	7,703	11,400	10,800	(600)
Supplies & Services Related Recharges	3,351	3,400	3,800	400
Central Support and Service Admin	78,318	87,800	79,600	(8,200)
Recharges	**89,372**	**102,600**	**94,200**	**(8,400)**
Transfer from Reserves	(5,000)	0	0	0
Reserves	**(5,000)**	**0**	**0**	**0**
Capital Financing Charges	108,655	121,800	109,700	(12,100)
Capital	**108,655**	**121,800**	**109,700**	**(12,100)**
Total	**306,579**	**363,400**	**516,800**	**153,400**

R750 Richard Herrod Centre	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	292,061	294,500	292,300	(2,200)
Premises Related Expenses	117,153	133,400	133,400	0
Transport Related Expenses	350	600	600	0
Supplies & Services	63,926	65,300	56,900	(8,400)
Capital Interest	94	0	0	0
Revenue Income	(337,027)	(347,500)	(328,700)	18,800
Controllable	**136,559**	**146,300**	**154,500**	**8,200**
Premises Related Recharges	10,591	15,000	12,700	(2,300)
Supplies & Services Related Recharges	2,257	2,300	2,300	0
Central Support and Service Admin	71,823	82,100	76,800	(5,300)
Recharges	**84,670**	**99,400**	**91,800**	**(7,600)**
Capital Financing Charges	97,940	100,900	85,100	(15,800)
Capital	**97,940**	**100,900**	**85,100**	**(15,800)**
Total	**319,169**	**346,600**	**331,400**	**(15,200)**

R770 Health & Wellbeing	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	50,496	50,600	54,000	3,400
Transport Related Expenses	359	800	800	0
Supplies & Services	30,668	5,100	3,000	(2,100)
Revenue Income	(143,960)	(73,000)	(73,300)	(300)
Controllable	**(62,437)**	**(16,500)**	**(15,500)**	**1,000**
Supplies & Services Related Recharges	449	400	500	100
Central Support and Service Admin	9,773	12,100	11,200	(900)
Recharges	**10,222**	**12,500**	**11,700**	**(800)**
Transfer to Reserves	63,155	0	0	0
Transfer from Reserves	(12,912)	0	0	0
Reserves	**50,243**	**0**	**0**	**0**
Total	**(1,972)**	**(4,000)**	**(3,800)**	**200**

R877 Council Tax Benefits	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Transfer Payments	1,083	500	500	0
Revenue Income	(8,029)	(10,000)	(4,500)	5,500
Controllable	**(6,946)**	**(9,500)**	**(4,000)**	**5,500**
Total	**(6,946)**	**(9,500)**	**(4,000)**	**5,500**

R880 Rent Allowances	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Supplies & Services	104,759	70,500	(9,000)	(79,500)
Transfer Payments	21,481,158	18,003,000	16,949,000	(1,054,000)
Revenue Income	(21,613,455)	(18,208,500)	(16,891,000)	1,317,500
Controllable	**(27,538)**	**(135,000)**	**49,000**	**184,000**
Transfer from Reserves	(85,203)	0	0	0
Reserves	**(85,203)**	**0**	**0**	**0**
Total	**(112,741)**	**(135,000)**	**49,000**	**184,000**

R882 Housing Benefit Administration	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	481,463	488,600	390,900	(97,700)
Transport Related Expenses	696	500	500	0
Supplies & Services	114,635	30,100	30,100	0
Revenue Income	(480,270)	(387,100)	(360,300)	26,800
Controllable	**116,524**	**132,100**	**61,200**	**(70,900)**
Supplies & Services Related Recharges	4,610	4,600	4,800	200
Central Support and Service Admin	330,028	371,700	349,300	(22,400)
Recharges	**334,639**	**376,300**	**354,100**	**(22,200)**
Transfer to Reserves	59,676	0	0	0
Transfer from Reserves	(83,643)	0	0	0
Reserves	**(23,967)**	**0**	**0**	**0**
Total	**427,195**	**508,400**	**415,300**	**(93,100)**

R885 Rent Rebates	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Supplies & Services	(455)	0	0	0
Transfer Payments	139,207	138,000	205,500	67,500
Revenue Income	(133,973)	(133,000)	(193,000)	(60,000)
Controllable	**4,779**	**5,000**	**12,500**	**7,500**
Total	**4,779**	**5,000**	**12,500**	**7,500**

Public Protection

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Licencing & Hackney Carriages	28,496	79,700	71,900	(7,800)
Environmental Protection	302,731	317,900	311,500	(6,400)
Food, Health & Safety	226,853	241,200	234,600	(6,600)
Comm Protection & Dog Control	668,953	638,000	606,300	(31,700)
Public Sector Housing	409,339	332,600	138,100	(194,500)
Total Public Protection Portfolio Budget	**1,636,371**	**1,609,400**	**1,362,400**	**(247,000)**
Transfer to(from) Earmarked Reserves				
Public Protection	(16,000)	(142,900)	67,000	209,900
Total Reserves	**(16,000)**	**(142,900)**	**67,000**	**209,900**
TOTAL	**1,620,371**	**1,466,500**	**1,429,400**	**(37,100)**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	1,291,040	1,274,000	1,189,700	(84,300)
Premises Related Expenses	258	0	0	0
Transport Related Expenses	9,385	11,400	11,400	0
Supplies & Services	235,539	196,300	176,000	(20,300)
Third Party Payments	18,629	19,000	19,000	0
Revenue Income	(943,590)	(773,100)	(881,600)	(108,500)
Controllable	**611,261**	**727,600**	**514,500**	**(213,100)**
Consisting of				
Transport Related Recharges	23,414	22,500	28,500	6,000
Supplies & Services Related Recharges	132,354	129,100	129,700	600
Central Support and Service Admin	631,866	726,400	689,700	(36,700)
Internal Recharges	(5,800)	(5,800)	(5,800)	0
Recharges	**781,834**	**872,200**	**842,100**	**(30,100)**
Consisting of				
Capital Financing Charges	1,035,392	909,600	905,800	(3,800)
Capital Entries	(792,115)	(900,000)	(900,000)	0
Capital	**243,276**	**9,600**	**5,800**	**(3,800)**
Total Public Protection	**1,636,371**	**1,609,400**	**1,362,400**	**(247,000)**
Consisting of				
Transfer to Reserves	70,700	29,300	134,800	105,500
Transfer from Reserves	(86,700)	(172,200)	(67,800)	104,400
Reserves	**(16,000)**	**(142,900)**	**67,000**	**209,900**
Transfer to(from) Earmarked Reserves	**(16,000)**	**(142,900)**	**67,000**	**209,900**
TOTAL	**1,620,371**	**1,466,500**	**1,429,400**	**(37,100)**

R100 Licencing & Hackney Carriages	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	195,803	204,500	193,300	(11,200)
Premises Related Expenses	258	0	0	0
Transport Related Expenses	82	0	0	0
Supplies & Services	35,707	56,900	56,900	0
Revenue Income	(661,348)	(681,900)	(688,500)	(6,600)
Controllable	**(429,499)**	**(420,500)**	**(438,300)**	**(17,800)**
Supplies & Services Related Recharges	122,980	119,700	119,900	200
Central Support and Service Admin	335,014	380,500	390,300	9,800
Recharges	**457,995**	**500,200**	**510,200**	**10,000**
Total	**28,496**	**79,700**	**71,900**	**(7,800)**

R200 Environmental Protection	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	224,292	226,300	227,600	1,300
Transport Related Expenses	1,127	1,600	1,600	0
Supplies & Services	70,199	18,600	18,600	0
Third Party Payments	0	2,000	2,000	0
Revenue Income	(68,376)	(22,200)	(22,400)	(200)
Controllable	**227,242**	**226,300**	**227,400**	**1,100**
Transport Related Recharges	6,603	6,400	8,400	2,000
Supplies & Services Related Recharges	1,985	2,000	2,100	100
Central Support and Service Admin	72,700	89,000	79,400	(9,600)
Internal Recharges	(5,800)	(5,800)	(5,800)	0
Recharges	**75,488**	**91,600**	**84,100**	**(7,500)**
Total	**302,731**	**317,900**	**311,500**	**(6,400)**

R205 Food, Health & Safety	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	176,748	181,300	180,600	(700)
Transport Related Expenses	2,370	3,700	3,700	0
Supplies & Services	4,180	6,700	6,700	0
Revenue Income	(1,879)	(7,100)	(7,900)	(800)
Controllable	**181,420**	**184,600**	**183,100**	**(1,500)**
Supplies & Services Related Recharges	1,524	1,500	1,600	100
Central Support and Service Admin	43,909	55,100	49,900	(5,200)
Recharges	**45,433**	**56,600**	**51,500**	**(5,100)**
Total	**226,853**	**241,200**	**234,600**	**(6,600)**

R215 Comm Protection & Dog Control	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	392,871	357,200	373,700	16,500
Transport Related Expenses	539	1,600	1,600	0
Supplies & Services	114,915	99,900	74,900	(25,000)
Third Party Payments	18,629	17,000	17,000	0
Revenue Income	(17,274)	(11,200)	(11,200)	0
Controllable	**509,680**	**464,500**	**456,000**	**(8,500)**
Transport Related Recharges	16,811	16,100	20,100	4,000
Supplies & Services Related Recharges	3,381	3,400	3,200	(200)
Central Support and Service Admin	130,756	144,400	121,200	(23,200)
Recharges	**150,948**	**163,900**	**144,500**	**(19,400)**
Transfer to Reserves	29,300	29,300	29,300	0
Transfer from Reserves	(68,600)	(55,000)	(35,100)	19,900
Reserves	**(39,300)**	**(25,700)**	**(5,800)**	**19,900**
Capital Financing Charges	8,325	9,600	5,800	(3,800)
Capital	**8,325**	**9,600**	**5,800**	**(3,800)**
Total	**629,653**	**612,300**	**600,500**	**(11,800)**

R600 Public Sector Housing	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	301,325	304,700	214,500	(90,200)
Transport Related Expenses	5,267	4,500	4,500	0
Supplies & Services	10,538	14,200	18,900	4,700
Revenue Income	(194,712)	(50,700)	(151,600)	(100,900)
Controllable	**122,418**	**272,700**	**86,300**	**(186,400)**
Supplies & Services Related Recharges	2,483	2,500	2,900	400
Central Support and Service Admin	49,487	57,400	48,900	(8,500)
Recharges	**51,970**	**59,900**	**51,800**	**(8,100)**
Transfer to Reserves	41,400	0	105,500	105,500
Transfer from Reserves	(18,100)	(117,200)	(32,700)	84,500
Reserves	**23,300**	**(117,200)**	**72,800**	**190,000**
Capital Financing Charges	1,027,067	900,000	900,000	0
Capital Entries	(792,115)	(900,000)	(900,000)	0
Capital	**234,951**	**0**	**0**	**0**
Total	**432,639**	**215,400**	**210,900**	**(4,500)**

Environment

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Waste Management	2,220,172	2,157,300	2,137,900	(19,400)
Trade Waste	(176,720)	(160,600)	(162,200)	(1,600)
Street Care	940,531	963,200	903,800	(59,400)
Public Conveniences	30,537	22,100	21,800	(300)
Direct Services Service Support	1,212	0	(0)	(0)
Building Services	719	0	(0)	(0)
Car Parks	113,278	80,900	77,400	(3,500)
Fleet Management	0	(0)	(0)	0
Parks	1,787,446	1,823,800	1,841,500	17,700
Parks - External Works	137,589	(1,700)	24,700	26,400
Cemeteries	(59,177)	(40,500)	(95,500)	(55,000)
Total Environment Portfolio Budget	**4,995,586**	**4,844,500**	**4,749,400**	**(95,100)**
Transfer to(from) Earmarked Reserves				
Environment	(116,291)	(8,400)	(11,400)	(3,000)
Total Reserves	**(116,291)**	**(8,400)**	**(11,400)**	**(3,000)**
TOTAL	**4,879,295**	**4,836,100**	**4,738,000**	**(98,100)**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	3,944,201	4,006,500	4,023,600	17,100
Premises Related Expenses	446,883	371,200	374,200	3,000
Transport Related Expenses	548,148	547,300	539,300	(8,000)
Supplies & Services	679,678	650,900	631,600	(19,300)
Third Party Payments	307,773	271,300	271,300	0
Revenue Income	(2,788,877)	(3,068,600)	(3,024,300)	44,300
Controllable	**3,137,804**	**2,778,600**	**2,815,700**	**37,100**
Consisting of				
Premises Related Recharges	26,262	35,100	35,000	(100)
Transport Related Recharges	1,539,794	1,647,600	1,628,600	(19,000)
Supplies & Services Related Recharges	32,778	32,700	35,000	2,300
Central Support and Service Admin	1,084,392	1,081,400	987,600	(93,800)
Internal Recharges	(1,968,501)	(2,078,100)	(2,017,700)	60,400
Recharges	**714,725**	**718,700**	**668,500**	**(50,200)**
Consisting of				
Capital Financing Charges	1,143,056	1,347,200	1,265,200	(82,000)
Capital	**1,143,056**	**1,347,200**	**1,265,200**	**(82,000)**
Total Environment	**4,995,586**	**4,844,500**	**4,749,400**	**(95,100)**
Consisting of				
Transfer to Reserves	21,287	43,100	43,100	0
Transfer from Reserves	(137,578)	(51,500)	(54,500)	(3,000)
Reserves	**(116,291)**	**(8,400)**	**(11,400)**	**(3,000)**
Transfer to(from) Earmarked Reserves	**(116,291)**	**(8,400)**	**(11,400)**	**(3,000)**
TOTAL	**4,879,295**	**4,836,100**	**4,738,000**	**(98,100)**

