



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

Agenda

Cabinet

Date: **Thursday 8 July 2021**

Time: **2.00 pm**

Place: **Council Chamber**

For any further information please contact:

Alec Dubberley

Democratic Services Manager

0115 901 3906

Cabinet

Membership

Chair Councillor John Clarke

Vice-Chair Councillor Michael Payne

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

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MINUTES CABINET

Thursday 20 May 2021

Councillor John Clarke (Chair)

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

Officers in Attendance: M Hill, A Ball, A Davey, A Dubberley, F Whyley and
L Widdowson

1 APOLOGIES FOR ABSENCE.

None.

2 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 18 MARCH 2021

RESOLVED:

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

3 DECLARATION OF INTERESTS.

None

4 FINAL REPORT AND RECOMMENDATIONS OF THE SURFACE WATER FLOODING WORKING GROUP.

Councillor Clunie, on behalf of the working group, presented a summary to the review group's recommendations.

Members thanked the group for the constructive recommendations but noted that they felt that the County Council would be best placed, as the lead flooding authority, to take further action to address the concerns discussed in the report.

RESOLVED to:

- 1) Note the recommendations and thank the group for its input; and

- 2) Provide a written response to the recommendations for the Overview and Scrutiny Committee within 28 days.

5 GEDLING CONVERSATION 2021

The Director of Corporate Resources introduced a report, had had been circulated in advance of the meeting, seeking agreement for the programme of activities for the Gedling Conversation 2021.

Following discussion, clarification was sought on the wording around a number of questions contained within the proposed survey. In particular it was felt that wording could be changed to better explain how services were split between public bodies in the area.

RESOLVED that:

Subject to minor amendments discussed, and in consultation with the Leader and Deputy Leader of the Council, the programme of activities for the Gedling Conversation and Satisfaction Survey 2021 is approved.

6 GEDLING YOUNG PEOPLE SURVEY

The Head of Communities and Leisure introduced a report, which had been circulated in advance of the meeting, updating Cabinet on the findings of the Gedling Borough Young People Survey.

RESOLVED to:

- 1) Note the findings of the Gedling Borough Young People Survey;
- 2) Approve working with the Council's key partners to improve communications with young people by developing a Gedling Borough young people's digital engagement and information portal;
- 3) Support a cross council approach to youth engagement and consideration of young people's issues; and
- 4) Support the use of data and insight about young people in the Borough to strengthen the Council's advocacy role to influence the appropriate delivery of services by partners.

7 LOW CARBON PLANNING GUIDANCE FOR GEDLING BOROUGH

The Planning Policy Manager introduced a report, which had been circulated in advance of the meeting, setting out Low Carbon Planning Guidance for the Borough.

RESOLVED to:

Approve Low Carbon Planning Guidance as informal planning guidance for Gedling Borough.

8 COMMUNITY INFRASTRUCTURE LEVY (CIL) NON- PARISH FUNDING – LOCAL INFRASTRUCTURE SCHEDULE, PROJECT ASSESSMENTS AND PROPOSED FUNDING ALLOCATIONS

The Community Infrastructure Levy Officer introduced a report, which had been circulated in advance of the meeting, seeking approval for the commencement of a four week public consultation on the projects shortlisted to receive CIL Neighbourhood Funding in the 'CIL Non-Parish Funding - Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations document.

RESOLVED to:

Approve the commencement of consultation on Monday 7th June 2021 for a period of 4 weeks on the shortlisted projects identified to receive CIL Non-Parish Funding.

9 FORWARD PLAN

Consideration was given to a report of the Democratic Services Manager, 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.

10 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 3.20 pm

Signed by Chair:
Date:

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Report to Cabinet

Subject: Annual Report of the Senior Information Risk Owner 2020/21

Date: 8 July 2021

Author: Director of Corporate Resources and S151 Officer

Wards Affected

Borough wide

Purpose

To present the Senior Information Risk Owner Annual report 2020/21 to Cabinet.

Key Decision

This is not a key decision.

Recommendation

THAT:

- 1) The annual report of the Senior Information Risk Owner 2020/21 be noted.

1 Background

- 1.1 As Members are aware, Senior Leadership Team approved an Information Security Governance Framework setting out the Council's approach to information and cyber security risk on 11 September 2018. The Information Security Governance Framework was endorsed by Cabinet on 1 August 2019.
- 1.2 The Council's designated Senior Information Risk Owner (SIRO), the Director of Corporate Resources and S151 Officer, has overall responsibility for the Council's information management framework and acts as the champion for information risk within the Council. The SIRO is supported by the Data Protection Officer, Deputy Data Protection Officer, ICT Research and Development Manager and IT Service Delivery Manager. The SIRO is responsible for producing an annual report on

information governance. The annual report attached at Appendix 1 provides an overview of activity in relation to information governance, key achievements during 2020/21 as well as outlining work planned for 2021/22. It should provide assurance that the Council has arrangements in place to ensure information risks are being managed effectively.

- 1.3 It is important that the Council recognises the need to protect its information assets from both accidental and malicious loss and damage. The loss or damage of information can have serious consequences for the Council; not only financial and reputational but also may result in the council being unable to deliver vital services to customers. As a result, Information Governance must be taken very seriously by the council and this is evidenced by the on-going work activity to ensure the management and security of our information.

2 Proposal

- 2.1 It is proposed that the Annual report of the SIRO 2020/21 at Appendix 1 be noted.

3 Alternative Options

- 3.1 Not to present an annual SIRO report, in which case Executive members will not be updated on information governance activity across the Council and understand whether information risks are being managed effectively.

4 Financial Implications

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

5 Legal Implications

- 5.1 The Council must comply with a number of statutory obligations in the General Data Protection Regulations, Data Protection Act, Freedom of Information Act and Environmental Information Regulations.

6 Equalities Implications

- 6.1 There are no equalities implications directly arising from this report.

7 Carbon Reduction/Environmental Sustainability Implications

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

8 Appendices

- 8.1 Appendix 1 – Annual report of the Senior Information Risk Officer 2020/21

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

10.1 To ensure the Executive is updated in respect of the Information Governance activity across the Council in order to provide assurance that information risks are being managed effectively.

Statutory Officer approval

Drafted by the Chief Financial Officer

Date: 18 June 2021

Approved by the Monitoring Officer

Date: 23 June 2021

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ANNUAL REPORT OF THE SENIOR INFORMATION RISK OWNER 2020/21

1. Purpose of this report

1.1 This report provides a summary of Information Governance activity across Gedling Borough Council during 2020/21 in order to provide assurance that information risks are being managed effectively. The report also provides an update on the following:

- achievements for the period 1 April 2020 to 31 March 2021;
- the Council's compliance with legislative and regulatory requirements relating to the handling of information, including compliance with the General Data Protection Regulations 2016 (GDPR), Data Protection Act 2018 (DPA), Freedom of Information Act 2000 (FOI) and Environmental Information Regulations 2005 (EIR);
- data incidents relating to any loss or inappropriate access to personal data or breaches of confidentiality, and
- planned Information Governance activity during 2021/22.

2. Background

2.1 Information is a vital asset for the provision of services to the public and for the efficient management of the Council's resources. Without adequate levels of protection, confidentiality, integrity and availability of information, the Council will not be able to fulfil its obligations, including the provision of public services, or meet legal, statutory and contractual requirements.

2.2 There continues to be an increased threat of a cyber-attack which, if successful, will result in a significant impact on the Council's customers, staff and reputation. The more the Council relies on information technology the greater the impact.

2.3 Information governance concerns the effective management of information in all its forms and locations, including electronic and paper records. It encompasses efficient ways of handling that information (how it is held, used and stored), robust management of the risks involved in the handling of information and compliance with regulatory and statutory guidance including the GDPR, DPA and FOI. Information governance is also concerned with keeping information safe and secure and ensuring it is appropriately shared when necessary to do so.

2.4 Senior Leadership approved an Information Security Governance Framework on 11 September 2018. The Framework was endorsed by

Cabinet on 1 August 2019. The Director of Corporate Resources and s151 Officer was designated as the Senior Information Risk Owner (SIRO) during 2020/21 as part of the Management Restructure. The SIRO is responsible for:

- Managing information risk in the Council.
- Chairing the Data Security Group.
- Fostering a culture for protecting and using information within the Council.
- Ensuring information governance compliance with legislation and Council policies.
- For risk at SLT level, ensuring that risk is properly identified, managed and that appropriate assurance mechanisms exist.
- Preparing an annual information risk assessment for the Council.
- Giving strategic direction to the work of the Data Protection Officer (DPO).

2.5 The Council is required to appoint a DPO, previously this role had been designated to the Service Manager: Legal Services. During 2020/21 as part of the Management Restructure the role of DPO was predesignated to the Legal Services Manager position. The DPO is assisted by two Deputies being the Legal Advisor: Litigation and Licensing and the Practice and Information Manager.

2.6 The Council has a Data Security Group (DSG) in place, the membership of which has changed during 2020/21 following the management restructure and which now comprises the Director of Corporate Resources (Chair), Head of Finance and ICT, Data Protection Officer or Deputy, and the Research and Development Manager (IT Support). The overarching remit of the group is to assist the Council to fulfil its obligations to appropriately protect paper and electronic 'data' and to ensure that everyone who has authorised access to 'data' is aware of their 'data handling' responsibilities.

2.7 The Council has a set of high level corporate policies in place which direct the Information Governance work. The key policies are:

- Information Security Policy.
- Data Protection Policy.
- Records Management Policy.
- Records Retention and Disposal Policy.
- Risk Management Strategy and Framework.

3. Information Governance/Security Training carried out

3.1 Data protection annual refresher training is usually delivered by the DPO and Deputy DPO via face to face corporate training sessions to both Members and staff across the Council. Unfortunately it has not been possible to deliver training in this way during 2020/21 due to COVID restrictions. In order to maintain a training programme for data protection the DPO and Deputy

DPO's have created a virtual training programme accessible by all staff with computer access. The virtual training programme which consists of a video recorded training session followed by a short quiz was launched in December 2020 and it has been successfully completed by approximately 60% of staff with the remainder now expected to complete it in the early part of 2021/22. The DPO and Deputy are currently exploring providing similar training package for Members to be delivered in 2021/22.

- 3.2 In addition to this where Departmental Representatives who are responsible for handling information requests have changed either due to restructure or staff departures, additional one to one training has been provided by a Deputy DPO focusing on recognising and dealing with information requests and subject access request and use of the Council's information request system.
- 3.3 Data Protection training is mandatory for all staff and forms part of the training checklist on induction. The Virtual training package created by the DPO and deputy DPO's is available on the Council's intranet and is accessible all year round for all staff including new starters. In addition, procuring a corporate e-learning package, to include Information Governance modules, continues to be explored. Unfortunately COVID has caused a delay in this project.
- 3.4 The Council have continued to engage this year with the Nottinghamshire Information Officers' Group (NIOG), chairing and attending meetings which have been held MS Teams. The group have assisted the Council in ensuring appropriate sharing agreements in place using the NIOG template which is GDPR compliant. As part of the group Nottinghamshire County Council have created a MS Teams group and SharePoint site where all members of the group can access agendas and minutes of previous meeting and also share information and documentation.
- 3.5 Due to Covid 19 pressures IT Support were unable to conduct any face to face or via Teams cyber security awareness training. However, training materials for new starters and as refresher training for existing staff is available on the Intranet and this is now being promoted for staff to complete. This consists of in-house training slides and a National Cyber Security Council provided online training course with a quiz. Scheduled training courses will be recommenced in 2021/22.

4. Information Governance/Security Policy review

- 4.1 The current Information Security Policy was originally approved by Cabinet on 4 April 2013 and has been subject to a number of amendments since then. A full review of the Information Security Policy was planned during 2020/21 but completion has been delayed due to resources being required for the Covid-19 response. However, an internal audit on cyber risk was completed in 2020/21 which included a review of the Information Security Policy and the arising low risk recommendations will be reflected in the final revision of the Policy which will now be presented for Cabinet consideration in 2021/22.

4.2 The current Data Protection Policy was approved by Cabinet on 28 June 2018 and amended in February 2019. No amendments have been made to the Data Protection Policy during 2020/21.

5. Requests for Information

5.1 The Council has an information request system for logging, monitoring and reporting on requests for information. The responsibility for managing information requests sits within Legal Services but every department within the Council has their own representative who can deal with requests for information on behalf of that department, provided the requests are straight forward and no exemptions or exceptions apply. Where a request is more complicated, exemptions/exceptions need to be applied or it is a council wide request this is responded to by a member of the Legal Services team.

5.2 In 2020/21 the Council received 744 requests for information made up of 37 EIR requests, 20 DPA subject access requests, 86 DPA exemption requests and 601 FOI requests. This is a slight decrease when compared to the number of requests received in 2019/20 (775).

5.3 In 2020/21 there were 2 requests to review a decision to withhold information both of which were upheld, and no complaints were made to the Information Commissioner's Office (ICO).

6. Information/Security Incidents

6.1 In 2020/21, the Council has recorded 44 data breaches/incidents by council officers. No breaches were reported to the ICO as after investigation none of the breaches identified a risk to the rights and freedoms of an individual.

6.2 The Council takes data breaches very seriously and has a robust reporting system in place to ensure compliance with the 72 hour reporting deadline. Reporting data breaches is something that is part of the corporate training programme but is also well publicised on the intranet, and through team meetings.

6.3 The breaches reported have been minor in nature and have largely been borne out of clerical error, for example the wrong addresses typed into systems which generates mail to the wrong address. Staff have been reminded to check address details or update changes to addresses before sending out mail. Every incident is thoroughly investigated and wherever necessary, measures are put in place to reduce the risk of further incidents. To maintain corporate oversight, all incidents are reported to and considered by the DSG and DSG minutes shared with Senior Leadership Team. No systemic failures have been identified. There has been one incident where Council equipment has been lost, being a mobile phone, but the risk of information loss was low and the device was not connected to the network so presents no ongoing risk.

6.4 There were no successful Cyber Security Incidents involving Malware or Hacking in 2020/21.

6.5 The Council continues to be subject to a large number of attempted phishing attacks which are stopped by a combination of technical controls and staff vigilance. Unfortunately during the Covid-19 pandemic, there has been an increase nationally in the number of phishing attacks relating to Teams, Zoom and Covid-19 and as a result additional guidance has been provided to Officers and Members.

7. Summary of key achievements in 2020/21

7.1 The key achievements in 2020/21 are as follows:

- ICT officers continue to be active members of the East Midlands Government Warning, Advice and Reporting Point (EMGWARP).
- The Service Manager responsible for ICT now attends the Nottinghamshire Local Resilience Forum - Cyber Resilience Forum.
- Continued with improved monitoring arrangements for software patching and significantly improved our overall status.
- Maintained Payment Card Industry Data Security Standard (PCI DSS) compliance.
- An internal audit on cyber risk was completed and actions agreed for implementation, including a review of the Information Security Policy;
- Migrated web security (proxy) to new firewall enhancing the protection.
- Continued to remove Windows 7 and Server 2008 legacy systems, expected to be complete July 2021. This will leave one system running Windows 7. This relates the boiler control system and is mitigated by being switched off in IT and only turned on when in use, as well as running Antivirus software. This will be removed at the earliest opportunity when Property Services review the system.
- Most Windows 10 devices updated to version 1909, this will now become an annual update to newer versions in line with Microsoft continuous updating process.
- Migrated Anti-virus to cloud based system.
- Replace existing traditional firewall with one with next generation features and better redundancy. Continue to improve patching scope, timeliness and reporting, including looking at automation where possible.
- ICT Research and Development Manager attended MHCLG sponsored certified security training with examination to be completed in 2021/22.
- Rolled out Microsoft 365 components, Teams, Stream, OneDrive and Forms with associated security guidance provided.
- Completed review of existing Information Asset Registers and all Information Sharing Agreements.
- Completed administrative review of Information requests and updated departmental representatives accordingly.
- Progressed the review of the Council's Records and Retention Policy.
- Progressed the variation of all contracts to ensure they are GDPR compliant: this has largely been completed with only 4 contracts

outstanding. All other contracts which appear on the contracts register are now compliant with GDPR.

- Corporate Governance training on contracts was delivered at which the importance of GDPR compliant clauses was highlighted.
- We continue to ensure records are deleted when appropriate.
- Guidance was provided to staff on the importance of maintaining confidentiality and GDPR compliance when working from home following the government advice to work from home where possible due to the Covid 19 pandemic.
- Development of virtual GDPR mandatory training rolled out to staff.
- Upgrade of the Housing Needs system was completed to ensure GDPR compliance.

8. Plans for 2021/22

8.1 The following activity is planned for 2021/22:

- Further review of Council's policies to ensure they remain fit for purpose, including: the Risk Management Strategy and Framework; the Information Security Policy; and the Records and Retention Policy, for presentation to Cabinet for approval.
- Migrate all mobile devices to InTune mobile device management system (part of Office 365), to improve security of Council data and offer more features to staff.
- Remove final Windows 7 and Server 2008 devices. Mitigate remaining system to prevent threat from remaining Windows 7 devices.
- Continue to use next generation firewall features to improve security against hacking and malware.
- Review Citrix remote access solution.
- Plans to run Cyber Security training, possibly with the in partnership with the East Midlands Special Operation Unit (Police). Officers and Councillors will be invited.
- Public Sector Network (PSN) compliance to be secured.
- GA Cyber Stocktake results to be considered to identify what improvements can be made.
- Complete a review of cyber security risks and finalise the related risk register, including consideration of options for cyber security insurance cover.
- Conduct IT Disaster Recovery Rehearsal and implement recommended actions.
- Annual review of Information Asset Registers (IARs) to be conducted.
- Virtual GDPR training to be delivered to staff and Members.
- Continue to complete reviews of Data Protection Impact Assessments (DPIAs).
- Ensure continued compliance with GDPR in terms of breach reporting, DPIAs, updating IARs and ensuring privacy notices are up to date.

9. Risk

- 9.1 It must be recognised that information governance and cyber-attacks are significant risk areas for all organisations locally, nationally and globally. The risk of accidental data loss, physical system failures and direct malicious cyber-attacks are an ongoing concern for the Council requiring continuous focus.
- 9.2 The Council has a corporate Risk Management Strategy and Framework in place. A number of risks relating to Information Governance have been recorded on departmental risk registers and the corporate risk register also includes a strategic risk of “Failure to properly utilise existing ICT, react to technology changes, and prevent data loss”. The risk registers are reviewed on a quarterly basis and updates reported to both SLT and Audit Committee. In respect of the main corporate risk: *Failure to properly utilise existing ICT, react to technology changes, and prevent data loss*, as reported to Audit Committee at the end of 2019/20, the risk rating was red with a target risk of amber. This was predominantly as a result of the need to separate the database in the Housing Needs system to secure GDPR compliance. This work was completed in 2020/21 and the assessed risk level has improved to the target risk of amber with the key action now outstanding being the completion of the cyber risk register which is planned for 2021/22.
- 9.3 The corporate risk register also includes a risk of ‘*Failure to react to changes in legislation*’, under which the progress to ensure compliance with the General Data Protection Regulations and Data Protection Act 2018 has been tracked. The delivery of the project plan to ensure compliance was completed at the end of 2019/20 and ongoing monitoring is now in place as detailed in the actions in section 8 of the report. No outstanding risk concerns are raised.
- 9.4 During 2020/21 an advisory IT cyber risk audit was completed. A number of actions were accepted, the majority of which will be implemented in 2021/22. The findings have been reported to Audit Committee.

10. Conclusion

- 10.1 The Council has a healthy culture of breach and incident reporting which needs to continue to ensure incidents are investigated, reporting requirements to the ICO are complied with and importantly, remedial action taken. Good progress has been made in improving information governance processes and maintaining GDPR compliance. The Council needs to continue with its robust and pro-active approach to the management of personal data.
- 10.2 The Council has robust cyber security arrangements in place and it is crucial that these are not only maintained but also continue to evolve to meet the cyber security challenges of today, and tomorrow. The incidents have demonstrated that robust security measures are in place to protect the

council underpinned by robust processes and officer capability to deal with this type of unexpected event. However, the Council cannot stand still: continuous improvement needs to be made and cyber security must remain a priority.

- 10.3 Information governance is a corporate responsibility and should not be seen as simply the responsibility of the Senior Information Risk Owner, ICT team or Data Protection Officer. Reporting to Senior Leadership Team particularly in respect of the workload on ICT, patching situation and breaches and incidents reported, has continued during 2020/21 which has strengthened Senior Leadership Team oversight and ensured there is wider sharing and understanding of the challenges and solutions at a strategic level.
- 10.4 Pressure and demand on ICT continues to grow, which presents a risk to maintaining appropriate security arrangements. Recruitment took place for a new Technical Officer however the recruitment process failed to identify a suitable candidate. A review to ensure the effective deployment of this resource is currently being completed by Head of Finance and ICT.



Report to Cabinet

Subject: Gedling Plan Quarter 4 and Year End Performance Report

Date: 8 July 2021

Author: Senior Leadership Team

Wards Affected

Borough wide

Purpose

To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2020/21 Gedling Plan at the end of quarter 4 and year end.

Key Decision

This is not a key decision.

Recommendation

THAT:

The progress against Improvement Actions and Performance Indicators in the 2020/21 Gedling Plan be noted.

1 Background

- 1.1 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.2 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have all been brought together and are now embedded in the way the Council works. Whilst the budget and performance information are presented in two separate reports, they are and will be reported to Cabinet together and will appear on the same agenda.
- 1.3 In addition, performance reports now focus more directly on the Council's priorities and offer an "early warning" system of instances where targets may not be secured.

- 1.4 As usual, comprehensive details about current performance against the Gedling Plan can be accessed through the following link on the Council's website:-

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

Members are recommended to view this document which provides valuable background detail to this summary paper. It provides a more in-depth review of indicators, actions and outcomes for quarter 4/year end.

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

2 Proposal

- 2.1 It is proposed that Cabinet note the current Performance Information for the Gedling Plan 2020/21 for quarter 4 and the year end as set out below. A presentation on year end performance including some of the key achievements delivered during the year will be provided at the Cabinet meeting.

2.2 Actions

Of the 96 actions included in the Gedling Plan 2020-23 which were due for completion in 2020/21, 90 are complete.. Of the 6 occasions where the target was missed, all were planned to have been completed in 2020/21 and will need to be carried forward into next year. The main reason for missing the deadlines was the impact of Covid 19 and the redirection of resources to tackle the pandemic.



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

Nearing Completion:

- Create and implement a Communication Strategy and plan
- Complete the Constitution review to continue to support good governance

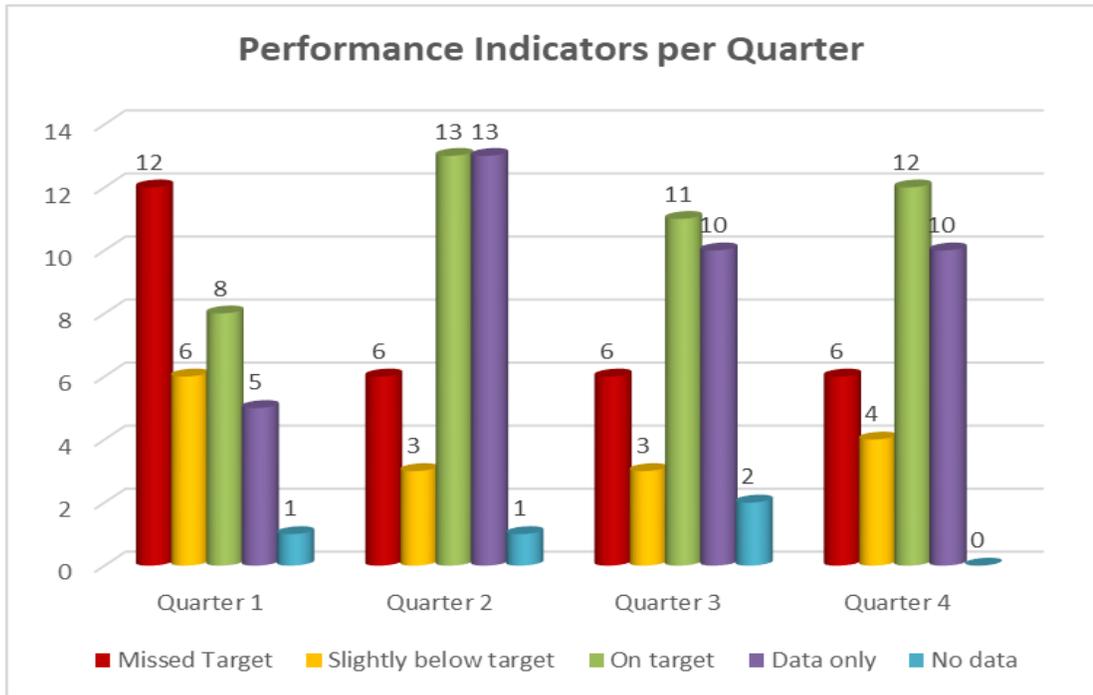
Further work required:

- Develop the Council's approach to licensing regulation and enforcement
- Develop and implement a strategy to maximise current income streams and identify new income opportunities
- Implement the requirements of the financial management code to deliver effective longer term financial planning
- Develop and roll out a 'Quality Scheme' for safe places, health and food outlets

2.3 Indicators

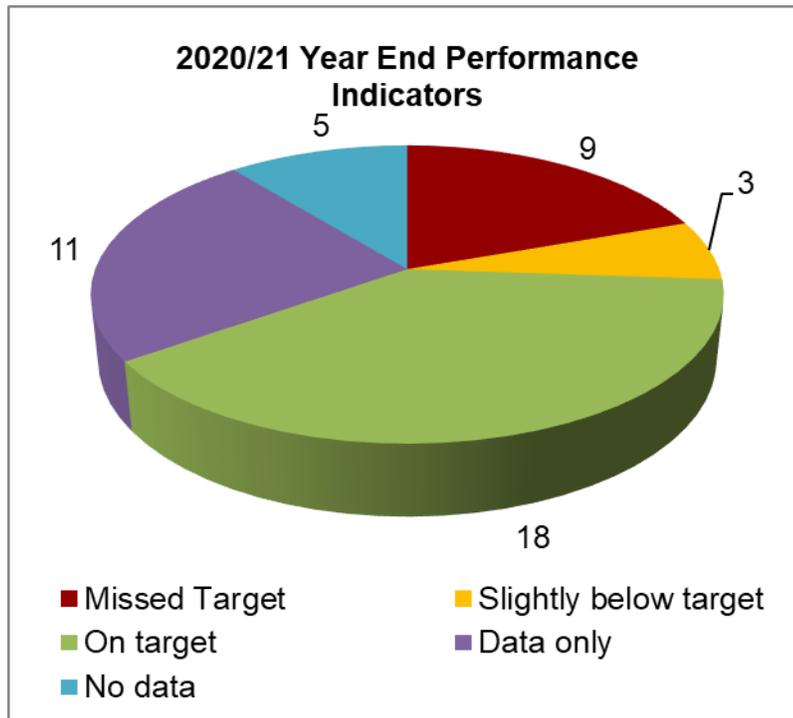
Quarter 4

The following table shows the status of performance indicators appropriate for quarterly monitoring for each quarter throughout the year. During quarter 4, 12 of the 32 performance indicators that are appropriate for quarterly monitoring met or exceeded target and 4 were slightly below target. 6 indicators missed their target. 10 were tracking only indicators.



Year end

In addition to the performance indicators which are monitored on a quarterly basis, there are a number of indicators which are reported on an annual basis. The diagram below shows the performance position at the end of the year in respect of all 46 indicators included in the Gedling Plan. Overall performance is good with 21 of the indicators either on target or slightly below target, and 9 behind target. 11 were tracking only indicators.



No data was available for the following 5 indicators:

- LI252 Percentage of customers that are satisfied with overall customer service - Surveys are normally completed in February / March. Unfortunately work around Covid-19 within Customer Services has meant that insufficient surveys have taken place.
- ECOi8 Percentage of vacant properties along the high street – only essential item shops were allowed to remain open during the lockdown, which continued past the year-end, hence this indicator was not purposeful in 2020/21. Phase 3 of the lockdown allowed other shops to open from 17 May 2021.
- ECOi9 Percentage of occupancy for all GBC owned car parks in Arnold – as above, only essential shops were open and national Covid guidance was to stay at home, so this indicator was not relevant in 2020/21.
- ECOI5 Amount of employment land developed for the delivery of jobs – again this was affected by Covid measures and furlough of some construction workforces.
- ENVi2 Level of CO2 emissions from Council Buildings – we have recently engaged APSE to undertake some work in this area, and this has now delivered results for 2019/20. Work is currently ongoing to assess the results for 2020/21.

