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Gedling Borough Council

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

Agenda

Cabinet

Date:	**Thursday 17 February 2022**
Time:	**2.00 pm**
Place:	**Council Chamber**

For any further information please contact:

Emma McGinlay

Democratic Services Manager

0115 901 3844

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Cabinet

Membership

Chair	Councillor John Clarke
Vice-Chair	Councillor Michael Payne
	Councillor Peter Barnes Councillor David Ellis Councillor Jenny Hollingsworth Councillor Viv McCrossen Councillor Henry Wheeler

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AGENDA

MINUTES
CABINET

Thursday 27 January 2022

Councillor John Clarke (Chair)

Present:	Councillor Michael Payne Councillor Peter Barnes Councillor David Ellis	Councillor Jenny Hollingsworth Councillor Viv McCrossen Councillor Henry Wheeler
Absent:		
Officers in Attendance:	M Hill, P Adcock, A Ball, C Goodall, J Gray and F Whyley	

68 APOLOGIES FOR ABSENCE

None

69 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 13 DECEMBER 2021

RESOLVED:

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

70 DECLARATION OF INTERESTS

None

71 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.

72 GEDLING PLAN Q3 PERFORMANCE REPORT

The Chief Executive introduced a report, which had been circulated in advance of the meeting, informing cabinet in summary of the position against improvement actions and performance indicators in the 2020-23 Gedling Plan at the end of 2021/22 quarter 3.

RESOLVED:

To note the report.

73 DRAFT WASTE AND RECYCLING POLICY

The Chief Executive introduced a report, which had been circulated in advance of the meeting, seeking approval to adopt the Nottinghamshire principles for the reduction of contamination, and to undertake a public consultation on the draft waste & recycling policy.

RESOLVED to:

1) Approve the adoption of the Nottinghamshire principles for the reduction of contamination as detailed in appendix 2 of the report; and

2) Approve the commencement of a public consultation on the draft waste & recycling policy as detailed in appendix 3 of the report.

74 QUARTERLY (Q3) BUDGET MONITORING AND VIREMENT REPORT

The Head of Finance and ICT introduced a report, which had been circulated in advance of the meeting, updating cabinet on the forecast outturn for revenue and capital budgets for 2021/22, including all approved carried forward amounts from the 2020/21 financial year and to request approval for changes to the budget as set out in the report.

RESOLVED to:

1) Approve the general fund budget virements set out in appendix 1 of the report;

2) Note the use of reserves and funds during quarter three as detailed in appendix 2 of the report; and

3) Approve the changes to the capital programme included in paragraph 2.4 of the report.

75 PRUDENTIAL CODE INDICATOR MONITORING 2021/22 AND QUARTERLY TREASURY ACTIVITY REPORT FOR Q3

The Head of Finance and ICT introduced a report, informing 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.

RESOLVED:

To note the report, together with the treasury activity report 2021/22 for quarter 3 at appendix 1, and the prudential and treasury indicator monitoring 2021/22 for quarter 3 at appendix 2 of the report.

76 AUTHORITY MONITORING REPORT APRIL 2020 - MARCH 2021

The Planning Policy Manager introduced a report, which had been circulated in advance of the meeting, informing cabinet of Gedling Borough Council's authority monitoring report for April 2020 – March 2021.

RESOLVED:

To note the report.

77 RESIDENTS SURVEY

The Director of Corporate Resources introduced a report, which had been circulated in advance of the meeting, providing feedback to members on the results of the residents' satisfaction survey 2021 and asking cabinet to support recommendations arising from this.

RESOLVED to:

1) Note the results of the residents' satisfaction survey; and

2) Approve the action plan to ensure that the use of survey data is optimised to inform the development of our services in the future, to include the following:

   a) Develop a programme of further public consultation to support the development of the Gedling plan 2023-27;

   b) Inform the development of service plans for 2022/23;

   c) Consider potential service improvements or amendments for consideration as part of the current and future budget process; and

   d) Review our communication with residents to ensure they are effectively informed about our service provision.

78 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT

None

The meeting finished at 3.55 pm

Signed by Chair:

Date:

Report to Cabinet

Subject: Forward Plan

Date: 17 February 2022

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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FORWARD PLAN

FOR THE FOUR MONTH PERIOD 1 FEBRUARY 2022 TO 31 MAY 2022

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 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?
Community Infrastructure Levy (CIL) Non-Parish Funding – Consultation Response and Funding Decision For Cabinet to approve the Community Infrastructure Levy Non-Parish Funding awards for 2020/21.	**17 Mar 2022** **Cabinet**	Mike Avery, Head of Development and Place	Officer report	Portfolio Holder for Growth and Regeneration	Open Key
Carbon management strategy & action plan For Cabinet to approve the draft carbon management strategy & action plan	**17 Mar 2022** **Cabinet**	Mel Cryer, Head of Environment	Officer report	Portfolio Holder for Environment	Open No

Gedling Borough Council

Report to Cabinet

Subject: Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2022/23

Date: 17 February 2022

Author: Director of Corporate Resources and S151 Officer

Wards Affected

All

Purpose

To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2022/23, for referral to Full Council on 3 March 2022.

Key Decision

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

Recommendations:

Members are recommended to:

1. Approve the Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2022/23, which includes the key elements below, and refer it to Full Council on 3 March 2022 for approval as required by the Regulations:

a. The Minimum Revenue Provision (MRP) Policy Statement (2.2);
b. The Borrowing Strategy (2.3.4);
c. The Annual Investment Strategy (2.3.8);
d. Capital Affordability Prudential Indicators for 2022/23 to 2024/25 (Appendix 1);
e. Treasury Indicators including affordability limits to borrowing for 2022/23 to 2024/25 (Appendix 1).

2. Note the indicative Prudential and Treasury Indicators for 2025/26 and 2026/27 (Appendix 1).

Background

1.1 Introduction

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

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

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

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

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

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

1.2 Statutory reporting requirements

1.2.1 CIPFA published revised Treasury Management and Prudential Codes on 20 December 2021 but has stated that formal adoption is not required until the 2023/24 financial year. There will accordingly be a “soft introduction” with local authorities not expected to change their TMSS reports until 2023/24, unless they wish to do so. Full implentation is required for 2023/24, and key changes are:

- a requirement for authorities to adopt a new debt liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. Cipfa define the liability benchmark as “a projection of the amount of loan debt outstanding that the authority needs each year into the future to fund its existing debt liabilities, planned prudential borrowing and other cashflows”;
- clarify what CIPFA expects a local authority to borrow for and what they do <u>not</u> view as appropriate. This will include the requirement to set a proportionate approach to commercial and service capital investment;
- address Environmental, Social and Governance (ESG) issues within the Capital Strategy;
- require implementation of a policy to review commercial property, with a view to divest where appropriate;
- create new Investment Practices to manage risks associated with non-treasury investment (similar to the current Treasury Management Practices);
- ensure that any long term treasury investment is supported by a business model;
- a requirement to effectively manage liquidity and longer term cash flow requirements;
- amendment to Treasury Management Practice (TMP) 1 to address ESG policy within the treasury management risk framework;
- amendment to the knowledge and skills register for individuals involved in the treasury management function - to be proportionate to the size and complexity of the treasury management conducted by each council;
- a new requirement to clarify reporting requirements for service and commercial investment, (especially where supported by borrowing/leverage).

In addition, all investments and investment income must be attributed to one of the following three purposes:

- <u>Treasury Managemen</u>t

  Arising from the organisation’s cash flows or treasury risk management activity, this type of investment represents balances which are only held until the cash is required for use. Treasury investments may also arise from other treasury risk management activity which seeks to prudently manage the risks, costs or income relating to existing or forecast debt or treasury investments.

- Service delivery

  Investments held primarily and directly for the delivery of public services including housing, regeneration and local infrastructure. Returns on this category of investment which are funded by borrowing are permitted only in cases where the income is "either related to the financial viability of the project in question or otherwise incidental to the primary purpose".

- Commercial return

  Investments held primarily for financial return with no treasury management or direct service provision purpose. Risks on such investments should be proportionate to a council's financial capacity – ie. that "plausible losses" could be absorbed in budgets or reserves without unmanageable detriment to local services. An authority must not borrow to invest primarily for financial return.

Members will be updated on how these changes will impact on the current approach, and how any changes required will be fomally adopted, within the 2023/24 TMSS report. However, in terms of borrowing for appropriate purposes the Council is already complying with the requirements of the revised Code.

1.2.2 The Department for Levelling Up, Housing and Communities (DLUHC) published a consultation on changes to the Minimum Revenue Provision (MRP) rules on 30 November 2021 and this closed on 8 February 2022, with the outcome awaited.

Current reporting requirements were introduced by the 2017 CIPFA Prudential Code and CIPFA Treasury Management Code, plus updated DLUHC Investment Guidance and Minimum Revenue Provison (MRP) Guidance.

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

1.2.3 Capital Strategy

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

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

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

Members are advised that whilst the Council does not currently have a Commercial Property Investment Strategy (CPIS) any future "non-treasury" investments would be reported through the Capital Strategy to ensure the separation of the core treasury function under security, liquidity and yield principles, and any policy and commercialism investments usually driven by expenditure on an asset.

The Capital Strategy would show:

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

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

1.2.4 Treasury Management Reporting

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

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

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

- The capital plans (including prudential indicators);
- A Minimum Revenue Provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- The Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;
- An Investment Strategy (the parameters on how investments are to be managed).

b) Mid-year Treasury Management Report:

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

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

c) Annual Treasury Report:

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

1.2.5 Scrutiny

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

1.3 Treasury Management Strategy for 2022/23

The treasury management strategy for 2022/23 covers two main areas:

Capital issues including:

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

Treasury management issues including:

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

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

1.4 Training

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

Members as appropriate, and it is currently intended that such training will be arranged during 2022/23.

The training needs of officers involved with Treasury Management are reviewed periodically, and this is an area that will be strengthened as a result of the updated Treasury Management Code.

1.5 Treasury Management consultants

The Council uses Link Asset Services (LAS) as its Treasury Management advisers.

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

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

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

Proposal

2.1 The Capital Affordability and Prudential Indicators 2022/23 to 2024/25

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

The output of the Council's capital expenditure plans is reflected in prudential indicators, which are designed to assist Members to overview and confirm such plans. The indicators for the three years 2022/23 to 2024/25 are attached at Appendix 1 and these must be referred to Full Council for approval in accordance with the regulations.

Indicative indicators for 2025/26 and 2026/27 are also included in Appendix 1, to reflect the 5-year period of the Medium Term Financial Plan. The purpose of this is to ensure that longer-term forecasts for capital expenditure and borrowing are fully considered, and that they can be demonstrated to be prudent and affordable. The inclusion of these indicators aligns with the Capital Programme and Capital

Investment Strategy elsewhere on this agenda.

2.1.1 Capital expenditure

The indicator includes a summary of the proposed capital expenditure plans for 2022/23 to 2024/25, including both those schemes agreed previously and those forming part of this budget cycle. The Capital Programme includes only "service-related" expenditure.

Capital Expenditure:	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Service Investment	6,460.3	2,791.0	2,010.0
Total Capital Expenditure	**6,460.3**	**2,791.0**	**2,010.0**

The table below analyses the capital expenditure plans by portfolio.

Portfolio Capital Expenditure:	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Housing, Health & Wellbeing	2,633.8	0.0	0.0
Public Protection	1,065.0	1,000.0	1,000.0
Environment	1,782.5	1,161.0	580.0
Growth & Regeneration	350.0	0.0	0.0
Resources & Reputation	629.0	460.0	260.0
Equipment Replacement	0.0	70.0	70.0
Development Bids	0.0	100.0	100.0
Total Capital Expenditure	**6,460.3**	**2,791.0**	**2,010.0**

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

Financing of Capital Expenditure:	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Capital Expenditure (above):	**6,460.3**	**2,791.0**	**2,010.0**
Financed by:			
Capital receipts	610.9	610.9	50.0
Capital grants & contributions	1,365.0	1,000.0	1,000.0
S106 & CIL	789.0	0.0	0.0
Direct Revenue Financing	135.0	0.0	0.0
Net Borrowing Need	**3,560.4**	**1,180.1**	**960.0**

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

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

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

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

Capital Financing Requirement (CFR)	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Closing CFR:	16,250.8	16,517.1	16,456.7
Movement in CFR within the year	**+2,835.4**	**+266.3**	**-60.4**
Represented by:			
Net financing need	+3,560.4	+1,180.1	+960.0
MRP	-725.0	-913.8	-1,020.4
Movement in CFR within the year	**+2,835.4**	**+266.3**	**-60.4**

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

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

Gearing:	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Estimated closing Long Term Assets: (Property, Plant, Equipment & Investment Assets)	46,101	47,892	48,902
Closing CFR (above)	16,250.8	16,517.1	16,456.7
Gearing Ratio	**35%**	**34%**	**34%**

2.1.3 Other Capital Affordability Prudential Indicators

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

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

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

Estimates of financing costs include current commitments and the proposals included in the Gedling Plan report elsewhere on this agenda.