R500 Waste Management	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	1,633,909	1,652,200	1,683,200	31,000
Transport Related Expenses	0	400	400	0
Supplies & Services	105,983	76,800	69,400	(7,400)
Third Party Payments	13,429	12,700	12,700	0
Revenue Income	(900,307)	(902,700)	(939,800)	(37,100)
Controllable	**853,014**	**839,400**	**825,900**	**(13,500)**
Transport Related Recharges	914,683	911,100	922,400	11,300
Supplies & Services Related Recharges	12,894	12,800	13,800	1,000
Central Support and Service Admin	433,731	388,100	369,900	(18,200)
Recharges	**1,361,308**	**1,312,000**	**1,306,100**	**(5,900)**
Capital Financing Charges	5,850	5,900	5,900	0
Capital	**5,850**	**5,900**	**5,900**	**0**
Total	**2,220,172**	**2,157,300**	**2,137,900**	**(19,400)**

R503 Trade Waste	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	58,615	61,400	64,300	2,900
Supplies & Services	264,900	292,900	292,900	0
Revenue Income	(572,897)	(588,100)	(588,100)	0
Controllable	**(249,382)**	**(233,800)**	**(230,900)**	**2,900**
Transport Related Recharges	51,959	48,800	53,200	4,400
Supplies & Services Related Recharges	522	500	600	100
Central Support and Service Admin	73,180	77,200	68,200	(9,000)
Internal Recharges	(52,999)	(53,300)	(53,300)	0
Recharges	**72,662**	**73,200**	**68,700**	**(4,500)**
Total	**(176,720)**	**(160,600)**	**(162,200)**	**(1,600)**

R505 Street Care	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	606,689	599,900	580,700	(19,200)
Premises Related Expenses	7,237	6,700	6,700	0
Transport Related Expenses	52	400	400	0
Supplies & Services	84,933	70,900	70,900	0
Third Party Payments	2,380	2,200	2,200	0
Revenue Income	(27,058)	(26,500)	(27,300)	(800)
Controllable	**674,232**	**653,600**	**633,600**	**(20,000)**
Transport Related Recharges	217,228	258,200	226,000	(32,200)
Supplies & Services Related Recharges	5,237	5,000	5,400	400
Central Support and Service Admin	41,327	43,900	38,800	(5,100)
Recharges	**263,792**	**307,100**	**270,200**	**(36,900)**
Transfer from Reserves	(15,357)	0	0	0
Reserves	**(15,357)**	**0**	**0**	**0**
Capital Financing Charges	2,507	2,500	0	(2,500)
Capital	**2,507**	**2,500**	**0**	**(2,500)**
Total	**925,174**	**963,200**	**903,800**	**(59,400)**

R510 Public Conveniences	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Premises Related Expenses	22,107	13,000	13,200	200
Supplies & Services	1	0	0	0
Controllable	**22,108**	**13,000**	**13,200**	**200**
Premises Related Recharges	234	700	300	(400)
Central Support and Service Admin	4,382	4,600	4,200	(400)
Recharges	**4,616**	**5,300**	**4,500**	**(800)**
Capital Financing Charges	3,813	3,800	4,100	300
Capital	**3,813**	**3,800**	**4,100**	**300**
Total	**30,537**	**22,100**	**21,800**	**(300)**

R514 Direct Services Service Support	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	142,955	132,900	101,100	(31,800)
Transport Related Expenses	244	100	100	0
Supplies & Services	2,183	1,100	1,000	(100)
Controllable	**145,382**	**134,100**	**102,200**	**(31,900)**
Supplies & Services Related Recharges	1,212	1,200	1,300	100
Central Support and Service Admin	24,887	27,000	24,900	(2,100)
Internal Recharges	(170,269)	(162,300)	(128,400)	33,900
Recharges	**(144,170)**	**(134,100)**	**(102,200)**	**31,900**
Total	**1,212**	**0**	**0**	**0**

R520 Building Services	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	79,148	80,900	82,800	1,900
Transport Related Expenses	81	100	100	0
Supplies & Services	3,507	5,200	3,200	(2,000)
Controllable	**82,736**	**86,200**	**86,100**	**(100)**
Supplies & Services Related Recharges	719	700	800	100
Central Support and Service Admin	24,785	25,600	22,900	(2,700)
Internal Recharges	(110,649)	(115,600)	(109,800)	5,800
Recharges	**(85,146)**	**(89,300)**	**(86,100)**	**3,200**
Capital Financing Charges	3,129	3,100	0	(3,100)
Capital	**3,129**	**3,100**	**0**	**(3,100)**
Total	**719**	**0**	**0**	**0**

R540 Car Parks	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	18,585	18,700	19,200	500
Premises Related Expenses	132,416	129,700	132,000	2,300
Transport Related Expenses	742	800	800	0
Supplies & Services	8,691	5,700	5,700	0
Third Party Payments	238,503	223,900	223,900	0
Revenue Income	(333,494)	(347,900)	(347,900)	0
Controllable	**65,443**	**30,900**	**33,700**	**2,800**
Premises Related Recharges	1,004	3,700	3,700	0
Supplies & Services Related Recharges	167	200	200	0
Central Support and Service Admin	41,279	40,700	37,500	(3,200)
Recharges	**42,450**	**44,600**	**41,400**	**(3,200)**
Transfer to Reserves	13,187	35,000	35,000	0
Transfer from Reserves	0	0	(3,000)	(3,000)
Reserves	**13,187**	**35,000**	**32,000**	**(3,000)**
Capital Financing Charges	5,386	5,400	2,300	(3,100)
Capital	**5,386**	**5,400**	**2,300**	**(3,100)**
Total	**126,466**	**115,900**	**109,400**	**(6,500)**

R555 Fleet Management	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	291,543	312,600	316,000	3,400
Premises Related Expenses	661	0	0	0
Transport Related Expenses	545,478	543,200	535,200	(8,000)
Supplies & Services	38,406	32,400	30,400	(2,000)
Third Party Payments	120	0	0	0
Revenue Income	(59,160)	(44,600)	(44,600)	0
Controllable	**817,048**	**843,600**	**837,000**	**(6,600)**
Premises Related Recharges	2,749	2,800	3,200	400
Transport Related Recharges	68,255	68,300	74,300	6,000
Supplies & Services Related Recharges	2,527	2,500	2,700	200
Central Support and Service Admin	99,172	107,100	98,800	(8,300)
Internal Recharges	(1,618,484)	(1,724,200)	(1,703,500)	20,700
Recharges	**(1,445,782)**	**(1,543,500)**	**(1,524,500)**	**19,000**
Transfer from Reserves	(3,750)	(7,500)	(7,500)	0
Reserves	**(3,750)**	**(7,500)**	**(7,500)**	**0**
Capital Financing Charges	628,734	699,900	687,500	(12,400)
Capital	**628,734**	**699,900**	**687,500**	**(12,400)**
Total	**(3,750)**	**(7,500)**	**(7,500)**	**0**

R715 Parks	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	628,477	594,200	650,500	56,300
Premises Related Expenses	228,269	172,600	172,900	300
Transport Related Expenses	615	1,000	1,000	0
Supplies & Services	122,684	129,200	123,400	(5,800)
Third Party Payments	48,142	25,000	25,000	0
Revenue Income	(132,026)	(140,200)	(131,400)	8,800
Controllable	**896,162**	**781,800**	**841,400**	**59,600**
Premises Related Recharges	8,079	12,400	13,000	600
Transport Related Recharges	198,840	235,400	236,300	900
Supplies & Services Related Recharges	4,636	4,900	5,000	100
Central Support and Service Admin	223,817	244,400	218,100	(26,300)
Recharges	**435,371**	**497,100**	**472,400**	**(24,700)**
Transfer to Reserves	8,100	8,100	8,100	0
Transfer from Reserves	(118,471)	(44,000)	(44,000)	0
Reserves	**(110,371)**	**(35,900)**	**(35,900)**	**0**
Capital Financing Charges	455,912	544,900	527,700	(17,200)
Capital	**455,912**	**544,900**	**527,700**	**(17,200)**
Total	**1,677,074**	**1,787,900**	**1,805,600**	**17,700**

R717 Parks - External Works	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	295,679	360,100	332,300	(27,800)
Premises Related Expenses	34,106	26,900	27,100	200
Transport Related Expenses	10	100	100	0
Supplies & Services	40,226	32,400	30,400	(2,000)
Third Party Payments	2,929	3,500	3,500	0
Revenue Income	(330,129)	(561,300)	(474,200)	87,100
Controllable	**42,822**	**(138,300)**	**(80,800)**	**57,500**
Premises Related Recharges	1,342	700	700	0
Transport Related Recharges	48,664	73,800	69,200	(4,600)
Supplies & Services Related Recharges	3,147	3,200	3,400	200
Central Support and Service Admin	50,424	57,300	47,600	(9,700)
Internal Recharges	(16,099)	(22,700)	(22,700)	0
Recharges	**87,478**	**112,300**	**98,200**	**(14,100)**
Capital Financing Charges	7,290	24,300	7,300	(17,000)
Capital	**7,290**	**24,300**	**7,300**	**(17,000)**
Total	**137,589**	**(1,700)**	**24,700**	**26,400**

R720 Cemeteries	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	188,600	193,600	193,500	(100)
Premises Related Expenses	22,086	22,300	22,300	0
Transport Related Expenses	926	1,200	1,200	0
Supplies & Services	8,164	4,300	4,300	0
Third Party Payments	2,270	4,000	4,000	0
Revenue Income	(433,806)	(457,300)	(471,000)	(13,700)
Controllable	**(211,760)**	**(231,900)**	**(245,700)**	**(13,800)**
Premises Related Recharges	12,855	14,800	14,100	(700)
Transport Related Recharges	40,166	52,000	47,200	(4,800)
Supplies & Services Related Recharges	1,717	1,700	1,800	100
Central Support and Service Admin	67,409	65,500	56,700	(8,800)
Recharges	**122,148**	**134,000**	**119,800**	**(14,200)**
Capital Financing Charges	30,435	57,400	30,400	(27,000)
Capital	**30,435**	**57,400**	**30,400**	**(27,000)**
Total	**(59,177)**	**(40,500)**	**(95,500)**	**(55,000)**

Growth & Regeneration

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Development Service Support	822	0	0	0
Development Management	(40,880)	(28,500)	13,400	41,900
Planning Policy	301,773	366,200	361,300	(4,900)
Building Control Account	52,537	49,800	49,700	(100)
Building Control Fee Earning Account	12,718	700	(24,800)	(25,500)
Land Charges	8,659	(8,500)	(8,700)	(200)
Economic Development	350,476	330,600	247,000	(83,600)
Housing Strategy	125,187	142,900	143,000	100
Total Growth & Regeneration Portfolio Budget	**811,290**	**853,200**	**780,900**	**(72,300)**
Transfer to(from) Earmarked Reserves				
Growth & Regeneration	(60,367)	(45,200)	(53,200)	(8,000)
Total Reserves	**(60,367)**	**(45,200)**	**(53,200)**	**(8,000)**
TOTAL	**750,924**	**808,000**	**727,700**	**(80,300)**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	1,262,645	1,368,500	1,285,800	(82,700)
Transport Related Expenses	16,791	15,200	15,200	0
Supplies & Services	203,744	128,800	121,800	(7,000)
Third Party Payments	62,064	13,600	13,600	0
Revenue Income	(1,182,996)	(1,145,100)	(1,075,100)	70,000
Controllable	**362,248**	**381,000**	**361,300**	**(19,700)**
Consisting of				
Supplies & Services Related Recharges	17,860	17,800	18,900	1,100
Central Support and Service Admin	557,354	588,000	526,600	(61,400)
Internal Recharges	(127,172)	(134,600)	(126,900)	7,700
Recharges	**448,042**	**471,200**	**418,600**	**(52,600)**
Consisting of				
Capital Financing Charges	1,000	1,000	1,000	0
Capital	**1,000**	**1,000**	**1,000**	**0**
Total Growth & Regeneration	**811,290**	**853,200**	**780,900**	**(72,300)**
Consisting of				
Transfer to Reserves	47,446	0	0	0
Transfer from Reserves	(107,813)	(45,200)	(53,200)	(8,000)
Reserves	**(60,367)**	**(45,200)**	**(53,200)**	**(8,000)**
Transfer to(from) Earmarked Reserves	**(60,367)**	**(45,200)**	**(53,200)**	**(8,000)**
TOTAL	**750,924**	**808,000**	**727,700**	**(80,300)**