2.4 Examples of particularly positive performance over the year include:

- LI074 Average time to process new Housing Benefit claims (in calendar days) – finishing the year with an average of 12.6 days against 13 days target.
- LI052 - Percentage of calls to the contact centre answered (or call back made) - 12 month rolling total – Currently stands at 95.3% in comparison to target of 94%.
- LI057 - Percentage of customers seen within 15 minutes – 100% of customers were seen within 15 minutes against target of 90%.
- LI321 - Number of Keep Me Posted email newsletter subscribers – This has risen to 37,777 subscribers against an anticipated target of 25,000.
- LI250 – Number of social media followers – This has again risen and now stands at 37,500 against a target of 27,000.
- LI118 - 65 long term empty homes in the Borough were returned to use as a result of Gedling Borough Council intervention against a target of 40.
- NI155 - 59 affordable homes were delivered (gross), well in excess of the target of 20.
- NI157a - Percentage of Major planning applications processed within 13 weeks – 100% processed within 13 weeks against a target of 90%.
- LI371 Number of garden waste customers – The number continues to grow with 18,000 customers, exceeding target by 1,900.
- HEAi1 – the council now has four Green Flag status parks.
- LI276 - Percentage of food premises scoring 4 or 5 in the national food hygiene rating scheme – 97% against a target of 90%.

2.5 The following performance indicators missed their target at the end of the year and are worthy of note.

Housing needs and welfare support

The average length of time spent in temporary accommodation (in weeks) is 20.9 weeks against a target of 15 weeks. The department is still experiencing high numbers of households in priority need presenting as homeless. As at the end of Q4 we had 6 large families (3+ children) living in temporary 2 bedroom flats/3 bedroom houses. This has now reduced to 4 families. Unfortunately, the number of 2 or 3 bedroom social housing becoming available has declined and it is not

proportionate to the demand for permanent housing, meaning families continue to be placed in temporary accommodation. However, better news is that the house construction market has now restarted, meaning the numbers of affordable properties in Gedling will start to increase again during 2021/22. The Council has also recently approved a new Housing Allocations Policy against which all applications for temporary accommodation are now assessed.

Housing

The number of net additional new homes for this year was 310 which was lower than the 480 anticipated. Construction during this period has been affected by lockdown restrictions which has resulted in development pausing and slowing down on many large and small sites within the Borough. It is anticipated that the numbers will rise again during 2021/22.

Waste

Residual waste levels were above the target threshold for all four quarters of 2020/21, with a final outcome of 668kg per household against the target of 560kg. This is due in part to high levels of contamination in recycling and also to the unplanned and continuing closure of the Veolia Freeth Street waste transfer facility in September 2020 due to a fire. This has resulted in an increased level of diversion to energy from waste and landfill. Officers are engaging with the Joint Waste Partnership to implement further communication plans to support recycling encouragement.

The average for the year is 32.4% of household waste being sent for reuse, recycling and composting against the target of 36%. Q2 was the only quarter in the year that the target was exceeded. Q4 was a particularly low performance of 25.1% which appears to be due to a reduction in dry recycling tonnage which requires further detailed investigation. This is affected by the high contamination rate within the Borough. Work is underway with partners to establish additional activities and campaigns to encourage recycling, and proper disposal of garden waste.

2.6 Achievements

A separate report is produced highlighting key achievements delivered during quarter 4, focusing on areas where the Council has made a real difference to people's lives. This is attached as Appendix 1 and is available on the Council's website and in hard copy in the Members' Room. The following outcomes are identified for particular attention:

Gedling Young People's Consultation - A consultation targeting young people aged 11 -16 was designed and promoted to Gedling Young People between December 2020 and February 2021. As a result of intensive targeted promotion 236 online forms were completed by young people in the Borough. 30 of these were assisted completions from hard to reach young people supported by the Nottinghamshire County Council Youth Service during specialist youth settings.

Gedling Youth Council members will support the Portfolio Holder for Equalities and Young People to assess the findings and develop recommendations for Cabinet in May. It is proposed for the survey to be integrated into the bi-annual Gedling Conversation and concerns of young people taken into account in the planning of council and partnership services going forward. A follow up survey is also proposed to coincide with this summer's Gedling Conversation survey. An opportunity to re-engage and seek the views of our young people as Covid-19 restrictions are lifted.

Online Taxi Application Portal - Customer Services, with help from IT, have created a new online taxi licence application portal to enable taxi drivers to access their accounts and check the progress of their application. This saves on phone calls/queries to customer services to chase licence applications and saves on paper/print and postage on application forms and renewal letters.

Workforce Strategy 2020/23 - An action within the 2019/20 Gedling Plan was to produce a Workforce Strategy for the period 2020/23. Due to conflicting priorities presented by the Covid-19 pandemic this was not achieved on time, however, the strategy has now been approved for implementation from 1 April this year. The strategy not only demonstrates the "building blocks" already in place that make the organisation a strong, good, fair and business-like place to work but also identifies a clear set of actions that will further support and develop our workforce.

Local litter picks - Street Cleansing staff continue to support local litter picks by individuals even during lockdown, providing litter pickers and black bags before the litter picks and collecting the bags and disposing of them afterwards. Operations to remove graffiti and fly-tips and to cleanse hot spot areas continue apace in support of local resident groups who help to improve their environment whilst getting the message out about enviro-crime and the need to recycle. This initiative took place early January 2021 before lockdown.

'One Step at a Time' Project Addressing Isolation - This partnership project involving Jigsaw Homes and Active Notts, supported by the Council, has developed in the Carlton area, following collaborative research by partners that identified older people in Carlton as being a local community that had low levels of physical activity.

Memorial Stone - A memorial stone dedicated to the memories of Gedling borough residents who have tragically lost their lives due to Covid was unveiled during March. The stone was unveiled by Cllr. John Clarke, Leader of Gedling Borough Council and Cllr. Michael Payne, Deputy Leader of Gedling Borough Council at the site of Eagle Square, near the main Arnold town centre.

In addition the following are examples of the Council's response to Covid -19 during the year.

Giving for Gedling Humanitarian Centre and Food Bank - The Richard Herrod Centre was transformed into the Giving for Gedling Humanitarian Centre and Food Bank and by January 2021 it had become one of the County's biggest Community Vaccination Centres.

Giving for Gedling Humanitarian team - We established a cross service Giving for Gedling Humanitarian team to offer Covid-19 support and advice to residents in need, recruit volunteers, support spontaneous volunteering groups and work in partnership with our local Foodbanks and Church Leaders throughout the pandemic.

Grant Schemes - We successfully completed the full administration and payment of over 15 different grant schemes totalling around £25.1m of support to local businesses facing financial difficulty during the Covid-19 pandemic.

Our two community fundraisers, 'Giving for Gedling' and 'Feeding Gedling's Children', raised over £37,000 to support local residents and families for food and emergency humanitarian supplies.

Festive Food Parcels - Working with our partners Gedling Play Forum, family services and primary schools we distributed 500 Festive Food Parcels to local families most in need. These included food items, activity packs, Giving for Gedling 'Good Neighbour' Guides, healthy eating advice and recipes.

Covid-19 Winter Grant - We allocated £40,800 of the Covid-19 Winter Grant, working with Arnold and Netherfield Food Banks, 'The Ark' money advice service, St Georges Centre and Nottingham Energy Partnership. Eligible residents received supermarket vouchers, hot meals, food parcels, small white goods and emergency winter warmth.

Covid testing sites - Carlton Forum Leisure Centre and Druid's Car Park in Arnold were used as community Covid testing sites.

Support of vulnerable residents - We worked in partnership to establish a new South Nottinghamshire Volunteer Telephone Befriending Service in support of vulnerable Gedling residents affected by the pandemic.

3 Alternative Options

- 3.1 Not to present an update on quarterly performance, in which case Executive members will not be aware of performance against the current Gedling Plan.

4 Financial Implications

- 4.1 There are no financial implications arising out of this report.

5 Legal Implications

- 5.1 There are no Legal implications arising out of this report.

6 Equalities Implications

- 6.1 There are no equalities implications arising out of this report.

7 Carbon Reduction/Sustainability Implications

7.1 There are no carbon reduction/sustainability implications arising out of this report.

8 Appendices

8.1 Appendix 1 – Examples of Outcomes achieved during Quarter 4 2020/21.

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

10.1 To ensure Members are informed of the performance against the current Gedling Plan.

Statutory Officer approval

Approved by the Chief Financial Officer

Date: 25/06/2021

Approved by the Monitoring Officer

Date: 25/06/2021

**GEDLING
PLAN
2020-2023**

**Examples of Achievements and
Activities**

During

Quarter 4 - 2020/21

Cohesive, Diverse and Safe COMMUNITIES

Promote and encourage pride, good citizenship and participation

Gedling Play Forum Chinese New Year Packs - Due to Covid-19 restrictions to annual Chinese New Year play activity delivered in partnership with Gedling Play Forum was unable to take place this quarter. However, the Council did commission the Play Forum to produce Chinese New Year crafts packs that were distributed to families most in need during February half-term via Children's Centres and other family support agencies.

NHS GoodSam Integration and Learning Pilot - The Council has been working alongside Nottinghamshire County Council to undertake local integration and learning of the NHS National GoodSam volunteer scheme. A joint allocation of £30,000 from NHS England has been received for this pilot. As part of the pilot, The Council has commissioned Nottingham CVS to undertake a series of Zoom stakeholder engagement workshops and engaged the GBC Customer Insight Officer. The aim is to:

- interrogate the GoodSam Futures database to provide information about current referral sources
- understand the deployment of volunteer roles
- evaluate the effectiveness of the response in the Gedling area
- make recommendations as to how the scheme might be further integrated at local level.

40 local stakeholders have signed up to the Zoom sessions, comprising of potential service users, voluntary and community sector organisations, local community groups and commissioned partners. The first workshop, attended by 12 delegates, was held on 24 March.

Members Community Initiatives Fund 2020/21 - For the 2020/21 Fund, all Councillors have allocated individual spend budgets within the financial year. Over 100 applications have been processed – less than average due to the pandemic having an impact on the ability for groups to deliver activities. Each Councillor contributed £250 towards the Giving for Gedling Humanitarian Centre efforts to support the most vulnerable, at risk and elderly during the pandemic. In October the Feeding Gedling Fund Spacehive was set up to tackle child hunger within the borough were both Labour and Conservative members donated £150 each.

Activities supported ranged from assisting groups who were experiencing hardship due the pandemic, supporting local Rainbow, Brownies, Guides and Scouts groups in organising activities bags for their members during the pandemic.

A new set of criteria is being developed to enable a broader application of the fund in the light of emerging Covid Recovery 'blended' initiatives, enabling businesses as well as community groups to apply to deliver activities of benefit in the Borough under a series of Council priority themes.

Seniors Council and Youth Council - Both the Gedling Seniors Council and Youth Council have met over MS Teams in the Autumn and Winter 2020 and again in February 2021. Both groups are sharing concerns around mental health, anxiety and the need to focus on hard to reach people as we emerge from Covid -19. Priorities for both are effective communications platforms for older and younger residents, community connectivity activities, buddying and befriending, economic recovery and access to wellbeing recovery services.

Information regarding vaccinations has been discussed and distributed via the Seniors Council representative groups. Exercise sheets have also been distributed to members and for one these have been gratefully received. Following a recent fall a member received the exercise sheets from in our Seniors Council mail out. He has been doing the neck exercise daily, and reports that it has made a huge positive difference to his pain and mobility levels, and not only will he carry on with those, but also intends to share in a local community group newsletter, for other members to gain the benefit. He thanked us very much.

Gedling Young People's Consultation - A consultation targeting young people aged 11-16 was designed and promoted to Gedling Young People between December 2020 and February 2021. As a result of intensive targeted promotion 236 online forms were completed by young people in the Borough. 30 of these were assisted completions from hard to reach young people supported by the Nottinghamshire County Council Youth Service during specialist youth settings. Gedling Youth Council members will support the Portfolio Holder for Equalities and Young People to assess the findings and develop recommendations for Cabinet in May. It is proposed for the survey to be integrated into the bi-annual Gedling Conversation and concerns of young people taken into account in the planning of council and partnership services going forward. A follow up survey is also proposed to coincide with this summer's Gedling Conversation survey. An opportunity to re-engage and seek the views of our young people as Covid-19 restrictions are lifted.

Reduce poverty and inequality and provide support to the most vulnerable

RESET Gedling Covid-19 Winter Grant Delivery Partnership - The Council has worked with Arnold Food Bank, Netherfield Food Bank, The Ark money advice service and Netherfield Forum and St Georges Centre hot food takeaway to deliver supermarket vouchers, hot meals, food parcels and small white goods to eligible families in Gedling impacted by Covid-19 over Winter 2020/21. The scheme also offers referral for emergency winter warmth support via Nottingham Energy Partnership. In total £40,800 have been allocated to the Gedling area. It is anticipated that around 300 eligible households will have benefitted from the scheme in Gedling by April 2021.

Temporary Accommodation - cabinet approval received in January for the temporary accommodation options appraisal which sets out the proposed future approach to reduce B&B and nightly paid-for accommodation usage. This means now Officers are pursuing the purchase of 8 2/3 bedroomed properties and then leasing 7 2/3 bedroomed properties. Furthermore, approval was given at March Cabinet to construct 17 units at the council owned sites at Burton Road and Station Road (7 of which are to be used for temporary accommodation).

Improve social mobility and life chances

RESET Leisure Centres Support the Covid-19 Effort - The leisure facilities and staff continue to support the local effort of tackling the impact of Covid by providing food parcels and a mass vaccination service at the Richard Herrod Centre and a lateral flow testing site at Carlton Forum Leisure Centre.

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

CCTV at Conway Road Recreation Ground - Gedling Borough Council has invested in the new CCTV equipment to support residents in Carlton. A new CCTV camera has been installed on Conway Road Recreation Ground as part of the council's work to reduce crime and anti-social behaviour in the borough. The camera, which cost £19,500, covers the whole of the recreation ground, including the new children's play area.

Covid Marshals - Additional Covid marshals have been brought in to provide additional cover at weekends to support the work of our Public protection Neighbourhood Wardens.

Covid Compliance Checks – Environmental Health Officers have been working on a project in collaboration with the HSE and Public Health doing spot check of supermarkets and corner shops for Covid compliance. So far over 40 premises in the borough have been visited. Generally compliance has been good. A couple of national retailers have been identified for not proactively challenging customers who do not wear face coverings. We are tackling this in collaboration with Nottinghamshire councils to raise at head office level with the specific organisations trading in the area. Local Authorities have limited enforcement powers for this aspect so we are working with partners try to improve the situation and help control transmission of the virus.

High Performing COUNCIL

Improve the customer experience of engaging with the Council

Online Taxi Application Portal - Customer Services, with help from IT, have created a new online taxi licence application portal to enable taxi drivers to access their accounts and check the progress of their application. This saves on phone calls/queries to customer services to chase licence applications and saves on paper/print and postage on application forms and renewal letters.

Leisure Centres Customer Service Excellence - The leisure centres successfully went through their external re-evaluation for Customer Service Excellence in January 2021, which showed significant improvement across a range of criteria associated with delivering good customer service. The assessor highlighted strong leadership and a proactive shift in the engagement and interaction with residents in response to the impact of Covid-19.

Provide efficient and effective services

Legal Services – During quarter 4 our legal services team successfully defended a taxi appeal against revocation of a licence, successfully prosecuted a taxi driver for driving without a taxi licence and successfully prosecuted an individual for breach of a Community Protection Notice. We also completed the contract for Breckhill play area which has now been opened and completed an agreement with NHS Trust and Sherwood hospitals in relation to staff assisting at the mass vaccination centre.

Gedling Plan - The performance team has worked hard to support the completion of the 2019/20 Annual Plan (the document that summarises our activity against the Gedling Plan) as well as providing support in the production of the 2021/22 refresh of the Gedling Plan itself.

Garden Waste Invoices - Revenues Services faced a challenging time with a last minute alteration to an invoicing process that has existed for many years. Revenues officers have had to maintain high priority workloads elsewhere at the same time as managing the adjustment of a system output which had an impact on just under 17,000 customers in the borough as well as pausing the ability to collect income for other departments within the authority. This adjustment included working with software providers to develop the alterations needed as well as demonstrating excellent communication throughout the relevant departments and with our customers affected. The conclusion of this process meant officers within Revenues Services were required to give additional time over a many days to facilitate the issue of the new invoices.

Continued Grant Payments - The Revenues team continues to play a vital part in The Business Grants team that administer the ever changing Covid-19 business grants throughout the varying tiers and lockdowns. With 15 grant schemes having been managed and administered to date paying out around £25.1m of support to local businesses, the team must now look forward to new grant funding coming from April 2021. The Revenues Services team and the Financial Services team are administering these grants whilst still meeting statutory deadlines and maintaining performance in their day to day functions.

Annual Billing - From procurement of a new printing company through to the very final print of all annual bills, Revenues Services managed to complete this task successfully and in line with statutory deadlines alongside other high priority workloads.

Maintain a positive and supportive working environment and strong employee morale

Employment Policies - A number of key employment policies have been re-drafted, passed through consultation and taken through the Appointments and Conditions of Service Committee for implementation including the Equality Policy (Employment), the Stand-by and Callout Policy and the Overtime Policy. Trade unions were particularly supportive of the positive changes to the terms and conditions of employment made within the revised Overtime Policy.

Workforce Strategy 2020/23 - An action within the 2019/20 Gedling Plan was to produce a Workforce Strategy for the period 2020/23. Due to conflicting priorities presented by the C-19 pandemic this was not achieved on time, however, the strategy has now been approved for implementation from 1 April this year. The strategy not only demonstrates the “building blocks” already in place that make the organisation a strong, good, fair and business-like place to work but also identifies a clear set of actions that will further support and develop our workforce.

Improve use of digital technologies

Projects and Upgrades - A number of projects and upgrades have been completed within IT including year-end for Civica and ResourceLink, new feature rollout of Office 365, Resourcelink Server and DB migration upgrade and Agresso upgrade to MS7.

RESET Homeworking - Our IT team have continued to facilitate homeworking and roll out of appropriate kit and soft phones whilst maintaining appropriate cyber security controls.

Vibrant ECONOMY

Provide more homes

Station Road and Burton Road - good progress is being made with the council owned sites at Station and Burton Road with Cabinet approval given in March.

Drive business growth, workforce development and job opportunities

Building Your Future/Apprenticeship Fair - A virtual Building Your Future/Apprenticeship Fair was held for a week in February. This replaced the usual Apprenticeship Faye that would be held in the Methodist Church. Over the week we had 115 attendees over the 19 sessions.

Business Advisors - The two businesses advisors have been in place now for over 9 months. Their contracts are due to end at the end of the month, but we are seeking a two year contract.

The Retail Business Advisor continues to engage with a businesses in all the main retail areas within the Borough, spending time in Arnold but also in Ravenshead and Carlton Hill and the other centres too. She has achieved this by spending time in the centres and actively going in and speaking directly to owners as well as through referrals from the EGR team. She is also starting to see direct requests for her help through the Economic Development inbox, highlighting that businesses are starting to hear directly about the service.

The Small Business Advisor has engaged with over 50 businesses in the first year of the contract. The interactions are more intense and prolonged with some businesses needing more support and advice; this was a key part of this role and is working well. She has helped businesses to accesses advice on bringing an idea to market, funding access, increasing sales as well as promoting employment schemes such as apprenticeships and Kickstart. She is also finding that businesses are coming directly to her following earlier advice and we are also seeing direct requests for her help as well showing that the promotion of the role is starting to work.

Both Advisors also took part in the events to mark National Apprenticeship Week. Their services have also been linked up with the Environmental Health team as part of the high street reopening work. This is good way to share resources and to engage positively with businesses to help them through this difficult time.

Create thriving and vibrant town and local centres

Arnold Market Place Redevelopment Scheme - Significant progress has been made with the Arnold Market Place redevelopment scheme and the construction works will start in April 2021.

Carlton Square Development - Significant progress has been made with the Carlton Square improvement scheme and the construction works will start in Spring 2021.

RESET - Re-opening the high streets safely – as part of the re-opening the high street safely funding, officers have been working closely with retailers and businesses to ensure that they re-opened and are adhering to the changing government legislation. This work will be increased to coincide with the relaxing of the restrictions in April.

Sustainable ENVIRONMENT

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

Gedling Country Park – Community Orchard – The Council has created a new Community Orchard, installing a number of fruit and blossom trees as part of ongoing works to improve the destination country park. Over 20 native trees have been planted, including apple trees, heritage pear trees, damson trees and cherry trees. All of the trees originate from the Nottingham area. The new orchard will also play a vital part in supporting local wildlife due to the produce created from the trees. The tree planting is also part of the council's pledge to plant 500 new trees, which has already been exceeded, as they have now planted 1,050 trees and more are planned over the next year.

Breckhill Recreation Ground, Woodthorpe - Work to refurbish the play area at Breckhill Recreation Ground has taken place. The official opening in February had to be very low-key due to Covid restrictions. A community celebration event will be arranged once the restrictions have been lifted. The official opening for this new facility was attended by the Mayor of Gedling Cllr Barnes and Portfolio Holder Peter Barnes.

Conserve, enhance, promote and celebrate our heritage

Memorial Stone - A memorial stone dedicated to the memories of Gedling borough residents who have tragically lost their lives due to Covid was unveiled during March. The stone was unveiled by Cllr. John Clarke, Leader of Gedling Borough Council and Cllr. Michael Payne, Deputy Leader of Gedling Borough Council at the site of Eagle Square, near the main Arnold town centre.

Promote and protect the environment by minimising pollution and waste and becoming carbon neutral

Local litter picks - Street Cleansing staff continue to support local litter picks by individuals even during lock down, providing litter pickers and black bags before the litter picks and collecting the bags and disposing of them afterwards. Operations to remove graffiti and fly-tips and to cleanse hot spot areas continue apace. All in support of local resident groups who help to improve their environment whilst getting the message out about enviro-crime and the need to recycle. This initiative took place early Jan 2021 before lock down.

HEALTHY lifestyles

Improve health and wellbeing and reduce health inequalities

RESET Health and Wellbeing Coproduction Partnership - This partnership was established in 2020 as a mechanism for developing and promoting partnership health and wellbeing initiatives to support recovery from Covid-19. Joint planning and coordination has included Self Help UK/MacMillan Cancer Gateway, Rushcliffe CVS, Newark and Sherwood CVS, Age UK, 'Your Health, Your Way' wellbeing service, Active Notts Trust, Jigsaw Homes, Children's Centres and Youth Service. The partnership has supported:

- the development of the 'One Step at a Time' physical and social isolation initiative with local residents in Carlton
- City Arts wellbeing programmes being blended with local recovery priorities
- engagement between groups and agencies to assess the role of volunteering as part of the 'GoodSam' NHS Responder pilot
- Covid-19 Winter Grant scheme
- initial planning for the development of Family Food Clubs in the Borough.

Promotion of Health and Wellbeing activities - The latest edition of the Community Health and Wellbeing E-Newsletter was received by 5,659 subscribers and contained content on the following:

- Community COVID testing centre information
- Psychological First Aid training
- Create to Connect
- Olle virtual advice service
- View Points
- Your Health Your Way smoking cessation service
- Breastfeeding support.

National No Smoking Day has been promoted by the Council both to its staff and externally via social media platforms. In particular information has been shared on the support offered the 'Your Health, Your Way' smoking cessation service.

Throughout the New Year period, the Council has regularly promoted the community sessions for young people offered by Nottingham Forest Community Trust.

A range of local Health and Wellbeing initiatives have also promoted on the TV screens at the Richard Herrod Vaccination Centre, including information on the local 'One Step at a Time' project.

Gymsales - The leisure centres have implemented a new piece of software which manages, tracks and communicates with prospective new gym and swimming lesson customers, ensuring there is a consistent flow of information and interaction regardless of which leisure centres are contacted.

Support physically active lifestyles

RESET Engagement with Local Football Clubs - Communication with local grass roots football clubs has been re-established through the Gedling Football Development Group to support clubs with the return to football and the latest funding opportunities.

RESET Health Walks - Getting Going in Gedling Health Walks resumed from 29 March with the first walk taking place in Gedling County Park on 31 March. Other walks will commence after Easter with social distancing being safely be adhered to.

RESET Funding for Jigsaw Homes tenants - Jigsaw Homes were successfully awarded £6240 from the Active Notts Tackling Inequalities Fund to get residents socially and physically active once their communal areas reopen and activities can safely take place.

Increase recreational activities

New Artificial Pitch for Nottingham Hockey Club - Nottingham Hockey Club (Goosedale) replacement of Artificial Grass Pitch and installation of new lighting and fencing completed. There has now been four new artificial pitch sport pitch hubs developed for community use and activity since the current Playing Pitch Strategy was adopted in 2016:

- 3G football pitches at the Redhill Leisure Centre and Redhill Academy site
- 3G football pitches at Carlton-le-Willows Academy
- Carlton Football Centre at the Carlton Academy site
- Sand based artificial pitch for hockey and other sports use at Goosedale Sports Hub just outside Bestwood Village.

Lambley Lane Recreation Ground Changing Rooms - A funding application has been submitted to the Football Foundation to replace the Changing Cabins at Lambley Lane Rec. Pitch renovations works have commenced in March 2021 and will be completed by August 2021 to enable Mapperley All Stars FC to move back to that site.

Engagement with Bonington Patrons - Throughout the Covid-19 lockdown the Bonington Theatre and Cinema has continued to engage with their patrons through regular communications, which has also resulted in income generation for the facility due to partnership working with film distributors.

RESET Public Art for Our Local Parks - Public Art projects which had been delayed by the pandemic are now recommencing with plans to create a new mural at Burton Road Jubilee Park alongside the Friends of Group, Netherfield Youth Club and Carlton Le Willows Academy. A series of art works to enhance the new tree trail at Gedling Country Park in partnership with the Friends of Group are also being developed.

Reduce levels of loneliness and isolation

South Nottinghamshire Community Development Worker - The Council has recently secured a further year's extension to the South Nottinghamshire Community Development Coordinator post up until February 2022 to support NHS organisations with the development of a sustainable social prescribing system. This system enables patients to be referred to suitable community based activities to support their health and wellbeing. Along with the post, additional resource of £4,000 has been secured for the provision of a small grant fund for local groups across the area.

RESET Gedling Community Development Forum - The South Notts Community Development Worker has established Community Development Forums for Gedling and will work with these groups ongoing to identify gaps in service, share good practice and build community resilience and connectivity as we emerge from lockdown over the coming year.

RESET 'One Step at a Time' Project Addressing Isolation - This partnership project involving Jigsaw Homes and Active Notts, supported by the Council, has developed in the Carlton area, following collaborative research by partners that identified older people in Carlton as being a local community that had low levels of physical activity.

A case study has recorded the journey of a local resident as part of this project:

“Our tenant has a degenerative condition in his vertebrae which means he has to use an electric scooter when out and about. This condition also affects his speech. He has been quite isolated during the pandemic with the communal Lounge being closed at his Independent Living Scheme. A volunteer recruited through the Giving for Gedling volunteer process was matched with this tenant. He was a volunteer at the Arnold Methodist Church Mental Health project in Arnold and also been a social prescribing volunteer previously for Jigsaw Homes and Gedling Borough Council. The tenant revealed to our volunteer over the phone that he was currently shielding. Our volunteer had his first Covid jab three weeks before his first visit and they had a socially distanced conversation. They found they both had a transport connection through work. As the tenant was initially unable to go out he asked if the volunteer knew anything about pruning rose bushes. The volunteer didn't but consulted his wife who gave him instructions on what to do. At their next meeting the volunteer pruned the rose bush outside the tenant's flat and they had a further chat where the tenant revealed it was his birthday on the following Sunday and he would be unable to see his wife. The volunteer sent a birthday card through the post to the tenant. He also passed on to the project coordinator that there was an issue with a security light affecting the tenant's sleep. This issue is now being addressed by Jigsaw Homes. On 17/03/21 the volunteer reported that - 'we took advantage of the excellent sunshine this afternoon to spend about an hour with the tenant in his electric scooter exploring the shopping area on Carlton Hill. He enjoyed getting the sun on his skin'. Outcomes recorded by this resident have included getting out of the house, increased confidence, increased social contact and feeling less lonely.”

Psychological First Aid training - The Council has been sharing and signposting Psychological First Aid Training to volunteers, voluntary groups and specialist family support teams that are in contact with children and young people aged up to 25 who may be affected by Covid-19.

Time to Talk Day - For Time to Talk day on 4 February the Council focused on the promotion of opportunities for people to talk about their mental health with connections made to local counselling and support services. The directory on the Giving for Gedling page of the Council website has been enhanced, including support for children and young people's mental health, and recommendations have been made for a new webpage to direct residents to specific support that is available and relevant to them as we move out of lockdown.

'Create to Connect' Arts to tackle isolation - The Council has been supporting City Arts who have been awarded £28,000 by Department of Culture Media and Sport to tackle loneliness and isolation through creative activity. The Create to Connect programme will offer online arts sessions for anyone aged over 55 and the Council has provided support in making connections to social prescribing link workers and partners through its Health and Wellbeing Co-production Partnership, enabling referrals to these sessions. Some face to face sessions may take place later in the year and a series of sound walks are planned at Gedling County Park in May.