Financing costs and the net revenue stream:	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s
Net revenue stream	12,374.1	12,180.3	11,284.2
Financing costs (net)	1,207.9	1,264.9	1,386.8
Ratio to net revenue stream	**9.76%**	**10.38%**	**12.29%**

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

The 2022/23 Capital Programme and Capital Investment Strategy report provides full details of the proposed capital programme. All the capital prudential indicators can be found at Appendix 1, and represent capital investment plans that have been fully factored into the Council's Medium Term Financial Plan, and are assessed as affordable, prudent and sustainable, subject to securing the commitment to delivering an efficiency programme in the medium term, as proposed in the Gedling Plan.

Maximum Gross Debt:	2022/23 Estimate £000s	2023/24 Estimate £000s	2024/25 Estimate £000s
Opening CFR (ie. closing CFR in preceding year)	13,415.4	16,250.8	16,517.1
Additions (only) in-year + following 2 years	3,101.7	279.2	12.9
Maximum Gross Debt	**16,517.1**	**16,530.0**	**16,530.0**
Estimated total GBC debt outstanding at 31 March	13,811.6	13,811.6	13,811.6
Under/(over) borrowing	**2,705.5**	**2,718.4**	**2,718.4**

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

2.2 Minimum Revenue Provision (MRP) Policy Statement

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

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

The Council is recommended to approve the following Statement for 2022/23:

MRP Statement 2022/23

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

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

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

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

e. DLUHC guidance provides that any charge made <u>over</u> and above the statutory MRP, ie. a voluntary revenue provision (VRP) or “overpayment”, can be reclaimed in later years if deemed necessary or prudent, providing the cumulative overpayment made to date is disclosed in this policy statement. In view of the economic climate and significant budgetary pressures, the Council will <u>not</u> provide for an additional voluntary contribution to MRP in 2022/23, and neither has it done so in previous years.

f. Based on the above policy, the net MRP charge for 2022/23 has been calculated as **£725,000** as detailed below, and this sum has been included in the Council’s 2022/23 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

Minimum Revenue Provision (MRP)	**2022/23 £s**
CFR Method - up to 31 March 2008	195,600
Asset Life Method (annuity approach) - from 1 April 2008	529,400
Total MRP	**725,000**

DLUHC published a consultation on changes to the MRP on 30 November 2021. The consultation closed on 8 February 2022 and any implications for the Council will be reported to Members in due course.

2.3 Treasury Strategy 2022/23 - Borrowing and Investment

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

2.3.1 Projected portfolio position

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

Projected Gross Debt compared to CFR	**2022/23 Estimate £000s**	**2023/24 Estimate £000s**	**2024/25 Estimate £000s**
Estimated Debt 1 April	11,811.6	13,811.6	13,811.6
Estimated change in debt	2,000.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0
Estimated Gross Debt 31 March	**13,811.6**	**13,811.6**	**13,811.6**
Estimated Closing CFR	16,250.8	16,517.1	16,456.8
Under/Internal / (Over) borrowing	**2,439.2**	**2,705.5**	**2,645.2**
Internal borrowing as % of estimated closing CFR	**15%**	**16%**	**16%**

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

Balance sheet reviews undertaken by LAS have established that the average level of internal borrowing is around 20%, however authorities with a relatively low CFR (like Gedling) may be able to successfully run a higher internal borrowing position. The table above shows that Gedling's ratio is estimated to be between 15% and 16% over the next three years, ie. below the average, to lessen the risk of interest movements.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. As detailed at 2.1.3 above, to comply with the "gross debt" indicator, the Council must ensure that its gross debt does not, except in the short term, exceed the total of the closing CFR in the preceding year plus the estimates of any additional CFR for 2022/23 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue, or for speculative purposes.

The Chief Financial Officer can report that the Council has complied with this prudential indicator during the current year, 2021/22, and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.

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

a. The Operational Boundary for external debt

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

b. The Authorised Limit for external debt

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

2.3.3 Prospects for Interest Rates

The Council has appointed Link Asset Services (LAS) as its treasury adviser and part of their service is to assist the Council to formulate a view on interest rates. The following table and commentary gives the latest LAS forecast at 7 February 2022 and reflect PWLB "certainty rates" for which the Council qualifies. Further information on interest rates can be found at Appendix 2.

Link Group Interest Rate View	7.2.22												
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40

Over the last two years the coronavirus pandemic has done huge economic damage to the UK and world economies. After the Bank of England took emergency action in March 2020 to cut Bank Rate first to 0.25% on 11 March, and then to 0.10% on 19 March, it left Bank Rate unchanged until raising it to 0.25% at its meeting on 16 December 2021 and 0.5% on 3 February 2022.

Significant risks to the forecasts include:

- Mutations of the virus render current vaccines ineffective, and "tweaked" vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns;
- Labour and supply shortages prove more enduring and disruptive and depress economic activity;

- The MPC acts too quickly, or goes too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker currently anticipated;
- The MPC tightens monetary policy too late to ward off inflationary pressures;
- The Government acts too quickly to cut expenditure to balance the national budget;
- UK/EU trade arrangements – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in resolving significant remaining issues;
- Major stock markets become increasingly judged as being over-valued and susceptible to major price corrections;
- Geopolitical risks.

Overall, the balance of risk to economic growth in the UK is now to the downside, including risks from Covid and its variants, both domestically and their potential effects worldwide.

Link do not expect that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic. It should therefore be able to cope well with meeting demand once supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to more than 5%.

The forecast above includes three more increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, Link acknowledge that it is likely the forecast may need changing within the timeframe. Furthermore, one of the key results of the pandemic has been a fundamental shift in monetary policy by major central banks to tolerate a higher level of inflation. For example, the Bank of England's target is now that inflation should be "sustainably over 2% before starting on raising Bank Rate". For local authorities Link advise that this means that investment interest rates (and very short term PWLB rates) will not rise as quickly or as high as in previous decades when the economy recovers from the downturn.

The Council is currently budgeting to take an additional £2m of new borrowing in 2022/23 to finance its capital programme. There will remain a cost of carry (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will almost certainly incur a revenue cost.

2.3.4 <u>Borrowing Strategy 2022/23</u>

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

However, against this background and the risks within the economic forecast outlined above, and the potential cost of carry (see 2.3.5 below), caution will be adopted with the 2022/23 treasury operations. The Chief Financial Officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

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

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

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

2.3.5 Policy on borrowing in advance of need

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

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

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

2.3.6 Debt rescheduling

Reasons for rescheduling to be considered include:

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

When the current day PWLB rate for the same term is higher than that being paid on an existing loan there is the potential for a discount to be available if the loan is repaid prematurely.

LAS will advise on the availability and merit of any rescheduling opportunities and any rescheduling will be reported to Cabinet at the earliest meeting following action.

2.3.7 New financial institutions as a source of borrowing

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

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

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

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

2.3.8 Annual Investment Strategy 2022/23

a. Investment Policy – management of risk

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

The Council's investment policy has regard to:

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

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

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

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

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

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

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

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

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

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

v. Investment counterparty limits for 2022/23 will generally be **£3m** per individual counterparty, however a higher limit of **£4m** per Money Market Fund is considered prudent since such funds are already by definition highly diversified investment vehicles.

A limit of **£4m** currently applies to Santander, which offers the Council preferential rates on its 35, 95 and 180-day notice accounts, and has to give 60 days of notice of any change (other than Bank Rate changes). The Link methodology indicates that investments for up to 6 months are appropriate.

A limit of **£4m** also currently applies to CCLA, represented by a maximum of £3m in the Public Sector Deposit Fund (PSDF) money market fund, plus £1m in the Local Authorities Property Fund (LAPF) property fund.

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

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

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

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

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

ix. All investments will be denominated in sterling.

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

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

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

The initial value of the Council's £1m investment in the CCLA Property Fund in December 2017 was £936.7k. The latest value, at 31 January 2022, is £1.051m, which represents a significant improvement from a low of £894.8k in August 2020. The steep fall in value was largely the result of Covid-19 uncertainty, and indeed the LAPF was suspended from March to September 2020 due to the exceptional market conditions. Valuers could not be confident that their valuations truly reflected prevailing conditions, and whenever there is a material risk of disadvantage to either party, all transactions must be suspended until the required level of certainty is re-established. The fall, combined with the significant improvement serves to demonstrate the extreme care that must be taken with such investments.

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

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

b. <u>Creditworthiness Policy</u>

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

- Security of capital – the categories of investment instruments to be used (specified and non-specified) are set out at Appendix 3;

- Liquidity of capital – regular cashflow monitoring determines the optimum period for which funds may be prudently committed at any particular time, and the creditworthiness methodology below determines the maximum time for which funds may be prudently committed with individual counterparties;
- Return on investment (yield).

i. <u>Counterparty selection:</u>

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

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

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

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

- Yellow 5 years (UK government debt or its equivalent)
- Dark pink 5 years for Ultra Short Dated Bond Funds (credit score 1.25)
- Light pink 5 years for Ultra Short Dated Bond Funds (credit score 1.50)
- Purple 2 years
- Blue 1 year (nationalised or semi nationalised UK banks only)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour <u>not</u> to be used

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

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

ii. Ringfencing:

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

iii. Property Funds:

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

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

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

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

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

iv. Country limits:

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

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

c. Investment Strategy

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

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

As discussed at 2.3.3 above, Bank Rate rose from 0.1% on 16 December 2021 and again to 0.5% on 3 February 2022. LAS forecast another rise during Q1 of 2022, whilst acknowledging that the forecast may have to be reviewed. LAS consider that it is prudent to assume investment earnings from market-related instruments up to around 3 months will approximately 1% for 2022/23 rising to around 1.2% by 2024/25. The Council's investment interest estimate for 2022/23 is currently based on an assumption of 3.75% on the property fund and an equated rate of 0.15% on remaining investments, since these are a mixture of short term deposits offering slightly better returns, and money market funds for liquidity. These will be kept under review.

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

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

An Investment treasury indicator and limit must be set for the total principal funds invested for periods in excess of one year (365 days) in the forthcoming and two subsequent years (ie. new non-specified investments). The limit for each year is set with regard to the Council's liquidity requirements. As at 9 February 2022 the Council's **total** non-specified investment is £1,000,000 - represented by the £1,000,000 investment in the CCLA property fund.

The treasury indicator and limit for new non-specified investments to be made in each of 2022/23, 2023/24 and 2024/25 is £3m, as detailed at Appendix 1 (treasury indicators) however this is subject to an overall limit of £5m for the total non-specified investments held by the Council at any one time (see Appendix 3). The overall individual counterparty limit of £3m or £4m (see 2.3.8 (v) above) also applies, including both specified and non-specified investments.

In accordance with the 2017 Treasury Management Code, a statement in the TMSS stating how interest rate exposure is managed and monitored is required, and this is set out below:

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

d. Investment risk benchmarking

Publication of official LIBOR (and related LIBID) calculations ceased on 31 December 2021. The Council will use Sterlng Overnight Index Average (SONIA) rates to benchmark its own equated investment rate. These are the risk-free rates for sterling markets administered by the Bank of England, and are the new official rates. Link will be providing SONIA rates in its regular reporting templates and advice will be sought as to the most appropriate benchmark rate.

e. Investments defined as capital expenditure

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

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

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

f. Provision for credit-related loss

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

g. End of Year Investment Report

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

h. Policy on the use of external service providers

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

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

i. Environmental, Social and Governance (ESG) considerations

The ESG agenda is becoming a major focus for local authorities, but while around two thirds of councils have declared a "climate emergency", this has not yet led to the inclusion of anything more formal within treasury-related investment strategies, ie the TMSS. The recently issued revision to the CIPFA Treasury Management Code, which must be implemented by 1 April 2023, makes reference to ESG, and Link will advise on this in due course.