R105 Development Service Support	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	88,705	97,800	92,900	(4,900)
Supplies & Services	3,539	3,700	3,700	0
Controllable	**92,244**	**101,500**	**96,600**	**(4,900)**
Supplies & Services Related Recharges	822	800	900	100
Central Support and Service Admin	34,928	32,300	29,400	(2,900)
Internal Recharges	(127,172)	(134,600)	(126,900)	7,700
Recharges	**(91,422)**	**(101,500)**	**(96,600)**	**4,900**
Total	**822**	**0**	**0**	**(0)**

R110 Development Management	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	432,238	472,400	478,100	5,700
Transport Related Expenses	3,824	3,500	3,500	0
Supplies & Services	43,854	30,400	15,400	(15,000)
Revenue Income	(768,888)	(798,500)	(718,500)	80,000
Controllable	**(288,973)**	**(292,200)**	**(221,500)**	**70,700**
Supplies & Services Related Recharges	4,012	4,000	4,500	500
Central Support and Service Admin	244,080	259,700	230,400	(29,300)
Recharges	**248,093**	**263,700**	**234,900**	**(28,800)**
Transfer from Reserves	0	(7,800)	(7,800)	0
Reserves	**0**	**(7,800)**	**(7,800)**	**0**
Total	**(40,880)**	**(36,300)**	**5,600**	**41,900**

R115 Planning Policy	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	240,175	245,500	238,000	(7,500)
Transport Related Expenses	922	600	600	0
Supplies & Services	5,787	31,700	39,700	8,000
Third Party Payments	12,064	13,600	13,600	0
Revenue Income	(32,211)	(600)	(600)	0
Controllable	**226,737**	**290,800**	**291,300**	**500**
Supplies & Services Related Recharges	2,194	2,200	2,300	100
Central Support and Service Admin	71,842	72,200	66,700	(5,500)
Recharges	**74,036**	**74,400**	**69,000**	**(5,400)**
Transfer to Reserves	32,146	0	0	0
Transfer from Reserves	(9,340)	(30,000)	(38,000)	(8,000)
Reserves	**22,806**	**(30,000)**	**(38,000)**	**(8,000)**
Capital Financing Charges	1,000	1,000	1,000	0
Capital	**1,000**	**1,000**	**1,000**	**0**
Total	**324,579**	**336,200**	**323,300**	**(12,900)**

R120 Building Control Account	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	43,200	37,300	38,100	800
Transport Related Expenses	2,684	3,000	3,000	0
Supplies & Services	518	2,100	2,100	0
Revenue Income	(655)	0	0	0
Controllable	**45,748**	**42,400**	**43,200**	**800**
Supplies & Services Related Recharges	387	400	300	(100)
Central Support and Service Admin	6,402	7,000	6,200	(800)
Recharges	**6,789**	**7,400**	**6,500**	**(900)**
Total	**52,537**	**49,800**	**49,700**	**(100)**

R121 Building Control Fee Earning Account	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	158,173	166,500	159,500	(7,000)
Transport Related Expenses	6,954	7,000	7,000	0
Supplies & Services	3,676	4,000	4,000	0
Revenue Income	(218,172)	(245,900)	(255,900)	(10,000)
Controllable	**(49,370)**	**(68,400)**	**(85,400)**	**(17,000)**
Supplies & Services Related Recharges	1,409	1,400	1,600	200
Central Support and Service Admin	60,679	67,700	59,000	(8,700)
Recharges	**62,088**	**69,100**	**60,600**	**(8,500)**
Transfer from Reserves	(10,130)	0	0	0
Reserves	**(10,130)**	**0**	**0**	**0**
Total	**2,588**	**700**	**(24,800)**	**(25,500)**

R172 Land Charges	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	0	0	2,800	2,800
Supplies & Services	26,991	24,400	24,400	0
Revenue Income	(80,880)	(100,100)	(100,100)	0
Controllable	**(53,890)**	**(75,700)**	**(72,900)**	**2,800**
Supplies & Services Related Recharges	5,800	5,800	6,100	300
Central Support and Service Admin	56,748	61,400	58,100	(3,300)
Recharges	**62,548**	**67,200**	**64,200**	**(3,000)**
Total	**8,659**	**(8,500)**	**(8,700)**	**(200)**

R175 Economic Development	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	189,181	239,000	162,500	(76,500)
Transport Related Expenses	1,242	500	500	0
Supplies & Services	118,597	31,900	31,900	0
Third Party Payments	50,000	0	0	0
Revenue Income	(66,500)	0	0	0
Controllable	**292,521**	**271,400**	**194,900**	**(76,500)**
Supplies & Services Related Recharges	2,247	2,200	2,200	0
Central Support and Service Admin	55,708	57,000	49,900	(7,100)
Recharges	**57,955**	**59,200**	**52,100**	**(7,100)**
Transfer to Reserves	15,300	0	0	0
Transfer from Reserves	(88,343)	(7,400)	(7,400)	0
Reserves	**(73,043)**	**(7,400)**	**(7,400)**	**0**
Total	**277,433**	**323,200**	**239,600**	**(83,600)**

R640 Housing Strategy	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	110,973	110,000	113,900	3,900
Transport Related Expenses	1,165	600	600	0
Supplies & Services	783	600	600	0
Revenue Income	(15,688)	0	0	0
Controllable	**97,232**	**111,200**	**115,100**	**3,900**
Supplies & Services Related Recharges	988	1,000	1,000	0
Central Support and Service Admin	26,967	30,700	26,900	(3,800)
Recharges	**27,955**	**31,700**	**27,900**	**(3,800)**
Total	**125,187**	**142,900**	**143,000**	**100**

Resources & Reputation

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Division				
Organisational Development	2,309	(0)	(0)	(0)
Corporate Management	1,107,948	1,098,900	980,100	(118,800)
Health & Safety and Emergency Planning	19,207	7,800	7,800	(0)
Legal Services	3,635	0	(0)	(0)
Central Print Room	58	0	0	(0)
Registration Of Electors	143,573	153,400	183,100	29,700
Elections	184,251	1,600	1,600	0
Estates & Valuation	1,214	0	0	0
Public Land & Buildings	57,569	(108,900)	67,600	176,500
Information Technology	(82,765)	0	(0)	(0)
Communications & Publicity	1,546	(0)	0	0
Corporate Officers	69,102	41,400	20,500	(20,900)
Business Units	(4,746)	(18,600)	(27,100)	(8,500)
Public Offices	23,467	1,100	(4,400)	(5,500)
Financial Services	(460)	0	0	0
Customer Services	7,214	(0)	(0)	0
Insurance Premiums	5,853	0	0	0
Revenues-Local Taxation	327,964	541,300	521,600	(19,700)
Central Provisions Account	53,807	134,100	(514,700)	(648,800)
Non Distributed Costs	274,527	124,600	119,000	(5,600)
Corporate Income & Expenditure	(440,906)	326,900	333,200	6,300
Movement in Reserves (MiRs)	(888,334)	(129,500)	(184,500)	(55,000)
Total Resources & Reputation Portfolio Budget	**866,034**	**2,174,100**	**1,503,800**	**(670,300)**
Transfer to(from) Earmarked Reserves				
Resources & Reputation	(363,208)	(1,535,700)	(1,197,300)	338,400
Total Reserves	**(363,208)**	**(1,535,700)**	**(1,197,300)**	**338,400**
TOTAL	**502,827**	**638,400**	**306,500**	**(331,900)**

	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Consisting of				
Employee Expenses	4,468,764	4,063,400	4,045,500	(17,900)
Premises Related Expenses	636,466	571,400	577,600	6,200
Transport Related Expenses	10,591	9,700	9,700	0
Supplies & Services	2,918,324	2,297,800	1,818,000	(479,800)
Third Party Payments	6,800	7,200	7,200	0
Capital Interest	1,092,449	2,337,500	2,122,900	(214,600)
Revenue Income	(2,862,396)	(1,739,300)	(2,136,700)	(397,400)
Controllable	**6,270,998**	**7,547,700**	**6,444,200**	**(1,103,500)**
Consisting of				
Premises Related Recharges	46,410	63,800	55,200	(8,600)
Transport Related Recharges	2,292	4,400	2,700	(1,700)
Supplies & Services Related Recharges	43,587	39,600	41,100	1,500
Central Support and Service Admin	1,909,547	2,023,200	1,715,100	(308,100)
Internal Recharges	(5,355,404)	(5,752,900)	(5,147,100)	605,800
Recharges	**(3,353,568)**	**(3,621,900)**	**(3,333,000)**	**288,900**
Consisting of				
Capital Financing Charges	834,918	309,500	325,600	16,100
Capital Entries	(2,886,314)	(2,061,200)	(1,933,000)	128,200
Capital	**(2,051,396)**	**(1,751,700)**	**(1,607,400)**	**144,300**
Total Resources & Reputation	**866,034**	**2,174,100**	**1,503,800**	**(670,300)**
Consisting of				
Transfer to Reserves	524,600	112,000	145,000	33,000
Transfer from Reserves	(887,807)	(1,647,700)	(1,342,300)	305,400
Reserves	**(363,208)**	**(1,535,700)**	**(1,197,300)**	**338,400**
Transfer to(from) Earmarked Reserves	**(363,208)**	**(1,535,700)**	**(1,197,300)**	**338,400**
TOTAL	**502,827**	**638,400**	**306,500**	**(331,900)**

R130 Organisational Development	**Actual 2019-20 £**	**Original Budget 2020-21 £**	**Original Budget 2021-22 £**	**Variance to Original Budget 2020-21 £**
Employee Expenses	264,282	257,900	225,100	(32,800)
Transport Related Expenses	234	700	700	0
Supplies & Services	18,223	25,200	24,000	(1,200)
Revenue Income	(36,752)	(24,100)	(24,500)	(400)
Controllable	**245,988**	**259,700**	**225,300**	**(34,400)**
Supplies & Services Related Recharges	2,309	2,300	2,400	100
Central Support and Service Admin	57,544	64,000	43,700	(20,300)
Internal Recharges	(303,532)	(326,000)	(271,400)	54,600
Recharges	**(243,678)**	**(259,700)**	**(225,300)**	**34,400**
Transfer from Reserves	0	(4,700)	(4,700)	0
Reserves	**0**	**(4,700)**	**(4,700)**	**0**
Total	**2,309**	**(4,700)**	**(4,700)**	**(0)**

R145 Corporate Management	**Actual 2019-20 £**	**Original Budget 2020-21 £**	**Original Budget 2021-22 £**	**Variance to Original Budget 2020-21 £**
Employee Expenses	624,630	592,100	480,600	(111,500)
Transport Related Expenses	4,148	3,400	3,400	0
Supplies & Services	179,655	171,500	185,100	13,600
Revenue Income	(58,428)	0	(7,000)	(7,000)
Controllable	**750,006**	**767,000**	**662,100**	**(104,900)**
Supplies & Services Related Recharges	5,499	5,600	4,400	(1,200)
Central Support and Service Admin	590,930	624,500	521,700	(102,800)
Internal Recharges	(238,487)	(298,200)	(208,100)	90,100
Recharges	**357,942**	**331,900**	**318,000**	**(13,900)**
Total	**1,107,948**	**1,098,900**	**980,100**	**(118,800)**

R150 Health & Safety and Emergency Planning	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	63,549	64,600	84,400	19,800
Transport Related Expenses	283	300	300	0
Supplies & Services	30,430	18,000	18,000	0
Third Party Payments	6,800	7,200	7,200	0
Controllable	**101,061**	**90,100**	**109,900**	**19,800**
Supplies & Services Related Recharges	486	500	500	0
Central Support and Service Admin	23,772	29,700	27,500	(2,200)
Internal Recharges	(106,112)	(112,500)	(130,100)	(17,600)
Recharges	**(81,854)**	**(82,300)**	**(102,100)**	**(19,800)**
Transfer from Reserves	(18,945)	(7,500)	(7,500)	0
Reserves	**(18,945)**	**(7,500)**	**(7,500)**	**0**
Total	**262**	**300**	**300**	**0**

R160 Legal Services	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	349,052	368,700	279,300	(89,400)
Transport Related Expenses	721	800	800	0
Supplies & Services	39,567	38,200	29,700	(8,500)
Revenue Income	(51,779)	(99,700)	(97,400)	2,300
Controllable	**337,561**	**308,000**	**212,400**	**(95,600)**
Supplies & Services Related Recharges	3,635	2,900	3,500	600
Central Support and Service Admin	50,796	57,400	43,000	(14,400)
Internal Recharges	(388,357)	(368,300)	(258,900)	109,400
Recharges	**(333,926)**	**(308,000)**	**(212,400)**	**95,600**
Transfer from Reserves	(15,801)	(5,000)	0	5,000
Reserves	**(15,801)**	**(5,000)**	**0**	**5,000**
Total	**(12,167)**	**(5,000)**	**(0)**	**5,000**