Online Photography Course for Young People - The Young People's project, Express Yourself has had an excellent response to an online photography course named 'View Points; that has been funded by Active Notts). Led by organisation City Arts, 19 young people have signed up to the course which encourages them to visit Arnot Hill Park and Gedling Country Park as inspiration for their photography. Participants will have the chance to work towards a bronze or silver Arts Award as well as sharing their images online and as part of a local exhibition.



Report to Cabinet

Subject: Annual Report 2020/21

Date: 8 July 2021

Author: Senior Leadership Team

Wards Affected

Borough wide

Purpose

To seek Cabinet agreement to the wide publication of the proposed Annual report for 2020/21

Key Decision

This is not a key decision.

Recommendation

It is recommended that Cabinet approve the proposed Annual Report 2020/21 for wide publication internally and externally as described within the report

1 Background

- 1.1 This is the second occasion on which an Annual Report has been produced. The document is designed to be a summary of the work that has been undertaken over the last year and a celebration of what has been achieved.
- 1.2 This year in particular there is real cause to reflect positively on achievements. Not only has the Council continued to drive forward its ambitious work programme but also so much has been achieved in response to the Covid pandemic in terms of community support. Although not by choice, the situation has given us chance as officers and Members to work even more closely with our residents and to build very positive relationships that should hopefully last well beyond the pandemic.
- 1.3 So, for this year the Annual Report does include specific reference to our work in response to the pandemic as well as the service-based successes that we have enjoyed.

- 1.4 Once agreed the report will be published on the Council Website, in our Contacts magazine, through social media and, as importantly, we will communicate the contents to our staff, many of whom have worked by choice well beyond what we would normally ask of them.

2 Proposal

- 2.1 It is proposed that following approval by Cabinet that the Annual Report 2020/21 (Appendix 1) is publicised as described above.

3 Alternative Options

- 3.1 To not publish the Annual report. To take this option would be a lost opportunity to recognise the excellent service that the Council has provided through the hard work of its staff and Members.

4 Financial Implications

- 4.1 There are no financial implications arising from this report. Inclusion in the next Contacts will be part of the normal delivery cycle and contained within existing budgets.

5 Legal Implications

- 5.1 There are no legal implications arising from this report.

6 Equalities Implications

- 6.1 There are no equalities implications arising out of this report.

7 Carbon Reduction/Sustainability Implications

- 7.1 There are no carbon reduction/sustainability implications arising out of this report.

8 Appendices

- 8.1 Appendix 1 – Annual Report 2020/21

9 Background Papers

- 9.1 None identified.

10 Reasons for Recommendations

- 10.1 To invite Members to authorise the publication of the Annual Report in order to properly reflect to residents, businesses and service users, the valuable services that the Council provides and to raise awareness amongst staff of what they and their colleagues have achieved over the year.

Statutory Officer approval

Approved by:

Chief Financial Officer

Date:

25 June 2021

Approved by:

Monitoring Officer

Date:

24 June 2021

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GEDLING PLAN 2020-21 ANNUAL REPORT

Serving people **Improving Lives**



Gedling Country Park

Introduction

The purpose of this report is to provide an overview of what was achieved and how we performed against the Gedling Plan 2020-21. It shows our key achievements and performance measures for the year for each of our five corporate priorities and how we have delivered services and outcomes which support our ethos of 'Serving People, Improving Lives'. It also shows the huge amount of work that has been undertaken over the past year in response to the Covid pandemic and how this has supported businesses and our most vulnerable residents across the whole of the borough.

The last year has been truly terrible and what we have experienced as a community is beyond the experience of any of us as we have lost friends and loved ones. There is no getting away from the horror of what we have seen and we have commemorated this with the memorial stone set in Arnold Town Centre to help us to remember those losses.

But the pandemic has also shown us what is exceptional about our local community. The way that volunteers came forward in number to help distribute food and support to our most vulnerable residents; we delivered 320 food parcels to those people and made almost 2,500 calls to our older residents to ensure that they were safe and to show them that they were not alone. I could not have been more proud of our residents and our staff. In many ways this has been our "finest hour".

In the face of all of this and ongoing severe financial pressures we continued to work hard on our priorities to provide strong and resilient communities, supported by being a high performing Council, ensuring we have a vibrant economy, having a sustainable environment and to promote and encourage the health and wellbeing of our residents. A few of our planned objectives have had to be rescheduled because of the events of last year but all still remain on track to be delivered within the three-year Gedling Plan. This has been possible due to our incredibly committed and talented staff who really have gone the extra mile to provide the services that we have often taken for granted and to deliver the ambitious projects that will make the borough a better place in which to live, work and spend free time.

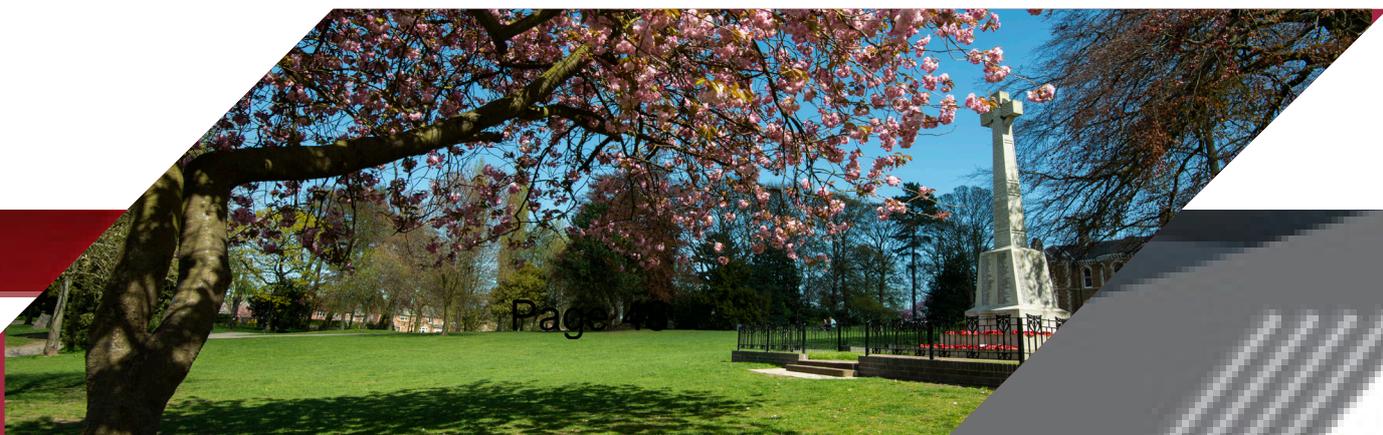
We value our residents' opinion, and feedback from our 2019 Satisfaction Survey told us that we are continuing to deliver good council services, with 82% being satisfied with the local area as a place to live, and 68% were satisfied with the way the Council runs things. We will be conducting another residents' survey later this year.

We know that there are great challenges ahead for us including returning our staff and services to a "new normal" but our intention is that services, even if delivered differently in some areas, will continue to be excellent and meet the needs of the community as a whole; our residents, businesses and service users.

Councillor John Clarke

Leader of the Council

Arnot Hill Park



OUR RESPONSE TO THE COVID PANDEMIC

Our key achievements



The Richard Herrod Centre was transformed into the Giving for Gedling Humanitarian Centre and Food Bank and by January 2021 it had become one of the County's biggest Community Vaccination Centres.



Our two community fundraisers, 'Giving for Gedling' and 'Feeding Gedling's Children', raised over £37,000 to support local residents and families for food and emergency humanitarian supplies.



We established a cross service Giving for Gedling Humanitarian team to offer Covid-19 support and advice to residents in need, recruit volunteers, support spontaneous volunteering groups and work in partnership with our local Foodbanks and Church Leaders throughout the pandemic.



We allocated £40,800 of the Covid-19 Winter Grant, working with Arnold and Netherfield Food Banks, 'The Ark' money advice service, St Georges Centre and Nottingham Energy Partnership. Eligible residents received supermarket vouchers, hot meals, food parcels, small white goods and emergency winter warmth.



We successfully completed the full administration and payment of over 15 different grant schemes totalling around £25.1m of support to local businesses facing financial difficulty during the Covid-19 pandemic.



We worked in partnership to establish a new South Nottinghamshire Volunteer Telephone Befriending Service in support of vulnerable Gedling residents affected by the pandemic throughout the school holidays and ongoing support to local community groups and schools.



Working with our partners Gedling Play Forum, family services and primary schools we distributed 500 Festive Food Parcels to local families most in need. These included food items, activity packs, Giving for Gedling 'Good Neighbour' Guides, healthy eating advice and recipes.



Carlton Forum Leisure Centre and Druid's Car Park in Arnold were used as community Covid testing sites.

OUR RESPONSE TO THE COVID PANDEMIC

Our key performance measures

850 vulnerable people were supported by our Giving for Gedling Humanitarian team in the first wave of the pandemic.

Since July 2020, nearly 2,500 vulnerable people over 70 have been directly contacted by the Council to offer support.

70 vulnerable residents with dementia were identified as not having claimed 'Severe Mental Impairment' exemption on their Council Tax and supported to access this.

420 direct calls were taken from residents seeking humanitarian advice and support and 320 food parcels were arranged since July 2020.



500 volunteers were recruited as part of our Giving for Gedling campaign.

Over 60,000 vaccinations were undertaken at the Richard Herrod Vaccination Centre.

Throughout the pandemic the Council, Foodbanks, Churches and spontaneous community response groups have supported residents, in the form of food parcels, prescription collections, shopping, support and advice, befriending and access to financial support, on more than 10,000 occasions.

300 eligible households benefitted from the Covid-19 Winter Grant.

Council tax hardship relief of £770k paid to 2686 working families



OUR PRIORITIES AND WHAT WE DELIVERED

COHESIVE, DIVERSE AND SAFE COMMUNITIES

To promote strong, resilient communities and reduce hardship and inequality

Our key achievements



A range of successful Covid-secure events were held throughout the year including a programme of summer on-line arts courses, free access to on-line summer shows at the Nottingham Playhouse, a virtual "Pride of Gedling" awards event, Christmas markets and a synchronised virtual Christmas light switch-on.



We were selected as a pilot for the integration of NHS Volunteer Responders following a successful bid submitted to the NHS "Good Sam" Funding opportunity. The allocation will help integrate NHS-registered volunteers at a local level, with the aim of developing a sustainable partnership and local volunteer resource.



Our Seniors Council and Youth Council worked to identify what was particularly important to them in order to help the council to target resources effectively. They prioritised effective communications platforms, community connectivity activities, buddying and befriending, economic recovery and access to wellbeing recovery services.



The Sanctuary installations project was refreshed in response to increases in high-risk domestic abuse cases as a result of the lockdown. This reduced the usual wait for security measures from a 12-week average down to two weeks.



Consultation targeting young people was designed and promoted to enable concerns of young people to be taken into account when planning future council and partnership services.



New cameras were installed in Gedling Country Park and on Conway Road Recreation Ground as part of the council's work to reduce crime and anti-social behaviour in the Borough.



We approved a new Equality and Diversity Policy and Action Plan for wider consultation with residents and community groups.



Our locality workers continued to provide much-needed help to the most vulnerable residents in our deprived areas. This included support to access food and humanitarian assistance, work and training, planned children's activities and events.

Our key performance measures

40 fixed penalty notices were served for litter and dog fouling.



Average time to process new Housing Benefits claims (in calendar days) was 12.6 days against target of 13 days.



£842.2k of adaptations were funded to support people with disabilities to remain in their homes.



98% of fly tipping incidents removed within 4 working days



OUR PRIORITIES AND WHAT WE DELIVERED

HIGH PERFORMING COUNCIL

To be a high performing, efficient and effective council

Our key achievements



We developed and implemented strong and fair employment policies, launched our employee Mental Health Awareness programme and completed a senior management restructure.



Our Customer Services team received a Certificate of Excellence award by the iESE, which recognises significant innovations in transforming local public services.



Our Building Control Team and Keepmoat Homes won a joint LABC Regional Building Excellence Award for the Chase Farm development in the category of 'Best High Volume New Housing Development Award'.



The Gedling Lotto was launched which has so far raised over £20,000 and benefitted 27 good causes.



A new on-line taxi licence application portal was created to enable taxi drivers to access their accounts and check the progress of their application.



We successfully implemented remote working for our staff and ensured our services continued to be available during Covid lockdown.



We approved a new efficiency programme and achieved a balanced Medium Term Financial Plan.

Our key performance measures

95.3% of calls to our Contact Centre were answered or a call back made.



98% of invoices were paid within 30 days.



We have 37,777 'Keep Me Posted' email newsletter subscribers.

KEEP ME POSTED

OUR PRIORITIES AND WHAT WE DELIVERED

VIBRANT ECONOMY

To promote and drive sustainable growth across the borough to meet current and future needs

Our key achievements



Our accredited learning centre continued to be a huge success with our second cohort of apprentices now almost at end-point assessment and 11 learners (internal and external) having achieved their ILM Level 5 Leadership qualification.



We continued to work collaboratively with the County Council to ensure the timely delivery of the Gedling Access Road that will support housing and economic growth.



With help from our partners, we pushed forward with our Supported Internship and Kickstart programmes providing placements for young people in Waste Services and Parks and Street Care.



Progress was made with the council owned housing sites at Station and Burton Road. Following an appraisal of the various options for the number, size, types of the houses and tenures, a recommendation was taken to Cabinet to build 17 affordable homes, with 7 being earmarked for use as temporary accommodation.



Alongside Broxtowe, City and Rushcliffe Councils we began to develop the Greater Nottingham Strategic Plan, receiving over 5,000 responses from our public consultation on various growth options which are currently being reviewed.



Project work was approved for both the Arnold Marketplace redevelopment scheme and the Carlton Square improvement scheme. Both schemes have secured planning permission and funding approval.

Our key performance measures

108 small and medium enterprises were engaged with.



59 affordable homes were delivered (gross) against a target of 20.



65 long term empty homes were returned to use as a result of our intervention.



95% of major planning applications were progressed within 13 weeks against the target of 90%



OUR PRIORITIES AND WHAT WE DELIVERED

SUSTAINABLE ENVIRONMENT

To promote a sustainable environment

Our key achievements



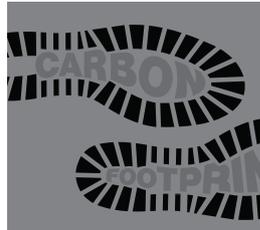
We launched our popular free annual bulky waste collection scheme in December, receiving over 700 on-line bookings from our residents on the first day and 1,503 bookings in total.



Conservation area appraisals were reviewed for Bestwood and Lambley. The boundaries of both conservation areas have been reassessed and a number of changes made.



Gedling Country Park was further enhanced by the installation of viewing platforms, additional car parking, an outdoor seating area, a Tree Trail and a Community Orchard.



Our carbon footprint was established and we identified future potential projects at key council-owned sites to further reduce our carbon emissions. We have also been working with other councils and the D2N2 Local Enterprise Partnership to look at ways we can improve sustainability, create greener infrastructure, decarbonise our vehicles and invest in more green energy.



A new junior play area was constructed at Conway Road Recreation Ground and the play area at Breck Hill Recreation Ground was refurbished.



We were delighted to receive Green Flag Awards for four of our flagship parks including a first for Bestwood Country Park.

Our key performance measures

1,040 trees were planted in the Borough.



32.4% of household waste was recycled.



Garden waste customers increased from 16,498 to 18,000.



Only 1% of streets surveyed had unacceptable levels of litter.



OUR PRIORITIES AND WHAT WE DELIVERED

HEALTHY LIFESTYLES

To promote the health and wellbeing of our residents

Our key achievements



The Carlton-le-Willows Academy 3G football pitches opened for community football use as part of the community use agreement between the Academy and the Council.



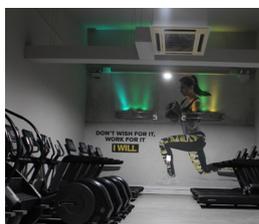
The "One Step at a Time" pilot was established for older isolated people in Carlton working alongside Jigsaw Homes and Active Notts with the aim to increase physical activity through community walking groups.



Working with our NHS primary care partners, we continue to lead on the social prescribing community development programme supporting grass roots organisations to assist those most lonely and isolated. Our Community Development Coordinator has linked up with other wellbeing services to offer advice such as smoking cessation, weight management and falls prevention and supported community groups offering food parcels and both virtual and telephone support to residents.



An Armed Forces Membership scheme was launched for our residents who are retired or serving members of the armed forces. The membership gives unlimited free access to the borough's three fitness suites as well as motivational sessions with the gym team and help to develop personal fitness programmes.



The accessible changing facility at Carlton Forum Leisure Centre swimming pool has been refurbished including new flooring, shower cubicle, chair, hand rail, toilet and sink. Along with the pool hoist, the changing room improvements will help more customers enjoy the swimming pool for a source of exercise and enjoyment.

Our key performance measures

97% of food premises scored 4 or 5 in the national food hygiene rating scheme.



150 community groups were identified across South Nottinghamshire to support social prescribing. A £4,000 Community Development Growth Fund was secured for 2021/22 from primary care colleagues to support these groups.



21 Gedling residents volunteered for the South Nottinghamshire Telephone Befriending Service and made 837 calls to 41 Gedling Borough residents.



13 areas of exceptional customer service were identified at our Leisure Centres by an independent Customer Service Excellence audit.



5,659 subscribers have received our regular Community Health and Wellbeing Newsletter offering healthy lifestyles and humanitarian advice and signposting to key health services.





View from Gedling Country Park



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Report to Cabinet

Subject: Annual Treasury Activity Report 2020/21
Date: 8 July 2021
Author: Director of Corporate Resources and S151 Officer

Wards Affected

All

Purpose

To inform Members of the outturn in respect of the 2020/21 Prudential Code Indicators, and to advise Members of the outturn on treasury activity, both as required by the Council's Treasury Management Strategy.

Key Decision

This is not a key decision.

Recommendation:

That:

1. Members approve the Annual Treasury Activity Report for 2020/21 and refer it to Full Council for approval, as required by the regulations.

1 Background

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury review of its activities, and the actual Prudential and Treasury Indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

- 1.2 For 2020/21 the minimum reporting requirements were that the Full Council should receive the following reports:
- An Annual Treasury Management Strategy Statement (TMSS) in advance of the year. This was considered by Cabinet on 13 February 2020 and subsequently approved by Full Council on 5 March 2020.
 - A Mid-Year Treasury Update report. In accordance with best practice, Members will note that, as in previous years, quarterly monitoring reports for treasury activity have been provided, and that this exceeds the minimum requirements.
 - An Annual Review following the end of the year describing the activity compared to the strategy. This report is in fulfilment of this requirement.
- 1.3 The regulatory environment places responsibility on Members for the review and scrutiny of treasury management policy and activities. The Annual Treasury Activity Report provides details of the outturn position for treasury activities during the year, and highlights compliance with the Council's policies, previously approved by Members.
- 1.4 The Council has complied with the requirement under the Code to give prior scrutiny to all the above treasury management reports by submitting them to Cabinet before they are reported to Full Council.
- 1.5 Member training on treasury management issues is undertaken by the Chief Financial Officer as it is needed in order to support Members' scrutiny role. In addition, the Council's treasury advisers, Link Asset Services (LAS) periodically deliver more detailed training sessions for Members at the request of the Chief Financial Officer.

2 Proposal

2.1 Summary of the economy and interest rates during 2020/21

- 2.1.1 The year 2020/21 will for ever be known as the year of the coronavirus pandemic. The first national lockdown in late March 2020 did huge damage to the economy and caused a downturn that exceeded that caused by the financial crisis of 2008/09. A short second lockdown in November did relatively little damage, and by the time of the third lockdown in January 2021, businesses and individuals had become more resilient to working in new ways. The successful UK vaccination programme has been instrumental in speeding economic recovery and the reopening of the economy. The household saving rate has been exceptionally high and there is much pent up demand, leading to an expectation that the UK economy could recover its pre-pandemic level of activity during Q1 of 2022. Both the government and the Bank of England

(BOE) took rapid action at the height of the crisis to provide support to financial markets to ensure their proper functioning; to support the economy; and to protect jobs.

- 2.1.2 The Monetary Policy Committee (MPC) cut Bank Rate from 0.75% to 0.25% on 11 March 2020, and then to 0.1% on 19 March 2020, and embarked on a £200bn programme of quantitative easing (QE). Bank Rate remained unchanged throughout 2020/21, however at one point there was concern in the financial markets that the MPC might cut Bank Rate to a negative rate. This was firmly discounted at the February 2021 MPC meeting when it was established that commercial banks would be unable to implement negative rates for at least six months – by which time the economy was expected to be making a strong recovery and negative rates would no longer be needed.
- 2.1.3 The MPC adopted a major change in its implementation of the 2% inflation target during 2020/21, indicating that it did not intend to tighten monetary policy “until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. Essentially this means that even if inflation rises to 2% the MPC is unlikely to act unless it considers that it will be persistently so.
- 2.1.4 The Chancellor implemented repeated rounds of support to businesses, and protected jobs by the use of the furlough scheme, however this support has come at a huge cost. The budget on 3 March 2021 increased fiscal support to the economy and jobs during 2021 but also pointed to substantial tax rises in the following three years to help to pay for the cost of the pandemic. An area of concern is that the Government’s debt is now twice as sensitive to interest rate rises as before the pandemic due to QE operations substituting fixed for variable rate debt. There is thus more incentive for the Government promoting low rates by using fiscal policy in conjunction with monetary policy action by the MPC to keep inflation from rising too high.
- 2.1.5 The final Brexit trade agreement on 24 December 2020 eliminated a significant downside risk for the UK economy. However, the initial agreement covered only trade so there remains work to be done on the services sector, where a temporary equivalence has been granted in both directions – and still needs to be made permanent. There was significant disruption to trade in January 2021 but this seems to have eased.
- 2.1.6 The EU economy rebounded rapidly after the first lockdowns in 2020, but then contracted slightly. Both the rollout and uptake of vaccines has been disappointingly slow in the EU and it is expected that economic recovery will be delayed until Q3 of 2021, with a return to pre-pandemic levels expected in the second half of 2022.

2.2 The Council's overall Treasury position at 31 March 2021

The Council's debt and investment position is organised to ensure adequate liquidity for revenue and capital activities, security of investment, and to manage risks within all treasury management activities. At the beginning and end of 2020/21, the treasury position was as follows:

| Treasury position: | 1 April 2020 £000s | 31 March 2021 £000s |
|--------------------------------------|--------------------------|---------------------------|
| Total external debt | 9,812 | 9,812 |
| Capital Financing Requirement (CFR) | 10,313 | 10,013 |
| Over/(under) borrowing to CFR | (501) | (201) |
| Total external debt | 9,812 | 9,812 |
| Total investments | (14,150) | (17,885) |
| Net debt/(investment) | (4,338) | (8,073) |

Full details of the Council's borrowing and investments can be found at Appendix 1.

2.3 The Treasury Strategy for 2020/21

2.3.1 The expectation within the treasury strategy for 2020/21 (the TMSS) was that whilst uncertainty would remain, a Brexit deal would eventually be agreed, including the terms of trade between the UK and the European Union, by the deadline of 31 December 2020. Bank Rate was not expected to rise from 0.75% until March 2021. A further rise was not expected until June 2022, however it was noted that due to uncertainty in the markets, exceptional levels of volatility might prevail. Investment rates were expected to remain low during the year, and to be on only a gently rising trend over the following years. The treasury strategy was therefore to maintain an under-borrowed position, ie. postpone borrowing to avoid the cost of holding higher levels of investments at rates lower than the cost of the borrowing. It was however noted that some borrowing would be inevitable to support the planned commercial investment programme, and that care would be needed to ensure that borrowing was not postponed to a point where undertaking it at higher rates would be unavoidable.

2.3.2 In the event, world economic conditions fundamentally changed in March 2020 with the declaration of the coronavirus pandemic. In the face of this emergency the MPC announced a cut in Bank Rate to 0.25% on 11 March, and a further cut to 0.10% on 19 March. This rate remains in force.

2.4 The Council’s Borrowing Requirement

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

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

| CFR: | 1 April 2020 (Actual) £000s | 31 March 2021 (Orig. Est-TMSS) £000s | 31 March 2021 (Actual) £000s |
|-------------------------------|-----------------------------------|---|------------------------------------|
| Capital Financing Requirement | 10,313 | 17,354 | 10,013 |

The significant 2020/21 variance on the CFR is due to deferrals and savings on the 2019/20 capital programme, both of which reduced the borrowing requirement in that year, and to amendments on the capital programme during 2020/21, including the deferral of schemes to 2021/22.

The Council had previously embarked upon a commercialisation programme aimed at the generation of funds to replace Revenue Support Grant, which was withdrawn at the end of 2018/19. Significant additional borrowing was anticipated to support this commercial programme, and CFR was expected to rise significantly. Following HMT’s conclusion on the use of PWLB borrowing that such borrowing would be prohibited for all capital programmes that included any investment schemes primarily for yield, even if these represented only a small part of the programme, Cabinet agreed on 28 January 2021 to withdraw the Commercial Property Investment Strategy (CPIS) and to remove the £5m budget from the Capital programme. For full details see 2.10.2 below.

2.5 Borrowing rates in 2020/21

Medium and longer term fixed borrowing rates were expected to rise only gradually during 2020/21 and the two subsequent financial years.

Variable or short term rates were expected to be the cheaper form of borrowing over the period.

The following projections were provided by the Council's treasury advisers as at 31 January 2020 and were reported in the TMSS for 2020/21.

| Link Asset Services Interest Rate View | | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 | Sep-22 | Dec-22 | Mar-23 |
| Bank Rate View | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.25 | 1.25 | 1.25 | 1.25 |
| 3 Month LIBID | 0.70 | 0.70 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.10 | 1.20 | 1.30 | 1.30 | 1.30 | 1.30 |
| 6 Month LIBID | 0.80 | 0.80 | 0.80 | 0.90 | 1.00 | 1.10 | 1.10 | 1.20 | 1.30 | 1.40 | 1.50 | 1.50 | 1.50 | 1.50 |
| 12 Month LIBID | 1.00 | 1.00 | 1.00 | 1.10 | 1.20 | 1.30 | 1.30 | 1.40 | 1.50 | 1.60 | 1.70 | 1.70 | 1.70 | 1.70 |
| 5yr PWLB Rate | 2.30 | 2.40 | 2.40 | 2.50 | 2.50 | 2.60 | 2.70 | 2.80 | 2.90 | 2.90 | 3.00 | 3.10 | 3.20 | 3.20 |
| 10yr PWLB Rate | 2.60 | 2.70 | 2.70 | 2.70 | 2.80 | 2.90 | 3.00 | 3.10 | 3.20 | 3.20 | 3.30 | 3.30 | 3.40 | 3.50 |
| 25yr PWLB Rate | 3.20 | 3.30 | 3.40 | 3.40 | 3.50 | 3.60 | 3.70 | 3.70 | 3.80 | 3.90 | 4.00 | 4.00 | 4.10 | 4.10 |
| 50yr PWLB Rate | 3.10 | 3.20 | 3.30 | 3.30 | 3.40 | 3.50 | 3.60 | 3.60 | 3.70 | 3.80 | 3.90 | 3.90 | 4.00 | 4.00 |

PWLB rates are based on, and determined by, UK Government Bond (gilts) yields plus a specified margin determined by HM Treasury. It is anticipated that there will be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not expected to rise from 0.1% before March 2024.

For illustration, the table below shows the LAS forecasts for interest rates as at 8 March 2021.

| Link Group Interest Rate View 8.3.21 | | | | | | | | | | | | | |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 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 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.20 | 1.30 | 1.30 | 1.40 | 1.40 | 1.40 | 1.40 |
| 10 yr PWLB | 1.60 | 1.60 | 1.60 | 1.60 | 1.70 | 1.70 | 1.70 | 1.80 | 1.80 | 1.90 | 1.90 | 1.90 | 1.90 |
| 25 yr PWLB | 2.10 | 2.10 | 2.10 | 2.20 | 2.30 | 2.30 | 2.30 | 2.40 | 2.40 | 2.50 | 2.50 | 2.50 | 2.50 |
| 50 yr PWLB | 1.90 | 1.90 | 1.90 | 2.00 | 2.10 | 2.10 | 2.10 | 2.20 | 2.20 | 2.30 | 2.30 | 2.30 | 2.30 |

2.6 The Council's borrowing outturn for 2020/21

2.6.1 No new borrowing was undertaken during 2020/21 and no loans were redeemed during the year.

As noted at 2.4 above, the Council had previously embarked upon a commercialisation programme for which significant additional borrowing was anticipated. As a result of the withdrawal of the Commercial Property Investment Strategy, following HMT's conclusion that PWLB borrowing would be prohibited for all capital programmes that included any investment schemes primarily for yield, no new borrowing was required for commercial property purchases in 2020/21 (see 2.10.2 below).