Link's view is that the most important issue is ensuring that there is a clear understanding of what "environmental, social and governance (ESG)" investment considerations actually **mean**. It is about understanding the ESG "risks" that an entity like the Council is exposed to, and evaluating how well it manages those risks, as all entities will be subject to them to some extent. ESG is **not** the same as Socially Responsible Investing, (typically where "negative screens" are applied to investment counterparties), and equally, it is **not** the same as Sustainable Investing, (investing in products or companies based on expected sustainable and beneficial societal impact, alongside a financial return).

There is huge potential for misunderstanding, and this could have material unintended consequences, ie. <u>limiting</u> the Council's potential counterparty options and thus <u>decreasing</u> diversification. This could then lead to the Council widening its credit criteria to take on more names, or those with a stronger ESG performance, which could then <u>increase</u> credit risk - which would place its cornerstone of "prudent investing" at risk.

Many local authorities can, or already do, take ESG considerations into account via the use of ratings from credit rating agencies. All the agencies now stress how they incorporate ESG risks <u>alongside</u> more traditional financial risk metrics when assessing counterparty ratings. The Council uses the Link creditworthiness service which is a sophisticated model including data from all three major agencies, and therefore <u>does</u> take ESG considerations into account to some extent.

ESG risks are about potential impact on an entity's enterprise value - the "G" (Governance) is the most important factor when considering treasury investments, the majority of which will be shorter-term in nature. This is because poor governance can have a more immediate impact on the financial circumstances of an entity, and the potential for a default event that would impact the amount the local authority receive back from its investments. Those financial institutions that are viewed as having poor or weak corporate governance are generally less well rated in the first instance, or have a higher propensity for being subject to negative rating action. So this element of ESG is of high importance to an investor that is following investment guidance with the security, liquidity and yield (SLY) principle at its core. Environmental & Social factors are also important, but more for the long-term impact, <u>unless</u> an authority is specifically going down the "impact" or "sustainable" type investment route - and there are not many options for that in respect of short-term investments.

Link continues to look at ways in which these factors can be incorporated into its creditworthiness assessment service. However, the lack of consistency, as well as coverage, in addition to uncertainty as to precisely what is required from the Treasury Management Code perspective, means that they continue to review the options and will update clients as progress is made. Link's advice is therefore that it is not practicable to include ESG into its TMSS template for 2022/23 at the current time.

2.3.9 Gedling Borough Council scheme of delegation

Full Council is responsible for:

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

Cabinet is responsible for:

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

Audit Committee is responsible for:

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

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

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

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

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

- Preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management over a significant time-frame;
- Ensuring that the capital strategy is prudent, sustainable and affordable in the

long term, and provides value for money;

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

3. Alternative Options

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

4. Financial Implications

No specific financial implications are attributable to this report.

5. Legal Implications

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

6. Equalities Implications

There are no equalities implications arising from this report.

7. Carbon Reduction/Environmental Sustainability Implications

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

8. Appendices

1. Prudential and Treasury Indicators 2022/23 to 2024/25 for approval, and Indicative Indicators for 2025/26 and 2026/27;
2. Interest rate forecasts;
3. Specified and non-specified investments;
4. Approved countries for investment.

9. Background Papers

None identified.

10. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 9 February 2022

Approved by: Monitoring Officer

Date: 9 February 2022

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Prudential Indicators for 2022/23 to 2024/25 & Indicative 2025/26 to 2026/27

Appendix 1

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Indicative	2026/27 Indicative
Prudential Indicators					
a) Capital Expenditure:	**£ 6,460,300**	**£ 2,791,000**	**£ 2,010,000**	£ 2,189,000	£ 2,325,000
b Capital Financing Requirement: (closing)	**£ 16,250,800**	**£ 16,517,100**	**£ 16,456,700**	£ 16,469,700	£ 16,459,000
c) Gearing	**35%**	**34%**	**34%**	33%	32%
d) Ratio of Financing Costs to Net Revenue Stream Service activity	**9.76%**	10.38%	12.29%	12.79%	13.51%
e) Maximum Gross Debt	**£ 16,517,100**	£ 16,530,100	£ 16,530,100	£ 16,530,100	£ 16,530,100
f) Ratio of Internal Borrowing to CFR	**15%**	16%	16%	16%	16%

	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate
Treasury Indicators			
a) Operational Boundary for External Debt:			
Borrowing	**£ 17,500,000**	£ 17,500,000	£ 17,500,000
Other Long Term Liabilities	**£ 1,500,000**	£ 1,500,000	£ 1,500,000
Total Operational Boundary	**£ 19,000,000**	£ 19,000,000	£ 19,000,000
b) Authorised Limit for External Debt:			
Borrowing	**£ 18,500,000**	£ 18,500,000	£ 18,500,000
Other Long Term Liabilities	**£ 1,500,000**	£ 1,500,000	£ 1,500,000
Total Authorised Limit	**£ 20,000,000**	£ 20,000,000	£ 20,000,000
e) Upper limits for the maturity structure of o/s Borrowing during 2022/23 (Lower limit 0%)			
Under 1 Year	**40%**		
1 Year to 2 Years	**40%**		
2 Years to 5 Years	**50%**		
5 Years to 10 Years	**50%**		
Over 10 Years	**100%**		
f) Investment treasury indicator and limit Maximum NEW principal sums invested > 365 days (subject to overall individual counterparty limit AND total Non Specified Inv Limit)	**£ 3,000,000**	**£ 3,000,000**	**£ 3,000,000**

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INTEREST RATE FORECASTS TO MARCH 2025 (Link as at 7 February 2022, Capital Economics as at 12 January 2022)

Link Group Interest Rate View	7.2.22												
	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Bank Rate													
Link	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Capital Economics	0.50	0.75	1.00	1.25	1.25	1.25	1.25	1.25	-	-	-	-	-
5yr PWLB Rate													
Link	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Capital Economics	2.00	2.10	2.10	2.20	2.20	2.30	2.40	2.40	-	-	-	-	-
10yr PWLB Rate													
Link	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.20	2.20	2.20	2.30	2.30	2.40	2.50	2.50	-	-	-	-	-
25yr PWLB Rate													
Link	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Capital Economics	2.40	2.40	2.50	2.60	2.60	2.70	2.80	2.90	-	-	-	-	-
50yr PWLB Rate													
Link	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.10	2.20	2.30	2.40	2.50	2.60	2.70	2.90	-	-	-	-	-

APPENDIX 2

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LOCAL GOVERNMENT INVESTMENTS (England) page1

SPECIFIED INVESTMENTS 2022/23

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

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

SPECIFIED INVESTMENTS 2022/23 (CONTINUED)

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

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

SPECIFIED INVESTMENTS 2022/23 (CONTINUED)

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

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

NON-SPECIFIED INVESTMENTS 2022/23

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

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

NON-SPECIFIED INVESTMENTS 2022/23 (Continued)

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

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

NON-SPECIFIED INVESTMENTS 2022/23 (Continued)

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

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

<u>NON-SPECIFIED INVESTMENTS 2022/23 (Continued)</u>

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

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

NON-SPECIFIED INVESTMENTS 2022/23 (Continued)

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

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

APPROVED COUNTRIES FOR INVESTMENT

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

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

AAA

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

AA+

- Canada
- Finland
- USA

AA

- Abu Dhabi (UAE)
- France

AA-

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

This list was provided by Link Asset Services as at 22 December 2021 and includes countries with sovereign ratings of AA- or higher, (based on the lowest rating from Fitch, Moody's and Standard & Poor (S&P). Except for Hong Kong, Norway and Luxembourg, countries also have banks operating in sterling markets, with credit ratings of green or above in the Link credit worthiness service.

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Report to Cabinet

Subject: Capital Programme and Capital Investment Strategy 2022/23 to 2026/27

Date: 17 February 2022

Author: Senior Leadership Team on behalf of the Leader

Wards Affected

All

Purpose

This report summarises:

a) The proposed Capital Investment Strategy for 2022/23 to 2026/27; and

b) The proposed Capital Programme for 2022/23 to 2024/25 for approval, and the indicative capital programme for 2025/26 to 2026/27, in light of the Council's priorities and the resources available.

The Capital Investment Strategy and Capital Programme determined by Cabinet at this meeting will be referred to the Council on 3 March 2022 for final approval. The detailed capital programme proposals are shown in Appendix 2 to this report.

Key Decision

This is a Key Decision.

Recommendations

Members are recommended to:

1. Note the estimated capital financing available for 2022/23 to 2026/27;
2. Approve the Capital Investment Strategy 2022/23 to 2026/27 detailed at Appendix 1 and refer it to Council for approval on 3 March 2022;
3. Approve the Capital Programme for 2022/23 to 2024/25 detailed at Appendix 2 and refer it to Council for approval on 3 March 2022;
4. Note the indicative Capital Programme for 2025/26 to 2026/27.

Further information on the subject of this report is available from
Alison Ball, Financial Services Manager on (0115) 9013980

Background

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

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

- The Prudential Code prepared by CIPFA;
- The Treasury Management Code prepared by CIPFA;
- The Statutory Guidance on Local Authority Investments prepared by the Department for Levelling Up, Housing and Communities (DLUHC);
- The Statutory Guidance on Minimum Revenue Provision (MRP) prepared by DLUHC.

1.3 Following two consultations, CIPFA issued a new edition of the Prudential Code in December 2021. CIPFA made it clear that the new Code applies with immediate effect, but authorities may defer introducing revised reporting requirements until the 2023/24 financial year. The ongoing principle that an authority must not borrow primarily for financial return continues.

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

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

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

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

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

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

To provide a clear and transparent framework authorities are required by the Code to formulate a Capital Strategy which sets out the long term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and their impact on priority outcomes. Whilst the Code does not define 'long term' the Council's current capital investment strategy proposed at Appendix 1 covers the five year period of the medium term financial plan (MTFP), 2022/23 to 2026/27, to ensure that longer term forecasts for capital expenditure, disposals and borrowing are fully considered in the revenue budget and demonstrated to be prudent and affordable.

1.6 Following a consultation exercise, CIPFA issued a new edition of the Treasury Management Code in December 2021. Unlike the Prudential Code there is no reference to an effective date, as the Treasury Management Code has no statutory underpinning. The Code includes some updates to Treasury Management Practices, particularly a strengthening of Treasury Management Practice (TMP) 10 on knowledge and skills. The new edition of the Treasury Management Code also makes clear that treasury management reporting should set out service and commercial investment risk, especially where this is supported by borrowing.

1.7 The Investment Guidance and MRP Guidance aim to ensure that local authorities make borrowing and investment decisions in a way that is commensurate with their statutory duties. All Councils are required to have regard to this guidance in their investment decisions.

The Investment Guidance defines "investment" to include expenditure driven activity, e.g. commercial property, as well as simple treasury cash. Such activity would represent "non-treasury investments", i.e. investment in "non-financial assets". It also reaffirms that borrowing may only be undertaken for investments that are made for strategic purposes, and not "purely" for financial return.

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

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

Proposal

2. <u>Capital Investment Strategy</u>

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

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

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

2.4 A copy of the proposed Capital Investment Strategy for 2022/23 to 2026/27 is attached at Appendix 1.

3. Proposed Capital Programme

3.1 The following table presents the proposed three year Capital Programme for 2022/23 to 2024/25 for approval, together with the indicative programme for a further two years to match the period of the MTFP as detailed in paragraph 1.5 above. The full programme of schemes is presented in Appendix 2.

Portfolio	Proposed Programme for Approval			Indicative Programme	
	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Housing, Health and Wellbeing	2,633,800	0	0	0	0
Public Protection	1,065,000	1,000,000	1,000,000	1,000,000	1,000,000
Environment	1,782,500	1,161,000	580,000	759,000	895,000
Growth and Regeneration	350,000	0	0	0	0
Resources and Reputation	629,000	460,000	260,000	260,000	260,000
Future Equipment Replacement	0	70,000	70,000	70,000	70,000
Future Resource Development Bids	0	100,000	100,000	100,000	100,000
Total Capital Programme	**6,460,300**	**2,791,000**	**2,010,000**	**2,189,000**	**2,325,000**

3.2 The proposed capital programme is derived from the following:

a) **Schemes totalling £1,323,500 already approved as part of the 2021/22 budget setting process**:

- Burton Road Affordable Housing **£778,500** (2022/23)
- Station Road Affordable Housing **£545,000** (2022/23)
- Essential Window Replacement/Maintenance - Civic Centre (Phase 2) **£200,000** (2023/24)

b) **Schemes re-profiled from 2021/22**

Schemes totalling **£2,437,300** approved for deferral by Cabinet to 2022/23:

Schemes Re-profiled from 2021/22	2022/23 £
Leisure Management System	75,000
Burton Road Affordable Housing	740,300
Station Road Affordable Housing	495,000
Hazleford Way Industrial Units	350,000
Hazleford Way Drainage	60,000
Vehicle Replacement Programme	272,000
Essential Window Replacement/Maintenance – Civic Centre	200,000
Civic Centre Fire Alarm	100,000
Civic Centre Lift Refurbishment	75,000
Arnot Hill House Fire Safety Works	70,000
Total	**2,437,300**

Cabinet on 5 August 2021 agreed to remove the Calverton Enterprise Units (£1,370,000) scheme from the 2021/22 capital programme and defer this to a future year to allow a viable business case to be produced and opportunities for external funding to be pursued. Cabinet will be requested to approve the inclusion of such a scheme in the capital programme if these conditions can be met.