R165 Central Print Room	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	6,078	6,600	6,500	(100)
Transport Related Expenses	13	0	0	0
Supplies & Services	16,462	15,100	15,100	0
Revenue Income	(49)	0	0	0
Controllable	**22,504**	**21,700**	**21,600**	**(100)**
Supplies & Services Related Recharges	58	100	100	0
Central Support and Service Admin	1,757	1,700	1,700	0
Internal Recharges	(24,260)	(23,500)	(23,400)	100
Recharges	**(22,445)**	**(21,700)**	**(21,600)**	**100**
Transfer to Reserves	10,000	10,000	3,000	(7,000)
Reserves	**10,000**	**10,000**	**3,000**	**(7,000)**
Total	**10,058**	**10,000**	**3,000**	**(7,000)**

R170 Postages	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Supplies & Services	47,448	50,200	50,200	0
Revenue Income	0	(700)	(700)	0
Controllable	**47,448**	**49,500**	**49,500**	**0**
Internal Recharges	(47,448)	(49,500)	(49,500)	0
Recharges	**(47,448)**	**(49,500)**	**(49,500)**	**0**
Total	**0**	**0**	**0**	**0**

R177 Registration Of Electors	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	75,477	84,300	95,300	11,000
Transport Related Expenses	111	200	200	0
Supplies & Services	57,779	23,700	51,000	27,300
Revenue Income	(36,000)	(1,900)	(1,900)	0
Controllable	**97,367**	**106,300**	**144,600**	**38,300**
Supplies & Services Related Recharges	492	500	700	200
Central Support and Service Admin	45,715	46,600	37,800	(8,800)
Recharges	**46,207**	**47,100**	**38,500**	**(8,600)**
Total	**143,573**	**153,400**	**183,100**	**29,700**

R180 Elections	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	197,937	99,900	99,500	(400)
Premises Related Expenses	41,769	16,500	16,500	0
Transport Related Expenses	198	0	0	0
Supplies & Services	263,826	80,500	80,500	0
Revenue Income	(327,396)	(200,000)	(200,000)	0
Controllable	**176,334**	**(3,100)**	**(3,500)**	**(400)**
Supplies & Services Related Recharges	6,328	3,100	3,500	400
Recharges	**6,328**	**3,100**	**3,500**	**400**
Transfer from Reserves	(3,000)	0	0	0
Reserves	**(3,000)**	**0**	**0**	**0**
Capital Financing Charges	1,589	1,600	1,600	0
Capital	**1,589**	**1,600**	**1,600**	**0**
Total	**181,251**	**1,600**	**1,600**	**0**

R182 Estates & Valuation	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	138,923	138,900	152,800	13,900
Transport Related Expenses	124	300	300	0
Supplies & Services	33,664	17,700	17,700	0
Controllable	**172,711**	**156,900**	**170,800**	**13,900**
Supplies & Services Related Recharges	1,214	1,200	1,300	100
Central Support and Service Admin	42,331	46,900	41,200	(5,700)
Internal Recharges	(215,043)	(205,000)	(213,300)	(8,300)
Recharges	**(171,497)**	**(156,900)**	**(170,800)**	**(13,900)**
Transfer to Reserves	10,800	0	0	0
Transfer from Reserves	(25,000)	0	0	0
Reserves	**(14,200)**	**0**	**0**	**0**
Total	**(12,986)**	**0**	**0**	**0**

R185 Public Land & Buildings	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	5,744	4,200	4,600	400
Premises Related Expenses	28,432	30,800	34,900	4,100
Transport Related Expenses	7	0	0	0
Supplies & Services	8,744	18,400	14,300	(4,100)
Revenue Income	(167,320)	(340,700)	(164,800)	175,900
Controllable	**(124,393)**	**(287,300)**	**(111,000)**	**176,300**
Premises Related Recharges	9,917	12,900	11,100	(1,800)
Supplies & Services Related Recharges	97	100	0	(100)
Central Support and Service Admin	167,969	161,200	142,100	(19,100)
Recharges	**177,982**	**174,200**	**153,200**	**(21,000)**
Capital Financing Charges	3,979	4,200	25,400	21,200
Capital	**3,979**	**4,200**	**25,400**	**21,200**
Total	**57,569**	**(108,900)**	**67,600**	**176,500**

R300 Information Technology	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	299,124	332,300	341,200	8,900
Transport Related Expenses	543	500	500	0
Supplies & Services	760,849	825,900	739,600	(86,300)
Revenue Income	(2,892)	(8,100)	(8,100)	0
Controllable	**1,057,623**	**1,150,600**	**1,073,200**	**(77,400)**
Premises Related Recharges	2,300	2,800	2,600	(200)
Supplies & Services Related Recharges	2,723	2,700	3,400	700
Central Support and Service Admin	56,298	57,900	26,000	(31,900)
Internal Recharges	(1,212,762)	(1,325,000)	(1,235,000)	90,000
Recharges	**(1,151,441)**	**(1,261,600)**	**(1,203,000)**	**58,600**
Transfer to Reserves	111,300	67,000	107,000	40,000
Transfer from Reserves	(244,546)	(203,700)	(109,700)	94,000
Reserves	**(133,246)**	**(136,700)**	**(2,700)**	**134,000**
Capital Financing Charges	11,053	111,000	129,800	18,800
Capital	**11,053**	**111,000**	**129,800**	**18,800**
Total	**(216,011)**	**(136,700)**	**(2,700)**	**134,000**

R340 Communications & Publicity	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	162,370	165,000	150,500	(14,500)
Transport Related Expenses	363	200	200	0
Supplies & Services	57,882	57,200	57,200	0
Revenue Income	(1,854)	(21,300)	(21,300)	0
Controllable	**218,760**	**201,100**	**186,600**	**(14,500)**
Supplies & Services Related Recharges	1,546	1,500	1,700	200
Central Support and Service Admin	57,752	65,500	48,100	(17,400)
Internal Recharges	(276,512)	(268,100)	(236,400)	31,700
Recharges	**(217,215)**	**(201,100)**	**(186,600)**	**14,500**
Total	**1,546**	**0**	**0**	**0**

R350 Corporate Officers	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	86,666	86,300	66,800	(19,500)
Transport Related Expenses	94	0	0	0
Supplies & Services	0	5,000	5,000	0
Revenue Income	0	0	(20,000)	(20,000)
Controllable	**86,760**	**91,300**	**51,800**	**(39,500)**
Supplies & Services Related Recharges	746	700	400	(300)
Central Support and Service Admin	1,716	1,700	1,400	(300)
Internal Recharges	(20,120)	(52,300)	(33,100)	19,200
Recharges	**(17,658)**	**(49,900)**	**(31,300)**	**18,600**
Transfer from Reserves	0	(41,400)	(20,500)	20,900
Reserves	**0**	**(41,400)**	**(20,500)**	**20,900**
Total	**69,102**	**0**	**0**	**0**

R410 Business Units	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Premises Related Expenses	102,946	110,400	113,700	3,300
Supplies & Services	1,000	1,000	1,000	0
Revenue Income	(193,454)	(215,000)	(223,000)	(8,000)
Controllable	**(89,508)**	**(103,600)**	**(108,300)**	**(4,700)**
Premises Related Recharges	5,866	6,000	2,900	(3,100)
Central Support and Service Admin	51,154	49,400	50,500	1,100
Recharges	**57,020**	**55,400**	**53,400**	**(2,000)**
Capital Financing Charges	27,742	29,600	27,800	(1,800)
Capital	**27,742**	**29,600**	**27,800**	**(1,800)**
Total	**(4,746)**	**(18,600)**	**(27,100)**	**(8,500)**

R560 Public Offices	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	140,366	155,100	155,200	100
Premises Related Expenses	445,714	397,200	393,300	(3,900)
Supplies & Services	28,990	26,700	26,700	0
Revenue Income	(328,666)	(334,700)	(374,200)	(39,500)
Controllable	**286,404**	**244,300**	**201,000**	**(43,300)**
Premises Related Recharges	28,327	42,100	38,600	(3,500)
Supplies & Services Related Recharges	1,447	1,400	1,600	200
Central Support and Service Admin	78,546	81,900	78,200	(3,700)
Internal Recharges	(499,118)	(510,500)	(464,800)	45,700
Recharges	**(390,798)**	**(385,100)**	**(346,400)**	**38,700**
Transfer from Reserves	(31,000)	0	0	0
Reserves	**(31,000)**	**0**	**0**	**0**
Capital Financing Charges	127,861	141,900	141,000	(900)
Capital	**127,861**	**141,900**	**141,000**	**(900)**
Total	**(7,533)**	**1,100**	**(4,400)**	**(5,500)**

R805 Financial Services	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	599,949	640,700	597,100	(43,600)
Transport Related Expenses	468	100	100	0
Supplies & Services	88,700	137,300	87,300	(50,000)
Revenue Income	(42,045)	(44,400)	(45,000)	(600)
Controllable	**647,072**	**733,700**	**639,500**	**(94,200)**
Supplies & Services Related Recharges	5,868	5,900	6,000	100
Central Support and Service Admin	134,260	151,500	134,900	(16,600)
Internal Recharges	(808,820)	(912,300)	(780,400)	131,900
Recharges	**(668,692)**	**(754,900)**	**(639,500)**	**115,400**
Transfer from Reserves	0	(54,000)	0	54,000
Reserves	**0**	**(54,000)**	**0**	**54,000**
Capital Financing Charges	21,160	21,200	0	(21,200)
Capital	**21,160**	**21,200**	**0**	**(21,200)**
Total	**(460)**	**(54,000)**	**(0)**	**54,000**

R820 Customer Services	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	749,420	796,300	738,800	(57,500)
Transport Related Expenses	1,635	2,700	2,700	0
Supplies & Services	13,869	13,000	9,900	(3,100)
Revenue Income	(9,500)	(18,300)	(18,700)	(400)
Controllable	**755,424**	**793,700**	**732,700**	**(61,000)**
Supplies & Services Related Recharges	7,214	7,200	7,400	200
Central Support and Service Admin	169,558	181,300	149,900	(31,400)
Internal Recharges	(924,982)	(982,200)	(890,000)	92,200
Recharges	**(748,210)**	**(793,700)**	**(732,700)**	**61,000**
Transfer from Reserves	0	(9,300)	(9,300)	0
Reserves	**0**	**(9,300)**	**(9,300)**	**0**
Total	**7,214**	**(9,300)**	**(9,300)**	**(0)**

R825 Insurance Premiums	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Supplies & Services	259,932	272,600	272,600	0
Revenue Income	(14,562)	0	0	0
Controllable	**245,370**	**272,600**	**272,600**	**0**
Internal Recharges	(239,518)	(272,600)	(272,600)	0
Recharges	**(239,518)**	**(272,600)**	**(272,600)**	**0**
Transfer to Reserves	35,160	35,000	35,000	0
Transfer from Reserves	(6,013)	0	0	0
Reserves	**29,147**	**35,000**	**35,000**	**0**
Total	**35,000**	**35,000**	**35,000**	**0**

R835 Revenues-Local Taxation	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	430,669	421,800	428,800	7,000
Transport Related Expenses	1,651	500	500	0
Supplies & Services	207,864	90,600	133,100	42,500
Revenue Income	(647,553)	(335,000)	(335,000)	0
Controllable	**(7,369)**	**177,900**	**227,400**	**49,500**
Transport Related Recharges	2,292	4,400	2,700	(1,700)
Supplies & Services Related Recharges	3,925	3,900	4,200	300
Central Support and Service Admin	379,450	402,000	367,400	(34,600)
Internal Recharges	(50,334)	(46,900)	(80,100)	(33,200)
Recharges	**335,333**	**363,400**	**294,200**	**(69,200)**
Transfer to Reserves	322,340	0	0	0
Transfer from Reserves	(96,523)	(900)	(51,400)	(50,500)
Reserves	**225,817**	**(900)**	**(51,400)**	**(50,500)**
Total	**553,781**	**540,400**	**470,200**	**(70,200)**

R872 Central Provisions Account	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	0	(275,900)	20,000	295,900
Supplies & Services	88,775	410,000	0	(410,000)
Revenue Income	(34,968)	0	(534,700)	(534,700)
Controllable	**53,807**	**134,100**	**(514,700)**	**(648,800)**
Transfer to Reserves	35,000	0	0	0
Transfer from Reserves	(199,679)	0	0	0
Reserves	**(164,679)**	**0**	**0**	**0**
Total	**(110,872)**	**134,100**	**(514,700)**	**(648,800)**

R875 Non Distributed Costs	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Employee Expenses	274,527	124,600	119,000	(5,600)
Controllable	**274,527**	**124,600**	**119,000**	**(5,600)**
Transfer from Reserves	(68,500)	0	0	0
Reserves	**(68,500)**	**0**	**0**	**0**
Total	**206,027**	**124,600**	**119,000**	**(5,600)**

R890 Corporate Income & Expenditure	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Premises Related Expenses	17,605	16,500	19,200	2,700
Supplies & Services	749,367	0	0	0
Capital Interest	342,835	405,800	374,400	(31,400)
Revenue Income	(909,178)	(95,400)	(60,400)	35,000
Controllable	**200,628**	**326,900**	**333,200**	**6,300**
Capital Entries	(641,534)	0	0	0
Capital	**(641,534)**	**0**	**0**	**0**
Total	**(440,906)**	**326,900**	**333,200**	**6,300**

R891 Movement in Reserves (MiRs)	Actual 2019-20 £	Original Budget 2020-21 £	Original Budget 2021-22 £	Variance to Original Budget 2020-21 £
Supplies & Services	(34,702)	0	0	0
Capital Interest	749,614	1,931,700	1,748,500	(183,200)
Controllable	**714,912**	**1,931,700**	**1,748,500**	**(183,200)**
Transfer from Reserves	(178,800)	(1,321,200)	(1,139,200)	182,000
Reserves	**(178,800)**	**(1,321,200)**	**(1,139,200)**	**182,000**
Capital Financing Charges	641,534	0	0	0
Capital Entries	(2,244,780)	(2,061,200)	(1,933,000)	128,200
Capital	**(1,603,246)**	**(2,061,200)**	**(1,933,000)**	**128,200**
Total	**(1,067,134)**	**(1,450,700)**	**(1,323,700)**	**127,000**

Community Development Portfolio

Revenue Budget Summary 2021-22

Major Variances in Net Controllable Expenditure

Major variances within Employee Expenses are mainly due to the pay award, senior management restructure incremental changes and increase vacancy provision. Other major variances are detailed below.