2.6.2 The Council did not borrow more than, or in advance of its needs, purely to profit from the investment of the extra sums borrowed, and will not do so.

2.6.3 Total outstanding debt at 31 March 2021 was £9.812m. All loans held are repayable on maturity, and are at fixed rates.

2.6.4 There was no rescheduling of PWLB debt undertaken during the year, as the significant differential between PWLB new borrowing rates and premature repayment rates made such action unviable.

2.6.5 No temporary borrowing was arranged for cashflow purposes during 2020/21.

2.7 Investment rates in 2020/21

Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach to investment during 2020/21, and it continues to be dominated by seeking low counterparty risk - resulting in relatively low returns compared to borrowing rates. Investment returns in general were exceptionally low in 2020/21, indeed for very short-term deposits with the Debt Management Office (DMO) the rates turned negative, resulting in a small cost to place funds.

2.8 The Council's Investment outturn for 2020/21

2.8.1 The Council's investment policy is governed by MHCLG guidance and implemented by the Annual Investment Strategy, which formed part of the TMSS approved by Council on 5 March 2020. This policy sets out the approach for selecting investment counterparties. For 2020/21 the Chief Financial Officer adopted the Link Asset Services (LAS) credit rating methodology, a sophisticated modelling approach utilising credit ratings from all three of the main rating agencies to give a suggested maximum duration for investments. Accordingly it does not place undue reliance on any one agency's ratings. The methodology subsequently applies an "overlay" to take account of positive and negative credit watches and/or credit outlook information, which may increase or decrease the suggested duration of investments. It then applies a second overlay based on the

credit default swap spreads for institutions, the monitoring of which has been shown to give an early warning of likely changes in credit ratings. The methodology also incorporates sovereign ratings to ensure selection of counterparties from only the most creditworthy countries. The 2020/21 TMSS Strategy permits the use of any UK counterparties, subject to their individual credit ratings under the LAS methodology. It also permits the use of counterparties from other countries with a minimum sovereign rating of AA.

- 2.8.2 Whilst credit ratings advice is taken from the treasury advisers, the ultimate decision on what is prudent and manageable for the Council is taken by the Chief Financial Officer under the approved scheme of delegation.
- 2.8.3 No changes to the TMSS for 2020/21 approved by Council on 5 March 2020 were made during the year.
- 2.8.4 The Council's investment priorities in 2020/21 remained the security of capital and good liquidity. Whilst the Council always seeks to obtain the optimum return (yield) on its investments, this is at all times commensurate with proper levels of security and liquidity. During the year it remained appropriate either to keep investments short-term to cover cashflow needs, or to take advantage of fixed periods up to twelve months with a small number of selected counterparties. During the coronavirus pandemic the maintenance of liquidity has clearly been even more critical, and investment terms have been kept short.

During 2020/21, significant use was made of the Council's three Money Market Funds (MMFs). These are AAA rated investment vehicles which allow the pooling of many billions of pounds worth of assets into highly diversified funds, thus reducing risk. The equated rates of return achieved on these funds were between Nil and 0.04%, which whilst exceptionally low, remain generally higher than overnight treasury deposit rates, and the rate obtainable from the Debt Management Office (DMO), which for most durations is currently 0.01%.

- 2.8.5 An investment of £1m was made in the CCLA Local Authority Property Fund (LAPF) on 30 November 2017. This is a local government investment scheme approved by the Treasury under the Trustee Investments Act 1961 (section 11). The equated dividend for 2020/21 was 4.0% and this is treated as revenue income. The investment has allowed the Council to introduce a property element into its investment portfolio without the risks associated with the direct purchase of assets. The main risk around Property Funds is the preservation of the capital sum however evidence suggests that over time the property market has been a positive

long-term investment and it is accordingly anticipated that this investment will be held for at least five years to minimise any risk.

- 2.8.6 Notice of the suspension of the LAPF was received from CCLA in March 2020, whereby no subscriptions or redemptions could be made. Such suspension is a normal course of action in exceptional market conditions as valuers cannot be confident that their valuations truly reflect 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. Dealing in the fund recommenced on 30 September 2020 on the basis that conditions in the property market were deemed to have stabilised. A 90-day notice period for redemptions from the fund was introduced to align the dealing terms of the fund with the liquidity of the underlying assets, and to ensure resilience during periods of market stress.
- 2.8.7 The property fund investment purchased a number of units, determined by the unit price on the entry date. This valued the initial investment of £1m at £936,770, setting the implied entry fee at £63,230, or 6.32%. The certified value of the property fund investment at 31 March 2021 was £929,709, reflecting a loss in value of £6,681 during the 2020/21 year. Following changes to accounting arrangements, all movements in the valuation of pooled investment funds must be charged to the Comprehensive Income and Expenditure account (CIES), however a statutory override is in place for a period of five years to ensure that the impact of these on the General Fund is neutralised. Accordingly the difference of £70,291 between the £1m investment and the certified 31 March 2021 value of £929,709 is held in the Pooled Investment Funds Adjustment Account.
- 2.8.8 Investment interest of £99,059 (including dividends of £39,997 on the property fund) was generated in the year, representing an equated rate of 0.43%. This outperforms the benchmark average 7 day LIBID rate, which ended the year at negative 0.07%, and in cash terms represents additional income to the General Fund of £115,200. This was achieved partly as a result of positive investment management, but was largely due to the 4.0% dividend on the Property Fund. Performance in respect of the longer average 3 month LIBID rate, which ended the year at 0.02%, still represents additional income of £94,500.
- 2.8.9 Investment activity during the year conformed to the approved strategy and the Council had no liquidity difficulties. Investment counterparty limits for 2020/21 were set in the TMSS at £3m, or £4m for Money Market Funds (due to them being by definition highly diversified investment vehicles). No limit is set with the Debt Management Office as this represents investment with central government. The Chief Financial Officer has

delegated authority to vary the limits as appropriate and to report any change to Cabinet at the next quarterly report. The only changes reported during 2020/21 were to limit investment in the CCLA PSDF money market fund to £3m in recognition of the pre-existing property fund investment of £1m (ie. a total of £4m with the counterparty), and to extend the limit with Santander to £4m to permit an additional 6-month investment at the preferential rate offered by the bank.

2.8.10 The Annual Treasury Activity Report for the year ended 31 March 2021 is attached at Appendix 1 in accordance with the TMSS.

2.9 Compliance with Prudential and Treasury Indicators

2.9.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limit. The Council's approved Prudential and Treasury Indicators (affordability limits) are included in the Treasury Management Strategy Statement (TMSS) approved by Council on 5 March 2020.

2.9.2 During the financial year 2020/21 the Council has at all times operated within the Prudential and Treasury Management Indicators set out in the Council's TMSS, and in compliance with the Council's Treasury Management Practices. A summary of the outturn position at 31 March in respect of each of the 2020/21 Prudential and Treasury Management Indicators is shown at Appendix 2.

a) Prudential Indicators:

i) Capital Expenditure

The capital programme originally included both service related expenditure and commercial property investment, however, as discussed at 2.4 above, the budget of £5m for commercial investment was removed during the year following the conclusion of HMT's consultation on PWLB borrowing (see 2.10.2).

Capital expenditure for 2020/21 totalled **£2,321,750**. This differs to the approved indicator of £11,225,600 due to the inclusion of approved carry forward requests from 2019/20, and variations to the capital programme during 2020/21 which include the deferral of schemes to 2021/22 and the removal of £5m for commercial property investment referred to above.

ii) Capital Financing Requirement (CFR)

The CFR represents the Council's historic outstanding capital expenditure which has not yet been paid for from capital or revenue resources, and is

essentially a measure of the underlying borrowing need. It does not increase indefinitely since the minimum revenue provision (MRP) is a statutory annual revenue charge for the economic consumption of capital assets. The CFR totalled **£10,012,571** at 31 March 2021. This differs to the approved indicator of £17,353,900 due to savings and deferrals on the 2019/20 capital programme, as well as to variations to the capital programme for 2020/21 including the deferral of schemes to 2021/22. Again, these variations include the removal of £5m in respect of commercial property investment (see 2.10.2).

iii) Gearing ratio

The concept of gearing compares the total underlying borrowing need (the CFR) to the Council's total fixed assets, and can provide an early indication when debt levels are rising relative to long term assets held. The Council's gearing ratio at 31 March 2021 was **29%**, which is lower than the approved indicator of 37% due to the removal of the £5m budget for commercial property investment and the deferral of capital expenditure to 2021/22, but remains broadly comparable with the average gearing ratio for councils of a similar size.

iv) Ratio of Financing Costs to Net Revenue Stream – service related and commercial property

These indicators identify the trend in the cost of borrowing, net of investment income, against the net revenue stream. Financing costs represent the element of the Council's expenditure to which it is committed even before providing any services.

The outturn of **8.12%** for service related expenditure differs to the approved indicator of 18.61% due to a reduction in MRP arising from savings and deferrals on the capital programme in 2019/20; additional investment interest; and reduced direct revenue financing in 2020/21 due to the deferral of schemes to 2021/22.

The outturn in respect of commercial property is **Nil**, which differs to the approved indicator of 0.72% because no commercial investment activity was undertaken in 2019/20 and hence no MRP falls due in 2020/21. Similarly, no PWLB interest is attributable to commercial activities in 2020/21, following the withdrawal of the Commercial Property Investment Strategy and the removal of the associated £5m budget (see 2.10.2).

v) Ratio of commercial property to net revenue stream

This indicator demonstrates the extent to which a loss of commercial property income would impact on the Council, ie. it is a measure of the “proportionality” of commercial activity.

Following the withdrawal of the Commercial Property Investment Strategy the outturn for this indicator is **Nil**, which differs to the approved indicator of 1.41%.

vi) Maximum gross debt

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 2020/21 and the following two financial years. This allows flexibility for early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. Gross debt at 31 March 2021 was **£9.812m** which was well within the approved indicator.

vii) Ratio of internal borrowing to CFR

The Council is currently maintaining an “internal borrowing” position, ie. The underlying borrowing need (CFR) has not yet been fully funded with loan debt as cash supporting the Council’s reserves and balances is being used as a temporary measure.

The outturn for internal borrowing is **2%**, which differs to the approved indicator of 26% due to variations in the capital programme, including the deferral of capital schemes to 2021/22 and the removal of the £5m budget for commercial property investment following the withdrawal of the Commercial Property Investment Strategy (see 2.10.2). These variations reduce the outturn CFR, and hence the difference between CFR and actual external borrowing.

(b) Treasury Management Indicators:

The Treasury Management indicators are based on limits, beyond which activities should not pass without management action, and the Council has operated within these limits at all times during 2020/21. They include two key indicators of affordability and four key indicators of prudence and Appendix 2 demonstrates the outturn position compared to each limit.

Affordability

i) Operational boundary for external debt

This is the limit above which external debt is not “normally” expected to pass. In most cases this would be a similar figure to the CFR but may be lower or higher depending on the level of actual debt. The Operational Boundary has not been exceeded during 2020/21.

ii) Authorised limit for external debt

This limit represents a control on the “maximum” level of borrowing and is the statutory limit determined under s3(1) of the Local Government Act 2003. It represents the limit beyond which external debt is prohibited.

The Authorised limit must be set, and revised if necessary, by Full Council. It reflects a level of external debt which, whilst neither desirable nor sustainable in the longer term, could be afforded in the short term. The Government retains an option to control either the total of all Councils’ plans, or a specific Council, although this power has not yet been exercised. The Authorised Limit has not been exceeded during 2020/21.

Prudence

- iii) Maximum new principal sums to be invested during 2020/21 for periods in excess of 365 days - such investments are classified as a “non-specified”. This indicator is subject to the overall limit for non-specified investments set annually in the TMSS. The Council made no new non-specified investments during 2020/21, and at 31 March 2021 held only one such investment, namely the £1m investment in the CCLA property fund.
- iv) Upper limits for the maturity structure of borrowing are set to reduce the Council’s exposure to large fixed rate sums falling due for refinancing. These limits have not been exceeded in 2020/21.
- v) Prior to the 2017 revisions to the Treasury Management Code there was a requirement to set indicators for the Council’s maximum exposure to fixed and variable interest rates for net borrowing (ie. external borrowing less investments). This requirement has now been removed in favour of a statement in the TMSS stating how interest rate exposure is managed and monitored by the Council, and this statement for 2020/21 is reproduced below:

The Council has a general preference for fixed rate borrowing in order to minimise uncertainty and ensure stability in the charge to revenue, however it is acknowledged that in certain circumstances, some variable rate

borrowing may be prudent, for example if interest rates are expected to fall. The Council's investments are generally for cashflow purposes and accordingly a mix of fixed and variable rates will be used to maximise flexibility and liquidity. Interest rate exposure will be managed and monitored on a daily basis by the Chief Financial Officer.

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

2.10 Other Issues affecting Treasury Management in 2020/21

2.10.1 IFRS9

Following the consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) on IFRS9 the Government introduced a mandatory statutory override requiring local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds. This will be effective for 5 years from 1 April 2018 to 31 March 2023. The Council is required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override, in order for the Government to keep the override under review and to maintain a form of transparency. This reserve has been named the Pooled Investment Funds Adjustment Account (see 2.8.7 above).

2.10.2 HMT changes to the terms of PWLB borrowing – commercial investment

In recent years there has been a significant rise in commercial property investment by local authorities, generally financed by huge amounts of PWLB borrowing. The level of this indebtedness has 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 and confirmed beyond doubt that HMT would no longer allow authorities to borrow money from the PWLB to purchase commercial property if the aim is primarily to generate an income stream (ie. debt for yield).

Critically, the restriction is applied on a “whole plan basis”, ie. even if an authority intends to buy commercial investment assets primarily for yield at any point in the plan, and to finance them other than by borrowing, the PWLB will not lend to it simply because the item is in the plan.

The Council's approved Commercial Property Investment Strategy was explicit that its key objectives were to acquire property that provided a “net income return”, to “maximise returns whilst minimising risk”, and to “prioritise properties that yield optimal net income return”. It also made

clear that the Council could only undertake commercial property investment if PWLB or other borrowing was used. It was therefore impossible to conclude that anything other than “debt for yield” would be created, and that in the light of the HMT review this would preclude the Council from accessing any PWLB borrowing.

The Commercial Property Investment Strategy was therefore deemed to be no longer viable and Cabinet agreed on 28 January 2021 to withdraw it. The associated £5m budget was removed from the capital programme for 2020/21.

2.10.3 Negative interest rates

During 2020/21 the Bank of England indicated that it would consider negative interest rates, although in practice these were not used. As part of the response to the pandemic and lockdown, the Bank and the Government provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government provided large sums of grants to local authorities to help deal with the Covid crisis. This caused many local authorities to have sudden large increases in investment balances searching for an investment counterparty, some of which was only very short-term until those sums could be passed on in the form of business grants etc. The glut of money, was particularly acute towards the end of 2020, and led to some financial entities, including the Debt Management Office, to offer negative yields - or simply close their books to new money until 2021 began.

Money Market Fund (MMF) yields continued to fall and Fund managers resorted to trimming fee levels to ensure that net yields for investors remained positive wherever possible and practical, however at times during 2020/21 the Blackrock fund paid 0%.

Inter-local authority lending and borrowing rates also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities were having difficulty in accurately forecasting when disbursements of funds received (for business support grants etc) would occur.

2.10.4 Changes in risk appetite and counterparty limits

The 2018 CIPFA Code and guidance notes have placed enhanced importance on risk management. Where an authority changes its risk appetite, eg. the use of certain investment instruments, this should be brought to Members’ attention.

The Council remains averse to risk with the investment of its surplus cash, and has continued to maintain strict limits on the maximum investment with any one counterparty. The only exception to this is investment with the Debt Management Office, whereby the Council is effectively lending to central government.

No specific changes have been made with regard to risk appetite during the year, and the only changes to counterparty limits are those for CCLA and Santander, both discussed at 2.8.9 above.

2.10.5 Sovereign limits

The UK's sovereign rating was downgraded from AA to AA- in March 2020, reflecting a significant weakening of the UK's public finances caused by the coronavirus pandemic. As discussed at 2.8.1 above the current Treasury Strategy permits the use of any UK counterparties, subject to their individual credit ratings under the LAS methodology. It also permits the use of counterparties from other countries with a minimum sovereign rating of AA.

2.10.6 IFRS16

IFRS 16 is the new accounting standard relating to leases which will bring almost all leases on to the balance sheet, while requiring authorities to recognise a "right of use asset" and a lease liability. In response to pressures on council finance teams as a result of the coronavirus pandemic, implementation of IFRS16 for public services has been further deferred until 1 April 2022, ie for the closure of the 2022/23 accounts.

3 Alternative Options

- 3.1 An alternative option is to fail to present an Annual Treasury Activity Report, however this would contravene the requirement of the Council's Treasury Management Strategy Statement (TMSS).

4 Financial Implications

- 4.1 No specific financial implications are attributable to this report.

5 Legal Implications

- 5.1 The legal implications are detailed in the body of the 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/environmental sustainability implications arising from this report.

8 Appendices

8.1 Treasury Activity Report 2020/21 for year ended 31 March 2021

8.2 Prudential and Treasury Management Indicators for 2020/21.

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 22 June 2021

Approved by: Monitoring Officer

Date: 23 June 2021

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For Year Ended 31 March 2021

| | <u>Position @</u> <u>1 Apr 2020</u> £ | <u>Loans Made</u> <u>During 2021</u> £ | <u>Loans Repaid</u> <u>During 2021</u> £ | <u>Position @</u> <u>31 Mar 2021</u> £ |
|-------------------------------------|---|--|--|--|
| <u>Long Term Borrowing</u> | | | | |
| PWLB | 9,811,577 | 0 | 0 | 9,811,577 |
| Total Long Term Borrowing | 9,811,577 | 0 | 0 | 9,811,577 |
| <u>Temporary Borrowing</u> | | | | |
| Local Authorities | 0 | 0 | 0 | 0 |
| Central Government | 0 | 0 | 0 | 0 |
| Banks & Other Institutions | 0 | 0 | 0 | 0 |
| Total Temporary Borrowing | 0 | 0 | 0 | 0 |
| TOTAL BORROWING | 9,811,577 | 0 | 0 | 9,811,577 |
| <u>Long Term Investment</u> | | | | |
| CCLA LAPF Property Fund | (1,000,000) | 0 | 0 | (1,000,000) |
| Total Long Term Investment | (1,000,000) | 0 | 0 | (1,000,000) |
| <u>Short Term Investment</u> | | | | |
| Aberdeen Standard MMF | (3,840,000) | (1,010,000) | 850,000 | (4,000,000) |
| Bank of Scotland | (3,000,000) | (1,000,000) | 4,000,000 | 0 |
| Barclays | 0 | (5,265,000) | 5,265,000 | 0 |
| Blackrock MMF | (3,310,000) | (24,655,000) | 26,375,000 | (1,590,000) |
| CCLA PSDF (MMF) | 0 | (3,000,000) | 0 | (3,000,000) |
| Close Brothers | 0 | (2,000,000) | 2,000,000 | 0 |
| Debt Management Office | 0 | (136,525,000) | 135,230,000 | (1,295,000) |
| Goldman Sachs | 0 | 0 | 0 | 0 |
| HSBC Treasury | 0 | (48,105,000) | 45,105,000 | (3,000,000) |
| Local Authorities & Other | 0 | 0 | 0 | 0 |
| Nationwide | (1,000,000) | 0 | 1,000,000 | 0 |
| Santander | (2,000,000) | (5,000,000) | 3,000,000 | (4,000,000) |
| Total Short Term Investment | (13,150,000) | (226,560,000) | 222,825,000 | (16,885,000) |
| TOTAL INVESTMENT (See below) | (14,150,000) | (226,560,000) | 222,825,000 | (17,885,000) |
| NET BORROWING / (INVESTMENT) | (4,338,423) | (226,560,000) | 222,825,000 | (8,073,423) |

Temporary Borrowing & Investment Statistics at 31 March 2021

Investment:

| | | | | |
|--------------------------|---------------------|----------------------|--------------------|---------------------|
| Fixed Rate Investment | (4,000,000) | (192,895,000) | 192,600,000 | (4,295,000) |
| Variable Rate Investment | (10,150,000) | (33,665,000) | 30,225,000 | (13,590,000) |
| TOTAL INVESTMENT | (14,150,000) | (226,560,000) | 222,825,000 | (17,885,000) |

| | |
|--|-----------------------|
| Proportion of Fixed Rate Investment | 24.01% |
| Proportion of Variable Rate Investment | 75.99% |
| Temporary Investment Interest Receivable | £ 99,059 |
| Equated Temporary Investment | £ 23,300,999 |
| Weighted Average Interest Rate Received (Interest Receivable / Equated Investment) | 0.43% |
| 7 Day LIBID (Benchmark) | (NB. Negative) -0.07% |
| 3 Month LIBID | 0.02% |

Borrowing:

| | |
|--|-------|
| Temporary Borrowing Interest Payable | £ - |
| Equated Temporary Borrowing | £ - |
| Weighted Average Interest Rate Paid (Interest Payable / Equated Borrowing) | n/a |
| 7 Day LIBOR (Benchmark) | 0.05% |

| | |
|----------|-----------|
| If LIBID | Better by |
| (16,126) | 115,185 |
| 4,607 | 94,452 |

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| | 2020/21 Original Estimate (Council 5/3/20) | 2020/21 Position at 31-Mar-21 |
|---|--|-------------------------------------|
| A) Prudential Indicators | | |
| <u>Affordability:</u> | | |
| i) Capital Expenditure | £ 11,225,600 | £ 2,321,750 |
| ii) Capital Financing Requirement | £ 17,353,900 | £ 10,012,571 |
| iii) Gearing (CFR to Long Term Assets) | 37% | 29% |
| Ratio of Financing Costs to Net Revenue Stream-Services | 18.61% | 8.12% |
| Ratio of Financing Costs to Net Revenue Stream-Commercial | 0.72% | 0.00% |
| iv) Total Ratio of Financing Costs to Net Revenue Stream | 19.33% | 8.12% |
| v) Ratio of Commercial Income to Net Revenue Stream | 1.41% | 0.00% |
| vi) Maximum Gross Debt | £ 17,812,700 | £ 9,811,577 |
| vii) Ratio of Internal Borrowing to CFR | 26% | 2% |
| B) Treasury Management Indicators | | |
| <u>Affordability:</u> | | |
| i) Operational Boundary for External Debt: | | |
| Borrowing | £ 18,800,000 | £ 9,811,577 |
| Other Long Term Liabilities | £ 1,500,000 | - |
| Total Operational Boundary | £ 20,300,000 | £ 9,811,577 |
| ii) Authorised Limit for External Debt: | | |
| Borrowing | £ 19,800,000 | £ 9,811,577 |
| Other Long Term Liabilities | £ 1,500,000 | - |
| Total Authorised Limit | £ 21,300,000 | £ 9,811,577 |
| <u>Prudence:</u> | | |
| iii) Investment Treasury Indicator and limit: Max. NEW principal sums invested in 2020/21 for periods OVER 365 days (ie. non-specified investments), subject to | £ 3,000,000 | £ - |
| iv) Upper & Lower limits for the maturity structure of outstanding Borrowing during 2020/21: | | |
| Under 1 Year | 40% | 0% |
| 1 Year to 2 Years | 40% | 0% |
| 2 Years to 5 Years | 50% | 0% |
| 5 Years to 10 Years | 50% | 0% |
| Over 10 Years | 100% | 100% |
| v) Upper limit for fixed interest rate exposure: | | |
| LOCAL INDICATOR - Investment Only | 100.00% | 24.01% |
| LOCAL INDICATOR - Borrowing Only | 100.00% | 100.00% |
| Upper limit for variable interest rate exposure: | | |
| LOCAL INDICATOR - Investment Only | 100.00% | 75.99% |
| LOCAL INDICATOR - Borrowing Only | 50.00% | 0.00% |

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Report to Cabinet

Subject: Budget Outturn and Budget Carry Forwards 2020/21

Date: 8 July 2021

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

This report presents the Budget Outturn and Budget Carry Forwards for 2020/21.

Cabinet is asked to note the final outturn position for 2020/21 and:

- a) Approve the movements on earmarked reserves and provisions;
- b) Note the capital carry-forward budgets approved by the Chief Financial Officer in accordance with Financial Regulations;
- c) Approve the carry forward of non-committed capital budgets from 2020/21 as additions to the 2021/22 budget for referral to Council, in accordance with Financial Regulations;
- d) Recommend that Council approve the method of financing the 2020/21 capital expenditure which includes making the Capital Determinations required by the Local Government and Housing Act 1989.

Key Decision

This is a key decision because the proposal includes financial implications that are above the threshold of £0.5m determined by Council for decisions to be regarded as a Key Decision

Recommendation(s)

Members are recommended to:

- 1) Note the Budget Outturn figures for 2020/21;**
- 2) Approve the movements in Earmarked Reserves and Provisions as detailed in paragraphs 2.4 and 2.5 respectively;**
- 3) Note the capital carry forwards approved by the Chief Financial Officer included in Appendix 6, being amounts not in excess of £50,000 and committed schemes above £50,000.**
- 4) Refer to Council for approval:**
 - i) The capital carry forwards of £1,129,800 included in Appendix 6 for non-committed schemes in excess of £50,000;**
 - ii) The overall method of financing of the 2020/21 capital expenditure as set out in paragraph 3.4;**
 - iii) The capital determinations regarding financing and debt provisions as set out in paragraph 3.5.**

1 Background

- 1.1 A refreshed Gedling Plan for 2020/21 was approved by Council on 5 March 2020. The Plan set out the priorities, objectives and top actions for the Council along with the associated budgets.
- 1.2 The Council has made a commitment to closely align budget and performance management. This is in line with accepted good practice.
- 1.3 To deliver this commitment, systems to monitor performance against revenue and capital budgets, improvement activity and performance indicators have all been brought together and are now embedded in the way the Council works. Whilst the budget and performance information is presented in 2 separate reports, they are reported to Cabinet together and will appear on the same agenda.

- 1.4 This report highlights continued good management of the Revenue and Capital budgets.
- 1.5 During 2020/21 Cabinet received the usual Gedling Plan quarterly monitoring reports and approved a number of budget amendments to align resources to meet identified budget pressures, managing within the overall maximum revenue budget of £11,602,700 approved by Council. Capital budgets have also been monitored by Cabinet to ensure schemes are appropriately profiled, with the current estimate for 2020/21 being approved at £4,100,900.
- 1.6 The Council's Financial Regulations allow for the carry forward of capital and revenue budgets to the new financial year where there is an underspend against the approved budget. Approval of full Council is required for schemes, which are not contractually committed, with a value over £50,000 for Capital and £10,000 for Revenue. There are six capital schemes that require Council approval. The Chief Financial Officer has delegated authority to approve all other carry forwards subject to reporting the source of the underspend and the subsequent use of the carry forward to the Portfolio Holder.

2 General Fund Revenue Budget Outturn 2020/21

- 2.1 The actual net revenue expenditure for each Portfolio during 2020/21 is detailed in Appendix 1, together with explanations of major variances in expenditure and income.

The table below summarises the actual net expenditure for each Portfolio in 2020/21 compared to the current estimate. The current estimate is that approved by Cabinet in February 2020, adjusted by budget virements in the fourth quarter. During the financial year Cabinet approved a number of budget amendments as part of the quarterly monitoring process all of which were contained within the original budget of £11,602,700.

The table shows an underspend of £274,800 against the current approved Net Council Budget, equating to **2.3 %**. This underspend is primarily due to savings across all Leisure Centres including additional furlough grant income for Leisure staff arising from the Covid-19 pandemic related restrictions and closures. Whilst budgets have been changed as part of quarterly monitoring to reflect the current position at that time, there was uncertainty around timelines for easing restrictions therefore staffing budgets for re-opening remained in place for the final quarter. As restrictions continued, further savings have been made which have been offset against associated loss of income.

During Quarterly monitoring £320,600 use of earmarked reserves was approved to support the expected Covid related deficit expected in the budget,

however, due to an improved outturn position these contributions are no longer required and have been returned to the appropriate reserves as detailed in paragraph 2.4.2.

Given the extent of financial challenges facing the Council this underspend presents a robust outturn position for the Council and allows a contribution to reserve balances which is above the estimated position as detailed in Appendix 2.