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

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

- Future Service Development Bids **£100,000** per annum 2023/24-2026/27.

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

Replacement assets and maintenance to ensure continuation of existing service:

	Proposed Programme			**Indicative Programme**	
	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**
Vehicle Replacement Programme	1,150,500	1,161,000	580,000	759,000	895,000
IT Licencing	110,000	110,000	110,000	110,000	110,000
Equipment Replacement	0	70,000	70,000	70,000	70,000
General Asset Management	14,000	150,000	150,000	150,000	150,000
Total	**1,274,500**	**1,491,000**	**910,000**	**1,089,000**	**1,225,000**

Note: The proposed Vehicle Replacement Programme for 2022/23 after totalling the sums in (b) and (d) amounts to £1,422,500.

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

The table below show schemes totalling **£425,000** included in the proposed capital programme for 2022/23 which score 15 points and above using the Council's approved methodology as detailed in the Capital Investment Strategy (see paragraph 2 above). The approved methodology assesses schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans. They are assessed as affordable in line with the Council's Prudential Code Indicators contained within the Treasury Management Strategy and within the overall context of the Medium Term Financial Strategy.

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

- CCTV Developments (£65,000) – The provision of three CCTV cameras with final locations to be assessed and determined as part of ongoing work to reduce crime and disorder, protect assets and assist with the prevention and detection of crime.

- Colwick Rectory Play Area Refurbishment (£100,000) – A refurbishment of the play area to ensure a quality, safe and accessible facility is provided for children and families funded by external grant.
- St Mary's Play Area Refurbishment (£100,000) – A scheme to refurbish a play area subject to securing suitable external funding.
- Car Park Resurfacing (£65,000) – A combination of resurfacing and fencing works to improve the condition of the Hallams Lane car park in Arnold and the Haywood Road South car park in Mapperley.
- Holocaust Memorial and Cherry Tree Memorial & Reflection Circle (£35,000) – The provision of a space in Gedling Country Park to allow residents to reflect upon the impact of the Holocaust and provide a Memorial & Reflection Circle to allow residents to remember Gedling borough residents who have lost their lives.
- Flood Alleviation Works (£60,000) – Schemes to address flooding issues in the Bentwell Avenue lagoon and to refurbish Colwick Meadow pumps.

4. Capital Resources

4.1 Capital Receipts

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

The estimated annual capital receipt generation for 2022/23 to 2026/27 is detailed in the table below and it is proposed that these are fully utilised to finance the capital programme as detailed in paragraph 3.1:

	Proposed Programme			**Indicative Programme**	
	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**
Land Sales	560,900	560,900	0	0	0
General Capital Receipts	50,000	50,000	50,000	50,000	50,000
Total Capital Receipt Estimate	**610,900**	**610,900**	**50,000**	**50,000**	**50,000**

4.2 Direct Revenue Financing

The use of earmarked revenue reserves and revenue equipment budgets as contributions to specific capital schemes totalling **£135,000** in 2022/23 are proposed as follows:

a) £65,000 contribution from the Asset Management Reserve to meet the cost of car park resurfacing;

b) £70,000 from the Asset Management Reserve for the fire safety works at Arnot Hill House.

4.3 Capital Grants and Contributions

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

Grants and contributions estimated for financing the capital programme include:

	2022/23	2023/24 to 2026/27
	£	£
Disabled Facilities/Better Care Fund Grant (assumed £1m per annum ongoing 2022/23-2026/27)	1,000,000	1,000,000
S106 Contribution for Affordable Housing Projects on Station and Burton Road	789,000	0
Homes England grant towards Affordable Housing on Burton Road, Gedling	176,000	0
FCC Communities Foundation grant contribution for Colwick Rectory Play Area refurbishment	100,000	0
FCC Communities Foundation Grant Contribution for play area refurbishment (subject to successful funding bid)	89,000	0
Total Grants and Contributions	**2,154,000**	**1,000,000**

Disabled Facilities/Better Care Fund grant funding is now paid by the Department for Levelling Up, Housing and Communities to Nottinghamshire County Council for distribution. The actual allocations to each District Council are agreed by the Nottinghamshire Health and Wellbeing Board. There have not, as yet, been any grant announcements for 2022/23 so an estimated grant amount of £1,000,000 is included for 2022/23 and for the future programme. Any variation will be reported to Cabinet via the usual quarterly budget monitoring process.

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

4.4 Prudential Borrowing

The total borrowing that is required to finance the proposed 2022/23 to 2024/25 capital programme is £5.700m. It is currently estimated that a further £2.414m of borrowing will be required to finance the indicative capital programme for 2025/26 to 2026/27. The proposed borrowing amounts are detailed in paragraph 4.5 below.

The Council's Prudential Indicators in respect of both the proposed programme 2022/23 to 2024/25 and the indicative programme for 2025/26 to 2026/27 are contained within the Prudential and Treasury Indicators and Treasury Management Strategy Statement, an item elsewhere on this agenda. These Prudential Indicators, in conjunction with the calculations within the Medium Term Financial Plan, show that this level of borrowing is affordable and sustainable, subject to securing the commitment to delivering the proposed budget reduction and efficiency programme detailed in the Medium Term Financial Plan, included in the Revenue Budget report, an item elsewhere on this agenda.

4.5 Capital Resources Summary

An estimate of the resources for financing the 2022/23 to 2024/25 programme is summarised below:

	Proposed Programme			Indicative Programme	
Capital Resources	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**
Use of Capital Receipts	610,900	610,900	50,000	50,000	50,000
Direct Revenue Financing	135,000	0	0	0	0
Grants and Contributions	2,154,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Cash Resource	**2,899,900**	**1,610,100**	**1,050,000**	**1,050,000**	**1,050,000**
Prudential Borrowing	3,560,400	1,180,100	960,000	1,139,000	1,275,000
Total Financing	**6,460,300**	**2,791,000**	**2,010,000**	**2,189,000**	**2,325,000**

5. Alternative Options

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

6. Financial Implications

As detailed in the report.

7. Legal Implications

There are no legal implications arising from this report

8. Carbon Reduction/ Environmental Sustainability Implications

Whilst there are no specific schemes in the proposed 2022/23 capital programme specifically targeted at carbon reduction and environmental sustainability initiatives, there is an uncommitted sum of £73,100 in the 2021/22 capital programme for Carbon Reduction Initiatives that could if remaining unspent at year end, subject to approval, be carried forward and included in the 2022/23 capital programme when the 2021/22 outturn is presented to Cabinet.

9. Appendices

Appendix 1 - Capital Investment Strategy 2022/23 – 2026/27

Appendix 2 - Proposed Capital Programme 2022/23 – 2024/25 (including Indicative Programme 2025/26 to 2026/27)

10. Background Papers

- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2022/23
- Gedling Plan 2020-23

11. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date:

Approved by: Monitoring Officer

Date:

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Appendix 1

Gedling Borough Council

CAPITAL INVESTMENT STRATEGY 2022/23 to 2026/27

CAPITAL INVESTMENT STRATEGY 2022/23 to 2026/27

1. INTRODUCTION

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

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

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

The basic elements of the Strategy therefore include:

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

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

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

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

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

	Proposed Programme for Approval			**Indicative Programme**	
	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**
	£	**£**	**£**	**£**	**£**
Expenditure:					
Gedling Assets	5,460,300	1,791,000	1,010,000	1,189,000	1,325,000
Disabled Facilities Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Programme	**6,460,300**	**2,791,000**	**2,010,000**	**2,189,000**	**2,325,000**
Financed by:					
Capital Receipts	610,900	610,900	50,000	50,000	50,000
Direct Revenue Financing	135,000	0	0	0	0
Grants and Contributions	2,154,000	1,000,000	1,000,000	1,000,000	1,000,000
Borrowing Requirement	3,560,400	1,180,100	960,000	1,139,000	1,275,000
Total Financing	**6,460,300**	**2,791,000**	**2,010,000**	**2,189,000**	**2,325,000**

2. PRINCIPLES SUPPORTING THE STRATEGY

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

The principles that underpin the Capital Investment Strategy include:

Policy Principles:

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

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

Financial Principles:

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

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

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

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

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

Asset Management Principles:

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

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

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

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

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

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

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

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

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

Implementation and Management Principle

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

Links to Other Financial Documents

Medium Term Financial Plan

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

Prudential Code

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

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

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

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

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

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

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

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

<u>Treasury Management Strategy</u>

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

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

Statement of Accounts

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

Procurement Strategy

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

3. CAPITAL INVESTMENT PRIORITIES

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

Cohesive, Diverse and Safe Communities

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

Healthy Lifestyles

- Improve health and wellbeing and reduce health inequalities
- Support physically active lifestyles
- Increase recreational activities
- Reduce levels of loneliness and isolation

Sustainable Environment

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

Vibrant Economy

- Provide more homes
- Ensure a robust strategic development framework is in place
- Restore business confidence, workforce development and job opportunities
- Create thriving and vibrant town and local centres

High Performing Council

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

4. FINANCIAL CONTEXT

Spending Review and Local Government Finance Settlement

The Spending Review announced on 27 October 2021 outlined the Government's spending plans for 2022/23 to 2024/25 by setting budgets for each central government department. The Spending Review made no mention as to whether local government would receive a three-year financial settlement or whether and when local government finance reforms, such as the Fair Funding Review (a review of relative needs and resources), would be implemented.

On 7 November 2021 the Government announced that it would be abandoning plans to allow councils to move to 75% business rates retention (from the current 50%) because it conflicted with the levelling up agenda.

On 7 February 2022 the Department for Levelling Up, Housing and Communities (DLUHC) announced the final Local Government Finance Settlement 2022/23. This confirmed a single year settlement for 2022/23 only.

A one-off services grant totalling £822 million is to be provided for 2022/23 to support all services delivered by councils and is to be distributed through the existing Settlement Funding Assessment formula. Gedling's allocation is £212,082.

It was confirmed that further work would be undertaken in 2022/23 on the Fair Funding Review to ensure that funding allocations for councils are based upon an up-to-date assessment of their needs and resources.

The existing approach to New Homes Bonus was confirmed with a final allocation for Gedling of £520,775 for 2022/23.

It was also stated that the lower tier services grant would continue in 2022/23 with £111 million available as in 2021/22 but Gedling's allocation for 2022/23 would be £138,000 compared to £131,000 for 2021/22.

The Government would be providing £2.6 billion under the UK Shared Prosperity Fund (the replacement for EU funds) to help people access opportunities in places of need and £4.8 billion would be provided under the Levelling Up Fund to invest in infrastructure to improve everyday life in the United Kingdom. However, there was no mention at this stage of particular allocations for Gedling.

This resulting level of uncertainty means in practice that local authorities will find it much harder to plan and fund capital expenditure. This will be exacerbated by the reduced level of capital receipts anticipated in in the current economic climate.

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

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

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

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

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

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

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

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

Financial Process

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

The funding of capital schemes is via the following hierarchy:

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

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

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

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

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

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

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

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

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

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

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

Leasing

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

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

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

5. CAPITAL BUDGET PREPARATION

The capital programme is derived from the following:

(a) Rolling Programme Items

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

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

Capital Investment Prioritisation

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

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

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

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

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

The Capital Budgeting Process

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

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

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

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

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

Bids are scored by the Senior Leadership Team (SLT) with support from the Head of Finance and ICT.

A good capital bid is likely to be one which:

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

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

The Capital Scoring Methodology

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

- the extent to which schemes meet the priorities identified. Weighting may be applied to the scores if Cabinet propose that a particular priority or ward area requires additional investment. No weighting has been applied in the development of the 2022/23 to 2026/27 programme;
- Asset management priorities – this section is used to prioritise Asset Management Fund items if bids to the fund exceed the budget allocation;
- the measure of the financial impact of the scheme, where points are awarded for external funding, income generation, value for money, impact of risk, and generation of capital receipts.