Democratic Management & Representation

No major variances

Localities

Variances mainly due to agreed efficiencies on alternate delivery of programmes.

Community Grants

Variances mainly due to the removal of budgets for Youth Engagement and VE and VJ day event offset with reduced contribution from reserves

The Arts & Tourism

No major variances

Community Centres

No major variances

Events

Variances due to agreed efficiencies on alternate delivery of the events programme

Housing, Health & Well-being Portfolio
Revenue Budget Summary 2021-22

Major Variances in Net Controllable Expenditure

Major variances within Employee Expenses are mainly due to the pay award, senior management restructure incremental changes and increase vacancy provision.

Other major variances are detailed below.

Housing Needs

Variance mainly due to increase in Homelessness grant, offset by associated expenditure.

Leisure Centres

Variance due to loss of income across all Leisure Centres due to the ongoing effect of the Covid-19 pandemic restrictions partially offset with Grant from the Governments Income Compensation Scheme.

Other variances across all Leisure Centres are due to due agreed efficiencies from new ways of working and utility inflation

Health & Wellbeing

Variances due to agreed efficiencies on new ways of working.

Council Tax Benefits

No major variances

Rent Allowances

Rent Allowance expenditure is expected to fall significantly as cases transfer to Universal Credit, most of this is subsidised at 100%. Overpayments are also expected to drop as expenditure falls. Estimated overpayment recoveries and bad debt provisions have been reassessed in line with performance in 2020/21, and are expected to be significantly lower in 2021/22, increasing the net cost to the General Fund.

Housing Benefit Administration

Variance due to agreed efficiencies in employee expenses.

Rent Rebates

No major variances

Public Protection Portfolio

Revenue Budget 2021-22

Major Variances in Net Controllable Expenditure:

Major variances within Employee Expenses are mainly due to the pay award, senior management restructure, incremental changes and increase in superannuation rates.

Other major variances are detailed below.

Licencing & Hackney Carriages

Variance mainly due to the removal of staffing cost from Phase 1 Management restructure.

Environmental Protection

No Major Variance.

Food, Health & Safety

No Major Variance.

Community Protection & Dog Control

Variance mainly due to employee efficiencies from Phase 1 Management Restructure.

Public Sector Housing

Variance mainly due to the cessation of the Hospital to Home scheme offset with a reduced contribution from reserves. Phase 2 Selective Licencing Phase 2 income offset with associated income.

Revenue Budget Summary 2021-22

Major Variances in Net Controllable Expenditure
Major variances within Employee Expenses are mainly due to the pay award, senior management restructure, incremental changes and increase in superannuation rates. Other major variances are detailed below.

Waste Management
Variance mainly due to an increase in Garden Waste income as part of the efficiency programme

Trade Waste
No major variances.

Street Care
Variance mainly due to staffing reductions as part of the efficiency programme.

Public Conveniences
No major variances

Direct Services Service Support
Variance due to a service review efficiency

Building Services
No major variances

Car Parks
No major variances

Fleet Management
No major variances

Parks
Variance mainly due the establishment of a Tree Inspector post.

Parks - External Works
Variance mainly due to a referral of the launch of a second commercial Tree Team, a reduction of income from the Pet Cremation Service partially offset by a reapportionment of associated staffing costs and increased income from a contract variation for Bestwood Country Park

Cemeteries
Variance mainly due to income inflation.

Growth & Regeneration Portfolio

Revenue Budget Summary 2021-22

Major Variances in Net Controllable Expenditure
Major variances within Employee Expenses are mainly due to the pay award, senior management restructure, incremental changes and increase in superannuation rates. Other major variances are detailed below.

Development Service Support
No major variances

Development Management
Variance due to an expected decline in major planning applications, partially offset with planning income efficiency

Planning Policy
Variance due to staffing efficiencies

Building Control Account
No major variances

Building Control Fee Earning Account
Variance due to income projections within efficiency programme

Land Charges
No major variances

Economic Development
Variance due to staffing efficiencies

Housing Strategy
No major variances

Major Variances in Net Controllable Expenditure:
Major variances within Employee Expenses are mainly due to the pay award, senior management restructure, incremental changes and increase vacancy provision. Other major variances are detailed below.

Organisational Development
No major variances

Corporate Management
No major variances

Health & Safety and Emergency Planning
No major variances

Legal Services
Variance due to disestablishment of temporary solicitor post offset with associated income, and additional income due to the efficiency programme

Central Print Room
No major variances

Postages
No major variances

Registration of Electors
Variance due to increase in postage costs resulting from a year on year increase of registered voters

Elections
No major variances

Estates & Valuation
No major variances

Public Land & Buildings
Variance mainly due to the removal of the Commercial Property efficiency target following the HM Treasure consultation on the use of PWLB borrowing.

Information Technology

Variance mainly due to an increased contribution to the IT replacement reserve in order to meet the ongoing requirement to replacement IT equipment and to support Agile working, In addition there is an ongoing revenue cost of the new Leisure Management System.

Communications & Publicity

No major variances

Corporate Officers

Variance due to the part year removal of a temporary post, offset by a reduced contribution from reserves, and additional income from an agreed Marketing efficiency for flowerbed sponsorship.

Business Units

Variance mainly due to new efficiency targets on rental income.

Public Offices

Variance mainly due to increased rental income.

Financial Services

Variance mainly due to reduced employee expenses as a result of staffing efficiencies, and the removal of one-off budget for Financial System upgrade.

Customer Services

Variance mainly due to staffing efficiencies.

Revenues - Local Taxation

Variance mainly due to an addition of Business Rates property inspector post and RV Finder service offset with contributions from reserves.

Central Provisions Account

Variance due to the removal of unallocated management efficiency delivered and allocated to service areas in 2020/21, and removal of budgets for the Asset Management Fund, Transformation Fund and the Budget Reduction Risk provision.

Non Distributed Costs

No major variances

Corporate Income & Expenditure

Variance due to a decrease in PWLB borrowing interest offset with an increase in Investment Interest.

Movement In Reserves (MIRS)

Variance due to Direct Revenue Financing of the Capital Programme.

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Major Inflation Indices - Medium Term Financial Plan

	2021/22	2022/23	2023/24	2024/25	2025/26
Council Tax	£5	£5	£5	£5	£5
(Excluding Taxbase Changes	£187,000	£187,000	£187,000	£187,000	£187,000
Pay Award	2.0%	2.0%	2.0%	2.0%	2.0%
	£272,000	£276,300	£281,900	£287,500	£293,300
	%	%	%	%	%
Premises Expenses:					
Gas	2.5	2.5	2.5	2.5	2.5
Electricity	2.5	2.5	2.5	2.5	2.5
Water	2	2	2	2	2
NNDR	2	2	2	2	2
General Supplies & Services	0	0	0	0	0
Discretionary Income	3	3	3	3	3
Vacancy Provision	-£150,000	-£150,000	-£150,000	-£150,000	-£150,000

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Appendix 4

Movement on Earmarked Reserves

Reserve	**Original Estimate 2020/21** Opening Balance 01/04/20	Transfer to Reserve	Transfer from Reserve	Balance 31/03/21	**Revised Estimate 2020/21** Opening Balance 01/04/20	Transfer to Reserve	Transfer from Reserve	Balance 31/03/21	**Original Estimate 2021/22** Opening Balance 01/04/21	Transfer to Reserve	Transfer from Reserve	Balance 31/03/22
	£	£	£	£	£	£	£	£	£	£	£	£
Leisure Strategy Reserve	**(237,000)**			**(237,000)**	**(237,000)**		237,000	**0**	**0**			**0**
Joint Use & Base Maintenance Reserve	**(80,679)**			**(80,679)**	**(112,922)**			**(112,922)**	**(112,922)**			**(112,922)**
Pub Watch/Shop Radio Replacement Reserve	**(20,361)**	(3,500)		**(23,861)**	**(30,461)**	(3,500)		**(33,961)**	**(33,961)**	(3,500)		**(37,461)**
Building Control Reserve	**(10,130)**			**(10,130)**	**0**			**0**	**0**			**0**
Community & Crime Reserves	**(26,237)**		23,000	**(3,237)**	**(39,308)**		23,000	**(16,308)**	**(16,308)**		3,000	**(13,308)**
IT Replacement Reserve	**(482,804)**	(77,000)	204,600	**(355,204)**	**(502,970)**	(77,000)	375,300	**(204,670)**	**(204,670)**	(110,000)	109,700	**(204,970)**
Risk Mgmt Reserve	**(50,208)**		7,500	**(42,708)**	**(51,808)**		27,200	**(24,608)**	**(24,608)**		7,500	**(17,108)**
Budget Redn Risk Reserve	**0**			**0**	**0**			**0**	**0**			**0**
S106 Revenue Reserve	**(162,608)**		29,000	**(133,608)**	**(162,632)**		29,000	**(133,632)**	**(133,632)**		29,000	**(104,632)**
Housing & Housing Benefits Reserve	**(314,603)**		44,000	**(270,603)**	**(253,734)**	(58,155)	44,000	**(267,889)**	**(267,889)**		51,000	**(216,889)**
Insurance Reserve	**(303,718)**	(35,000)		**(338,718)**	**(294,518)**	(35,000)		**(329,518)**	**(329,518)**	(35,000)		**(364,518)**
Efficiency & Innovation Reserve	**(253,327)**		73,700	**(179,627)**	**(309,402)**		79,200	**(230,202)**	**(230,202)**		19,700	**(210,502)**
Asset Management Reserve	**(372,821)**	(61,100)	140,000	**(293,921)**	**(445,129)**	(61,100)	155,200	**(351,029)**	**(351,029)**	(61,100)	73,000	**(339,129)**
Local Development Framework Reserve	**(60,414)**		37,800	**(22,614)**	**(131,020)**		55,246	**(75,774)**	**(75,774)**		45,800	**(29,974)**
Earmarked Grants Reserve	**(812,467)**		100,200	**(712,267)**	**(616,098)**	(146,800)	192,949	**(569,949)**	**(569,949)**		900	**(569,049)**
CCTV Reserve	**(216,581)**	(25,800)	30,000	**(212,381)**	**(203,581)**	(25,800)	30,000	**(199,381)**	**(199,381)**	(25,800)	30,000	**(195,181)**
LA Mortgage Scheme Reserve (LAMS)	**(110,593)**			**(110,593)**	**(110,593)**			**(110,593)**	**(110,593)**			**(110,593)**
Apprentice Reserve	**(59,128)**		16,800	**(42,328)**	**(75,928)**		31,500	**(44,428)**	**(44,428)**		36,500	**(7,928)**
NNDR Pool Reserve	**(855,621)**		855,600	**(21)**	**(1,242,933)**	(29,300)	13,400	**(1,258,833)**	**(1,258,833)**		994,700	**(264,133)**
Transformation Fund Reserve	**(655,055)**		251400	**(403,655)**	**(635,876)**		249,300	**(386,576)**	**(386,576)**		25,600	**(360,976)**
Economic Development Fund Reserve	**(335,708)**		141,000	**(194,708)**	**(268,208)**		57,600	**(210,608)**	**(210,608)**		132,400	**(78,208)**
Property Management Fund	**(64,000)**			**(64,000)**	**(74,800)**		10,800	**(64,000)**	**(64,000)**			**(64,000)**
Selective Licensing	**0**			**0**	**(182,900)**		88,200	**(94,700)**	**(94,700)**	(105,500)	32,700	**(167,500)**
Total Reserves	**(5,484,062)**	**(202,400)**	**1,954,600**	**(3,731,862)**	**(5,981,818)**	**(436,655)**	**1,698,895**	**(4,719,578)**	**(4,719,578)**	**(340,900)**	**1,591,500**	**(3,468,978)**

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COUNCIL TAX COLLECTION FUND ESTIMATE 2019/20