General Fund Revenue Outturn 2020/21

| | Current Estimate 2020/21 | Actual 2020/21 | Variance to Current Estimate |
|--|-------------------------------------|---------------------------|---|
| | £ | £ | £ |
| Community Development | 1,551,200 | 1,382,000 | (169,200) |
| Health & Housing | 4,650,900 | 3,662,600 | (988,300) |
| Public Protection | 1,570,400 | 1,271,000 | (299,400) |
| Environment | 5,657,400 | 5,152,000 | (505,400) |
| Growth & Regeneration | 1,135,450 | 1,000,300 | (135,100) |
| Resources & Reputation | (1,700,400) | (3,189,400) | (1,489,000) |
| Net Portfolio Budget | 12,864,940 | 9,278,500 | (3,586,400) |
| Transfers to/(from) Earmarked Reserves | (1,262,240) | 2,049,400 | 3,311,600 |
| Net Council Budget | 11,602,700 | 11,327,900 | (274,800) |
| Less Financing: | | | |
| Business Rates (net of coll. fund deficit) | (8,401,500) | (8,610,300) | (208,800) |
| Council Tax | (6,283,600) | (6,348,700) | (65,100) |
| New Homes Bonus | (382,700) | (382,700) | 00 |
| Transfer to/(from) General Fund Balance | (3,465,100) | (4,013,800) | (548,700) |

The variances on the financing budgets of business rates and council tax are largely due to the timing of the Governments Tax Income Guarantee (TIG). The current Medium Term Financial Plan (MTFP) assumed that the TIG would be accounted for in 2021/22, but guidance subsequently confirmed that it should be recognised in 2020/21. The TIG receivable has been calculated as £65,100 for Council Tax and £253,800 for Business Rates (see paragraph 2.3.1 for full variance analysis for business rates).

Following preparation of the MTFP, the Government also changed the rules regarding the calculation of the TIG to prevent the potential for the manipulation of contributions to the Business Rate Appeals Provision, to effectively minimise rates income and therefore maximise TIG. For Gedling this results in a reduction of £403,000 on that assumed in the MTFP in

2021/22.

The table above indicates a surplus of £549,000 as a contribution to the General Fund Balance at 31 March 2021, however it is drawn to Members' attention that this is not all available to support future expenditure plans due to the profiling of the impact of the business rates retention scheme on the General Fund.

As demonstrated above, a surplus of £209,000 was made on business rates in 2020/21. The MTFP prepared in January 2021 included the impact of the estimated 2020/21 outturn on business rates spread over the period 2021/22 to 2023/24, however the actual outturn position indicates a shortfall over the same period of £511,000. The 2020/21 surplus of £209,000 will therefore be carried forward in the General Fund Balance to partly fund this shortfall. A further £302,000 will be required to make up the loss and to maintain the assumptions in the MTFP. **This leaves the sum of £38,000 available to support future expenditure plans.**

2.2 General Fund Balance at 31 March 2021

The General Fund Balance as 31 March 2021 is £7,923,000 which is £549,000 higher than the current estimate of £7,374,000.

This increase in balances, is primarily required to fund the impact of a reduced 2020/21 business rates outturn position in the medium term (as detailed in the note above). The level of balances remain above the minimum required in the Council's Medium Term Financial Plan of (£1.0m).

Details of the total reserves held at 31 March 2021 are shown at Appendix 2.

2.3 Major General Fund Revenue Variances from Current Estimate

2.3.1 Financing Variances 2020/21

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

Business Rates Retention

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

The 2020/21 local government finance settlement provided each local authority with its baseline funding level against which movements in income will be measured. For Gedling this was £3,076,444.

Business Rates income for 2020/21 is based on the estimates provided to central government in January 2020 in the required statutory returns. Growth recognised in the accounts for 2020/21 is determined by a complex model in which it is initially recognised as income based on the estimated position, and is then adjusted in the following years, as required by regulation, via the next Collection Fund (surplus)/deficit calculation - which is based on actual outturn figures.

2020/21 Business Rates Outturn

| | Current Estimate 2020/21 £ | Actual 2020/21 £ | Variance £ |
|---|---|---------------------------------|-----------------------|
| Baseline Funding Level | (3,076,400) | (3,076,400) | 0 |
| Retained Growth above Baseline (incl. S31 Grants) | (1,119,000) | (884,900) | 234,100 |
| Tax Income Guarantee (TIG) | 0 | (253,800) | (253,800) |
| Renewables (100% Gedling) | 99,500 | 99,400 | (100) |
| Adjustments re previous year | 0 | (1,500) | (1,500) |
| Sub Total | (4,095,900) | (4,117,200) | (21,300) |
| S31 Grant to fund exceptional deficit | (4,621,100) | (4,808,600) | (187,500) |
| Total Income for 2020/21 | (8,717,000) | (8,925,800) | (208,800) |
| Collection Fund Deficit/(Surplus) | 315,500 | 315,500 | 0 |
| Net Business Rates Income | (8,401,500) | (8,610,300) | (208,800) |

In the face of the pandemic the Government hugely expanded the rate reliefs available to businesses, and accordingly reduced the net rates payable by ratepayers, creating an “exceptional deficit” for 2020/21. As demonstrated in the table above, the Council was reimbursed for this loss by the payment of additional S31 of the Local Government Act 2003 grant totalling £4.8m. However, these were received by the General Fund in 2020/21 when the impact of the deficit will fall in following years, creating a mismatch that must be considered when interpreting the true business rates income and General Fund balance at 31 March 2021. In summary the additional S31 grant of £4.8m included in the General Fund Balance of £7.9m at 31 March 2021 will be required to fund the exceptional deficit in 2021/22 as anticipated in the Council’s medium term financial plan (MTFP), as discussed above.

Business Rates Pooling

Gedling is a partner in a pooling arrangement with the other Nottinghamshire authorities (excluding the City). Under this arrangement each Member makes

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

The Pool surplus for 2020/21 has been allocated to Pool Members in accordance with the Memorandum of Understanding, to spend on projects in their areas.

The Pool outturn figures for 2020/21 have been finalised with a sum of £284,100 identified for redistribution to Gedling. This income is recognised in the Portfolio outturn figures and has been transferred to earmarked reserves for spend on economic development projects. Remaining Pool surpluses will be held by the County Council on behalf of the Pool for use on economic regeneration projects.

2.3.2 Net Council Budget Variances 2020/21

An underspend against the Current Net Portfolio 2020/21 of (£3,586,400) is offset by a net variance on Earmarked Reserve contributions of £3,311,600 to give a net Council Budget underspend of £274,800. The underspend variances can be split between general variances and those relating specifically to proposed movements in Earmarked Reserves (paragraph 2.4) as detailed below:

General Major Variances

Reductions in **expenditure** of (£559,900) include:

- Leisure Services show an overall underspend of (£460,000), of which £235,000 is offset with transfers to reserves, resulting in a net underspend of (£225,900) This is made up as follows:

Employee savings due to vacant posts, casual staff, and lower holiday cover against the current estimates of (£297,300), due to additional Covid related closures and higher Furlough income due to additional staff being placed on furlough between January and March. This has been partially offset by a contribution to reserves of £111,000 to cover the additional holiday cover requirement in 2021/22;

Other underspends of (£95,000) have been identified which relate to savings on Joint Use funds, base maintenance, savings on utilities and promotional expenditure, these have been partially offset with a contribution to reserves of £83,000 to progress projects in 2021/22;

Additional Furlough Payments of (£84,200) due to extended furlough scheme and (£41,000) Cinema grant from the British Film Industry partially

offset by reduced Leisure Income of £56,900 from quarter 4 closures and transfers to reserves of £41,000.

- Excluding Leisure, other Employee Expenses show an overall net savings of **(£129,000)** against the current estimate; this is mainly due to vacancies in Parks & Street Care,, Community Centres and Customer Services, Organisational Development & Corporate Management savings;
- Housing Benefits reduced rent allowance of **(£81,000)** due to overpayment recoveries and additional housing benefits administration subsidy;
- Fleet Management **(£49,000)** underspend on supplies & services and vehicle sale;
- Savings in Trade Waste disposal costs of **(£75,000)** due to a reduction in tonnage due to business closures during Covid 19 related lockdown periods.

Increases in **expenditure** of **£210,000** include:

- Increase in provision for bad debts due to the suspension of debt recovery during the pandemic;
 - Sundry Debtors £130,000
 - Housing Benefits £40,000
- Additional redundancy payments and pension strain costs of £40,000

Reductions in **income** of **£61,000** include:

- Planning – £61,000 reduced income in planning and pre application advice due to the impact of Covid 19, additional previously reported during monitoring, which has been partially offset with income from the Governments Income Compensation scheme.

Increases in **Income** of **(£263,000)** include:

- Waste management income budgets were reduced to reflect the impact of Covid 19 during the course of the year, however income on Garden Waste, Bulky Waste and recycling credits have recovered beyond expectations by **(£113,000)**;
- Car Parking – **(£102,000)** net increase mainly due to car park enforcement income showing an improved position from previous Covid related reductions;
- An increase in income of **(£48,000)** due to an improved position on Trade Waste which was reduced due to Covid and an increase in rent for the Civic Centre.

2.3.3 Budget Implications arising from the Covid-19 Pandemic

The financial impact of the Covid-19 pandemic is significant, as highlighted in the report to Cabinet on 18 June 2020 detailing the Council's response work and the subsequent on-going impacts of two further lockdowns.

Expenditure

In addition to the amounts reported to Cabinet in the Quarter 3 Budget Monitoring Report, estimated additional expenditure pressures of £103,300 have been identified bringing the total estimated Covid-19 related expenditure to £644,900 for the full financial year.

| Covid-19 Related Expenditure at Outturn | |
|--|----------------|
| | £ |
| Covid related expenditure reported at Quarter 3 | 541,600 |
| Quarter 4 Expenditure | |
| Adjustment for expenditure on Homelessness | (14,600) |
| Leisure PPE, screens and cleaning | 2,400 |
| Waste additional drivers | 11,000 |
| Street Care additional drivers | 2,000 |
| Parks additional agency staff, signage for parks & play areas & cleaning products for equipment & vehicles | 52,500 |
| Cemeteries agency staff | 18,000 |
| Corporate - equipment for Covid 19 response and cleaning Civic Centre | 11,300 |
| Domestic violence | 10,400 |
| Expenditure Pressures relating to Deferred Efficiencies | |
| PASC Removal of non-contractual overtime | 10,300 |
| Additional expenditure at Quarter 4 | 103,300 |
| Total additional Covid-19 related expenditure | 644,900 |

Income

Quarter 3 reported estimated income losses for the full year of £3,312,300. However, further savings and additional pressures have been identified and are detailed in the table below. The table below shows an overall improvement in income loss from that previously reported totalling (£51,400) mainly relating to Car Parks, Waste Services, Community Centres and Planning resulting in a total net income reduction for 2020/21 of £3,260,900.

| Covid-19 related Income losses at Quarter 4 | |
|--|------------------|
| | £ |
| Covid Related Income Losses reported at Quarter 3 | 3,312,300 |
| Quarter 4 position | |
| Community Centres Additional Furlough and savings | (25,300) |
| Recovered income on Trade Waste | (29,700) |
| Car Parks - Savings on enforcement contract | (122,500) |
| Improved position on summons income | (31,200) |

| | |
|--|------------------|
| Licencing Income | 67,700 |
| Planning Fees reduction due to suspension of work on development sites | 56,300 |
| Arnold market restricted trading | 5,000 |
| Reduction in Legal Income | 20,000 |
| Reduction in Training | 10,000 |
| Deferred Efficiencies due to Covid | |
| Selling Legal services and in-house pest control | 22,300 |
| Recovery of Income on Deferred Efficiencies | |
| Selling Legal Services and in-house Pest Control | (24,000) |
| Quarter 4 Covid-19 impact on Income | (51,400) |
| Total Covid-19 Impact on Income for 2020/21 | 3,260,900 |

2.3.4 Income Compensation Scheme

The income compensation scheme recognises the impact the pandemic has had on income from sales, fees and charges. This scheme provides compensation for unforeseen losses that are irrecoverable during 2020/21, and is to be extended to include the first three months of 2021/22. The scheme operates on a principles-based approach and includes a 5% deductible rate based on the 2020/21 approved budget, with the government providing compensation for 75p in every pound of relevant loss of eligible income thereafter. The scheme is restricted to compensating irrecoverable net losses, specifically from those customer and client receipts, which are charged in return for a service, where demand has been reduced due to Covid, but excludes commercial revenues, including property rents.

The grant is accessed by completing three financial returns each covering a four-month period. The table below shows the expected Income Compensation reported at Quarter 3 compared to the final outturn position.

| Income Compensation | |
|---|--------------------|
| | £ |
| April - July Claim | (683,000) |
| August - November Claim | (499,600) |
| Forecast December - March | (417,400) |
| Income Compensation Expected at Qtr3 | (1,600,000) |
| Actual at Outturn | (1,588,800) |
| Variance | 11,200 |

| | |
|-------------------------------------|------------------|
| Total Covid Related Income Losses | 3,260,900 |
| Income Compensation Grant | (1,588,800) |
| Net Impact on Income Budgets | 1,672,100 |

Income losses of **£3,260,900** include all Covid related income losses incurred

in 2020/21, however as stated above not all of these losses are eligible for the Income Compensation scheme. The net loss after applying the Income Compensation Grant was **£1,672,100** as shown in the above table, of which **£764,000** relates directly to Leisure Services. This equates to only 49% of our Covid related income losses being covered by the Government's income compensation scheme.

2.3.5 Central Government Funding Covid Related Pressures

During the course of the pandemic, the Government has announced various sources of grant funding to support local authorities in responding to the pandemic and cover the Council's expenditure pressures, income shortfalls and employee expenses relating to enforced closures. The table below sets out these funding streams:

| Funding | Current Estimate £ | Outturn £ | Movement £ |
|--------------------------------------|-------------------------------|----------------------|-----------------------|
| Emergency Funding (4 Tranches) | 1,570,000 | 1,570,000 | 0 |
| Income Compensation Scheme | 1,600,000 | 1,588,800 | 11,200 |
| Job Retention (Furlough) Scheme | 268,000 | 362,600 | (94,600) |
| Total Estimated Grant Funding | 3,438,000 | 3,521,400 | (83,400) |

2.3.6 Overall Covid Related Impact on 2020/21 Budget

The outturn position of the total net budget impact of the Covid-19 pandemic compared to that previously reported at quarter 3 is:

| Budget Implications Covid-19 | Quarter 3 £ | Outturn £ | Movement £ |
|--|------------------------|----------------------|-----------------------|
| Expenditure Pressures 2020/21 | 541,600 | 644,900 | 103,300 |
| Income Losses 2020/21 | 3,312,300 | 3,260,900 | (51,400) |
| Total Budget Pressure 2020/21 | 3,853,900 | 3,905,800 | 51,900 |
| Total Grant Funding 2020/21 | (3,438,000) | (3,521,400) | (83,400) |
| Net Total 2020/21 Budget Impact | 415,900 | 384,400 | (31,500) |

In summary, the 2020/21 net budget impact of Covid 19 now reported at Outturn is £384,400 a decrease in net costs of £31,500, compared to that previously reported mainly due to additional furlough grants received.

Note: Collection Fund Losses and Debt Recovery

In addition to the pressures detailed in the table above Covid has also had an adverse impact on the collection of Business Rates, Council Tax and Sundry Debts as follows:

- A net reduction in Business Rates income arising from the 2020/21 collection, compared to the budget in the medium term, of £511,000 as detailed in paragraph 2.1;
- A net reduction in expected Council Tax income in the medium term of £15,000;
- the suspension of sundry debt recovery during Covid has resulted in an increased bad debts provision of £172,000 as detailed in paragraph 2.5.

2.3.7 Government Grants

In addition to the funding stated above, as part of the Government response to the Covid Pandemic a number of Grants have been issued to Local Authorities to distribute to individuals and Businesses. The total amount of grants awarded to Gedling was **£34,336,600**, of this £28,006,100 were Mandatory Grants, where the Council acts as an Agent of the Government to award grants directly in line with set grant conditions and restrictions. Mandatory Grants are held on the Balance Sheet with any unpaid amounts repaid to the Government.

The remaining **£6,330,600** of grants are directed through the Revenue Accounts and are made of up of Discretionary Grants, which the Council have distributed as part of individual Council approved schemes, specific grants for delivery of specified outcomes and administration grants which recognise the additional workload faced by the Council. These grants are detailed in the table below;

| Covid Grants | | |
|---|--------------|--|
| | Grant | Contribution to Reserves at Outturn |
| | £ | £ |
| Business Support Grants | | |
| Discretionary Business Grants | 897,200 | |
| Additional Restrictions Business Grants | 3,405,200 | 540,400 |
| Local Restriction Support Grants (Open) | 230,700 | |
| Grants for Citizens | | |
| Test & Trace Support Grants | 150,000 | 131,000 |
| Council Tax Hardship Relief Grants | 873,100 | 112,200 |
| Specific Use Grants | | |
| Outbreak Contain & Enforcement | 248,800 | |
| Compliance & Enforcement | 48,700 | |
| Winter Assistance | 40,800 | |
| Admin Support Grants | | |
| Business Grants | 355,300 | 191,700 |
| Test & Trace Support | 33,600 | 22,100 |
| Housing Benefits | 23,600 | |
| Council Tax Hardship Relief | 23,500 | |

| | | |
|--------------|------------------|----------------|
| Total | 6,330,600 | 997,400 |
|--------------|------------------|----------------|

As detailed above some of these grants include a contribution to reserves for the following reasons:

- Additional Restrictions Grants £540,400 which will be paid out to eligible businesses in 2021/22;
- Test & Trace Grant £131,000 for award to eligible Citizens in 2021/22;
- Business Grant Administration a contribution to reserves at outturn of £191,745 to administer new awards to businesses in 2021/22 and to enable catch up and back fill requirements in 2021/22);
- Test & Trace Admin Support of £22,076 to administer new awards in 2021/22 and enable catch up and back fill as required.

2.3.8 Efficiency Programme – Outturn Position

Since 2014/15 Council have approved four separate budget reduction 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. Of the total programme, £2.6m was planned for delivery over 2019/20 to 2022/23.

In terms of 2020/21, the original programme for the delivery of efficiencies totalled £808,000. The outturn position indicates the following:

| Movements on Efficiencies 2020/21 | |
|--|------------------|
| | £ |
| Approved Efficiency Programme 2020/21 | (808,000) |
| Quarter 1 Amendments | 256,500 |
| Quarter 2 Amendments | 88,800 |
| Quarter 3 Amendments | 54,600 |
| Application of the 2020/21 Budget Risk Reserve | (100,000) |
| Revised Total at Quarter 3 | (508,100) |
| Proposed Amendments Quarter 4: | |
| Deferred efficiencies | |
| Legal Income | 10,200 |
| Provide self-governance services to OLA | 3,400 |
| Total deferred Q4 | 13,600 |
| Deferred efficiencies due to Covid-19 | |
| PASC Removal of non-contractual overtime | 10,300 |
| Pest Control services in-house | 5,500 |
| Legal Income from Selling Services | 16,800 |
| | 32,600 |

| | |
|--|------------------|
| Achievement of deferred efficiencies re covid | |
| Gedling Country Park Café Income | (12,000) |
| Building Control income | (7,000) |
| Garden waste customers | (5,000) |
| Total achievement of deferred efficiencies | (24,000) |
| Total Quarter 4 Amendments | 22,200 |
| Revised Total Delivered 2020/21 | (485,900) |
| Variance 2020/21 Programme | 322,100 |

The £22,200 quarter 4 amendments are included in the variances detailed in Appendix 1. In summary, the outturn of the efficiency programme delivery was a shortfall of £322,100 of which £262,700 was due to projects being deferred to 2021/22 due to delays caused by Covid 19. The achievement of deferred efficiencies of (£24,000) relate to areas where budgets were initially reduced due to the impact of the Covid 19 pandemic however, income has recovered above expectations.

2.4 Movement In Earmarked Reserves

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

The balance on Earmarked Reserves at 31 March 2021 is £8,031,150, £3,311,572 higher than the current estimate of £4,719,578. A full list of movements on Earmarked Revenue Reserves is included in Appendix 3 and these are proposed to Cabinet for approval. Reasons for the variance between the estimated and actual earmarked reserves are included in the portfolio analysis at Appendix 1 and include:

- Reduced contributions previously forecast as required to maintain Cabinet's maximum budget due to Covid pressures;
- new contributions to reserves due to new grants and additional income, or underspends in one-off budgets for specific projects;
- variances on planned contributions from reserves mainly due to projects that have been deferred to 2021-22;
- additional contributions from reserves to fund budget pressures arising during the year.

The tables below shows a summary of total movements in earmarked reserves from the current approved estimate.

2.4.1 New Contributions to Earmarked Reserves

Included in the Earmarked Reserves proposed for approval are new contributions to reserves of £2,256,172 made up of:

| Increases Due to Receipt of New Grants and Additional Income | | |
|---|--|--------------------|
| Reserve | Reason for Movement | Amount |
| ARG Reserve | Additional Restrictions Grant received to give financial assistance to local businesses during Covid | (540,400) |
| NNDR Pool Reserve | Contribution from the Nottinghamshire Business Rates Pool for Economic Regeneration Projects | (284,065) |
| Selective Licensing | Income received to fund the project in future years. | (30,192) |
| Earmarked Grants Reserve | New Burdens Covid Grant Test & Trace Discretionary Grant | (131,000) |
| | New Burdens Covid Grant Test & Trace Administration Grant | (22,076) |
| | Council Tax Hardship Relief Covid funding | (112,152) |
| | Community Relations Grants including Community Development Officer | (41,300) |
| | New Burdens Covid business grants administration funding | (191,745) |
| | Contributions for Improvements to Parks from grants and donations | (9,373) |
| | DEFRA Property Flood Resilience Grant | (10,769) |
| | Humanitarian projects ongoing | (28,300) |
| Leisure Strategy Reserve | Arnold Theatre Cinema grant | (41,000) |
| | | (1,442,372) |

| Increases for Future Projects Arising from Service Underspends | | |
|---|--|---------------|
| Reserve | Reason for Movement | Amount |
| Community and Crime Reserve | Staff saving due to Enforcement and Containment work for back log catch-up | (229,612) |
| IT Replacement Fund | Temporary pause in the Digital Agenda scheme | (49,000) |
| Joint Use Maintenance Reserve | Contributions to provide for future projects | (28,228) |
| Efficiency and Innovation Reserve | IT Digital transformation agenda and H&S E learning projects | (70,600) |
| Housing Benefit Reserve | Staff saving due to Enforcement and Containment work for catch-up | (11,000) |
| Risk Management Reserve | Health & Safety projects due to Covid related delays | (6,700) |
| S106 Revenue Reserve | Howbeck Road Open Space Scheme | (30,956) |
| Insurance Reserve | Insurance Premium for future risk management | (27,938) |
| Asset Management Reserve | Contributions to provide for future planned maintenance | (109,600) |

| | | |
|-----------------------------|---|------------------|
| Transformation Fund Reserve | Contributions to provide for future projects | (104,000) |
| Leisure Strategy Reserve | Contributions towards legal costs and Big Wave project | (28,250) |
| Leisure Strategy Reserve | Untaken leave due to staff being on furlough resulting in additional holiday cover in 2021/22 | (115,400) |
| Other Minor Movements | | (2,516) |
| | | (813,800) |

2.4.2 Variances in Planned Usage of Earmarked Reserve

Contributions from reserves compared to current estimate of £1,055,400 analysed as follows:

| Additional Contributions from Reserves | | |
|---|--|----------------|
| Reserve | Reason for Movement | Amount |
| Joint Use Maintenance Reserve | Refurbishment of the changing facilities at Calverton LC | 39,637 |
| NNDR Pool Reserve | Contribution to RV Finder and Property Inspector | 28,539 |
| Economic Development Reserve | Contribution to Arnold Market | 36,287 |
| Insurance Reserve | Fewer Insurance Claims | 19,951 |
| | | 124,414 |

| Reduced Contributions from Reserves | | |
|---|---|---------------|
| Reserve | Reason for Movement | Amount |
| Leisure Strategy Reserve and Transformation Reserve | Lower amount needed to support the Covid effects on the budget due to additional government grants received | (320,600) |
| Community and Crime Reserve | Cancelled events and postponed Memorial project | (13,000) |
| IT Replacement Fund | Temporary pause in the replacement programme and deferred capital and agile schemes. | (327,300) |
| Housing Benefit Reserve | Delay of Hospital to Home project due to Covid | (29,000) |
| Efficiency and Innovation Reserve | Lower contribution required for Agresso upgrade and E learning project | (42,582) |
| Asset Management Reserve | Deferral of capital schemes, car parks resurfacing | (100,230) |
| Local Development Framework Reserve | Lower contribution required for Evidence Preparation project. | (44,450) |
| Apprentice Reserve | Lower number of Apprentices | (16,800) |
| Earmarked Grants Reserves | Lower Contributions required for Community Relations project, Council Tax software and Severe weather recovery scheme | (65,300) |
| Earmarked Grants Reserves | Arnold Theatre Lift project delayed reduced contribution from base maintenance | (41,200) |

| | | |
|---------------------------|---|--------------------|
| Earmarked Grants Reserves | Spring Project and Heritage projects delayed delivery | (23,360) |
| Transformation Fund | Lower contribution required for Arnold Town Centre transformation project and Local Government Review | (67,793) |
| Selective Licensing | Reduced contribution due to Covid related deferral of staffing | (88,200) |
| | | (1,179,814) |

2.5 Movement in Provisions

Provision requirements have been reviewed and transactions completed within the outturn analysis. Provisions are made when an event has taken place that gives the Council an obligation that probably requires settlement but where the timing and precise amounts are uncertain. The table below details the movements in Provisions for 2020/21 which are now proposed to Cabinet for approval.

| Description | Balance B/fwd 01/04/20 | Movement in Year | Actual Balance 31/3/21 |
|--|------------------------|------------------|------------------------|
| | £ | £ | £ |
| Business Rates Appeals | 1,195,800 | 125,300 | 1,321,100 |
| Transferred Housing Stock – Environment Warranties | 50,000 | 0 | 50,000 |
| Transferred Stock Repairs | 50,000 | 0 | 50,000 |
| Total | 1,295,800 | 125,300 | 1,421,100 |

Business Rate Appeals - the Business Rate Retention regime places a liability on the Council to refund ratepayers who successfully appeal against the rateable value of their properties on the rating list. A provision of £1,321,100 has been made, representing the Council's estimated share of such liabilities at 31 March 2021.

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

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

Provisions for Bad Debts

Bad debts provisions are an estimate of the amount that will remain uncollectable after a certain time period and will require write off in the future accounts of the Council. They are calculated on the age and amounts of debt

owed to the Council based on a hierarchical percentage i.e. the older the debt the greater the likelihood of non-collection. The table below details the movements in Bad Debts Provisions for 2020/21 which are now proposed to Cabinet for approval.

Sundry Debtor bad debt provision has increased significantly in 2020/21, this is a consequence of Covid-19 and the suspension of debt recovery action during the pandemic. This increase is expected to be temporary as dedicated resource is being employed to progress debt recovery during 2021/22.

| Description | Balance B/fwd 01/04/20 £ | Movement in Year £ | Actual Balance 31/3/21 £ |
|-------------------------------------|---|-----------------------------------|---|
| Sundry Debts | 222,300 | 130,100 | 352,400 |
| Housing Benefit Debts | 2,023,700 | 41,600 | 2,065,300 |
| Business Rates Debts (GBC Share) | 153,400 | 66,800 | 220,200 |
| Council Tax Debts (GBC Share) | 171,100 | 52,700 | 223,800 |
| Total | 2,570,500 | 291,200 | 2,861,700 |

2.6 Building Control Fee Earning Trading Account

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

Building control income has been impacted by the Covid-19 pandemic during 2020/21 however the budget has achieved a breakeven position through the utilisation of £3,900 from Covid-19 income compensation scheme.

The Building Control Reserve remains at a £2,600 deficit carried forward from 2019/20. Fees and expenditure will be reviewed to ensure that the deficit can be recouped in the future.

2.7 Community Infrastructure Levy (CIL)

In 2020/21 the Council raised 31 liability notices totalling £2,571,683 and issued 15 demand notices totalling £1,524,665 for payment. During this time 17 receipts were collected totalling a sum of £561,705. Of the £561,705 receipts collected, £427,166 is to be spend on Strategic Infrastructure Projects that are identified within the Council's annual Infrastructure Funding Statement, £106,455 is to be spent on the locality it has been collected for via Neighbourhood funding and £28,085 is to fund administration costs as permitted under the Regulations.

The total balance now available to spend on strategic infrastructure projects in the Borough is £2,538,369 as detailed in the table in paragraph 3.4.

2.8 Members Pot Outturn 2020/21 and Community Grants

In 2020/21 the Members Pot budget was £82,000 of which £82,000 has been spent on grants to third parties as detailed in Appendix 4.

Despite ongoing financial pressures the Council was still able to provide financial support to voluntary and charitable organisations, Carlton Town Football Club £10,000, Citizens Advice Bureau £40,000, Gedling Play Forum £2,450, We R Here £10,000 and £14,900 to the Covid 19 related Humanitarian Hub.