The maximum score possible (excluding Asset Management Fund items) is 80 points. The highest score would only be achievable if the scheme made a high contribution to all of the Council priorities together with a maximum positive financial impact in terms of value for money, funding/income generation and risk. The maximum available score is unlikely to be achieved by any individual scheme so scoring parameters are set, based on the level of contribution to priorities achieved, by which schemes are considered for inclusion in the proposed capital programme.

For the 2022/23 to 2026/27 capital budget, the following score parameters have determined the schemes to be proposed for inclusion in the capital programme based on contribution to priorities:

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

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

Managing the Capital Programme

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

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

- Project Managers identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;

- Project Managers feed information on scheme progress to the Finance Business Partner to produce the monthly budget monitoring statement;

- Bi-monthly capital monitoring meetings consider each Project Manager's report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken;

- Heads of Service are responsible for ensuring that Project Manager monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet;

- Capital budget monitoring is reported to Cabinet on a quarterly basis, for consideration of deferrals and budget amendments;

- At year end, Financial Services collate the outturn position for capital schemes, and report under and overspends and propose budget carry forwards. The Asset Register and Statement of Accounts are updated with new assets acquired within the year;

- A post-implementation review of capital projects after completion is important to assess to what extent the financial and non-financial aims of the project were met. Where they were not, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.

6. CONCLUSION

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

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

The adoption of a three-year capital planning framework and indicative 5 year programme is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

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

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

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

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

Capital Resource Development Bid – Scoring Methodology

		Scoring system	Bid Name	Bid Name
1.	**Priorities**			
a.	**Cohesive, Diverse and Safe Communities**			
i	Promote and encourage pride, good citizenship and participation	**0 – 3**		
ii	Reduce poverty and inequality and provide support to the most vulnerable	**0 – 3**		
iii	Improve social mobility and life chances	**0 – 3**		
iv	Reduce anti-social behaviour, crime and fear of crime	**0 – 3**		
	Total for 1a: Maximum points =	**12**	**0**	**0**
	Weighting due to performance indicator:	**1**	**1**	**1**
b.	**Healthy Lifestyles**			
i	Improve health and wellbeing and reduce health inequalities	**0 - 3**		
ii	Support physically active lifestyles	**0 - 3**		
iii	Increase recreational activities	**0 - 3**		
iv	Reduce levels of loneliness and isolation	**0 - 3**		
	Total for 1b: Maximum points =	**12**	**0**	**0**
	Weighting due to performance indicator:	**1**	**1**	**1**
c.	**Sustainable Environment**			
i	Provide an attractive and sustainable local environment that people can enjoy	**0 - 3**		
ii	Improve transport infrastructure and connectivity	**0 - 3**		
iii	Conserve, enhance, promote and celebrate our heritage	**0 - 3**		
iv	Promote and protect the environment by minimising pollution and waste and becoming carbon neutral	**0 - 3**		
	Total for 1c: Maximum points =	**12**	**0**	**0**
	Weighting due to performance indicator:	**1**	**1**	**1**
d.	**Vibrant Economy**			
i	Provide more homes	**0 - 3**		
ii	Ensure a robust strategic development framework is in place	**0 - 3**		
iii	Restore business confidence, workforce development and job opportunities	**0 - 3**		
iv	Create thriving and vibrant town and local centres	**0 - 3**		
	Total for 1d: Maximum points =	**12**	**0**	**0**
	Weighting due to performance indicator:	**1**	**1**	**1**

e	**High Performing Council**			
i	Improve the customer experience of engaging with the Council	**0 - 3**		
ii	Provide efficient and effective services	**0 - 3**		
iii	Maintain a positive working environment and strong employee morale	**0 - 3**		
iv	Improve use of digital technologies	**0 - 3**		
	Total for 1e: Maximum points =	**12**	**0**	**0**
Weighting due to performance indicator:		**1**	**1**	**1**
	Total Priorities		**0**	**0**

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

3.	**Measure of Finance Impact**			
a.	External Funding	**0 - 10**		
b.	Income Generation	**0 - 10**		
c.	VFM	**0 - 10**		
d.	Risk	**0 - 10**		
e.	Capital Receipt Generation	**0 - 10**		
	Total for 3: Maximum points =	**20**	**0**	**0**
4.	**Total points Maximum points possible =**	**105**	**0**	**0**

Appendix 2

Proposed Capital Programme 2022/23 - 2024/25 and Indicative Programme 2025/26 to 2026/27

	Capital Programme for Approval			Indicative programme	
	2022/23	**2023/24**	**2024/25**	**2025/26**	**2026/27**
Housing Health and Wellbeing	£	£	£	£	£
Burton Road Affordable Housing	1,518,800				
Station Road Affordable Housing	1,040,000				
Leisure Management System	75,000				
Health Housing & Wellbeing Total	**2,633,800**	**0**	**0**	**0**	**0**
Public Protection					
Disabled Facilities Grant	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CCTV Developments	65,000				
Public Protection Total	**1,065,000**	**1,000,000**	**1,000,000**	**1,000,000**	**1,000,000**
Environment					
Vehicle Replacement Programme	1,422,500	1,161,000	580,000	759,000	895,000
Colwick Rectory Play Area Refurbishment	100,000				
Car Park Resurfacing and Fencing	65,000				
Holocaust Memorial Cherry Tree Reflection Circle	35,000				
Flood Alleviation Works	60,000				
St Mary's Play Area Refurbishment	100,000				
Environment Total	**1,782,500**	**1,161,000**	**580,000**	**759,000**	**895,000**
Growth & Regeneration					
Hazleford Way Business Unit Extension	350,000				
Growth & Regen Total	**350,000**	**0**	**0**	**0**	**0**
Resources & Reputation					
IT Licences	110,000	110,000	110,000	110,000	110,000
Asset Management Fund	14,000	150,000	150,000	150,000	150,000
Hazleford Way Drainage	60,000				
Arnot Hill House Fire Safety Works	70,000				
Civic Centre Window Replacement	200,000	200,000			
Civic Centre Fire Alarm	100,000				
Civic Centre Lift Refurbishment	75,000				
Future Resource Development Bids	0	100,000	100,000	100,000	100,000
Replacement Equipment	0	70,000	70,000	70,000	70,000
Resource & Reputation Total	**629,000**	**630,000**	**430,000**	**430,000**	**430,000**
Total Capital Budget	**6,460,300**	**2,791,000**	**2,010,000**	**2,189,000**	**2,325,000**

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Gedling Borough Council

Report to Cabinet

Subject: **General Fund Revenue Budget 2022/23**

Date: **17 February 2022**

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

Wards Affected

Borough wide.

Purpose

This report sets out the revenue budget which aligns to the Gedling Plan priorities, objectives and priority actions for the Council for the forthcoming year.

Key Decision

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

Recommendation(s)

Cabinet is asked to approve:

i. a 3% discretionary income inflation increase for the individual portfolios as shown in the table at paragraph 2.5.5.

Cabinet is asked to recommend to Council on 3 March 2022:

ii. that the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2022/23;

iii. a provisional Council Tax increase of 2.89% (£5.00) which balances the financing of a Net Council Tax Requirement of £6,726,800 in 2022/23;

iv. that the detailed budget for 2022/23, as detailed in Appendix 2 be approved.

Background

1.1 The Constitution of the Council requires the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed efficiencies.

1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and to present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2022/23 budget proposals together with the Gedling Plan will be presented to Budget Council on 3 March 2022. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.

1.3 This report ensures that these requirements will be met for the 2022/23 budget process.

Proposal

2. Proposed General Fund Budget 2022/23

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

2.2 **Principles Underpinning the Budget Strategy**

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

- Emerging pressures are managed within existing overall budgets;
- Spending is aligned to key priorities as set out in the Gedling Plan;
- Income is only included in the budget where supported by robust proposals and is deliverable;
- The Council will maximise its commercial income where possible to ensure that fee charging services break-even over time and are provided with a nil cost subsidy from the taxpayer where appropriate, or return a surplus where appropriate;
- Where possible, future liabilities are anticipated;
- Budgets are sustainable;
- Savings proposals are supported by project plans and the impact on service delivery is clear;
- Capital and revenue planning must be integrated to ensure that implications are fully anticipated;

- The Council's reserves and balances are not to be used as a primary method to balance the ongoing pressures in the budget. Earmarked reserves are used for specific one-off purposes to support the delivery of corporate objectives and to mitigate risks.

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

2.3 **Autumn Budget and Spending Review 2021**

On 27 October 2021, the Chancellor of the Exchequer announced both the Autumn Budget and the Spending Review outlining the Government's spending plans for the next three years by setting budgets for each central government department. This included an average increase in Core Spending Power for local government of 3% in real terms over the Spending Review 2021 period. This includes £4.8 billion of new grant funding primarily to meet social care pressures.

The Chancellor did not make any announcements about the future of the Fair Funding Review (also known as the Review of Relative Needs and Resources), the move to 75% Business Rates Retention, the Business Rates reset or New Homes Bonus reform. There was also no comment on whether local government could expect a three year local government finance settlement from 2022/23.

The conclusions of the Government's review of business rates were also published alongside the Autumn Budget and Spending Review 2021. The Government announced that, among other measures, the business rates multipliers would be frozen for a second year from 1 April 2022 whilst a new temporary business rates relief for eligible retail, hospitality and leisure properties would apply in 2022/23 that would see eligible properties receive 50% relief up to a cap of £110,000 per business. Local authorities would be fully compensated for the loss of income as a result of these business rates measures and would receive new burdens funding for administrative costs.

The Chancellor announced that the Government would publish a Levelling Up White Paper by the end of the year setting out in more detail their framework and next steps towards levelling up opportunities and boosting livelihoods across the country and that the UK Shared Prosperity Fund worth over £2.6 billion over the next three years would replace the EU Structural Fund programme.

On 7 November 2021 the Secretary of State for Levelling Up, Housing and Communities announced that the Government would abandon moves towards 75% Business Rates Retention as they considered that it conflicted with their levelling up agenda. Instead the Government would look to progress the Fair Funding Review and examine the mechanism for redistributing funding to the local authorities most in need.

On 2 February 2022 the Government published the Levelling Up White Paper.

2.4 Local Government Finance Settlement (LGFS) 2022/23

2.4.1 The local government finance settlement is the annual determination of funding for local government, distributing revenue raised from business rates and other funding streams through:

- Revenue Support Grant and Baseline Funding level for Business Rates Retention known as the Settlement Funding Assessment;
- Other Key Grants – e.g. New Homes Bonus; the Lower Tier Service Grant; a new one-off Services Grant for 2022/23.

A full analysis of the provisional settlement announced on 16 December 2021 was completed by the Local Government Association and is attached at Appendix 1 for information.

The final settlement figures for 2022/23 were announced by the Secretary of State for Levelling Up, Housing and Communities (DLUHC) on 7 February 2022. The Government's assessment of the Core Spending Power of local authorities and its referendum principles for managing excessive council tax increases were also confirmed as part the Settlement.

2.4.2 Settlement Funding Assessment (SFA)

The 2021/22 Settlement determines how much Revenue Support Grant central government will give to each local authority in England in 2022/23 and sets the Baseline Funding Level for Business Rates (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base in accordance with the business rates retention scheme).

The final settlement figures announced on 7 February 2022 related only to 2022/23 and there was no multi-year settlement that many local authorities were hoping for. The one year settlement means that there is still no clarity over funding levels after March 2023. This hampers meaningful financial planning at a time when demand and inflationary pressures are increasing. There are still no firm timescales for the commencement of the Fair Funding Review.

The 2022/23 Settlement Funding Assessment (SFA) figures are set out in the table below along with those for previous periods for comparative purposes:

Year	Revenue Support Grant £	Business Rates £	**Total SFA £**	Cash (Reduction) /Increase £	Movement from Prev. Year	Movement from 2015/16 (last CSR)
2015/16	2,146,200	2,792,300	**4,938,500**			
2016/17	1,415,700	2,815,500	**4,231,200**	(707,300)	-14.3%	-14.3%
2017/18	780,500	2,873,000	**3,653,500**	(577,700)	-13.7%	-26.0%
2018/19	384,900	2,959,300	**3,344,200**	(309,300)	-8.5%	-32.3%
2019/20	0	3,027,100	**3,027,100**	(317,100)	-9.5%	-38.7%
2020/21	0	3,076,400	**3,076,400**	49,300	+1.6%	-37.7%
2021/22	0	3,076,400	**3,076,400**	0	0%	-37.7%
2022/23	500	3,076,400	**3,076,900**	500	0%	-37.7%

The new element of Revenue Support Grant (RSG) relates to funding for Individual Electoral Registration (IER) which has been rolled into RSG for 2022/23.