	£000	£000
Taxpayer Accounts Due	(89,562)	
LESS		
Council Tax Support	7,167	
Disabled Relief	92	
Exemptions	1,420	
Discounts	7,334	
Disregard	487	
Annexe Discount	5	
Transitional Relief	0	
Local Discretionary Council Tax Reduction	5	
Council Tax Receivable		**(73,052)**
Payment / (Receipt) of Previous Year Surpluses / (Deficits)		0
Precepts Paid		72,444
Anticipated Write-Offs	205	
Increase in bad debt provision	56	
		261
(Surplus) / Deficit in the year		**(347)**
(Surplus) / Deficit B/Fwd		347
(Surplus) / Deficit declared 15th January 2020		**0**

	£000
Allocation of Council Tax (Surplus) / Deficit	
Gedling Borough Council	0
Nottinghamshire County Council	0
Nottinghamshire Police and Crime Commissioner	0
Combined Fire Authority	0
TOTAL	**0**

	£000
Summary:	
Opening (Surplus) / Deficit 1/4/19	347
Previously declared (distributed 19/20)	0
Cumulative (Surplus) / Deficit 31/3/20	347
In year (Surplus) / Deficit 2019/20	(347)
Est (Surplus) / Deficit 31/3/20	**0**

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Budget Reduction Proposals 2021/22 to 2024/25 - Summarised by Type

Summary 2021 to 2025	Efficiency and Effectiveness £	Income Generation £	Total £
Community Development	31,000	0	31,000
Health, Housing and Wellbeing	76,000	20,000	96,000
Public Protection	0	54,500	54,500
Environment	175,400	0	175,400
Growth and Regeneration	85,000	0	85,000
Resources and Reputation	107,200	34,900	142,100
Total	**474,600**	**109,400**	**584,000**

Analysed by Year

A) 2021/22	Efficiency and Effectiveness £	Income Generation £	Total
Community Development	31,000	0	31,000
Health, Housing and Wellbeing	23,000	5,000	28,000
Public Protection	0	0	0
Environment	62,400	0	62,400
Growth and Regeneration	45,000	0	45,000
Resources and Reputation	57,100	30,700	87,800
Total	**218,500**	**35,700**	**254,200**

B) 2022/23	Efficiency and Effectiveness £	Income Generation £	Total
Community Development	0	0	0
Health, Housing and Wellbeing	53,000	15,000	68,000
Public Protection	0	0	0
Environment	0	0	0
Growth and Regeneration	40,000	0	40,000
Resources and Reputation	50,100	4,200	54,300
Total	**143,100**	**19,200**	**162,300**

C) 2023/24-25	Efficiency and Effectiveness £	Income Generation £	Total
Community Development	0	0	0
Health, Housing and Wellbeing	0	0	0
Public Protection	0	54,500	54,500
Environment	113,000	0	113,000
Growth and Regeneration	0	0	0
Resources and Reputation	0	0	0
Total	**113,000**	**54,500**	**167,500**

Grand Total	**474,600**	**109,400**	**584,000**

Community Development Portfolio

Service Area	Description	Efficiency Type: Efficiency and Effectiveness	Efficiency Type: Income Generation	Inclusion in 2021/22 Budgets and MTFP: 2021/22	2022/23	2023/25	Total
		£	£	£	£	£	£
Community Relations	Community Events - alternative delivery model	31,000	0	31,000	0		31,000
TOTAL		**31,000**	**0**	**31,000**	**0**	**0**	**31,000**

Housing Health & Wellbeing Portfolio

Service Area	Description	Efficiency Type			Inclusion in 2020/21 Budgets and MTFP			
		Efficiency and Effectiveness	Income Generation		2021/22	2022/23	2023/25	Total
		£	£		£	£	£	£
Leisure Services - all sites	Leisure Centre Staffing - programming review	30,000				30,000		**30,000**
Leisure Services - Swimming Lessons	Leisure Swimming Lessons		10,000			10,000		**10,000**
Leisure Services - Accessible Swimming at	Leisure Accessible Swim Sessions		10,000		5,000	5,000		**10,000**
Welfare Support - Housing Benefit	Housing Benefit Staffing - transfer of cases to Universal Credit	46,000			23,000	23,000		**46,000**
TOTAL		**76,000**	**20,000**		**28,000**	**68,000**	**0**	**96,000**

Public Protection Portfolio

Service Area	Description	Efficiency Type: Efficiency and Effectiveness	Efficiency Type: Income Generation	Inclusion in 2020/21 Budgets and MTFP: 2021/22	2022/23	2023/25	Total
		£	£	£	£	£	£
Licencing	Taxi Licencing Fee 5% increase (deferred from 2021)		22,000			22,000	**22,000**
Pest Control	Pest Control introduce small charge		32,500			32,500	**32,500**
TOTAL		**0**	**54,500**	**0**	**0**	**54,500**	**54,500**

Environment Portfolio

Service Area	Description	Efficiency Type: Efficiency and Effectiveness	Efficiency Type: Income Generation	Inclusion in 2020/21 Budgets and MTFP: 2021/22	2022/23	2023/25	Total
		£	£	£	£	£	£
Cemeteries	Staffing (vacant hours)	5,000		5,000			**5,000**
Garden Waste Services	Garden Waste - improve renewal process	7,500		7,500			**7,500**
Grounds Maintenance	Waste/PASC procurement efficiencies secured	5,800		5,800			**5,800**
Transport Services	Waste/PASC procurement efficiencies secured	2,000		2,000			**2,000**
PASC	PASC Staffing - review of working practices	25,800		25,800			**25,800**
Waste Services	Waste Staffing (vacant post)	16,300		16,300			**16,300**
	Waste - round optimisation review/trade waste income	80,000				80,000	**80,000**
Waste Services/PASC	Waste/PASC administration system improvements	33,000				33,000	**33,000**
TOTAL		**175,400**	**0**	**62,400**	**0**	**113,000**	**175,400**

Growth and Regeneration Portfolio

Service Area	Description	Efficiency Type: Efficiency and Effectiveness	Efficiency Type: Income Generation	Inclusion in 2020/21 Budgets and MTFP: 2021/22	2022/23	2023/25	Total
		£	£	£	£	£	£
Development Services	Development Services Staffing (vacant post)	16,000	0	16,000			**16,000**
	Development Services - apprentice budget not used	7,000		7,000			**7,000**
	Development Services - tree services to be shared with PASC	7,000		7,000			**7,000**
	Development Services Staffing - review of working practices	25,000			25,000		**25,000**
Economic Growth and Regeneration	Economic Growth Staffing - review of working practices	20,000		10,000	10,000		**20,000**
Planning Policy	Planning Policy Staffing - review of working practices	10,000		5,000	5,000		**10,000**
TOTAL		**85,000**	**0**	**45,000**	**40,000**	**0**	**85,000**

<u>Resources and Reputation Portfolio</u>

		Efficiency Type			Inclusion in 2020/21 Budgets and MTFP			
Service Area	**Description**	**Efficiency and Effectiveness**	**Contract Management**	**Income Generation**	**2021/22**	**2022/23**	**2023/25**	**Total**
		£	**£**	**£**	**£**	**£**	**£**	**£**
Public Offices	Public Offices - overtime and consultancy utilised	5,000			5,000			**5,000**
Customer Services	Customers Services - historic underspends	8,200			4,400	3,800		**8,200**
Customer Services	Design Staffing - (hours reduction confirmed)	5,000				5,000		**5,000**
Customer Services	Website software solution change	6,500				6,500		**6,500**
Customer Services/ Revenue Services	Hybrid Mail Project - postage cost savings	14,000				14,000		**14,000**
Legal Services	Legal Service - review of consultancy and subcriptions	10,600			10,600			**10,600**
Legal Services	Legal Service Staffing - review of working practices	5,200			5,200			**5,200**
Legal Services	Legal Services for external clients			4,200		4,200		**4,200**
Organisational Development	HR - administration and corporate training	6,000			6,000			**6,000**
Revenue Services	Revenues - vacant hours and underspends	5,100			5,100			**5,100**
Revenue Services	Revenues - Council Tax E-billing (opt-in basis)	8,600			4,300	4,300		**8,600**
Financial Services	Finance Staffing - review of creditor payment process	7,400			3,700	3,700		**7,400**
Financial Services	Finance Staffing - review of working practices	25,600			12,800	12,800		**25,600**
Property Services	Property - rent increases			10,700	10,700			**10,700**
Corporate	Sponsorship and Marketing			20,000	20,000			**20,000**
TOTAL		**107,200**	**0**	**34,900**	**87,800**	**54,300**	**0**	**142,100**

Gedling Borough Council

Report to: **Cabinet**

Subject: **Review of the Gedling Plan 2020-23**

Date: **11 February 2021**

Author: **Senior Leadership Team**

1. PURPOSE OF REPORT

To update Cabinet on the review of the Gedling Plan 2020-23 and seek support for a number of amendments to be agreed for referral to Council.

2. KEY DECISION

This is a key decision because it significantly affects residents living in two or more wards.

3. RECOMMENDATIONS

THAT:

1. The review of the Gedling Plan 2020-23 be noted;

2. The amendments to objectives and actions contained in the Gedling Plan as set out in the report be agreed for referral to Council on 4 March 2021 for approval.

4. BACKGROUND

4.1 As Cabinet is aware, the Gedling Plan 2020-23 was approved by Cabinet in February 2020 and Council in March 2020 and was revised to take account of the impact of Covid-19 on the plan which resulted in delays to a number of projects. This revision was agreed by Cabinet in August 2020.

4.2 As part of the Council's Service Planning process the Plan is reviewed on an annual basis. During this process this year a number of changes have been proposed by Senior Leadership Team to take account of emerging issues, the ongoing impact of the Covid-19 and in order to more clearly align responsibilities for objectives and actions to the new Heads of Service created through the recent senior management review. In particular there has been some focused work around equality and diversity undertaken by the Council's Equality Group which has led to the creation of a Equality and Diversity Policy, Equality Framework and Action Plan (currently out for consultation) and a revised Equality Policy for employees.

5. PROPOSAL

5.1 With regards emerging issues the following three new actions are proposed for inclusion into the Gedling Plan:

- Ensure delivery of the Equalities Framework Action Plan; this to be placed under the objective:

  Cohesive, Diverse and Safe Communities -
  Reduce poverty and inequality and provide support to the most vulnerable

- Develop a strategic approach with partners to enable a strong and resilient voluntary and community sector; this to be placed under the objective:

  Cohesive, Diverse and Safe Communities -
  Promote and encourage pride, good citizenship and participation

- Develop and implement a bee/pollinator action plan; this to be placed under the objective:

  Sustainable Environment –
  Promote and protect the environment by minimising pollution and waste and becoming carbon neutral

5.2 In addition, a number of amendments to existing objectives and actions are proposed in response to the impact of Covid-19 on work programmes.

Change to objectives

- **Change – "**Drive business growth, workforce development and job opportunities" **to "**Restore business confidence, workforce development and job opportunities".

Change to actions

- **Change** – "Work with the Department for Work and Pensions to deliver Mentoring Circles to local unemployed people" **to** "Work with partners to provide support for the unemployed (including delivering Mentoring Circles and the KickStart scheme)".

- **Change** – “Provide targeted business support to small and medium businesses across the Borough” **to** “Provide targeted business support to small and medium businesses, including building resilience”.

5.3 To improve alignment of responsibilities for objectives and actions to Heads of Service, it is proposed to move the following action:

“Complete the Constitution review to continue to support good governance” **from** ‘Maintain a positive and supportive working environment and strong employee morale’ **to** ‘Improve the customer experience of engaging with the Council’

6. ALTERNATIVE OPTIONS

An alternative option would be not to agree any changes to the Gedling Plan actions and remain with the existing plan.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

8. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

9. EQUALITIES IMPLICATIONS

The inclusion of the action in the Gedling Plan to ensure delivery of the Equality Framework and Action Plan is to ensure that there is a greater focus on equality through service delivery, decision making and planning. This will have a positive impact on service users and staff within the protected characteristic groups.

10. CARBON REDUCTION/ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

There are no Carbon Reduction/Environmental Sustainability implications arising from the changes proposed in this report, actions in respect of carbon reduction and sustainability are captured in the Gedling Plan.

11. APPENDICES

Appendix 1: Revised Gedling Plan

12. BACKGROUND PAPERS

There are no background papers

Statutory Officer approval	
Approved by:	Monitoring Officer
Date:	27/01/2021
Approved by:	Deputy S.151 Officer
Date:	26/01/2021

Appendix 1

Gedling Plan 2020-23

Refreshed February 2021

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GEDLING PLAN

2020-2023

Refreshed February 2021

Serving people **Improving Lives**

Arnot Hill Park

www.gedling.gov.uk

Gedling Borough Council

Contents

Introduction

We have lots to be proud of as a Council and as a borough, and it gives me great pleasure to introduce the Gedling Plan for 2020-23. This Plan sets out Gedling Borough Council's vision for the future, our priorities and our actions over the next 3 years, all of which support our ethos of 'Serving People, Improving Lives'. Despite the challenges we face, the Plan sets out an ambitious programme of activity to ensure the borough continues to be a place where people choose to live, do business and spend their time.

Feedback from residents in our 2019 Satisfaction Survey tells us that we are delivering good council services, with 82% being satisfied with the local area as a place to live, and 68% were satisfied with the way the Council runs things. Gedling has also recently been listed in the top 50 places to live in a recent Halifax Quality of Life survey.