2.9 Gedling Country Park Café 1899

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

The café is currently in its fourth year of operation. Due to Covid-19 the café closed for operation on 23rd March 2020, the café resumed trading in late June as a takeaway only service in line with Government guidance. Gedling's Budgeted profit share for 2020/21 was £20,000 which was reduced to £15,200 to allow for the closure and potential the Covid impact, however actual income increased due to lower operating costs incurred by the takeaway only service, the result was an increased profit share totalling £22,100.

2.10 Support Service Recharges and Capital Financing Variations (Non Controllable)

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

Support Service Recharges

The budgets of all central support, service administration and fleet providers have been monitored and updated as part of the quarterly budget monitoring process. Reallocation of support costs has been undertaken as part of the accounts closedown process based on actual outturn figures and therefore variances between the central support budgets and actual recharges have occurred as a result of this reappraisal. Variances resulting from the reappraisal of central support and service administration have occurred across

the board, but the entries themselves do not impact on the budget requirement or the amount to be raised by Council Tax. **Overall, support services have underspent compared to the current estimate by £580,000 in 2020/21**, which is mainly due to a significantly lower expenditure on the IT replacement programme and a pause on the Agile-working project due to the Covid 19 Pandemic, also lower recharges on Corporate Management due to a Management Restructure and in year vacancies.

Capital Financing Charges

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

Amortisation charges relate to the cost of Capital schemes where no asset is created and the capital expenditure is therefore charged to revenue in the year it occurs e.g. disabled facilities grants. Budget variances may occur because of capital scheme under and overspends and carry forwards/slippage. Depreciation reflects the usage of capital assets within the services and budget variances can occur due to the revaluation of assets.

3 Capital Outturn 2020/21

- 3.1 A summary of the Capital outturn is presented in the table below. Capital outturn totals £2,321,750 compared to an approved budget of £4,100,900 a net underspend of £1,779,150. After accounting for carry forward requests of £1,787,400 the final increased financing requirement on the capital programme is £8,250. The small over-spend of £8,250 is due to accelerated expenditure in 2020/21 on the Killisick Recreation Ground scheme which was not expected to be incurred until 2021/22.
- 3.2 The details of the outturn for individual schemes by Portfolio area are included at Appendix 5.

Capital Outturn and Proposed Carry Forwards 2020/21

| Portfolio | Current Estimate | Actual Expenditure | Variance | Proposed Carry Forward |
|-----------------------------|------------------|--------------------|-----------|------------------------|
| | 2020/21 | 2020/21 | | |
| | £ | £ | £ | £ |
| Community Development | 3,700 | 0 | (3,700) | 3,700 |
| Housing, Health & Wellbeing | 188,900 | 141,878 | (47,022) | 54,900 |
| Public Protection | 1,292,000 | 887,603 | (404,397) | 405,800 |
| Environment | 1,049,100 | 821,143 | (227,957) | 227,400 |
| Growth and Regeneration | 550,000 | 130,492 | (419,508) | 419,500 |
| Resources & Reputation | 1,017,200 | 340,635 | (676,565) | 676,100 |

| | | | | |
|--------------|------------------|------------------|--------------------|------------------|
| TOTAL | 4,100,900 | 2,321,750 | (1,779,150) | 1,787,400 |
|--------------|------------------|------------------|--------------------|------------------|

3.3 Proposed Capital Carry Forwards

The capital carry forward requests a total £1,787,400 against the current approved capital programme of £4,100,900 which represents 43% re-profiling for 2020/21. The level of funding available to finance the carry forwards is projected to be sufficient. The majority of the capital re-profiling is in relation to the following:

- Disabled Facilities Grant, schemes delayed due to the Covid-19 Pandemic and the inability for contractors to work inside peoples homes, delivery is expected 2021/22 (£405,800);
- Deferral of the Carlton Square project to conclude final delivery plans, completion expected in Autumn 2021 (£306,000);
- Deferral of vehicle replacements due to Covid related delays in the supply chain, and maximisation of asset life - (£163,000);
- Deferral of the Property Flood Resilience Grant scheme due to Covid related delays in securing surveyor inspections (£130,000);
- Short delay in the commencement of the Arnold Market Project, due for completion in Spring 2022 (£113,500);
- Car Park Resurfacing project delayed due to a re-tendering exercise, completion expected June 2021 (£110,000);
- Re-profile of the Carbon Reduction scheme in order to identify measures that have maximum impact on reducing the Council's carbon footprint, identified schemes will commence in the Spring of 2021 (£89,100);
- Small delay on the completion of Roadway Resurfacing project due for completion in May 2021 (£88,700);
- Re-profile for IT equipment acquisition due to a refresh of the Agile working project in light of post Covid working arrangements, (£85,400)
- Deferral of the completion of On-Street Residential Charge Points grant funded scheme due to a later commencement date than anticipated (£83,900).

Appendix 6 details:

- (a) the carry forward requests authorised by the Chief Financial Officer in line with the delegation arrangements totalling £657,600;
- (b) the carry forward requests totalling £1,129,800 for non-committed schemes in excess of £50,000, which requires Council approval. This is mainly for Disabled Facilities Grants, replacement vehicles car park and roadway resurfacing, and IT equipment replacement (full details are set out in appendix 6).

3.4 Capital Financing 2020/21

The proposed method of financing the £2,321,750 capital expenditure incurred in 2020/21 is summarised below.

| | £ |
|------------------------------------|------------------|
| Capital Receipts | 590,572 |
| Capital Grants and Contributions | 1,190,664 |
| S106 & CIL | 150,591 |
| General Fund Revenue Contributions | 120,987 |
| Borrowing | 268,937 |
| Total Capital Financing | 2,321,750 |

Usable Capital Reserves

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

Capital reserves are used to fund the capital programme within the year and the position as at 31 March 2021 is as follows:

| Description | Balance | Received | Use In | Balance |
|---|--------------------|------------------|--------------------|------------------|
| | Bfwd 01/04/2020 | In Year | Year | 31/03/2021 |
| | £ | £ | £ | £ |
| Usable Capital Receipts | 0 | 590,572 | (590,572) | 0 |
| Capital Grants Unapplied | 223,196 | 1,770,139 | (1,190,664) | 802,671 |
| S106 Contributions (conditions satisfied) | 0 | 98,014 | (98,014) | 0 |
| Community Infrastructure Levy | 1,432,746 | 1,158,200 | (52,577) | 2,538,369 |
| Total | 1,655,942 | 3,616,925 | (1,931,827) | 3,341,040 |

3.5 Capital Determinations 2020/21

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

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

| | |
|---------------------------|-----------|
| | £ |
| Capital grants receivable | 1,190,664 |
| Capital contributions | 150,591 |

- (ii) Section 60(2) of the Act requires the Authority to determine the amount of usable capital receipts to be applied to meet expenditure incurred for capital purposes for 2020/21. This figure is £590,572.
- (iii) Section 63(1) of the Act requires the Authority to determine the amounts set aside from revenue accounts as provision for repayment of debt, known as the minimum revenue provision (MRP). This is calculated in accordance with the MRP policy for 2020/21 as approved by Council on 5 March 2020 and equates to £569,011.

4. Statement of Accounts

4.1 Technical Adjustments to Revenue

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

Adjustments will be made in respect of Employee Benefits i.e. holiday pay and pensions, and impairments arising from asset revaluations and further details are provided below. The adjustments themselves do not impact on the budget requirement or the amount to be raised by Council Tax and therefore do not affect the General Fund balance. No budgets are set for them and managers do not have direct control of the costs. They are therefore not included within the Outturn Portfolio balances at paragraph 2.1

Pension Benefits

IFRS reporting standards require recognition in the Accounts of the benefit entitlements earned by employees during the period rather than the actual amount of employer's pension contributions payable upon which charges to council tax are based. Adjustments will be made to the service revenue accounts Net Costs of Services to remove the actual pension contributions payable and replace them with the benefit entitlements earned as provided by the Actuary. For 2020/21 this adjustment adds £2,307,900 to the Net Cost of Services.

Asset Impairment

A capital asset impairment review is undertaken each year end by the Council's valuer. An assessment is made of whether the asset values currently held in the Council's Balance Sheet reflect both the current physical and market conditions and determine if an adjustment is required. If an asset is impaired i.e. the value is assessed to be lower than that currently held, then

the asset value is written down with the accounting loss being charged to the Comprehensive Income and Expenditure Statement.

As in 2019/20, the Covid 19 pandemic is expected to have had an impact on the valuations of Assets at 31 March 2021.

4.2 Pensions

The details regarding the Council's share of the Nottinghamshire County Council Pension Fund are provided for Members consideration at Appendix 7.

Barnett Waddingham are the Pension Fund's appointed Actuary, and their report sets out the assumptions used to prepare the IAS19 pension figures which are reported in Gedling's accounts. It is required that these assumptions are reviewed prior to agreeing their use and inclusion in the Statement of Accounts, and this review has been completed by the Director of Corporate Resources and S151 Officer.

4.3 Balance Sheet at 31 March 2021

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

- The Pension Liability has increased by £20.3m to £69.5m due to changes in the discount rate and other assumptions made by the Actuary.
- Short-term creditors have increased by £10.9m, largely due to S31 grant owing to central government in respect of business rate reliefs paid to billing authorities in the first instance, and balances remaining on the covid national business grant support scheme.
- Short term debtors have increased by £9.7m, largely due to sums owing from central government and Nottinghamshire County Council in respect of the exceptional business rates deficit due to rates reliefs

5 Alternative Options

This report provides a statement of financial performance against the approved budget for 2020/21 and as such there are no alternative options. The proposals for budget carry forwards are in accordance with requirements of Financial Regulations and are submitted for Member consideration.

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

6 Financial Implications

6.1 As detailed in the report.

7 Legal Implications

7.1 The legal implications are detailed in the body of the report.

8 Equalities Implications

8.1 None arising directly from this report.

9 Carbon Reduction/Environmental Sustainability Implications

9.1 None arising directly from this report.

10 Appendices

| | |
|------------|--|
| Appendix 1 | General Fund Revenue Outturn 2020/21 Variance Analysis |
| Appendix 2 | Summary General Fund Balance and Earmarked Reserves |
| Appendix 3 | Movement in Earmarked Reserves |
| Appendix 4 | Members Pot 2020/21 |
| Appendix 5 | Capital Outturn 2020/21 |
| Appendix 6 | Budget Carry Forward Summary |
| Appendix 7 | Pension Fund Accounting Disclosures |

11 Background Papers

Gedling Plan and Budget 2020/21 and Quarterly Budget Monitoring Reports

12 Reasons for Recommendations

12.1 To ensure members are informed of the financial performance against the Gedling Plan and to comply with statutory requirements for capital financing.

Statutory Officer Approval

Approved by: Chief Financial Officer

Date: 30 June 2021

Approved by: Monitoring Officer

Date: 30 June 2021

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Appendix 1

| | Current | | Variation to Revised | Analysis of variance | |
|--|--------------------------|--------------------|----------------------|------------------------------|------------------------------------|
| | (Revised) Budget 2020-21 | Actual Expenditure | | Controllable Budget Variance | Non Controllable Recharge Variance |
| | £ | £ | £ | £ | £ |
| General Fund | | | | | |
| Community Development | 1,551,190 | 1,381,990 | (169,200) | (104,816) | (64,383) |
| Housing, Health & Well-being | 4,650,900 | 3,662,585 | (988,315) | (784,164) | (204,150) |
| Public Protection | 1,570,400 | 1,270,929 | (299,471) | (382,603) | 83,132 |
| Environment | 5,657,400 | 5,151,987 | (505,413) | (332,036) | (173,377) |
| Growth & Regeneration | 1,135,450 | 1,000,375 | (135,075) | (63,073) | (72,002) |
| Resources & Reputation | (1,700,400) | (3,189,367) | (1,488,967) | (1,922,847) | 430,780 |
| General Fund | 12,864,940 | 9,278,501 | (3,586,439) | (3,586,439) | 0 |
| Transfer to/from Earmarked Reserves | (1,262,240) | 2,049,332 | 3,311,572 | 3,311,572 | 0 |
| Total | 11,602,700 | 11,327,833 | (274,867) | (274,867) | 0 |

Community Development Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Actual Expenditure | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | £ | £ | | | Controllable Budget Variance | Non Controllable Recharge Variance |
| Community Development | | | | | | |
| Democratic Mgt & Representation | 684,600 | 644,911 | (39,689) | 3,457 | (43,146) | |
| Committee Services | 0 | 290 | 290 | 290 | 0 | |
| Localities | 177,400 | 157,626 | (19,774) | (12,949) | (6,826) | |
| Community Grants | 301,990 | 228,493 | (73,497) | (68,639) | (4,858) | |
| The Arts & Tourism | 49,800 | 45,849 | (3,951) | (856) | (3,095) | |
| Community Centres | 247,300 | 218,637 | (28,663) | (23,379) | (5,284) | |
| Events | 90,100 | 86,186 | (3,914) | (2,741) | (1,174) | |
| Community Development | 1,551,190 | 1,381,990 | (169,200) | (104,816) | (64,383) | |
| Transfer to/from Earmarked Reserves | (55,990) | 27,202 | 83,192 | 83,192 | 0 | |
| Total | 1,495,200 | 1,409,192 | (86,008) | (21,624) | (64,383) | |

Total Controllable Variance for Portfolio of (£22K) underspend

Democratic Mgt & Representation - £3.5k overspend

Variance due to lower income from civic events partially offset by reduction in costs.

Committee Services - £0.3k overspend

No major variances

Localities - £5.9k underspend

Variances mainly due to delay in Cinderpath project, offset with a transfer transferred to reserves.

Community Grants - £61.1k underspend

Variance mainly due to the funding received for the Giving for Gedling and Feeding Gedlings Families projects and grant from NCC to fund project for Clinically vulnerable offset with contributions to reserves..

The Arts & Tourism - £0.9k underspend

No major variances

Community Centres - £23.4k underspend

Variances mainly due to vacant posts not being filled due to centres being closed. And lower NNDR charges partially offset by transfer to reserves.

Events - £2.7k underspend

Variance due to Remembrance Services not taking place, offset by reduced contribution from reserves.

Transfer to / (from) Earmarked Reserves Analysis - £83.2k

Variance due to transfers to reserves for externally funded projects: Vulnerable People (£20.0k), Giving for Gedling (£9.2k), Feeding Gedling Families (£9.1k), Humanitarian Hub (£5.1k) . Projects delayed due to Covid restrictions were Youth Consultation project (£5.0k) and (4.4k) for untaken leave due to staff being on furlough . Also a lower contribution from reserves of £27.1k due to underspends on

Housing, Health & Well-being Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | £ | Actual Expenditure | | Controllable Budget Variance | Non Controllable Recharge Variance |
| | | £ | | | £ |
| Housing, Health & Well-being | | | | | |
| Housing Needs | 496,400 | 486,860 | (9,540) | 4,065 | (13,605) |
| Leisure Services Division | 50,000 | 9,482 | (40,518) | (40,518) | 0 |
| Calverton Leisure Centre | 435,900 | 359,189 | (76,711) | (63,143) | (13,568) |
| Carlton Forum Leisure Centre | 1,076,100 | 945,164 | (130,936) | (103,583) | (27,353) |
| Redhill Leisure Centre | 532,700 | 421,407 | (111,293) | (85,016) | (26,277) |
| Arnold Theatre | 281,100 | 146,926 | (134,174) | (124,347) | (9,827) |
| Arnold Leisure Centre | 723,400 | 660,637 | (62,763) | (51,229) | (11,534) |
| Richard Herrod Centre | 447,800 | 388,480 | (59,320) | (33,000) | (26,320) |
| Health & Wellbeing | 65,600 | 11,866 | (53,734) | (50,667) | (3,068) |
| Council Tax Benefits | (3,500) | (2,517) | 983 | 983 | 0 |
| Rent Allowances | 129,000 | 86,953 | (42,047) | (42,047) | 0 |
| Housing Benefit Administration | 410,400 | 143,686 | (266,714) | (194,117) | (72,597) |
| Rent Rebates | 6,000 | 4,454 | (1,546) | (1,546) | 0 |
| Housing, Health & Well-being | 4,650,900 | 3,662,585 | (988,315) | (784,164) | (204,150) |
| Transfer to/from Earmarked Reserves | (68,800) | 413,510 | 482,310 | 482,310 | 0 |
| Total | 4,582,100 | 4,076,096 | (506,004) | (301,854) | (204,150) |

Total Controllable Variance for Portfolio of (£302K) underspend

Housing Needs - £4.1k overspend

No Significant Variance

Leisure Services Division - £40.5k underspend

Variance mainly due to underspend on Leisure project offset by reduced transfer from reserves.

Leisure Centres & Arnold Theatre - Overall £363k Underspend

Variance mainly due to additional Covid related closures resulting in vacant post not being filled savings on casual staff and holiday cover budgets partially offset with a contribution to reserves to cover holiday costs in 2021/22. Additional Furlough income as more staff placed on furlough than anticipated, and savings closure related savings on utilities and overheads. These savings have been partially offset with

Other Leisure Savings Include:

Calverton Leisure Centre - £16.2k underspend

Variance due to underspend on Joint Use Funds offset with contribution to reserves.

Carlton Forum Leisure Centre - £29.2k underspend

Variance due to underspend on legal fees and Joint Use offset with contributions to reserves.

Redhill Leisure Centre - £10.4k underspend

Variance due to underspend on Joint Use funds offset with a transfer to reserves.

Arnold Theatre - £41.2k underspend

Variance due to general maintenance contribution to repair lift offset with contribution to reserves.

Arnold Leisure Centre

No other major variances

Richard Herrod Centre

No other major variances.

Health & Wellbeing - £50.7k underspend

Variance mainly due to additional grant received to extend the Community Development Co-ordinator scheme offset by transfer to reserves and underspend on Social Prescription project due to this spanning more than one financial year offset by reduced transfer from reserves.

Council Tax Benefits - £1k overspend

No Major Variances

Rent Allowances - £42k underspend

Variance due to lower aged debt than anticipated thereby reducing the Bad Debt Provision and lower reduced subsidies on Rent Allowances.

Housing Benefit Administration - £194.1k underspend

Variance is mainly due to Test and Trace New Burdens grant received and additional admin subsidy received partially offset with a transfer to reserves.

Rent Rebates - £1.5k underspend

Transfer to / (from) Earmarked Reserves Analysis - £482.3k

Variance due to additional contributions to Housing Benefits reserve (£155.2k) from Test & Trace and New Burdens funding, Community Development Co-ordinator project extended additional (£41.3k) received, grant for reduced income at the Theatre (£41.0k) and Leisure Joint Use reserve (£22.2k) for future maintenance . Transfers to reserves for Projects delayed or spanning over financial years include (£111.0k) for untaken leave due to staff being on furlough, Lift Maintenance at Arnold Leisure Centre (41.2k), Arnold Town Centre project (£40.7k), Asset Management costs (£25k), Legal costs for claim (£16.3k), Big Wave Swim project (£12.0k), Health & Wellbeing initiatives (£10.7k). Draw down from the Joint Use reserve was made to contribute towards the refurbishment of the changing facilities at Calverton LC, £39.6k.

Public Protection Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Actual Expenditure | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | £ | £ | | | Controllable Budget Variance | Non Controllable Recharge Variance |
| | £ | £ | £ | £ | £ | £ |
| Public Protection | | | | | | |
| Licencing & Hackney Carriages | 98,400 | 31,205 | (67,195) | (19,932) | (47,263) | |
| Environmental Protection | 290,700 | 222,518 | (68,182) | (55,443) | (12,738) | |
| Food, Health & Safety | 188,000 | 141,524 | (46,476) | (37,091) | (9,385) | |
| Comm Protection & Dog Control | 614,000 | 490,105 | (123,895) | (112,274) | (11,621) | |
| Public Sector Housing | 379,300 | 385,577 | 6,277 | (157,862) | 164,139 | |
| Public Protection | 1,570,400 | 1,270,929 | (299,471) | (382,603) | 83,132 | |
| Transfer to/from Earmarked Reserves | (142,900) | 239,104 | 382,004 | 382,004 | 0 | |
| Total | 1,427,500 | 1,510,033 | 82,533 | (599) | 83,132 | |

Total Controllable Variance for Portfolio of (£1K) underspend

Licencing & Hackney Carriages - £19.9k underspend

Underspend due utilisation of the Contain funding for Covid related enforcement works offset by a contribution to reserves for backfilling delayed inspections and licencing work expected in 2021/22.

Environmental Protection - £55.4k underspend

Underspend due utilisation of the Contain funding for Covid related enforcement works offset by a contribution to reserves for backfilling delayed inspections and licencing work expected in 2021/22.

Food, Health & Safety - £37.1k underspend

Underspend due utilisation of the Contain funding for Covid related enforcement works offset by a contribution to reserves for backfilling delayed inspections and licencing work expected in 2021/22.

Comm Protection & Dog Control - £112.3k underspend

Underspend due utilisation of the Contain funding for Covid related enforcement works offset by a contribution to reserves for backfilling delayed inspections and licencing work expected in 2021/22.

Public Sector Housing - £157.9k underspend

Variance due to Selective Licencing Income offset with a contribution to reserves for continuation of the project in 2021/22.

Transfer to / (from) Earmarked Reserves Analysis - £382.0k

Variance mainly a transfer to reserve to cover backfilling of staff due to Enforcement and Containment work (£234.6k), due to the Covid restrictions on working the net position on Selective Licencing was a transfer to reserve (£147.4k).

Environment Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Actual Expenditure | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | £ | £ | | | Controllable Budget Variance | Non Controllable Recharge Variance |
| Environment | | | | | | |
| Waste Management | 2,216,300 | 2,176,995 | (39,305) | (49,298) | 9,993 | |
| Trade Waste | (53,100) | (146,631) | (93,531) | (104,966) | 11,434 | |
| Street Care | 989,100 | 972,914 | (16,186) | 427 | (16,613) | |
| Public Conveniences | 22,100 | 18,710 | (3,390) | (2,907) | (482) | |
| Direct Services Service Support | 1,000 | 0 | (1,000) | 28,113 | (29,113) | |
| Building Services | 600 | 0 | (600) | 495 | (1,095) | |
| Car Parks | 319,000 | 214,531 | (104,469) | (101,560) | (2,909) | |
| Fleet Management | 44,200 | 0 | (44,200) | (49,257) | 5,057 | |
| Parks | 1,964,700 | 1,863,279 | (101,421) | (26,468) | (74,953) | |
| Parks - External Works | 166,300 | 101,972 | (64,328) | (25,888) | (38,440) | |
| Cemeteries | (12,800) | (49,782) | (36,982) | (726) | (36,256) | |
| Environment | 5,657,400 | 5,151,987 | (505,413) | (332,036) | (173,377) | |
| Transfer to/from Earmarked Reserves | (34,600) | (33,397) | 1,203 | 1,203 | 0 | |
| Total | 5,622,800 | 5,118,591 | (504,209) | (330,832) | (173,377) | |

Total Controllable Variance for Portfolio of (£331K) underspend

Waste Management - £49.3k underspend

Variance mainly due to an overachievement of income for Recycling, Garden and Bulky Waste, partly offset by overspends on Agency Staff, bin issues and IT and Insurance costs.

Trade Waste - £105k underspend

Variance mainly due to lower than expected Trade Waste charges, and with greater recovery of income losses due to Covid-19 than expected.

Street Care - £0.4k overspend

No major variances.

Public Conveniences - £2.9k underspend

No major variances.

Direct Services Service Support - £28.1k overspend

Variance is mainly due to redundancy costs.

Building Services - £0.5k overspend

No major Variances

Car Parks - £101.6k underspend

Variance mainly due to higher than anticipated income recovery from expected Covid-19 losses and lower enforcement charges.

Fleet Management - £49.3k underspend

Variance mainly due to underspends on Fuel, Licences, Tyres and the apprenticeship budget partially offset by an overspend on Vehicle parts and the receipt from the sale of a vehicle.

Parks - £26.5k underspend

Variance mainly due to S106 income offset by transfer to reserves and an overspend on equipment and materials, and the cost of insurance claims, partly offset by savings on utilities and tree inspections.

Parks - External Works - £25.9k underspend

Variance mainly due to savings on overtime, vacancies, equipment, materials and payments to third party contractors.

Cemeteries - £0.8k underspend

No major variances

Transfer to / (from) Earmarked Reserves Analysis - £1.2k

Reduced contribution to reserves on parking contract due to lower enforcement during Covid lockdown £35k, Additional transfers from insurance reserve for excess payments on claims £15.7k. Additional contributions to reserves for visitor contributions to carpark and trees at Gedling Country Park (£6.7k), and external contributions for park projects (£2.6k) Lower contribution from reserves from Apprentice reserve (£7.5k), works in parks being lower than anticipated (£4.8)k, and S106 income not required for delayed scheme (£31.0k).

Growth & Regeneration Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Actual Expenditure | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | Budget | Actual | | | Controllable Budget Variance | Non Controllable Recharge Variance |
| | £ | £ | £ | £ | £ | £ |
| Growth & Regeneration | | | | | | |
| Development Service Support | (6,100) | 0 | 6,100 | (2,950) | 9,050 | |
| Development Management | 109,100 | 143,936 | 34,836 | 61,205 | (26,370) | |
| Building Control Account | 54,200 | 51,114 | (3,086) | (2,276) | (811) | |
| Building Control Fee Earning Account | 7,400 | (10) | (7,410) | 2,061 | (9,471) | |
| Land Charges | 31,700 | 16,558 | (15,142) | (9,711) | (5,430) | |
| Economic Development | 404,500 | 320,987 | (83,513) | (75,141) | (8,372) | |
| Housing Strategy | 143,700 | 140,886 | (2,814) | 3,253 | (6,067) | |
| Growth & Regeneration | 1,135,450 | 1,000,375 | (135,075) | (63,073) | (72,002) | |
| Transfer to/from Earmarked Reserves | (140,850) | (22,619) | 118,231 | 118,231 | 0 | |
| Total | 994,600 | 977,757 | (16,843) | 55,159 | (72,002) | |

Total Controllable Variance for Portfolio of £55K overspend

Development Service Support - £2.9k underspend

No major variances.

Development Management - £61.2k overspend

Variances mainly due Covid -19 related reductions in planning income and pre application advice income

Planning Policy - £22.1k underspend

Variance due to delay in delivering of scheme offset by transfer to Reserves

Building Control Account - £2.3k underspend

No major variances.

Building Control Fee Earning Account - £2.1k overspend

Variance is mainly due to reduced income due to impact of Covid 19.

Land Charges - £9.7k underspend

Variance is mainly due to reduction in searches, due to Covid, and better than anticipated income levels.

Economic Development - £64.5k underspend

Variance is mainly due to underspending on Intervention pots offset by a reduced contribution from reserves.

Housing Strategy - £3.3k overspend

No Major Variance

Transfer to / (from) Earmarked Reserves Analysis - £118.2k

Variances due to ongoing projects being deferred to 2021/22, Intervention funds for Economic Development and Town Centres £47.2k and Planning Policy evidence preparation work £36.6k and Town Centre pot £11.6K. Also a revenue contributions has been established for Arnold Market project £10k, Market Supplement £7.8k and Retail business advisor post £5.0k not utilised.

Resources & Reputation Portfolio. Outturn Summary 2020/2021

| | Current Approved Estimate 2020/21 | | Variation to Estimate | Analysis of Variance | |
|--|-----------------------------------|--------------------|-----------------------|------------------------------|------------------------------------|
| | Actual Expenditure | | | Controllable Budget Variance | Non Controllable Recharge Variance |
| | £ | £ | £ | £ | £ |
| Resources & Reputation | | | | | |
| Organisational Development | (17,800) | 0 | 17,800 | (27,236) | 45,036 |
| Corporate Management | 957,900 | 997,982 | 40,082 | (29,813) | 69,895 |
| Health & Safety and Emergency Planning | (8,000) | (20,919) | (12,919) | (16,261) | 3,341 |
| Legal Services | 17,800 | 0 | (17,800) | 8,022 | (25,822) |
| Central Print Room | 0 | 0 | 0 | (3,383) | 3,383 |
| Postages | (10,000) | 0 | 10,000 | 1,905 | 8,095 |
| Registration Of Electors | 161,900 | 238,834 | 76,934 | 332 | 76,602 |
| Elections | 1,600 | 1,922 | 322 | 333 | (11) |
| Estates & Valuation | 55,600 | 0 | (55,600) | (42,684) | (12,916) |
| Public Land & Buildings | 105,900 | 108,112 | 2,212 | (6,508) | 8,720 |
| Information Technology | 243,400 | 0 | (243,400) | (456,199) | 212,799 |
| Communications & Publicity | 16,600 | 0 | (16,600) | (13,705) | (2,895) |
| Corporate Officers | 39,500 | 42,223 | 2,723 | (1,707) | 4,430 |
| Business Units | 16,800 | 13,186 | (3,614) | (7,395) | 3,781 |
| Public Offices | 7,600 | 6,459 | (1,141) | (18,411) | 17,271 |
| Corporate Administration | 0 | 0 | (0) | (0) | 0 |
| Financial Services | (6,800) | 0 | 6,800 | (39,022) | 45,822 |
| Customer Services | (6,900) | 0 | 6,900 | (28,691) | 35,591 |
| Insurance Premiums | 0 | (1,950) | (1,950) | (26,185) | 24,235 |
| Revenues-Local Taxation | 538,000 | (196,262) | (734,262) | (651,694) | (82,568) |
| Central Provisions Account | (2,948,000) | (3,532,373) | (584,373) | (584,373) | 0 |
| Non Distributed Costs | 247,000 | 258,946 | 11,946 | 11,946 | 0 |
| Corporate Income & Expenditure | 277,100 | (891,493) | (1,168,593) | (734) | (1,167,858) |
| Movement in Reserves (MiRs) | (1,389,600) | (214,034) | 1,175,566 | 11,717 | 1,163,849 |
| Resources & Reputation | (1,700,400) | (3,189,367) | (1,488,967) | (1,919,747) | 430,780 |
| Transfer to/from Earmarked Reserves | (819,100) | 1,425,531 | 2,244,631 | 2,244,631 | 0 |
| Total | (2,519,500) | (1,763,836) | 755,664 | 324,884 | 430,780 |

Total Controllable Variance for Portfolio of £324K overspend

Organisational Development - £27.2k underspend

Variance mainly due to savings on staffing, corporate training and Occupational Health.