The total cumulative settlement reductions equate to 37.7% or £1.86m in cash terms over the periods from 2016/17 to 2022/23 compared to the base position of 2015/16. Total settlement reductions compared to the amount received in 2010/11 are £5.8m or 65% by 2022/23. This is the same position as last year.

SFA is reduced to 25% of Gedling's net budget for 2022/23, compared to 60% in 2010/11.

2.4.3 Business Rates Retention – Current 50% Retention Scheme

Business Rates growth compared to baseline funding levels of £3,076,400 for 2022/23 is estimated at **£1,008,100** giving total income from business rates of £4,084,500, including S31 grants to compensate for new reliefs and indexation introduced by the government since the scheme's introduction (Note: S31 Grants are used by central government to reimburse a local authority for additional activities which are not covered by existing funding methods). This includes the impact of the Government's mandated spreading of the estimated 2020/21 Collection Fund deficit related to the Covid-19 pandemic which was determined last year, further details of which are included in paragraph 2.5.9.

Growth amounts for the medium term are currently forecast at a prudent level of £620,000 for 2023/24 and £800,000 per annum from 2024/25 to 2026/27 due to the uncertainties that remain in the estimation process due the delay in the review of the future local government funding system, including business rates retention and the potential for a system reset. In addition, the business rates retention scheme has shown volatility in respect of the appeals process, the prediction of future growth, and the potential for significant local impact where a large business relocates/closes. The economic impact of the recovery from the Covid-19 pandemic is also likely to be a factor.

2.4.4 <u>New Homes Bonus</u>

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is funded from the centrally retained share of Business Rates income and paid as a separate non-ringfenced grant in addition to the Settlement Funding Assessment.

The principles of the grant are to reward local authorities for each new property completed within their boundary plus an additional reward for returning empty properties back into use. The value of the reward was linked to the national average council tax band D property for a number of specified years, initially set at six years.

When the NHB was introduced, the then Department for Communities and Local Government (now the Department for Levelling Up, Housing and Communities) stated in its final scheme design that it was intended to be a predictable, permanent and enduring feature of local government funding. However, since its introduction a number of changes have been made as summarised in the table below:

Scheme Period	Growth Level Awarded	Number of Years of Award
2011/12 – 2016/17	All	6
2017/18 – 2019/20	Above 0.4% Threshold	4
2020/21 – 2022/23	Above 0.4% Threshold	1

During 2016/17 the Government made changes to the NHB with the intention of delivering savings to fund pressures in social care. The main changes to the scheme included:

- Reducing the length of time bonus is paid from six years to four years;
- Introduction of a 0.4% growth threshold, recognising that some housing would be built regardless of the NHB, to remove what Government terms as ‘deadweight’ from the payment. Local authorities need to achieve growth of greater than 0.4% in each year before they receive any NHB funding. For Gedling, this equates to 182 Band D properties before any payment is made. It was considered that the baseline could remove any incentive to grow in relatively low growth areas and penalise areas with limited opportunity to grow.

The Government have confirmed that NHB will continue for 2022/23 on the same basis as 2020/21 and 2021/22, with no change to the way the NHB is calculated and the award being for one year only.

For the period measured for the 2022/23 New Homes Bonus i.e. October 2020 to October 2021, growth in Gedling was **459** band D equivalent houses, equivalent to 1.01% growth. This growth includes 297 new properties together with 162 empty properties coming back into use following the end of Covid related restrictions on house sales. This growth is above the national baseline of 0.4% and NHB has been confirmed at £427,670 for 2022/23 (to be paid for one year only) including an affordable homes premium based on a growth of 24 units in the period amounting to £6,720.

Gedling will also receive a legacy NHB payment of £93,105 in 2022/23 (the fourth payment dating back to 2019/20) but this will be the final year in which any legacy payments are received under the current arrangements.

The impact of the scheme changes has been a significantly reduced award as demonstrated in the table below:

New Homes Bonus Projections Compared to 2016/17

Payment Relating to	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000	£000	£000	£000	
2011/12	339							
2012/13	410							
2013/14	366	366						
2014/15	448	448						
2015/16	468	468	468					
2016/17	369	369	369	369				
2017/18		9	9	9	9			
2018/19			11	11	11	11		
2019/20				93	93	93	93	
2020/21					270			
2021/22						2		
2022/23							428	
Total MTFP	**2,400**	**1,660**	**857**	**482**	**383**	**106**	**521**	**0**
Reduction from 2016/17		**(740)**	**(1,543)**	**(1,918)**	**(2,017)**	**(2,294)**	**(1,879)**	**(2,400)**

There remains considerable uncertainty surrounding the future of the NHB scheme. During 2019/20 the then Secretary of State for MCHLG stated that it was not clear the NHB in its current form is focussed on incentivising homes where they are most needed and announced that the government would consult on the future of the incentive in the spring of 2020. This consultation was delayed for a year due to Covid-19 but was completed in April 2021. However, the results of the consultation have not yet been announced. It is now intended that the NHB will be considered in the updating of the local government finance system, the so-called Fair Funding Review. It is considered prudent for medium term financial planning purposes to assume that zero NHB awards will be available to support revenue financing going forward. Any future awards will be available to support one off projects or an increase in balances to support future budgets.

2.4.5 Lower Tier Services Grant

As part of the local government finance settlement for 2021/22 the Government announced a new un-ringfenced Lower Tier Services Grant. The grant allocation methodology is two-fold:

- The first part of the grant is allocated to all lower tier councils on the basis of the 2013/14 Settlement Funding Assessment as the best available relative needs assessment. This was initially intended as a one-off grant and Gedling was awarded a sum of £131,000.

  The final local government finance settlement for 2022/23 sees this grant continue for another year and Gedling's allocation is **£140,739**.

- The second is a minimum floor funding to ensure that no authority sees an annual reduction in Core Spending Power (CSP) and there is a nominal and real terms increase in CSP when comparing 2021/22 funding to 2022/23 proposed funding. For Gedling this is **zero** because our CSP has increased for 2022/23 with our protection level set at £10.0m (see paragraph 2.4.7). The CSP measure assumes a maximum increase in Council Tax for 2022/23 but this remains a local decision for full Council. During last year's Settlement the Government indicated this funding was in response to the prevailing exceptional circumstances and a one-off but is now continuing for another year. There has though been no consideration of CSP reductions that have been suffered by Councils prior to 2020/21 and therefore appears to continue to protect those Councils that have not previously suffered decreases in NHB irrespective of the already anticipated reductions in their NHB including legacy payments.

2.4.6 Services Grant

The Government has introduced a new Services Grant as part of the local government finance settlement for 2022/23 to provide funding for one year only to all tiers of local government in recognition of the services they provide and to manage inflationary pressures, for example, this grant includes funding for the increase in employer National Insurance contributions for the Health and Social Care Levy. This is an un-ringfenced grant and Gedling's allocation is **£212,082**.

2.4.7 Core Spending Power 2022/23 Compared to 2015/16

As part of the Settlement announcements the Government includes its projection and comparison of Core Spending Power for each authority. This demonstrates the movements in spending power for the four year spending review period 2016/17 - 2019/20 together with the 2020/21 and 2021/22 spending rounds and the first year of the Spending Review 2021 (i.e. 2022/23).

For Gedling the components of Core Spending Power include the Settlement Funding Assessment (revenue support grant and business rates), the Government's estimate of Council Tax Receipts, the New Homes Bonus, Lower Tier Services Grant, the Services Grant (2022/23 only) and S31 grants and these are summarised in the table below:

Core Spending Power 2016/17 to 2022/23

Year	SFA and S31 Grant £m	Assumed Council Tax £m	New Homes Bonus £m	Lower Tier Services Grant £m	Services Grant £m	Total £m	Movement from Prior Year	Movement from 2015/16
2015/16	5.0	5.5	2.0	0.0	0.0	12.5		-
2016/17	4.2	5.5	2.4	0.0	0.0	12.2	-2.6%	-2.6%
2017/18	3.7	5.7	1.7	0.0	0.0	11.1	-9.0%	-11.2%
2018/19	3.3	6.0	0.9	0.0	0.0	10.2	-7.7%	-18.4%
2019/20	3.1	6.0	0.5	0.0	0.0	9.6	-5.9%	-21.5%
2020/21	3.2	6.3	0.4	0.0	0.0	9.9	+2.3%	-21.3%
2021/22	3.3	6.5	0.1	0.1	0.1	10.0	+1.4%	-20.2%
2022/23	3.4	6.7	0.5	0.1	0.2	10.9	+10.3%	-12.4%

Core Spending Power for local authorities in England increased by 7.4% in 2022/23. The table shows an increase of 10.3% for Gedling in 2022/23 which is 2.9% above the average received by the sector as a whole. The Government's estimate of council tax receipts assumes that District/Borough Councils will increase Council Tax by the maximum possible equating to £236,000 for Gedling. However, actual council tax receipts will be determined by local decisions for council tax increases and actual tax base growth.

The Government forecast presents a total cumulative reduction in Core Spending Power by 2022/23 of **12.4%** when compared to 2015/16. **Gedling has the seventh largest reduction in Core Spending Power when comparing 2022/23 to 2015/16 out of 341 Councils in England. For the previous two years, 2020/21 and 2021/22, Gedling was the worst affected Council in England.** Note for comparative purposes – only 11 (3%) of Councils have seen a reduction in CSP of more than 10% when compared to 2015/16, whilst 249 (71%) have seen an increase in CSP for the same period. The largest increase in CSP for a comparable district council is 26.1%.

2.4.7 Council Tax Increase Referendum Trigger

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

In the final settlement the Government confirmed the referendum limit for 2022/23 for Shire Districts at 2% or £5 whichever is higher. For Gedling the £5 cash limit equates to 2.89% in 2022/23. Any Council which sets an increase greater than the referendum limit and does not get support from the electorate via a referendum will have to revert to a council tax level that is compliant, and bear the costs of re-billing its residents.

2.4.8 **Local Government Financing from 2023/24**

Fair Funding Review

Alongside the local government finance settlement in 2018/19, the Government announced its intention to implement the Fair Funding Review in April 2020. This was deferred for a year due to the United Kingdom leaving the European Union and was delayed again due to Covid-19. It is now expected that the review will be relaunched with a significant consultation expected to commence early in 2022.

Funding baselines for local authorities, as determined by the local government finance settlement, are based on an assessment of local authorities' relative needs and resources. This consists of a large number of economic and social indicators that underlie the distribution of Revenue Support Grant and the setting of tariffs and top-ups within business rate retention. The methodology behind this assessment was introduced over ten years ago, and has not been updated since the introduction of the 50% business rates retention system in 2013/14.

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

Transitioning to the new funding distribution. The Government recognises that introducing a new needs and resources formula could result in significant changes to the funding baselines of some local authorities. It is therefore intended to introduce transitional arrangements that are fair, transparent and easily understood so that budgetary impacts can be accommodated.

The consultation proposes that the starting baseline for the purposes of transition will be a measure of the current funding available to each local authority i.e. the Core Spending Power measure excluding the 2022/23 new Services Grant i.e. £10.7m. This should mean that no authority will see its funding reduce as a result of the new system in the first instance. It is proposed that transition is time-limited, establishing a fixed period of time to enable target allocations to be reached as soon as practicable.

Whilst the need for a transition period is usual in these circumstances there is a risk that the funding reductions of 12.4% that Gedling have suffered since 2015/16, as detailed in the CSP measure, will be locked in for a period if:

a) the outcome of the review is that Gedling's funding is currently too low based on relative needs, which may be the case given that the disproportionate £1.8m CSP reductions (excluding new Services Grant which will not be protected) we have faced are mainly due to the NHB scheme which takes no account of relative needs; and
b) the current CSP is used as the comparative measure to apply protection similar to its use in the 2022/23 Lower Tier Services Grant.

Gedling will take an active part in any Fair Funding Review consultation process to ensure its position is understood and views are represented.