For many of our residents, the day to day services we provide such as recycling and refuse collection, keeping the place clean and maintaining our open spaces and play areas matter the most, and we will continue to maintain our high standards. Our strong track record of delivery and partnership working enables us to continue to be an ambitious Council and strive to deliver better outcomes for everyone.

The Council plays an important strategic role in developing and shaping the future of the borough for our residents and businesses. This is why we remain committed to promoting and stimulating economic growth, delivering much needed housing, creating vibrant town centres, and protecting and supporting the most vulnerable in our communities. We are also deeply committed to playing our part in tackling the climate emergency and making progress towards meaningful carbon reduction in our borough.

Like all Councils, we are faced with an extremely difficult financial challenge. More and more people are in need of our services at a time when our funding from government has been drastically cut. We are now the worst affected Council in the country when it comes to the government's own statistics of core spending power, and are now reliant on locally generated income to provide the necessary resources that pay for our services. This means that we will have to continue to make difficult decisions about our future operations and spending plans. We want to continue to provide good quality services, and will use technology and smarter ways of working to continue to provide the value for money and customer-focussed services our residents need.

Despite these challenges, we remain committed to delivering this Plan for our communities. It articulates our strategic vision, it sets out priorities that matter to residents in our borough, it will make a positive difference to our local communities and businesses, and it will be at the heart of our programme for the next 3 years.

Cllr. John Clarke
Leader of the Council

About the borough and the people we serve

Arnold Town Centre

About the borough

Gedling borough lies adjacent to the boundary of the City of Nottingham and covers 120Km²

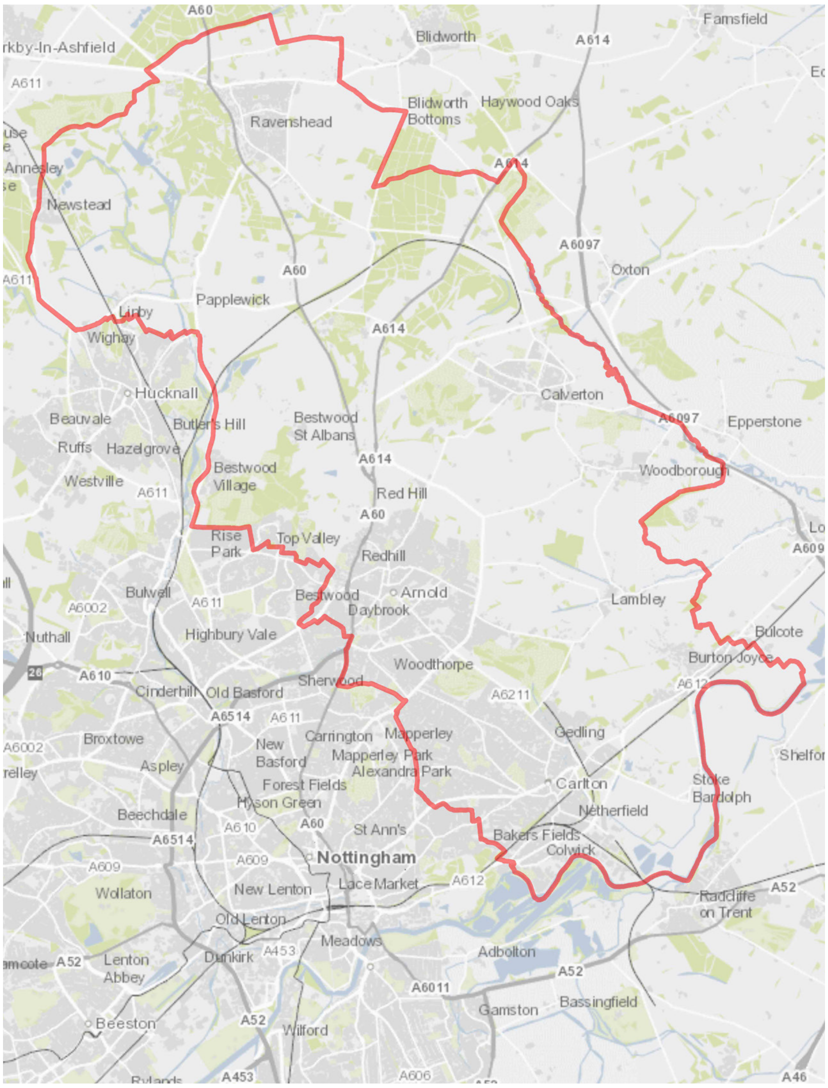
The latest estimated population is 117,800

We have just over 53,000 households

Life expectancy is higher than the national average at 80.1 years for males and 83.0 years for females

Around 5,000 businesses are based in Gedling

District boundaries



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2019 Arnold Christmas Market

Page 313

Vision, Ambition, Values and Priorities

Pride of Gedling Awards

Our Vision

We are responsible for a wide range of local services that matter to our residents and businesses in the borough. However, we do not limit our interest to only those services we are directly accountable for but rather seek to influence and make a difference in all aspects of community life. At the centre of what we do is:

“Serving People, Improving Lives”

Our Ambition

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

Our Values

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

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

A co-operative council that listens to, involves and responds to the concerns of its citizens, partners and employees

A commercial council that is innovative and forward thinking in its use of resources and focused on achieving value for money

A caring and compassionate council that reaches out to the lonely and marginalised and encourages others to do the same

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

Gedling Country Park

Cafe 1899 Heritage wall

Our Priorities

COHESIVE, DIVERSE AND SAFE COMMUNITIES

To promote strong, resilient communities and reduce hardship and inequality

HIGH PERFORMING COUNCIL

To be a high performing, efficient and effective council

VIBRANT ECONOMY

To promote and drive sustainable growth across the borough to meet current and future needs

SUSTAINABLE ENVIRONMENT

To promote a sustainable environment

HEALTHY LIFESTYLES

To promote the health and wellbeing of our residents

Volunteers working on a new mural at Arnot Hill Park

COHESIVE, DIVERSE AND SAFE COMMUNITIES

To promote strong, resilient communities and reduce hardship and inequality

PROMOTE AND ENCOURAGE PRIDE, GOOD CITIZENSHIP AND PARTICIPATION	Year 1	Year 2	Year 3
Deliver a programme of community events and youth activities reflecting Gedling Plan priorities	•	•	•
Develop and implement a sustainable plan for our existing Community Centres	•	•	•
Develop, engage and support the voluntary sector to increase participation	•	•	•
Continue to support the Interfaith forum, Gedling Senior's Council and Youth Council and develop new community leadership forums	•	•	•
Deliver the annual Pride of Gedling Awards	•	•	•
Undertake targeted youth engagement to seek their views in order to influence provision of services	•		
Develop a strategic approach with partners to enable a strong and resilient voluntary and community sector		•	•
Prepare and plan for an event to mark the 50th anniversary of the creation of GBC and the 200 years anniversary of Lord Bryon			•
REDUCE POVERTY AND INEQUALITY AND PROVIDE SUPPORT TO THE MOST VULNERABLE			
Work with local organisations to improve people's life chances and reduce levels of poverty	•	•	•
Deliver improvements to the standard and of availability of temporary accommodation	•	•	•
Coordinate the supported internship programme	•	•	
Identify and deliver key interventions to prevent homelessness and rough sleeping	•	•	•
Ensure equality implications are considered as part of project development and decision making	•	•	•
Ensure delivery of the Equalities Framework Action Plan		•	•
IMPROVE SOCIAL MOBILITY AND LIFE CHANCES			
Establish a Gedling Social Mobility Commission to improve the life chances and opportunities of young people	•	•	•
Deliver and implement the Social Mobility Action Plan	•	•	•
Identify and facilitate delivery of key interventions in agreed locality areas	•	•	•
REDUCE ANTI-SOCIAL BEHAVIOUR, CRIME AND THE FEAR OF CRIME			
Work with partners to use innovative approaches to bring about a reduction in crime and anti-social behaviour	•	•	•
Seek successful prosecutions and enforcement action for dog fouling, anti-social behaviour and against those that fly-tip waste	•	•	•
Invest in new and existing CCTV in priority hot spots	•	•	•
Work with the Police and Crime Commissioner to establish an additional Neighbourhood Policing Team	•	•	•
Develop the Council's approach to licensing regulation and enforcement	•		
Work with partners to promote and develop support for Neighbourhood Watch	•		

HIGH PERFORMING COUNCIL

To be a high performing, efficient and effective council

IMPROVE THE CUSTOMER EXPERIENCE OF ENGAGING WITH THE COUNCIL	Year 1	Year 2	Year 3
Engage in local government restructuring debate to ensure local services are maintained and the voice of our residents is heard	●	●	●
Undertake a residents' satisfaction survey to seek the views of residents to improve council services		●	
Create a welcoming and vibrant reception at the Civic Centre	●	●	
Strengthen the working arrangements with the Department for Work and Pensions, to improve advice and support for our residents	●		
Create and implement a Communication Strategy and plan	●		
Complete the Constitution review to continue to support good governance	●		
PROVIDE EFFICIENT AND EFFECTIVE SERVICES			
Develop and deliver a new efficiency programme in order to secure a balanced budget in the medium term	●	●	●
Continue to maximise the Council's commercial investment opportunities	●	●	●
Develop and implement a strategy to maximise current income streams and identify new income opportunities	●		
Continue to implement the Demand Management Strategy	●	●	
Implement the requirements of the financial management code to deliver effective longer term financial planning	●		
Identify further management savings to ensure continuing investment in front line services	●		
Carry out a Local Government Association Peer Review and agree and implement an improvement plan	●	●	
Explore delivery models in partnership with other local authorities and public bodies	●	●	●
MAINTAIN A POSITIVE AND SUPPORTIVE WORKING ENVIRONMENT AND STRONG EMPLOYEE MORALE			
Continue to implement the Agile Working Strategy	●	●	●
Develop and implement strong, fair employment policies	●	●	●
Support provision of training in order to maintain a skilled, competent and confident workforce	●		
IMPROVE USE OF DIGITAL TECHNOLOGIES			
Review and implement a new Digital Strategy	●	●	●
Continue to invest in digital Infrastructure	●	●	●
Develop and implement a new ICT Strategy	●	●	●

Our Customer Services Digital Team

VIBRANT ECONOMY

To promote and drive sustainable growth across the borough to meet current and future needs

ENSURE A ROBUST STRATEGIC DEVELOPMENT FRAMEWORK IS IN PLACE	Year 1	Year 2	Year 3
Work with partners to review the Aligned Core Strategy	•	•	•
Review and implement a Housing Needs assessment	•		
Put in place and keep up to date an appropriate suite of Planning guidance	•	•	•
Review the Community Infrastructure Levy policy	•	•	
PROVIDE MORE HOMES			
Identify and facilitate the delivery of the identified housing priorities	•	•	•
Drive the delivery of key housing sites	•	•	•
Identify the opportunities for redeveloping vacant or underused sites for new affordable homes and temporary accommodation	•	•	•
Explore the development of additional houses across the borough through appropriate models	•	•	
RESTORE BUSINESS CONFIDENCE, WORKFORCE DEVELOPMENT AND JOB OPPORTUNITIES			
Support schools to prepare young people for work through career/interview skills days or 'Prepare local people for work'.	•	•	•
Work with partners and local businesses to provide training opportunities for residents through apprenticeships, jobs, work experience placements and specialist events	•	•	•
Extend delivery of the Compact Agreement with Nottingham Trent University through provision of student work placements and project opportunities	•	•	•
Work with the partners to provide support for the unemployed (including delivering Mentoring Circles and the KickStart scheme)	•	•	
Support delivery of a local industrial strategy including playing an active role in D2N2/LEP	•	•	•
Identify opportunities to redevelop vacant or underused land for employment uses	•	•	•
Facilitate growth and inward investment across the Borough	•	•	•
Provide targeted business support to small and medium businesses, including building resilience	•	•	•
CREATE THRIVING AND VIBRANT TOWN AND LOCAL CENTRES			
Facilitate delivery of the key strategic interventions in Arnold town centre, including Arnold Market	•	•	•
Identify and facilitate delivery of the strategic interventions in our local centres, including the Carlton Square development	•	•	•
Create a programme of events and festivals to increase footfall in our Town Centre and High Streets	•	•	•
Implement a Car Parking strategy	•	•	•