Corporate Management - £29.8k underspend

Variance mainly due to vacancy savings, lower banking & plastic card charges and lower conference costs.

Health & Safety and Emergency Planning - £16.3k underspend

Variance mainly due to additional Flood Resilience Grant offset with a contribution to reserves and savings on Occupational Health supplies.

Legal Services - £8.0k overspend

Variance mainly due to a Covid -19 related reduction in income partially offset by underspends on Supplies and Services and Employee costs.

Central Print Room - £3.4k underspend

Variance is mainly due to an underspend on Printing and Stationery.

Postages - £1.9k overspend

No Major Variances

Registration Of Electors - £0.3k overspend

No Major Variances

Elections - £0.3k overspend

No major variance.

Estates & Valuation - £42.7k underspend

Variance mainly due to vacancy savings and delayed use of the Low Carbon Skills Fund, offset with a contribution to reserves.

Public Land & Buildings - £6.5k underspend

Variance mainly due to the sale of small areas of land and a small recovery in Covid -19 related income losses on Arnold Market.

Information Technology - £456.2k underspend

Variance is mainly due to an underspend on the replacement of IT equipment offset with reduced contributions from reserves and underspends on Digital Agenda, Communications Equipment, IT Consumables and Hardware Maintenance offset with contribution to reserves for delivery of Agile project in 2021/22.

Communications & Publicity - £13.7k underspend

Variance is mainly due to an underspend on Corporate Publications and Consultation, mainly due to Covid halting the Mystery Shopper, partly offset by an overspend on Employees.

Corporate Officers - £1.7k underspend

No major variances.

Business Units - £7.4k underspend

Minor underspends mainly on partnership payments and general repairs.

Public Offices - £18.4k underspend

Variance mainly due to additional income from a backdated RPI rent increase and reduced overtime and utility costs, partially offset by increased expenditure on repairs & maintenance and Covid related cleaning materials.

Corporate Administration - £0k

No major variance.

Financial Services - £39.0k underspend

Variance mainly due to underspends on the Agresso System upgrade and the procurement contract offset with a contribution from reserves, vacancy savings and additional Payroll Services income.

Customer Services - £28.7k underspend

Variance is mainly due to underspends on employee on-costs and operational equipment.

Insurance Premiums - £26.2k underspend

Variance due to the amount paid on insurance claims offset by income from settlements and a contribution to the Insurance Reserve. A saving on the insurance premium is offset transfer to reserve.

Revenues-Local Taxation - £651.7k underspend

Variance mainly due to additional funding for Discretionary Business Grants, Council Tax Hardship and Business Rates Relief and underspends on Summons, RV finder and shared Property Inspector. Surplus from NDR pool reserve offset with contribution to reserves

Central Provisions Account - £584.4k underspend

Variance due to Additional Restrictions Grant offset with contribution to reserves to be paid to business' in 2021/22. Underspends on the Transformation Fund and the Asset Management Fund offset with contributions to reserves. Removed contributions from the Leisure Strategy & the Transformation Reserve intended to support Covid related pressures which are not now needed due to a better outturn

Non Distributed Costs - £11.9k overspend

Variance due to additional Pension Strain costs.

Corporate Income & Expenditure - £0.7k underspend

No Major Variances

Movement in Reserves (MiRs) - £11.7k overspend

Variance due to reduced Direct Revenue Financing of the Capital programme due to deferred schemes offset with associated contributions from reserves.

| Transfer to / (from) Earmarked Reserves Analysis - £2,244.6k | |
|--|-------------------|
| ARG Business Grant funding | £540,400 |
| Reduced contribution from IT replacement reserve | £327,240 |
| Reversal of reserves used needed to support the Covid effects on the budget due to additional government grants received | £320,600 |
| GBC share of NDR Pool surplus 2021 | £284,027 |
| New Burdens Discretionary Business Grants | £178,500 |
| Additional Council Tax Hardship discretionary relief and new burdens funding | £125,397 |
| Additional funds to Asset Management reserve to fund future projects | £109,600 |
| Savings on Transformation Revenue fund to be utilised in future years. | £104,000 |
| Additional contribution to the Efficiency & Innovation Reserve for IT Digital services, and saving made on the Procurement contract. | £70,600 |
| Additional Contributions to IT replacement fund | £49,000 |
| Agresso upgrade reduced scope for delivery in 2021/22 | £30,530 |
| Reduced contribution for RV finder and property inspector NNDR | £36,459 |
| Insurance Premiums - Broker fees and insurance claims excess. | £27,938 |
| Reduced contribution for LGR consultancy | £27,143 |
| H&S E Learning delayed due to Covid | £12,200 |
| DEFRA Property Flood Resilience Grant 20/21 | £10,769 |
| Lower than anticipated Apprentices in the year | £9,300 |
| Reduced contribution from Apprentice reserve | £4,700 |
| Additional Direct Revenue Financing required due to deferral of capital schemes | (£19,287) |
| Contributions from insurance reserves for excess payments | (£4,249) |
| Minor movements in reserves | (£236) |
| | £2,244,631 |

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GENERAL FUND BALANCE AND EARMARKED RESERVES 2020/21

| | Current Estimate 2020/21 £000 | Actual Outturn 2020/21 £000 | Variance 2020/21 £000 |
|---|--|--|--------------------------------------|
| General Fund Balance at 1 April 2020 | 3,909 | 3,909 | 0 |
| <u>Plus:</u> | | | |
| GBC Council Tax Requirement from Collection Fund | 6,284 | 6,284 | 0 |
| Tax Income Guarantee - Council Tax | 0 | 65 | 65 |
| GBC share of declared previous year Council Tax Collection Fund surplus/(deficit) | 0 | 0 | 0 |
| Business Rates (including Tax Income Guarantee - NDR) | 8,401 | 8,610 | 209 |
| New Homes Bonus | 383 | 383 | 0 |
| RSG & Other grants | 0 | 0 | 0 |
| Parish Levy | 740 | 740 | 0 |
| <u>Less:</u> | | | |
| Committee Expenditure | (11,603) | (11,328) | 275 |
| Parish Precept | (740) | (740) | 0 |
| General Fund Balance at 31 March 2021 | 7,374 | 7,923 | 549 |
| <i>Movement in General Fund Balance</i> | <i>3,465</i> | <i>4,014</i> | <i>549</i> |
| <u>Earmarked Reserves (see Appendix 3 for detail)</u> | | | |
| Opening Balance 1 April 2020 | 5,982 | 5,982 | 0 |
| Closing Balance 31 March 2021 | 4,720 | 8,031 | 3,311 |
| <i>Movement in Earmarked Reserves</i> | <i>(1,262)</i> | <i>2,049</i> | <i>3,311</i> |
| Grand Total Reserves at 31 March 2021 | 12,094 | 15,954 | 3,860 |

| Memorandum - Actual Movement on Balances 2020/21 | |
|---|---------------|
| | £000's |
| <i>Increase in General Fund Balance</i> | <i>4,014</i> |
| <i>Increase in Earmarked Reserves</i> | <i>2,049</i> |
| Actual Net INCREASE/(DECREASE) in Total Reserves 2020/21 | 6,063 |

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Appendix 3. Movement on Earmarked Reserves

| Reserve | Original Estimate | | | | Revised Estimate | | | | Outturn | | | |
|--|--------------------|---------------------|-----------------------|--------------------|--------------------|---------------------|-----------------------|--------------------|--------------------|---------------------|-----------------------|--------------------|
| | Original Estimate | Transfer to Reserve | Transfer from Reserve | Balance 31/03/21 | Original Estimate | Transfer to Reserve | Transfer from Reserve | Balance 31/03/21 | Original Estimate | Transfer to Reserve | Transfer from Reserve | Balance 31/03/21 |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Leisure Strategy Reserve | (237,000) | | | (237,000) | (237,000) | 0 | 237,000 | 0 | (237,000) | (41,000) | 0 | (278,000) |
| Joint Use & Base Maintenance Reserve | (112,922) | | | (112,922) | (112,922) | 0 | 0 | (112,922) | (112,922) | (28,228) | 39,637 | (101,513) |
| Pub Watch/Shop Radio Replacement Reserve | (30,461) | (3,500) | | (33,961) | (30,461) | (3,500) | 0 | (33,961) | (30,461) | (3,500) | 0 | (33,961) |
| Building Control Reserve | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shops & Garages Repairs Reserve | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Community & Crime Reserves | (39,308) | | 33,000 | (6,308) | (39,308) | 0 | 23,000 | (16,308) | (39,308) | (229,612) | 10,000 | (258,920) |
| IT Replacement Reserve | (502,970) | (77,000) | 204,600 | (375,370) | (502,970) | (77,000) | 375,300 | (204,670) | (502,970) | (126,000) | 48,060 | (580,910) |
| Risk Mgmt Reserve | (51,808) | | 7,500 | (44,308) | (51,808) | 0 | 27,200 | (24,608) | (51,808) | (6,700) | 25,950 | (32,558) |
| Budget Redn Risk Reserve | 0 | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| S106 Revenue Reserve | (162,632) | | 29,000 | (133,632) | (162,632) | 0 | 29,000 | (133,632) | (162,632) | (30,956) | 29,755 | (163,832) |
| Housing & Housing Benefits Reserve | (253,734) | | 44,000 | (209,734) | (253,734) | (58,155) | 44,000 | (267,889) | (253,734) | (69,155) | 15,000 | (307,889) |
| Insurance Reserve | (294,518) | (35,000) | | (329,518) | (294,518) | (35,000) | 0 | (329,518) | (294,518) | (62,938) | 19,951 | (337,506) |
| Efficiency & Innovation Reserve | (309,402) | | 73,700 | (235,702) | (309,402) | 0 | 79,200 | (230,202) | (309,402) | (70,600) | 36,618 | (343,384) |
| Asset Management Reserve | (445,129) | (61,100) | 144,200 | (362,029) | (445,129) | (61,100) | 155,200 | (351,029) | (445,129) | (170,700) | 54,970 | (560,859) |
| Local Development Framework Reserve | (131,020) | | 67,800 | (63,220) | (131,020) | 0 | 55,246 | (75,774) | (131,020) | 0 | 10,821 | (120,199) |
| Earmarked Grants Reserve | (616,098) | | 110,500 | (505,598) | (616,098) | (146,800) | 192,949 | (569,949) | (616,098) | (839,720) | 63,500 | (1,392,317) |
| CCTV Reserve | (203,581) | (25,800) | 30,000 | (199,381) | (203,581) | (25,800) | 30,000 | (199,381) | (203,581) | (25,800) | 30,000 | (199,381) |
| LA Mortgage Scheme Reserve (LAMS) | (110,593) | | | (110,593) | (110,593) | 0 | 0 | (110,593) | (110,593) | 0 | 0 | (110,593) |
| Apprentice Reserve | (75,928) | | 31,500 | (44,428) | (75,928) | 0 | 31,500 | (44,428) | (75,928) | 0 | 14,700 | (61,228) |
| NNDR Pool Reserve | (1,242,933) | | 917,200 | (325,733) | (1,242,933) | (29,300) | 13,400 | (1,258,833) | (1,242,933) | (313,327) | 41,939 | (1,514,320) |
| Transformation Fund Reserve | (635,876) | | 251,400 | (384,476) | (635,876) | 0 | 249,300 | (386,576) | (635,876) | (104,000) | 97,907 | (641,969) |
| Economic Development Fund Reserve | (268,208) | | 146,000 | (122,208) | (268,208) | 0 | 57,600 | (210,608) | (268,208) | 0 | 93,887 | (174,321) |
| Property Management Fund | (74,800) | | | (74,800) | (74,800) | 0 | 10,800 | (64,000) | (74,800) | 0 | 10,800 | (64,000) |
| Selective Licensing | (182,900) | | 88,200 | (94,700) | (182,900) | 0 | 88,200 | (94,700) | (182,900) | (30,192) | 0 | (213,092) |
| ARG Reserve | | | | | | | | | | (540,400) | 0 | (540,400) |
| | | | | | | | | | | | | 0 |
| Total Reserves | (5,981,818) | (202,400) | 2,178,600 | (4,005,618) | (5,981,818) | (436,655) | 1,698,895 | (4,719,578) | (5,981,818) | (2,692,827) | 643,495 | (8,031,150) |
| | | 1,976,200 | | | | 1,262,240 | | | | (2,049,332) | | |
| | | | | | | | | | | Movement | | |
| | | | | | | | | | | (3,311,572) | | |

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MEMBERS POT**OUTTURN SUMMARY**
Members Pot Expenditure 2020/21

| | | | |
|------------------------|---------------|--------------------------------|----|
| Budget 20/21 | £ 82,000 | No. of Councillors: | 41 |
| | | Spending their full allocation | 41 |
| Less Total Expenditure | 82,000 | Part spending their allocation | 0 |
| Balance Unspent | <u>82,000</u> | Not spending their allocation | 0 |

Breakdown of Grants/Contributions

| Name | £ Amount | Name | £ Amount |
|--|-------------|---|-------------|
| 1st Porchester Scouts, Cubs & Beavers | 150 | Poets Corner Neighbourhood Watch Scheme | 200 |
| 1st A Porchester Brownies | 50 | Porchester District Girlguiding | 750 |
| 1st Porchester Brownies | 50 | Positively Empowered Kids CIC | 1600 |
| 1st Burton Joyce Rainbows | 140 | Ravenshead Football Club | 450 |
| 1st Porchester Guide | 50 | Ravenshead Parish Council | 1830 |
| 1st Porchester Rainbows | 50 | Ravenshead Village Hall Management Committee | 600 |
| 2nd Arnold Brownies | 200 | Royal British Legion | 140 |
| 4th Woodthorpe (St. Marks) Brownies | 300 | South Notts Ringing Group | 200 |
| Age Concern Carlton | 450 | St. Albans Activity & Recreation Society | 407.4 |
| Age UK Men in Sheds | 240 | St. Albans Community Kitchen c/o Emmanuel Church | 500 |
| All Hallows Church | 220 | St. John the Baptist Church of England Primary School | 600 |
| AMC Mental Health & Befriending Support Group | 1625 | St. John the Baptist Church, Colwick | 783.2 |
| Arnold Foodbank | 400 | St. Marks Church Woodthorpe | 400 |
| Arnold in Bloom | 100 | St. Mary's Church Arnold | 2261 |
| Arnold Town U8 Blue | 500 | St. Mary's Church Community Kitchen | 400 |
| Bestwood Miners Welfare Institute & Sports Ground | 700 | St. Wilfrid's Church, Calverton | 2100 |
| Bestwood Village Community Kitchen c/o Bestwood Miners Welfare Institute | 200 | St. Wilfrid's School | 300 |
| Bestwood Workshops Bowls Club | 300 | Stoke Bardolph Village Hall | 300.8 |
| BKS Martial Arts | 650 | Stoke Woods Action Group | 100 |
| Boys Brigade - 37th Nottingham Co | 150 | Sure Start Arnold, Calverton & Netherfield | 150 |
| British Lung Foundation Gedling Group | 200 | The Bookcase | 200 |
| Burton Joyce FC U9's | 300 | The CORE Centre | 425 |
| Burton Joyce Parish Council | 300 | The Good Shepherd Church | 200 |
| Calverton & Woodborough Allotment Association | 200 | The Guide Association Nottinghamshire | 350 |
| Calverton Miners Welfare FC U13's Red | 100 | The Village Lunch | 180 |
| Calverton Preservation & History Society | 799 | Toddler Time | 97.05 |
| Calverton U3A | 200 | Waggon & Horses | 500 |
| Carlton Baptist Church | 150 | Warren Action Group | 257.6 |
| Carlton Hill Community Action Group | 1100 | We R Here | 5750 |
| Carlton Male Voice Choir | 250 | Woodborough in Bloom | 100 |
| Carlton Pre-School Playgroup | 300 | Woodborough Institute | 300 |
| Carlton Town Football Club | 560 | Woodborough Parish Council | 200 |
| Chandos Street Community Allotment | 400 | | |
| Community Carers Club | 292 | | |
| Core Centre | 576 | | |
| Daybrook Guides | 100 | | |
| Feeding Gedling Fund | 8993.09 | | |
| Framework (Elizabeth House) | 300 | | |
| Friends of Arnot Hill Park | 300 | | |
| Friends of Bestwood Country Park | 335 | | |
| Friends of Breckhill Park | 50 | | |
| Friends of Killisick Recreation Ground | 100 | | |
| Friends of Onchan Park | 487.04 | | |
| Friends of Roberts Recreation Ground | 700 | | |
| GBC - Bonington Theatre | 438 | | |
| GBC - Killisick Locality | 1200 | | |
| GBC - Netherfield Localities | 2216.8 | | |
| GBC - PASC | 8746.93 | | |
| Gedling Conservation Trust | 3199.09 | | |
| Gedling Play Forum | 900 | | |
| Girls Brigade - 4th Nottingham Co | 150 | | |
| Giving for Gedling Humanitarian Centre | 11250 | | |
| Haywood Road Community Association | 150 | | |
| Haywood Road Pre-School | 150 | | |
| Lambley Parish Council | 1000 | | |
| Linby & Papplewick Parochial Church | 600 | | |
| Linby Parish Council | 450 | | |
| Mapperley All Stars Football Club | 500 | | |
| Mayor's Charity - City Hospital | 500 | | |
| Netherfield Primary School | 100 | | |
| New Writer's UK | 400 | | |
| Newstead Parish Council | 150 | | |
| Nottingham Boys' Choir | 350 | | |
| Nottingham Community Housing Association | 300 | | |
| Nottinghamshire Children's Centre Services | 250 | | |
| Nottinghamshire Hospice | 500 | | |
| Papplewick Parish Council | 600 | | |
| Parkinson Disease Society Nottingham Branch | 1450 | | |
| PDSA | 200 | | |
| Phoenix Boxing Club | 100 | | |
| Piggins Café - return of unused 2019/20 grant | -100 | | |

82,000

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| Portfolio | Scheme | 20/21 Approved Budget | 2020/21 Final Outturn | Variance | Proposed Carry Forwards |
|---|--|-----------------------------|-----------------------------|--------------------|-------------------------------|
| | | £ | £ | £ | £ |
| Community Relations | Aid to parishes | 3,700 | 0 | (3,700) | 3,700 |
| | | 3,700 | 0 | (3,700) | 3,700 |
| Housing Health & Wellbeing | Burton Road - Affordable Housing | 12,000 | 200 | (11,800) | 11,800 |
| | Station Road - Affordable Housing | 2,900 | 10,953 | 8,053 | |
| | AMF - CLC Changing Rooms | 10,000 | 10,000 | (0) | |
| | ALC Replacement Theatre System | 0 | 0 | 0 | |
| | AMF - ALC Lift Repairs | 48,000 | 4,940 | (43,060) | 43,100 |
| | ALC Steel Pillar Work | 116,000 | 115,785 | (215) | |
| | | 188,900 | 141,878 | (47,022) | 54,900 |
| Public Protection | CCTV - Conway Road | 15,000 | 16,357 | 1,357 | |
| | Disabled Facilities Grants | 1,277,000 | 749,363 | (527,637) | 405,800 |
| | DFG staff salaries | 0 | 121,882 | 121,882 | |
| | | 1,292,000 | 887,603 | (404,397) | 405,800 |
| Environment | Council Chamber parking spaces | 20,000 | 20,518 | 518 | |
| | Drainage Works | 39,000 | 2,929 | (36,071) | 36,100 |
| | Replace Fiesta Van FL10WWE | 0 | 0 | 0 | |
| | Replace Volvo Excavator/Gravedigger | 0 | 0 | 0 | |
| | Replace Deutz Fahr Tractor FJ60FAO | 48,000 | 0 | (48,000) | 48,000 |
| | Replace Ford Transit LWB Ashwood YN13EOA | 0 | 0 | 0 | |
| | Replace Ford Transit Cage Tail Lift YT12YHK | 33,000 | 33,101 | 101 | |
| | Replace Dennis Elite VK62CRJ | 1,000 | 0 | (1,000) | 1,000 |
| | Replace Dennis Elite VK62CRU | 1,000 | 0 | (1,000) | 1,000 |
| | Replace John Deere Compact Tractor 4520 FJ13HVD | 0 | 0 | 0 | |
| | Replace Shibaura CM 374 Out Front FJ12 FSU | 0 | 0 | 0 | |
| | Replace Toro R3240T Triple Rotary Mower AK63 ASO | 44,000 | 0 | (44,000) | 44,000 |
| | Replace Toro Triple Mower LT3240 YX60 FNM | 30,000 | 0 | (30,000) | 30,000 |
| | Replace Shibura Banks mower FJ11 MXC | 0 | 0 | 0 | |
| | Replace Volvo Excavator/Gravedigger EC27C | 0 | 0 | 0 | |
| | Replace Kawasaki Mule FJ06 SZN | 21,000 | 0 | (21,000) | 21,000 |
| | Replace Schmidt Sweeper AF65 XJV | 0 | 0 | 0 | |
| | Replace Renault Kangoo Electric Van FL13 ZLV | 0 | 0 | 0 | |
| | Replace Ford Transit Connect FL60 VFA | 18,000 | 0 | (18,000) | 18,000 |
| | Vehicle Lifting Ramp | 0 | 0 | 0 | |
| | Service Ramps | 0 | 0 | 0 | |
| | Replace Dennis Elite VX14 LOF | 0 | 0 | 0 | |
| | Replace Dennis Elite VX14 LOH | 0 | 0 | 0 | |
| | Gedling Country Park | 0 | 0 | 0 | |
| | Haywood Road Play Area | 4,000 | 3,992 | (8) | |
| | PASC Trees/Landscaping equipment | 0 | 0 | 0 | |
| | Community Garden - Georgia Drive Redhill | 10,000 | 0 | (10,000) | 10,000 |
| | Conway Road Recreation Ground | 101,500 | 101,550 | 50 | |
| | Gedling Country Park Seating Area | 107,800 | 97,814 | (9,986) | |
| | Gedling Country Park Viewing Platforms | 42,800 | 45,469 | 2,669 | |
| | King George V - Provision of Public Toilets | 0 | 0 | 0 | |
| | Breckhill Play Area | 111,000 | 108,535 | (2,465) | |
| Onchan Drive MUGA | 11,500 | 6,264 | (5,236) | | |
| Killisick Recreation Area | 0 | 10,750 | 10,750 | | |
| AMF - GCP Car Park Extension | 121,600 | 124,599 | 2,999 | | |
| AMF - Lambley Lane Changing Room & Pitch Renovation | 5,000 | 0 | (5,000) | 5,000 | |
| Carlton Cemetery - Expansion/Car Park | 278,900 | 265,624 | (13,276) | 13,300 | |
| | | 1,049,100 | 821,143 | (227,957) | 227,400 |
| Growth & Regeneration | Calverton Enterprise Units | 0 | 0 | 0 | |
| | Hazelford Way Industrial Units | 0 | 0 | 0 | |
| | Arnold Market | 200,000 | 86,487 | (113,513) | 113,500 |
| | Carlton Square Development | 350,000 | 44,005 | (305,995) | 306,000 |
| | | 550,000 | 130,492 | (419,508) | 419,500 |
| Resources & Regeneration | Civic Centre Public Toilets | 64,000 | 60,124 | (3,876) | |
| | Depot security barriers/signage | 51,000 | 0 | (51,000) | 51,000 |
| | Carbon Reduction Initiatives | 100,000 | 10,909 | (89,091) | 89,100 |
| | On-Street Residential Charge Points | 134,200 | 50,313 | (83,887) | 83,900 |
| | Customer Service Improvements | 0 | 0 | 0 | |
| | IT Licences - Microsoft Office | 177,000 | 91,597 | (85,403) | 85,400 |
| | Commercial Property | 0 | 0 | 0 | |
| | Property Flood Resilience Scheme | 130,000 | 0 | (130,000) | 130,000 |
| | Asset Management Fund | 1,300 | 6,006 | 4,706 | |
| | AMF - Footpath Resurfacing | 1,700 | 0 | (1,700) | |
| | AMF - Sound System Civic Centre | 50,000 | 12,150 | (37,850) | 38,000 |
| | AMF - Car Park Resurfacing | 110,000 | 0 | (110,000) | 110,000 |
| | AMF - Boundary Druids Car Park | 15,000 | 14,500 | (500) | |
| | AMF - Roadway Resurfacing | 100,000 | 12,973 | (87,028) | 88,700 |
| | AMF - Civic Centre Window Replacement | 0 | 0 | 0 | |
| | AMF - Civic Centre Toilet Replacement | 83,000 | 82,064 | (936) | |
| | | 1,017,200 | 340,635 | (676,565) | 676,100 |
| Total | | 4,100,900 | 2,321,750 | (1,779,150) | 1,787,400 |

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**ALL COMMITTED CAPITAL CARRY FORWARD REQUESTS, PLUS UNCOMMITTED CAPITAL REQUESTS UNDER £50,000
2020/21 to 2021/22**

APPENDIX 6

Approved by Chief Financial Officer

Department:

Ref's

- A Work Committed (Ordered/Contract Agreed)
- B Not Committed but affected by Policy Decision/
significant impact on Service Prov'n

| Scheme | Approved Budget £ | 2020/21 Actual | | | Carry Forward Requested £ | Reason for Carry Forward | |
|--------------------------------------|----------------------|----------------------------|------------------------------------|---------------------------------|------------------------------|--------------------------|--|
| | | Actual Exp 2020/21 £ | Reserved Creditors 2020/21 £ | Total 2020/21 Actual £ | | Ref A/B | Details |
| | | | | | | | |
| Stoke Bardolph Village Hall | 3,700 | 0 | | - | 3,700 | A | Awaiting Claim from Parish Council expected in Summer 2021. |
| AMF - ALC Lift Repairs | 48,000 | 4,940 | | 4,940 | 43,100 | A | Work commenced due for completion May |
| Burton Road - Affordable Housing | 12,000 | 200 | | 200 | 11,800 | B | Fees for main scheme re-profiled for 2021/22 |
| Drainage Works - Car Parks | 39,000 | 2,929 | | 2,929 | 36,100 | A | Covid related production delays completion in May 2021. |
| Vehicle Replacement Programme | 163,000 | 0 | | - | 163,000 | A | Covid related delays on orders, delivery expected in Qtr 1 & 2. |
| Redhill Community Garden | 10,000 | 0 | | - | 10,000 | B | Scheme deferred due to Covid and availability of officers to progress |
| Lambley Lane Pitch & Changing Rooms | 5,000 | 0 | 0 | - | 5,000 | B | Relates to professional fees for main scheme which has been deferred to 2021/22 due to awaiting confirmation of external funding |
| Carlton Cemetery Expansion/ Car Park | 278,900 | 265,623 | 0 | 265,623 | 13,300 | A | Main scheme complete memorial tree due for completion in spring 2021. |
| Depot security barriers | 51,000 | 0 | 0 | 0 | 51,000 | A | Works in progress completion May 2021 |
| On street residential charge points | 134,200 | 50,313 | 0 | 50313 | 83,900 | A | Works in progress on this Grant funded scheme completion Summer in 2021. |
| Sound System Civic Centre | 50,000 | 12,000 | 0 | 12,000 | 38,000 | A | Works in progress completion April 2021 |
| Car Park Resurfacing | 110,000 | 0 | 0 | 0 | 110,000 | A | Delays due to contractor issues re-tendered contract signed completion in May 2021. |
| Roadway Resurfacing | 100,000 | 11273 | 0 | 11,273 | 88,700 | A | Works in progress completion May 2021 |
| TOTAL | 1,004,800 | 347,278 | 0 | 347,278 | 657,600 | | |

NON-COMMITTED CAPITAL CARRY FORWARD REQUESTS OVER £50,000
2020/21 to 2021/22

APPENDIX 6

This schedule will need to be approved by Council following endorsement by the Chief Financial Officer

Department:

| Scheme | Approved Budget £ | 2020/21 Actual | | | | Reason for Carry Forward Details |
|-------------------------------------|----------------------|----------------------------|---------------------------------------|---------------------------------|------------------------------------|--|
| | | Actual Exp 2020/21 £ | Reserved Creditors 2020/21 £ | Total 2020/21 Actual £ | Carry Forward Requested £ | |
| Disabled Facilities Grants | 1,277,000 | 871,245 | 0 | 871,245 | 405,800 | Covid related delays on installations of adaptations |
| Carbon Reduction Initiatives | 100,000 | 10,909 | 0 | 10,909 | 89,100 | Schemes identified and progressing throughout 2021. |
| IT Licences & Equipment Replacement | 177,000 | 91,596 | 0 | 91,596 | 85,400 | Budget earmarked for IT Equipment for agile project currently being assessed and deferred to 2021 |
| Proper Flood Resilience Scheme | 130,000 | 0 | 0 | 0 | 130,000 | Delays due to surveyors availability for inspections, grants will commence in May 2021. |
| Arnold Market | 200,000 | 86,487 | 0 | 86,487 | 113,500 | Delay on scheme due to Covid and technical issues commencement in May 2021 with completion in March 2022 |
| Carlton Square | 350,000 | 44,000 | 0 | 44,000 | 306,000 | Delay as plans being finalised for delivery. Works due to be completed in Autumn 21. |
| TOTAL | 957,000 | 232,992 | 0 | 1,104,237 | 1,129,800 | |

Gedling Borough Council

Nottinghamshire Pension Fund

Pension accounting disclosure as at 31 March 2021
Prepared in accordance with IAS19

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Introduction

We have been instructed by Nottinghamshire County Council, the administering authority to the Nottinghamshire Pension Fund (the Fund), to undertake pension expense calculations in respect of pension benefits provided by the Local Government Pension Scheme (the LGPS) to employees of Gedling Borough Council (the Employer) as at 31 March 2021. We have taken account of current LGPS Regulations, as amended, as at the date of this report.