<u>Future of Business Rates Retention</u>

Whilst there was no detail provided in Spending Review or the Settlement regarding the plans for the future of Business Rates Retention and the intended reset of the system, on 7 November 2021 the Secretary of State for Levelling Up, Housing and Communities announced that the Government would abandon moves towards 75% Business Rates Retention as they considered that it conflicted with their levelling up agenda.

The Business Rates Retention Scheme will be retained at 50% for next year and there will be no reset of the business rates baseline for 2022/23 which provides some funding certainty for next year i.e. it was anticipated that some existing business rates growth could be removed upon reset, reducing income levels. However there is no real clarity regarding whether the future of the scheme or the potential reset will form part of the scope of the planned Fair Funding Review.

2.5 General Fund Budget 2022/23 Summary

2.5.1 The following table summarises the proposed General Fund Budget for 2022/23. The detailed budgets are presented at Appendix 2. In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 3. These have been included in both the annual base budget and MTFP calculations.

General Fund Budget Summary 2022/23

Portfolio	Original Budget 2021/22 £	Base Budget 2022/23 £	Variance £
Community Development	1,409,700	1,368,500	(41,200)
Housing, Health and Wellbeing	3,098,700	2,397,500	(701,200)
Public Protection	1,362,400	1,520,000	157,600
Environment	4,749,400	5,399,400	650,000
Growth and Regeneration	780,900	1,056,200	243,900
Resources and Reputation	1,503,800	1,059,200	(413,200)
Net Portfolio Budget	**12,904,900**	**12,800,800**	**(104,100)**
Transfer to/(from) Earmarked Reserves	(1,250,600)	(426,700)	823,900
Net Council Budget	**11,654,300**	**12,374,100**	**719,800**

2.5.2. Major Budget Pressures

The base budget includes the following major budget increases **greater than £50,000,** which are substantially above the previous medium term financial plan expectations due to prevailing economic conditions and demand pressures:

- 3% Pay Award of £418,700 comprising of an initial £278,700 for an assumed 2% pay award plus a further £140,000 for an additional 1% in recognition of the increasing cost of living pressures;
- 1.25% increase in employer National Insurance Contributions due for the Health and Social Care Levy of £80,000;
- Additional Inflationary pressures in utilities, fuel and software prices £144,000;
- Additional investment in Waste and Street Care Staffing resulting from a growth in the number of household and increase service demands of £79,500
- An increase in housing benefit of £135,000 due to the expectation that overpayment recoveries will be lower;

- An expected reduction in income from major planning applications of £100,000.
- Additional borrowing costs (interest and minimum revenue provision) for the capital programme £148,800.

2.5.3 **Major Budget Reductions – Efficiency Programme**

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

The Council's efficiency programme has been developed in accordance with the themes contained in the approved Efficiency Strategy i.e.:

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

Efficiency Programmes – Progress Update

Since 2014/15 Council have approved five separate efficiency programmes totalling £6.5m net of risk provision. The total programme remaining for delivery over 2021/22 to 2024/25 is £1.2m (net of risk provision), including a new programme of efficiencies of £0.584m approved by Council at its meeting in March 2021.

The progress of the current programme delivery has been positive and budget reductions achieved remain broadly in line with the profiled estimate.

Efficiency Proposals – New Proposal 2022/23 to 2024/25

Due to the uncertainties of future Settlement funding and the potential pressures arising from the ongoing impact of the Covid-19 pandemic, at that same meeting in March 2021, Council agreed a further efficiency target of £600,000 as part of the medium term financial plan, requiring new detailed efficiency plans to be developed with a profile for delivery of £500,000 in 2022/23 and £100,000 in 2024/25 should the potential risks materialise.

As detailed above at paragraph 2.5.2 significant inflationary pressures are now being experienced and whilst New Homes Bonus Funding and the new Services grant will be received in 2022/23 this does not cover the inflationary and demand pressures and therefore a new efficiency programme is being proposed as part of this budget report.

A new cumulative efficiency programme of £545,000 is proposed for approval and is included in the MTFP, made up of the following annual ongoing targets: **2022/23 £337,000; 2023/24 £108,000; and 2024/25 £100,000.** The inclusion of this target is broadly in line with target agreed by Council and contributes to the achievement of a balanced budget and sustainable medium term financial plan. A total **risk provision of £50,000** is included in the budget to manage the inherent risks of efficiency programme delivery.

The tables below summarise the proposed budget reductions analysed by Portfolio and Reduction type, a detailed list in included in Appendix 6.

Summary of Budget Reduction Proposals

Inclusion in 2022/23 Budgets and MTFP				
Portfolio	**2022/23 £**	**2023/24 £**	**2024/25 £**	**Total £**
Community Development	30,000	(20,000)	0	10,000
Housing Health & Wellbeing	149,000	150,000	100,000	399,000
Public Protection	0	0	0	0
Environment	1,000	24,000	0	25,000
Growth & Regeneration	0	0	0	0
Resources & Reputation	157,000	(46,000)	0	111,000
Total	**337,000**	**108,000**	**100,000**	**545,000**

Budget Reduction Proposals Summarised by Type

Summary 2022/23 - 2024/25	**Service Cut £**	**Efficiency and Effectiveness £**	**Income £**	**Total £**
Community Development	0	10,000	0	10,000
Housing, Health & Wellbeing	0	45,000	354,000	399,000
Public Protection	0	0	0	0
Environment	0	0	25,000	25,000
Growth & Regeneration	0	0	0	0
Resources & Reputation	0	78,000	33,000	111,000
Total	**0**	**133,000**	**412,000**	**545,000**

2.5.4 **<u>Proposed Revenue Resource Developments 2022/23</u>**

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

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

(a) <u>Revenue Resource Developments 2022/23</u>

Scheme	Revenue Bid 2022/23	Ongoing
	£	£
Economic Regeneration Master Planning Exercises	50,000	0
Queen Elizabeth II Platinum Jubilee Activities	10,000	0
Green Rewards Scheme	5,500	5,500
Street Lighting Maintenance (funded by reserves)	8,000	0
IT Cyber Security and Disaster Recovery Measures	26,000	26,000
Hybrid Meeting Rooms (funded by grant and reserves)	5,000	0
HGV Driver Training	5,000	5,000
Total Revenue Bids	**109,500**	**36,500**

Further details of the revenue resource developments for 2022/23 are as follows:

- Master Planning Exercises (£50,000) – Support one-off strategic planning work, particularly in respect of the Arnold, Colwick and Netherfield areas
- Queen Elizabeth II Platinum Jubilee (£10,000) – A series of civic and community events and activities to help celebrate 70 years since Queen Elizabeth II's accession to the throne.
- Green Rewards Scheme (£5,500) – The ongoing costs of participating in the Green Rewards Scheme launched in 2021/22 that saw Gedling join with other Nottinghamshire local authorities to set up an online platform designed to incentivise and encourage residents to undertake positive environmental behaviour change.
- Street Lighting Maintenance (£8,000) – The maintenance of seven previously unregistered street lighting units along Apple Tree Lane in Gedling. It is anticipated that this cost will be met by a contribution from the Asset Management Reserve.
- IT Cyber Security and Disaster Recovery Measures (£26,000) - new software to improve recovery times in the event of a disaster recovery situation and improve day to day IT security.

- Prototype Hybrid Meeting Rooms (£5,000) - To enable initial work to be undertaken to prototype 1 or 2 meeting rooms at the Civic Centre with hybrid technologies to determine if these solutions will support the Council's needs going forwards, particularly in view of the Council's wider agile working agenda. It is anticipated that the cost will be met by a grant of £3,000 from the Local Resilience Forum (LRF) and a £2,000 contribution from the Efficiency and Innovation Reserve.
- HGV Driver Training (£5,000) – A programme to ensure that the Council has a sufficient number of trained drivers to support the delivery of services.

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

(b) General Fund Ongoing Revenue Implications of the Proposed Capital Development and Asset Replacement Proposals (excluding borrowing costs)

Description	Capital Budget – For Information	Revenue Costs 2022/23 and ongoing
	£	£
CCTV Developments Replacement Provision	65,000	6,500
Total Ongoing Revenue Costs/(Saving)		**6,500**

2.5.5 Discretionary Income Inflation

The Medium Term Financial Plan includes income inflation at 3% on discretionary income, (excluding leisure DNA memberships, garden waste, trade waste, building control, town centre car parking), which equates to £97,900, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £32,600.

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

Portfolio	Discretionary Income £	1% increase £	3% increase £
Community Development	(83,500)	(900)	(2,600)
Housing, Health & Wellbeing	(1,773,400)	(17,700)	(53,200)
Public Protection	(599,700)	(6,000)	(18,000)
Environment	(766,500)	(7,600)	(22,900)
Growth & Regeneration	(2,200)	0	0
Resources & Reputation	(41,000)	(400)	(1,200)
Total	**(3,266,300)**	**(32,600)**	**(97,900)**

Some of the services operated by the Council are not included in the general fee inflation increase due either to: the sensitivity of demand to price changes e.g. Leisure DNA memberships, or; being operated on a commercial basis and therefore required to breakeven e.g. Trade Waste Services and Building Control. The levels of fees which are set in these areas are considered separately and the base budget amended to ensure appropriate fees are set.

In 2022/23, in addition to the 3% fee increase, a further review of discretionary pricing will be completed and Portfolio Holders will consider separate recommendations to deliver the £30,000 provision included in the efficiency programme detailed at paragraph 2.5.3.

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

2.5.6 **Summary of Significant Budget Changes 2022/23**

In summary, the table below highlights the areas of significant variance in expenditure/income which have been reflected in the base budget 2022/23.

	Budget Impact 2022/23	
	£	£
Original Net Council Budget 2021/22		**11,654,300**
Revenue Budget Pressures		
Initial 2% for 2022/23 Pay Award	278,700	
Additional 1% for 2022/23 Pay Award	140,000	
Reduction in DWP Rent Allowance Income	135,000	
Additional Minimum Revenue Provision (MRP)	115,700	
Reduction in Major Planning Applications Income	100,000	
Additional Investment in Waste and Street Care Staffing	80,900	
Additional 1.25% National Insurance Contributions for Health and Social Care Levy	78,400	
Additional Fuel Costs	60,000	
Additional Utilities Costs	57,000	
Additional PWLB Interest on New Borrowing	33,100	
Reduction in Hackney Carriage Licence Income	33,300	
Reduction in Land Charges Income	27,000	
IT Software Licencing and Maintenance Inflation	22,600	
Increase in Banking Services Costs	10,100	
Other minor variances (net)	2,400	
Total Pressures		**1,174,200**
Revenue Budget Growth		
See above		109,500
Total Growth		**109,500**
Efficiency/Budget Reduction Programmes		
Previously Approved Programme	(162,300)	
New Proposed Efficiency Programme (net of risk provision)	(287,000)	
Total Efficiency Programme (net impact)		**(449,300)**
Provisions		
Removal of Covid-19 Expenditure Pressures Government Grant	534,700	
Total Provision		**534,700**
Other Base Budget Reductions		
Reinstatement of Leisure Income Budget net of Covid-19 Sales, Fees and Charges Grant	(511,400)	
Reduction in Waste Disposal Costs	(40,000)	
Fees and Charges Income Inflation (see para 3.6.5)	(97,900)	
Total Other Budget Reductions		**(649,300)**
Net Increase in Budget 2022/23		719,800
Proposed 2022/23 Net Council Budget		**12,374,100**

Note: In addition to the above 2022/23 budget changes and future inflationary increases the MTFP includes the following:

- Elections costs in 2023/24 £133,500;

- Assumptions about the transfer of Housing Benefit administration to the Department of Works and Pensions following the introduction of Universal Credit have been made including the deferral of the roll-out announced by the Government. The net cost to the authority is now expected to be increased by £15,000 per annum from 2023/24 through to 2026/27.

2.5.7 **Review of Balance Sheet Reserves**

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

The Council's minimum General Fund Balance requirement is set at £1m, or least 7.5% of the Council's net operating expenditure, whichever is greater. The General Fund balance is currently projected to be in excess of the minimum by £0.611m at 31 March 2023. The medium term projection on the General. Fund Balance is detailed in the Medium Term Financial Plan summary at paragraph 3 below.