Chase Farm Housing Development

SUSTAINABLE ENVIRONMENT

To promote a sustainable environment

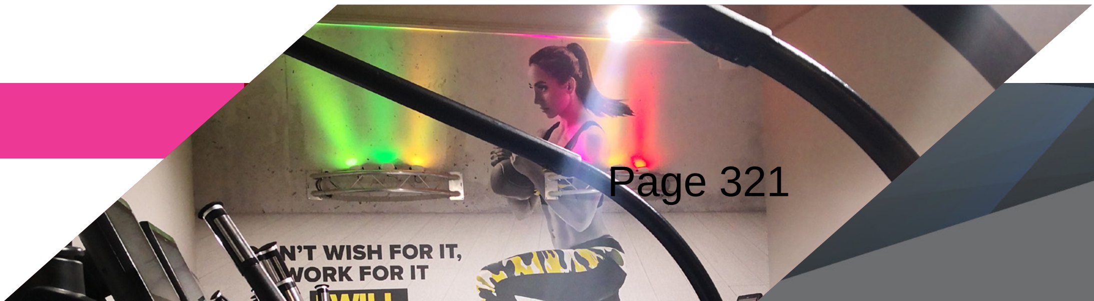
PROVIDE AN ATTRACTIVE AND SUSTAINABLE LOCAL ENVIRONMENT THAT LOCAL PEOPLE CAN ENJOY	Year 1	Year 2	Year 3
Develop and implement a long term strategy for the improvement of Gedling Country Park	•	•	•
Develop and implement a plan to enhance existing parks and open spaces	•	•	•
Review the asset stock for Allotments to meet current and future demand	•		
Review and develop availability and quality of Council public toilets	•	•	
IMPROVE TRANSPORT INFRASTRUCTURE AND CONNECTIVITY			
Work with the County Council to ensure completion of the Gedling Access Road to support growth	•	•	
Deliver in partnership sustainable transport links to reduce congestion and improve air quality including the tram extension, bus park and ride etc.	•	•	•
Create a new network of walkways and cycleways around the borough	•	•	•
Work with the Metro Partners and D2N2 to secure funds for key infrastructure priorities	•	•	•
Ensure delivery of new technology infrastructure such as electric charging points, 5G and broadband	•	•	•
CONSERVE, ENHANCE, PROMOTE AND CELEBRATE OUR HERITAGE			
Explore and further develop plans for the Gedling Borough Heritage Way	•	•	•
Work with owners to identify and secure opportunities for external funding for key historic assets	•	•	•
Ensure appropriate Conservation Area coverage and keep under review	•	•	•
Plant 500 UK native trees across the borough to mark the lead up to the 50th Anniversary of the creation of Gedling Borough	•	•	•
PROMOTE AND PROTECT THE ENVIRONMENT BY MINIMISING POLLUTION AND WASTE AND BECOMING CARBON NEUTRAL			
Develop and implement a Carbon Reduction Strategy aligned with key partners across the borough	•	•	•
Produce and implement a practical and robust borough wide action plan to tackle a climate emergency	•	•	•
Approve and implement a plan of action to increase levels of recycling and reduce contamination levels and levels of residual waste	•	•	•
Promote and support community based ‘clean up’ initiatives including the seasonal big clean events	•	•	•
Maintain the Council’s commitment as a ‘Plastic Clever Council’	•	•	•
Make arrangements to offer every household one free bulky waste collection every year and provide additional waste collection at Christmas	•	•	•
Develop and implement a bee/pollinator action plan		•	•

HEALTHY LIFESTYLES

To promote the health and wellbeing of our residents

IMPROVE HEALTH AND WELLBEING AND REDUCE HEALTH INEQUALITIES	Year 1	Year 2	Year 3
Maintain active involvement in the County wide Health and Wellbeing board, South Nottinghamshire Integrated Care System and continue to support delivery of the approved Health and Wellbeing Plan.	•	•	•
Review the pilot Selective Licensing Scheme and investigate new schemes in the borough	•	•	•
Develop and roll out a ‘Quality Scheme’ for safe places, health and food outlets	•		
Working with key partners develop and implement a plan to address the impact of alcohol related harm in the borough	•	•	
SUPPORT PHYSICALLY ACTIVE LIFESTYLES			
Agree and implement a range of actions to deliver the approved Sport and Physical Activity Strategy	•	•	•
Review options for improving our Leisure facilities	•		
Develop investment opportunities into sport and physical activity outreach programmes	•	•	•
Explore options and introduce a ‘Swimming Passport’ providing access & opportunity for free swimming sessions for under-16s and over 65s	•	•	
Explore the options and implement a ‘Gedling Forces Leisure Card’ for all serving and retired armed forces personnel	•		
INCREASE RECREATIONAL ACTIVITIES			
Develop and implement a plan to enhance and seek external funding for existing play areas	•	•	•
Develop and implement a plan to raise awareness of and maximise usage of our local parks, play areas and open spaces	•	•	•
Deliver the Playing Pitch Strategy	•	•	•
Work with target groups and community organisations to maximise investment opportunities for the Bonington Theatre and Cinema to increase attendance and improve visitor experience	•	•	•
REDUCE LEVELS OF LONELINESS AND ISOLATION			
Develop and work with key stakeholders to embed a sustainable social prescribing programme across the borough	•	•	•
Directly support local groups to tackle loneliness and isolation	•	•	•
Implement the action plan to deliver the Council’s commitment to the Mental Health Concordat	•	•	
Directly work with groups to support those affected by dementia	•	•	•

Recently refurbished Redhill gym



How we measure and manage our performance

Gedling Borough Council Civic Centre

How we manage and measure our performance

Performance Indicators
Each year Cabinet will agree the key strategic performance indicators we will measure our performance against. Service Plans will capture the key operational performance indicators for each service area.

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

Service Performance
Service plans capture the key departmental tasks that will deliver the Gedling Plan along with details of all activities planned for each service area. Performance against the service plan is monitored by the Service Manager and reported to the Director to assess progress and make sure the service is on target.

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

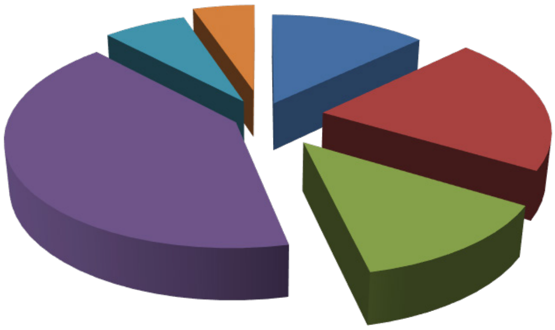
Arnot Hill Park

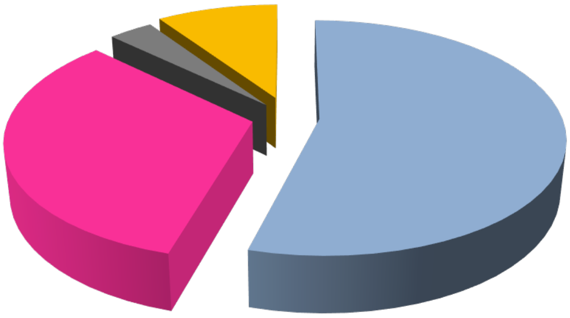
Financial Position

What we spend and how we spend it

Every year we spend around £11.6 million on a wide range of services. We also administer £18 million in housing benefit payments for central government. Apart from the benefit payments we make, the main areas we spend our money on are:

Community Development	£1.5m
Housing Health and Wellbeing	£2.4m
Public Protection	£1.5m
Environment	£4.8m
Growth and Regeneration	£0.8m
Resources and Reputation	£0.6m





Where we get our money from

Council Taxpayers	£6.3m
Business Rates	£3.8m
Government Grant	£0.4m
Reserves	£1.1m

We have a long track record of delivering low cost, high quality services and our council tax charge remains lower than nearly two-thirds of other councils. The next 3 years will see us continue to face significant pressures to deliver our services with reduced funding from central government. Since 2010 our grants from the Government have been reduced by 65% making us the worst affected council in England.

Having been hit with a £5.8 million cut in money to spend on local services, the council is working hard to deliver efficiency savings to ensure our community continues to receive the high quality services it needs and deserves. Since 2014/15 the Council has approved a £6.5 million programme of efficiencies with £1.9m remaining to be delivered between 2020/21 and 2022/23. We work hard to demonstrate a balanced medium term financial plan, and our projections are that we will have a surplus on balances at 31 March 2023.

Despite the difficulties of having to find this money, there are plans for investment in the borough, including the continuing improvements to our major town centres which will be complemented by a programme of town centre events and festivals. Works are also planned to improve the offering at several of the Council's parks and play areas, including further development at the ever popular Gedling Country Park.

Ensuring an increase in the supply of suitable housing remains a priority for the Council. We will continue to work with landlords to ensure acceptable housing standards in the private rented sector through the extension of our Selective Licencing Scheme, as well as developing our own affordable and temporary accommodation on our own sites in the borough.

We will also seek to improve the safety and cleanliness of our borough by investing in CCTV in priority hotspots, offering one free bulky waste collection for each household and supporting community based 'clean up' initiatives. We will maintain our commitment as a Plastic Clever Council and supplement that with new capital investment in Carbon Reduction initiatives and a commitment to plant at least 500 native trees every year.

Vision for the Future

Vision for the Future

By 2023 the Council will have significantly rebalanced its budget which will mean how services are delivered will change. Tough decisions regarding service delivery have already been made, following the reduction of £5.8m of government grant over the last ten years. We will continue to look at ways to further reduce the council's costs to ensure that the budget we have in place best meets the needs of our borough and the communities we serve. We will also ensure services are commercially minded and that we maximise the returns from our assets.

Going forward the Council will continue to be a key enabler of improvements to the borough. Working collaboratively with our communities, public sector partners, voluntary organisations, schools, universities and businesses we will shape services that deliver real and sustainable improvements to people's lives. This will instil a strong sense of pride for all to reduce inequalities and make Gedling a healthy borough.

Our guiding principles regarding our use of resources and placing the customer first in all that we do will shape our future Council. We will use new technologies and ideas to deliver innovation and increase efficiency. This includes continuing to expand online services, improve processes and use data to design more intelligent ways of working.

We will continue to support national priorities around housing delivery. The borough has experienced sustainable growth, with 2,320 new homes developed since 2011, creating attractive locations in many areas previously in need of regeneration. A key priority for the Council is to boost the supply of new homes, to provide good quality homes to rent, to reduce homelessness, and to tackle the housing waiting list, with a further 4,930 new homes planned by 2028.

Improved transport connectivity is vital to the borough, and we aspire to see an extension of the Nottingham tram into Gedling, and a fourth road crossing built across the River Trent. We also expect our communities to see the roll-out of high speed broadband and high quality mobile connectivity across the borough. The Council will continue to invest in our town centres to improve their vitality and viability for future generations to enjoy.

The new Environment Bill will pose some difficult challenges for all local authorities to deliver, but Gedling is committed to becoming carbon neutral by 2030. This will include examination of our own operations, the collection and recycling of waste streams across the borough, and the development of new communities and neighbourhoods which embrace the highest design and environmental standards.

Chase Farm Housing Development overlooking Gedling Country Park

View from Gedling Country Park

gedlingborough gedlingbc @gedlingbc

Tel: 0115 901 3901 www.gedling.gov.uk

Gedling Borough Council

Gedling Borough Council

Report to Cabinet

Subject: Forward Plan

Date: 11 February 2021

Author: Service Manager, Democratic Services

Wards Affected

All

Purpose

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

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT:

Cabinet notes the contents of the draft Forward Plan making comments where appropriate.

1 Background

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

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

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

2 Proposal

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

3 Alternative Options

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

3.2 Cabinet could decide to move the date for consideration of any item.

4 Financial Implications

4.1 There are no financial implications directly arising from this report.

5 Legal Implications

5.1 There are no legal implications directly arising from this report.

6 Equalities Implications

6.1 There are no equalities implications arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 There are no carbon reduction/sustainability implications arising from this report.

8 Appendices

8.1 Appendix 1 – Forward Plan

9 Background Papers

9.1 None identified

10 Reasons for Recommendations

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

Statutory Officer approval	
Approved by:	Chief Financial Officer
Date:	1/2/2021
Approved by:	Monitoring Officer
	1/2/2021

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FORWARD PLAN

FOR THE FOUR MONTH PERIOD 1 MARCH 2021 TO 30 JUNE 2021

This Forward Plan sets out the details of the key and non-key decisions which the Executive Cabinet, individual Executive Members or Officers expect to take during the next four month period.

The current members of the Executive Cabinet are:

Councillor John Clarke – Leader of the Council
Councillor Michael Payne – Deputy Leader and Portfolio Holder for Resources and Reputation
Councillor Peter Barnes – Portfolio Holder for Environment
Councillor David Ellis – Portfolio Holder for Public Protection
Councillor Gary Gregory – Portfolio Holder for Community Development
Councillor Jenny Hollingsworth – Portfolio Holder for Growth and Regeneration
Councillor Viv McCrossen – Portfolio Holder for Young People and Equalities
Councillor Henry Wheeler – Portfolio Holder for Health and Wellbeing.

Anyone wishing to make representations about any of the matters listed below may do so by contacting the relevant officer listed against each key decision, within the time period indicated.

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Open / Exempt (and reason if the decision is to be taken in private) Is this a Key Decision?
Station Road and Burton Road Regeneration Sites Approval is being sought to progress with the next steps for the Station Road and Burton Road regeneration sites	**18 Mar 2021 Cabinet**	Joelle Davies, Head of Regeneration and Welfare	Officer Report	Portfolio Holder for Growth and Regeneration	Open Yes
Community Infrastructure Levy (CIL) Non- Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations Report seeking authorisation to undertake a public consultation in relation nominated projects to be funded through the non-parish neighbourhood portion of the CIL.	**18 Mar 2021 Cabinet**	Lewis Widdowson, Planning Officer	Officer Report	Portfolio Holder for Growth and Regeneration	Open Yes