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

This report is a revision of the report dated 19 April 2021 allowing for updated whole fund asset and cashflow information for the year to 31 March 2021. The previous report was based on whole fund asset and cashflow information for the period to 31 December 2020. In addition, we have allowed for updated information regarding early retirements over the year.

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

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

The figures quoted will form the basis of the balance sheet and funding status disclosures to be made by the Employer as at 31 March 2021 in respect of its pension obligations under the LGPS. The projected pension expense calculations for the year to 31 March 2022 may be used for the purpose of any interim financial reporting during the year to 31 March 2022. However, it may subsequently be necessary to adjust these projections following the occurrence of any material events such as curtailments, settlements or the discontinuance of the Employer's participation in the Fund.

Further information relating to our treatment of GMP is included on page 12 of this disclosure.

The results in this report include an allowance to reflect the Court of Appeal judgement in respect of the McCloud and Sargeant cases which relate to age discrimination within the Judicial and Fire Pension schemes, respectively. This allowance was described in the previous accounting report and incorporated into the accounting results as at 31 March 2019. These results, including the allowance, have been rolled forward and remeasured to obtain the accounting results as at 31 March 2021.

On 16 July 2020, the Government published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The consultation closed on 8 October 2020 and the final remedy will only be known after the consultation responses have been reviewed and a final set of remedial Regulations are published. We do not believe there are any material differences between the approach underlying our estimated allowance and the proposed remedy. A more detailed analysis at this stage would require a significant volume of member data which is not yet available. Therefore we have not included any further adjustment in light of the ongoing consultation in this report.

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

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

Amendments to the IAS19 standard now requires that, when determining any past service cost or gain or loss on settlement, the net defined benefit liability is remeasured using current assumptions and the fair value of plan assets at the time of the event. The amendment does, however, note that the extra remeasurement does not need to be applied where the application of that remeasurement is immaterial. We have treated 2 events, which occurred over the accounting period, as material 'special events'.

Characteristics of defined benefit plans and associated risks

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Full details of the benefits being valued are as set out in the Regulations as amended and summarised on the LGPS website and the Fund's membership booklet. There are currently uncertainties in relation to LGPS benefits due to the McCloud and Sargeant judgement and the 2016 cost cap process. The Government has published its consultation on a remedy for the McCloud and Sargeant judgement and at the same time announced the unpausing of the 2016 cost cap process which will take into account the remedy for the McCloud and Sargeant judgement. These are yet to be finalised and therefore it remains uncertain what changes may be made to LGPS benefits as a result.

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

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

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

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

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

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

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

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

Valuation data

Data sources

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

- The results of the valuation as at 31 March 2019 which was carried out for funding purposes and the results of the 31 March 2020 IAS19 report which was prepared for accounting purposes;
- Estimated whole Fund income and expenditure items for the period to 31 March 2021;
- Estimated Fund returns based on Fund asset statements provided (or estimated where necessary) as at 31 March 2019, 31 March 2020 and 31 March 2021 and Fund income and expenditure as noted above;
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2021;
- Details of any new early retirements for the period to 31 March 2021 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 March 2021.

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

Employer membership statistics

The table below summarises the membership data, as at 31 March 2019 for members receiving funded benefits.

| Member data summary | Number | Salaries/Pensions £000s | Average age |
|---------------------|--------|----------------------------|-------------|
| Actives | 451 | 9,452 | 47 |
| Deferred pensioners | 574 | 995 | 46 |
| Pensioners | 573 | 2,887 | 73 |
| Unfunded pensioners | 75 | 130 | 80 |

The service cost for the year ending 31 March 2021 is calculated using an estimate of the total pensionable payroll during the year. The estimated total pensionable payroll during the year is £9,738,000, as advised by the Employer. The projected service cost for the year ending 31 March 2022 has been calculated assuming the payroll remains at this level over the year.

Scheduled contributions

The table below summarises the minimum employer contributions due from Gedling Borough Council to the Fund over this inter-valuation period. The calculated cost of accrual of future benefits is 18.2% of payroll p.a.

| Minimum employer contributions due for the period beginning | 1 Apr 2020 | 1 Apr 2021 | 1 Apr 2022 |
|---|------------|------------|------------|
| Percent of payroll | 18.2% | 18.2% | 18.2% |
| plus monetary amount (£000s) | 413 | 428 | 443 |

However, Gedling Borough Council have agreed with the administering authority that they will prepay their monetary contributions for the three years to 31 March 2023 by making lump sum payments of £403,000, and £831,000 by 30 April 2020 and 30 April 2021 respectively. These lump sum payments have received an actuarially equivalent discount to the monetary rates above and Gedling Borough Council have been notified separately of these amounts. If they don't make these lump sum payments by 30 April each year, the contribution rates set out above will apply as normal.

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

Early retirements

We requested data on any early retirements in respect of the Employer from the administering authority for the year ending 31 March 2021.

We have been notified of two new early retirements during the year which were not allowed for at the previous accounting date. The total annual pension that came into payment was £36,800.

Assets

The return on the Fund (on a bid value to bid value basis) for the year to 31 March 2021 is estimated to be 21.57%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for Gedling Borough Council as at 31 March 2021 is as follows:

| Asset breakdown | 31 Mar 2021 | | 31 Mar 2020 | |
|------------------------------|---------------|-------------|---------------|-------------|
| | £000s | % | £000s | % |
| Equities | 57,126 | 65% | 42,608 | 58% |
| Gilts | 2,963 | 3% | 3,068 | 4% |
| Other bonds | 6,045 | 7% | 6,784 | 9% |
| Property | 9,010 | 10% | 11,008 | 15% |
| Cash | 4,010 | 5% | 3,009 | 4% |
| Inflation-linked pooled fund | 4,267 | 5% | 2,758 | 4% |
| Infrastructure | 4,770 | 5% | 4,593 | 6% |
| Total | 88,191 | 100% | 73,828 | 100% |

We have estimated the bid values where necessary. Please note that the individual percentages shown are to the nearest percentage point for each asset class and may not sum to 100%. The final asset allocation of the Fund assets as at 31 March 2021 may be different from that shown due to estimation techniques.

Based on the above, the Employer's share of the assets of the Fund is approximately 1.45%.

We received the following information from the administering authority regarding the detail of their assets as at 31 March 2021, representing the percentages of the total Fund held in each asset class (split by those that have a quoted market price in an active market, and those that do not).

| Asset breakdown | 31 Mar 2021 | |
|---|--------------|--------------|
| | % Quoted | % Unquoted |
| Fixed Interest Government Securities | | |
| UK | 3.4% | - |
| Overseas | - | - |
| Corporate Bonds | | |
| UK | 1.7% | - |
| Overseas | 5.2% | - |
| Equities | | |
| UK | 24.6% | 0.0% |
| Overseas | 36.2% | - |
| Property | | |
| All | - | 10.2% |
| Others | | |
| Private Equity | - | 3.0% |
| Infrastructure | - | 5.4% |
| Unit trust | - | 1.0% |
| Inflation-linked pooled fund | - | 4.8% |
| Credit | - | 1.1% |
| Cash/Temporary Investments | - | 3.4% |
| Total | 71.0% | 29.0% |

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

Actuarial methods and assumptions

Valuation approach

Valuation of the Employer's liabilities

To assess the value of the Employer's liabilities at 31 March 2021, we have rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2019, using financial assumptions that comply with IAS19.

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

It is not possible to assess the accuracy of the estimated value of liabilities as at 31 March 2021 without completing a full valuation. However, we are satisfied that the approach of rolling forward the previous valuation data to 31 March 2021 should not introduce any material distortions in the results provided that the actual experience of the Employer and the Fund has been broadly in line with the underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. From the information we have received there appears to be no evidence that this approach is inappropriate.

As required under the IAS19 accounting standard, we have used the projected unit credit method of valuation.

Valuation of the Employer's assets

To calculate the asset share we have rolled forward the assets allocated to the Employer at 31 March 2019 allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Experience items allowed for since the previous accounting date

Experience items arise due to differences between the assumptions made as part of the roll forward approach and actual experience. This includes (but is not limited to) assumptions made in respect of salary increases, pension increases, mortality, and member transfers. We have allowed for actual pension increase experience for the period from 2019-2021. This assumes that pension increases are in line with the annual pension increases set by HM Treasury Revaluation Order.

As a result of allowing for actual experience, an experience item is observed in the reconciliation to 31 March 2021, as shown in Appendix 3 and Appendix 5.

Guaranteed Minimum Pension (GMP) Equalisation

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

On 23 March 2021, the Government published the outcome to its Guaranteed Minimum Pension Indexation consultation, concluding that all public service pension schemes, including the LGPS, will be directed to provide full indexation to members with a GMP reaching State Pension Age (SPA) beyond 5 April 2021. This is a permanent extension of the existing 'interim solution' that has applied to members with a GMP reaching SPA on or after 6 April 2016. Details of the consultation outcome can be found [here](#).

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

Demographic/Statistical assumptions

We have adopted a set of demographic assumptions that are consistent with those used for the most recent Fund valuation, which was carried out as at 31 March 2019, except for the CMI projection model. The post retirement mortality tables adopted are the S3PA tables with a multiplier of 110% for males and 105% for females. These base tables are then projected using the CMI_2020 Model, allowing for a long-term rate of improvement of 1.25% p.a., smoothing parameter of 7.5, an initial addition parameter of 0.5% p.a. and a 2020 weighting of 25%.

Although the post retirement mortality tables adopted are consistent with the previous accounting date, the mortality improvement projection has been updated to use the latest version of the Continuous Mortality Investigation's model, CMI_2020, which was released in March 2021. This update has been made in light of the coronavirus pandemic and reflects the latest information available from the CMI. The new CMI_2020 Model introduces a "2020 weight parameter" for the mortality data in 2020 so that the exceptional mortality experienced due to the coronavirus pandemic can be incorporated without having a disproportionate impact on results. Our view is that placing too much weight on the 2020 mortality experience would not be appropriate given the abnormality of the 2020 data, however, the overall outlook for best-estimate future mortality improvements looks more negative than before as a result of the pandemic. Therefore we have updated to use the CMI_2020 Model with a 2020 weight parameter of 25%. At the last accounting date, the CMI_2018 Model was adopted. The effect on the Employer's liabilities of updating to the most recent model is reflected in the Change in demographic assumptions figure in Appendix 3 and Appendix 5, and the effect on the assumed life expectancies is demonstrated in the table below.

The assumed life expectations from age 65 are:

| Life expectancy from age 65 (years) | 31 Mar 2021 (after CMI_2020 update) | 31 Mar 2021 (before CMI_2020 update) | 31 Mar 2020 |
|-------------------------------------|--|---|-------------|
| Retiring today | | | |
| Males | 21.6 | 21.9 | 21.8 |
| Females | 24.3 | 24.5 | 24.4 |
| Retiring in 20 years | | | |
| Males | 22.9 | 23.3 | 23.2 |
| Females | 25.7 | 25.9 | 25.8 |

We have also assumed that:

- Members will exchange pension to get 50% of the maximum available cash on retirement. For every £1 of pension that members commute, they will receive a cash payment of £12 as set out in the Regulations;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Financial assumptions

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

| Assumptions as at | 31 Mar 2021 | 31 Mar 2020 | 31 Mar 2019 |
|-------------------|-------------|-------------|-------------|
| | % p.a. | % p.a. | % p.a. |
| Discount rate | 2.00% | 2.35% | 2.40% |
| Pension increases | 2.85% | 1.90% | 2.40% |
| Salary increases | 3.85% | 2.90% | 3.90% |

These assumptions are set with reference to market conditions at 31 March 2021.

Our estimate of the Employer's past service liability duration is 21 years.

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

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

The BoE implied inflation curve may suggest a higher rate of inflation, over longer terms, than actually expected by market participants due to a willingness to accept a lower return on investments to ensure inflation linked returns. To reflect this, we include an Inflation Risk Premium (IRP) adjustment such that our assumed level of future annual RPI increase is 0.25% p.a. lower than the SEIR calculated using the BoE inflation curve alone. This differs from the previous accounting date. The impact of this change in derivation on the liability value is shown in Appendix 3.

As future pension increases are expected to be based on the Consumer Prices Index (CPI) rather than RPI, we have made a further assumption about CPI which is that it will be 0.35% p.a. below RPI i.e. 2.85% p.a. We believe that this is a reasonable estimate for the future differences in the indices, based on the different calculation methods, recent independent forecasts and the duration of the Employer's liabilities. The difference between RPI and CPI is less than assumed at the previous accounting date. This reflects the anticipated reform of RPI inflation following the UK Statistics Authority's proposal to change how RPI is calculated and subsequent announcements from the Chancellor suggesting this reform is now likely to take effect from 2030. The impact of this change in derivation on the liability value is shown in Appendix 3.

Salaries are assumed to increase at 1.0% p.a. above CPI This is consistent with the approach at the previous accounting date.

Special events dates

As mentioned above, we have allowed for a number of 'special events' over the accounting period. The net defined benefit liability has been remeasured at each of these event dates using market statistics and the fair value of plan assets at the time of the event.

The below table sets out the dates of these 'special events' and the financial assumptions adopted for each period of remeasurement. The assumptions at special event dates have been derived consistently with the previous accounting date.

| Event date | Discount rate | Pension increases |
|-------------|---------------|-------------------|
| 31 Mar 2020 | 2.35% | 1.90% |
| 14 Jul 2020 | 1.45% | 2.20% |
| 21 Feb 2021 | 1.75% | 2.45% |
| 31 Mar 2021 | 2.00% | 2.85% |

Past service costs/gains

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

We are not aware of any additional benefits which were granted over the year ending 31 March 2021.

Curtailments

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

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

Over the year, we understand that two former employees became entitled to unreduced early retirement benefits. The capitalised cost of the additional benefits on IAS19 compliant assumptions is calculated at £311,000. This figure has been included within the service cost in the statement of profit and loss.

Unless confirmed to us by the Employer as not material, the cost of each curtailment is calculated using assumptions derived based on market conditions at the date of exit. If not material, then the cost is calculated based on the assumptions applicable at the previous material 'special event' date (or at the previous accounting date if there are no previous material 'special events'). Details of the financial assumptions adopted at each 'special event' date are set out above in the Financial assumptions section. A breakdown of the capitalised cost of each of the curtailment events allowed for and the financial assumptions used to calculate this cost is provided in the Pension Curtailment Costs spreadsheet issued alongside this report.

Settlements

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

Results and disclosures

We estimate that the value of the net liability as at 31 March 2021 is a liability of £69,456,000.

The results of our calculations for the year ended 31 March 2021 are set out in the appendices below:

- Appendix 1 sets out the Statement of financial position as at 31 March 2021;
- Appendix 2 sets out the Statement of profit and loss for the year ended 31 March 2021;
- Appendix 3 details a reconciliation of assets and liabilities during the year;
- Appendix 4 shows a sensitivity analysis on the major assumptions;
- Appendix 5 shows the Remeasurements in other comprehensive income for the year; and
- Appendix 6 contains our estimates of the projected profit and loss account costs for the year ending 31 March 2022. Please note that no allowance has been made for the costs of any early retirements or augmentations which may occur over the year and whose additional capitalised costs would be included in the value of liabilities. It is only an estimate so actual experience over the year is likely to differ. We have not provided balance sheet projections on the basis that they will depend upon market conditions and the asset value of the Fund at the end of the following year.

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

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



Julie Baillie FFA
Actuary

Appendix 1 Statement of financial position as at 31 March 2021

| Net pension asset as at | 31 Mar 2021 | 31 Mar 2020 | 31 Mar 2019 |
|---|---------------|---------------|---------------|
| | £000s | £000s | £000s |
| Present value of the defined benefit obligation | 156,086 | 121,476 | 125,402 |
| Fair value of Fund assets (bid value) | 88,191 | 73,828 | 80,194 |
| Deficit / (Surplus) | 67,895 | 47,648 | 45,208 |
| Present value of unfunded obligation | 1,561 | 1,533 | 1,777 |
| Unrecognised past service cost | - | - | - |
| Impact of asset ceiling | - | - | - |
| Net defined benefit liability / (asset) | 69,456 | 49,181 | 46,985 |

Appendix 2 Statement of profit and loss for the year to 31 March 2021

| The amounts recognised in the profit and loss statement are: | Year to | Year to |
|--|--------------|--------------|
| | 31 Mar 2021 | 31 Mar 2020 |
| | £000s | £000s |
| Service cost | 4,738 | 4,107 |
| Net interest on the defined liability (asset) | 1,192 | 1,092 |
| Administration expenses | 36 | 32 |
| Total loss (profit) | 5,966 | 5,231 |

Appendix 3 Asset and benefit obligation reconciliation for the year to 31 March 2021

| Reconciliation of opening & closing balances of the present value of the defined benefit obligation | Year to 31 Mar 2021 | Year to 31 Mar 2020 |
|---|------------------------|------------------------|
| | £000s | £000s |
| Opening defined benefit obligation | 123,009 | 127,179 |
| Current service cost | 4,427 | 3,822 |
| Interest cost | 2,469 | 2,903 |
| Change in financial assumptions | 34,231 | (12,895) |
| Change in demographic assumptions | (1,390) | (2,377) |
| Experience loss/(gain) on defined benefit obligation | (1,575) | 6,333 |
| Liabilities assumed / (extinguished) on settlements | - | - |
| Estimated benefits paid net of transfers in | (4,343) | (2,751) |
| Past service costs, including curtailments | 311 | 285 |
| Contributions by Scheme participants and other employers | 623 | 631 |
| Unfunded pension payments | (115) | (121) |
| Closing defined benefit obligation | 157,647 | 123,009 |

The change in financial assumptions item includes the impact of the change in derivation of future assumed RPI and CPI inflation as noted on page 14. These changes have resulted in a loss of £5,896,000 on the defined benefit obligation; comprising a gain of £7,059,000 from the change in assumed IRP and a loss of £12,955,000 from the change in the assumed gap between RPI and CPI inflation.

| Reconciliation of opening & closing balances of the fair value of Fund assets | Year to | Year to |
|--|---------------|---------------|
| | 31 Mar 2021 | 31 Mar 2020 |
| | £000s | £000s |
| Opening fair value of Fund assets | 73,828 | 80,194 |
| Interest on assets | 1,277 | 1,811 |
| Return on assets less interest | 14,523 | (7,240) |
| Other actuarial gains/(losses) | - | (416) |
| Administration expenses | (36) | (32) |
| Contributions by employer including unfunded | 2,434 | 1,752 |
| Contributions by Scheme participants and other employers | 623 | 631 |
| Estimated benefits paid plus unfunded net of transfers in | (4,458) | (2,872) |
| Settlement prices received / (paid) | - | - |
| Closing Fair value of Fund assets | 88,191 | 73,828 |

The total return on the fund assets for the year to 31 March 2021 is £15,800,000.

The employer contributions includes a lump sum payments of £403,000 which was agreed to be paid by 30 April 2020.

Appendix 4 Sensitivity analysis

| Sensitivity analysis | £000s | £000s | £000s |
|---|-----------------|-------------|-----------------|
| Adjustment to discount rate | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 154,491 | 157,647 | 160,871 |
| Projected service cost | 4,719 | 4,861 | 5,007 |
| Adjustment to long term salary increase | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 157,987 | 157,647 | 157,311 |
| Projected service cost | 4,864 | 4,861 | 4,858 |
| Adjustment to pension increases and deferred revaluation | +0.1% | 0.0% | -0.1% |
| Present value of total obligation | 160,502 | 157,647 | 154,851 |
| Projected service cost | 5,005 | 4,861 | 4,721 |
| Adjustment to life expectancy assumptions | + 1 Year | None | - 1 Year |
| Present value of total obligation | 165,265 | 157,647 | 150,397 |
| Projected service cost | 5,083 | 4,861 | 4,648 |

Appendix 5 Remeasurements in other comprehensive income

| Remeasurement of the net assets / (defined liability) | Year to | Year to |
|--|-----------------|--------------|
| | 31 Mar 2021 | 31 Mar 2020 |
| | £000s | £000s |
| Return on Fund assets in excess of interest | 14,523 | (7,240) |
| Other actuarial gains/(losses) on assets | - | (416) |
| Change in financial assumptions | (34,231) | 12,895 |
| Change in demographic assumptions | 1,390 | 2,377 |
| Experience gain/(loss) on defined benefit obligation | 1,575 | (6,333) |
| Changes in effect of asset ceiling | - | - |
| Remeasurement of the net assets / (defined liability) | (16,743) | 1,283 |

Appendix 6 Projected pension expense for the year to 31 March 2022

| | Year to |
|---|--------------|
| | 31 Mar 2022 |
| | £000s |
| Projections for the year to 31 March 2022 | |
| Service cost | 4,861 |
| Net interest on the defined liability (asset) | 1,362 |
| Administration expenses | 43 |
| Total loss (profit) | 6,266 |
| Employer contributions | 2,603 |

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2021. These projections are based on the assumptions as at 31 March 2021, as described in the main body of this report.



Report to Cabinet

Subject: Forward Plan

Date: 8 July 2021

Author: Democratic Services Manager

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 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:

31/8/2020 (report content)

Approved by:

Monitoring Officer

31/8/2020 (report content)

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Gedling FORWARD PLAN

Borough Council

FOR THE FOUR MONTH PERIOD 1 JULY 2021 TO 31 OCTOBER 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? |
|--|---|--|--|---|---|
| Budget Outturn and Budget Carry Forwards 2020/21 To present the Budget Outturn and Budget Carry Forwards for 2021/22 | 8 Jul 2021 Cabinet | Tina Adams, Principal Finance Business Partner | Officer Report | Leader of the Council | Open Yes |
| Gedling Plan Quarter 4 and Year End Performance Report To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2021/2022 Gedling Plan at the end of quarter 4 and year end. | 8 Jul 2021 Cabinet | David Archer, Head of Human Resources Performance and Service Planning | Officer Report | Leader of the Council | Open Yes |
| Adoption of International Holocaust Remembrance Alliance Working Definition of Anti-Semitism To adopt the working definition of anti-Semitism. | 14 Jul 2021 Council | Francesca Whyley, Head of Governance and Customer Services | Officer Report | Leader of the Council | Open No |
| Carbon Reduction Action Plan To agree a carbon reduction action plan for the Council's operations. | 5 Aug 2021 Cabinet | Melvyn Cryer, Head of Environment | Officer Report | Portfolio Holder for Environment | Open Yes |
| Prudential Code Indicator Monitoring 2021/22 and Quarterly Treasury Activity Report for Quarter 1 To inform Members of the performance monitoring of the 2021/22 Prudential Code Indicators, and to advise Members of the quarterly Treasury activity as required by the Treasury Management Strategy. | 5 Aug 2021 Cabinet | Sue Healey, Principal Accountant | Officer Report | Portfolio Holder for Resources and Reputation | Open No |
| Budget Monitoring (Q1) and Virement Report To update members on financial performance information for the 1st quarter of the 2021/22 year. | 5 Aug 2021 Cabinet | Tina Adams, Principal Finance Business Partner | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |

| 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 | Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision? |
|--|---|---|--|---|---|
| Quarter 1 Performance To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2021/2022 Gedling Plan for the most recent quarter. | 5 Aug 2021 Cabinet | Alan Green, Performance and Project Officer | Officer Report | Leader of the Council | Open Yes |
| Environmental Enforcement Policy Update to the approach to environmental enforcement policy to include priorities for enforcement and approaches | 7 Oct 2021 Cabinet | Alice Davey, Corporate Director of Environment, Communities and Leisure, Kevin Nealon, Community Protection and Pollution Control Manager | Officer Report | Portfolio Holder for Public Protection | Open Yes |
| Draft Waste & Recycling Policy Seeking permission to consult on the draft waste and recycling policy | 7 Oct 2021 Cabinet | Melvyn Cryer, Head of Environment | Officer Report | Portfolio Holder for Environment | Open Yes |
| Prudential Code Indicator Monitoring 2021/22 and Quarterly Treasury Activity Report for Quarter 2 To inform Members of the performance monitoring of the 2021/22 Prudential Code Indicators, and to advise Members of the quarterly Treasury activity as required by the Treasury Management Strategy. | 4 Nov 2021 Cabinet | Sue Healey, Principal Accountant | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |
| Budget Monitoring (Q2) and Virement Report To update members on financial performance information for the 2nd quarter of the 2021/22 year. | 4 Nov 2021 Cabinet | Tina Adams, Principal Finance Business Partner | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |

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| 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 | Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision? |
|--|---|--|--|---|---|
| Gedling Plan Quarter 2 Performance Report To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2021/2022 Gedling Plan for the most recent quarter. | 4 Nov 2021 Cabinet | Alan Green, Performance and Project Officer | Officer Report | Leader of the Council | Open Yes |
| Sport and Physical Activity Strategy The sport and physical activity strategy for Gedling Borough Council 2021 | 4 Nov 2021 Cabinet | Lance Juby, Head of Communities and Leisure | Officer Report | Portfolio Holder for Community Development | Open Yes |
| Prudential Code Indicator Monitoring 2021/22 and Quarterly Treasury Activity Report for Quarter 3 To inform Members of the performance monitoring of the 2021/22 Prudential Code Indicators, and to advise Members of the quarterly Treasury activity as required by the Treasury Management Strategy. | 27 Jan 2022 Cabinet | Sue Healey, Principal Accountant | Officer Report | Portfolio Holder for Resources and Reputation | Open No |
| Quarterly (Q3) Budget Monitoring and Virement Report To update members on financial performance information for the 3rd quarter of the 2021/22 year. | 27 Jan 2022 Cabinet | Tina Adams, Principal Finance Business Partner | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |
| Gedling Plan Quarter 3 Performance Report To inform Cabinet in summary of the position against Improvement Actions and Performance Indicators in the 2021/2022 Gedling Plan for the most recent quarter. | 27 Jan 2022 Cabinet | Alan Green, Performance and Project Officer | Officer Report | Leader of the Council | Open Yes |
| Prudential and Treasury Indicators and Treasury Management Strategy Statement 2022/23 To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2022/23, for referral to Council. | 10 Feb 2022 Cabinet 3 Mar 2022 Council | Sue Healey, Principal Accountant | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |

| 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 | Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision? |
|--|---|--|--|---|---|
| Capital Programme and Capital Investment Strategy To approve the capital investment strategy and capital spending programme for the next financial year. | 10 Feb 2022 Cabinet 3 Mar 2022 Council | Alison Ball, Director of Corporate Resources | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |
| General Fund Budget 2022/23 For Cabinet to recommend to Council the revenue budget for the next financial year. | 10 Feb 2022 Cabinet 3 Mar 2022 Council | Tina Adams, Principal Finance Business Partner | Officer Report | Portfolio Holder for Resources and Reputation | Open Yes |

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