Earmarked Reserves on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks. The estimated movement on reserves for 2021/22 and 2022/23 are detailed at Appendix 4 and show expected balances of £3.91m at 31 March 2023. Whilst the majority is set aside to cover specific risk issues e.g. insurance risks, to support approved capital projects, to support ongoing service provision, including ring-fenced partner funds and grants, they may be diverted to support general expenditure should the need arise. In the region of £700,000 remains that does not have specific approved plans which could be reclassified for general use. If spending pressures did arise in those 'earmarked' areas, in-year additional savings would need to identified at that time. The MTFP at paragraph 3 assumes that the reclassification of £700,000 earmarked reserves will be required in 2023/24 to support the budget. This will be kept under review and considered in the light of the outturn position for 2021/22 and detailed recommendations made for reclassification if required.

2.5.8 **Financing of the Capital Programme**

As detailed in the Capital Programme report earlier on this agenda it is currently forecast that borrowing will be required to finance part of the capital programme in 2022/23 to 2026/27. Borrowing has an impact on the revenue budget in terms of interest costs and principal repayment. This is reflected in the Medium Term Financial Plan.

2.5.9 **Collection Fund**

Council Tax

On 15 January each year, the Council is statutorily obliged to prepare an estimate of its Collection Fund transactions for Council Tax, and its expected position at 31 March. This estimate enables Gedling and the three major precepting authorities to take account of any anticipated surplus or deficit on the Fund when they set their own authority budgets.

As detailed in Appendix 5, a nil surplus/deficit was declared on 15 January 2022 for the estimated position at 31 March 2022. This is net of a "spreading adjustment" of £207k representing 1/3 of the 2020/21 in-year deficit of £622k which was largely due to the impact of Covid-19 on the Council Tax Collection Fund and ensured that the full financial impact of the deficit did not fall on a single year's accounts. The spreading adjustment is required by regulations which came into force on 1 December 2020.

Business Rates

The Business Rates Collection Fund deficit at 31 March 2021 was £13.173m compared to the deficit of £12.135m declared in January 2021 for collection in 2021/22 – an increase of £1.038m. This was not unexpected since the declared deficit was reduced by a mandatory spreading adjustment put in place by the Government to ensure that the full impact of additional Covid 19 reliefs did not impact a single year's accounts.

The exceptional 2020/21 deficit was mitigated by additional S31 grant of £12m paid to the General Fund in respect of the expanded reliefs. Due to technical accounting requirements there is a timing difference between the receipt of the S31 grant which was accounted for in 2020/21 and the collection fund deficit created by the awarding of the reliefs which is not paid until 2021/22. This element of the collection fund deficit could not be spread over 3 years and therefore at the 31 March 2021 there was a surplus in the General Fund balance of £4.8m which was retained for payment of Gedling's share of the deficit in 2021/22.

An estimated deficit of £7.1m for 31 March 2022 was declared in January 2022, of which Gedling's share is £2.85m (40%). The continuation of expanded retail relief into 2021/22 has recreated, to a lesser extent, the timing difference experienced in 2020/21. An estimated £2.459m of additional S31 grant for this will be received by the General Fund in 2021/22 for expanded retail reliefs and the Covid Additional Relief Funding (CARF), and these will need to be carried forward in the General Fund balance at 31 March 2022 in order to finance the deficit in 2022/23.

2.5.10 **Business Ratepayers Consultation**

There is a statutory requirement to consult with business ratepayers on the budget proposal. The consultation has commenced and any responses will be reported at the meeting.

3. MEDIUM TERM FINANCIAL PLAN

3.1 The implementation of the Local Government Act 2003, which introduced a requirement for the Council's Chief Financial Officer to comment on the robustness of the Council's estimates, and the need to look at the medium term (3 years) in order to produce the required indicators as detailed in the Prudential Code, means greater emphasis needs to be placed on the Council's medium term financial planning. Although an absolute requirement to look over three years is required, it is considered good practice to look over as long a period as is reasonable. This Council has a history of producing a Medium Term Financial Plan (MTFP) over a 5 year horizon and this is still considered the appropriate period for this authority.

3.2 The MTFP 2022/23 to 2026/27 is presented against a backdrop of major and unprecedented uncertainty in the post Covid-19 pandemic environment, particularly rapidly rising inflation and problems in the global supply chain along with the recent upward movement in interest rates which have resulted in difficulties in forecasting both funding and spending pressures beyond next year. Other factors contributing to uncertainty associated with the MTFP include:

- The latest one year Local Government Finance Settlement for 2022/23;
- The lack of a confirmed timescale for the Fair Funding Review;
- Upward pressure on pay awards due to a response to rapidly rising inflation and skills shortages in key areas.

3.3 The following table identifies the impact of all the proposals and assumptions that are contained in this report:

- Planned budget reductions and efficiency savings (paragraph 2.5.3)
- The incremental increase in base revenue expenditure from 2021/22 and budget growth items (paragraph 2.5.4);
- Pay Award of 3% for 2022/23 and 2% per annum from 2023/24 to 2026/27. Whilst the April 2021 pay award for Local Government staff has not yet been agreed and an offer of 1.75% has been made to all staff below Chief Officer level, it is considered prudent to forecast a pay award of 3% in the MTFP for 2022/23 to reflect the rapidly rising inflation levels and skills shortages in certain key areas.
- Fees and charges to be increased by an average 3% (paragraph 2.5.5);
- Anticipated cost of borrowing to finance the capital programme for 2022/2027;

- A £5 Band D Council Tax increase (42p per month for a Band D property and 28p per month for a Band A property) has been assumed for 2022/23. Beyond that a £5 or 2% Council Tax increase, whichever greater, has been assumed for each year of the MTFP in line with the maximum possible without triggering a referendum. However, future council tax increases will be dependent upon future spending decisions, total local government funding and the achievement of efficiency savings;
- Reclassification of Earmarked Reserves back to General Fund Balance in 2023/24 £700,000 (subject to review as detailed in paragraph 2.5.7).

Based on the current information available, in order to achieve a balanced MTFP and ensure the Council's balances do not fall below the minimum required, additional ongoing budget reductions or funding increases of **£1,000,000** will be required in the following profile: **£100,000 in 2023/24; £900,000 in 2024/25** and these are included in the summary MTFP table below. Any new demand pressures arising will require an increase in these budget reduction/savings projections to maintain a balanced budget.

Whilst these budget reductions are not yet supported by outline business plans meaning this aspect of the financial plan is less robust, given the prevailing backdrop of funding uncertainty detailed in paragraph 3.2 and that the first savings are not proposed for delivery until year 2 of the MTFP this gives the Council a good lead in time for developing detailed plans if required. The Council will not be complacent and will consider options for potential budget reduction options during 2022/23 which can be implemented from 2023/24 in the event that additional funding is not available in the next Local Government Finance Settlement.

The following table demonstrates a balanced medium term plan with a projected surplus on balances at the end of year 5 (2026/27). Whilst the budget still requires a contribution from balances in years 1, 2 and 5, the inclusion of a higher savings projection to that detailed above is not recommended due to the uncertainties surrounding the future of local government funding. Given the many variables in the medium term financial plan there will be sufficient time to address any future imbalance that may arise.

MEDIUM TERM FINANCIAL PLAN 2022/23 TO 2026/27 - HIGH LEVEL SUMMARY

	2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £
Net Council Budget	12,374,100	12,180,300	11,284,200	11,671,400	12,232,900
Financed by					
SFA Business Rates Baseline	(3,076,400)	(3,138,000)	(3,200,700)	(3,264,700)	(3,330,000)
SFA – Revenue Support Grant	(500)	(500)	(500)	(500)	(500)
Lower Tier Grant	(140,700)	(140,700)	(140,700)	(140,700)	(140,700)
Services Grant (2022/23 only)	(212,100)	0	0	0	0
NNDR Growth/ Collection Fund(Surplus)/Deficit/ S31 Grant	(1,008,100)	(620,000)	(800,000)	(800,000)	(800,000)
NDR Deficit Reliefs 2020/21	2,458,500	0	0	0	0
Council Tax Deficit/Losses Grant/CTRS Support	0	19,100	0	0	0
New Home Bonus - Current	(427,700)	0	0	0	0
New Homes Bonus - Legacy	(93,100)	0	0	0	0
Less: Amount (from)/to Balances	(3,147,200)	(1,306,700)	122,200	64,500	(162,400)
Council Tax Requirement	6,726,800	6,993,500	7,264,500	7,530,000	7,799,300
Council Tax increase	£5 (2.89%)	£5 (2.81%)	£5 (2.73%)	£5 (2.66%)	£5 (2.59%)
Tax Base	37,776	38,201	38,626	39,001	39,376

The MTFP above assumes that a £5 increase will be applied between 2022/23 and 2026/27 but the actual increase will be determined on an annual basis by Council.

Expected balances at year end	1,614,000	1,007,300	1,129,500	1,194,000	1,031,700
Required balance	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
(Surplus)/Deficit on required balances	**(614,000)**	**(7,300)**	**(129,500)**	**(194,000)**	**(31,700)**

Note: Actual General Fund Balance at 1 April 2021 was £7,923,000 and the estimated balance at 1 April 2022 is £4,761,000 which includes S31 Grant for the funding of the 2021/22 business rates reliefs, which will fund the related Collection Fund deficit of £2,458,500 (as detailed paragraph 2.5.9 and in the table above). Estimated balances assume the reclassification of £700,000 of Earmarked Reserves back to General Fund Balance in 2023/24.

4. COUNCIL TAX

4.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2022/23.

4.2 Gedling's share of the council tax for a band D property for 2021/22 is £173.07. The level of council tax for 2022/23 depends on the extent of service reductions/developments and financial risk issues (see paragraph 5 below) that the Council decides to provide for in the budget for next year. For illustration, an increase in council tax by 1% provides additional funding of £64,700. In the above MTFP a £5 (equivalent to 2.89%) increase has been assumed for 2022/23. **The MTFP at paragraph 3.2 assumes that a £5 increase will be applied for the whole period of the plan but the actual increase will be determined on an annual basis by Council**. The maximum council tax increase that a shire district can apply without triggering a referendum is £5 or 2%, whichever is greater. To illustrate the impact of the £5 increase, the overall position in terms of the increase for the year ahead on each band would be as follows:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Year	£3.33	£3.89	£4.44	£5.00	£6.11	£7.22	£8.33	£10.00
Per Week	6p	7p	9p	10p	12p	14p	16p	20p

5. ROBUSTNESS OF ESTIMATES

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

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

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

The key strategic risks in considering the 2022/23 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are detailed in paragraphs 5.2 to 5.8 below.

5.2 Financial Settlement/Funding Streams

After a delay of two years, firstly due to Brexit and then the Covid-19 pandemic (resulting in one year spending rounds for 2019 and 2020 and consequently one year local government finance settlements), the much awaited 3 year 2021

Comprehensive Spending Review was announced in October of 2021. However, once again, the continuing impact of Covid-19 has had a knock on impact on the timing of the promised local government finance reforms i.e. Fair Funding Review and Business Rates Retention, which have now been deferred for at least a further year resulting in a third, one year only Local Government Finance Settlement. This means that Councils still have no clarity or certainty of how services will be funded beyond next year which presents incredible challenges, inhibiting meaningful financial planning and the development of a sustainable medium term financial plan. This is further exacerbated by the uncertainties resulting from Covid in terms of ongoing budget pressures and consequent inflationary pressures and how they will be financed.

The 2021 Comprehensive Spending Review outlined the Government's spending plans for the next three years by setting budgets for each central government department. This included an average increase in Core Spending Power for local government of 3% in real terms over the three year Spending Review period. However, a substantial part of the additional £4.8 billion of new grant funding to this department is primarily to meet social care pressures which is an upper tier function, presenting a risk that district and borough councils will not receive the full 3% increase in real terms over the 3 year period.

- **Business rates retention/Fair Funding Review**: The extension of the business rates retention scheme and implementation of the Fair Funding Review was planned for 2020/21 but this has now been delayed for a third year with the earliest expected conclusion to be in time for the 2023/24 Local Government Finance Settlement, i.e. year two of the 2021 Comprehensive Spending review period. Consultation on updating the system is expected to commence early in 2022 but it is, as yet, unclear if this will include a review, or reset, of the business rates retention system. In the absence of a review of the local government funding, pilots for the 100% business rates retention are continuing in 2022/23 but the Secretary of State for Levelling Up, Housing and Communities announced that the Government would abandon moves towards 75% Business Rates Retention as they considered that it conflicted with their levelling up agenda. Instead the Government would look to progress the Fair Funding Review and examine the mechanism for redistributing funding to the local authorities most in need.

  Any retention of business rates will still require a mechanism to ensure funding is distributed in respect of need which will create winners and losers which will be determined by the Fair Funding Review. With an obvious emphasis already included in the Spending Review to support upper tier authorities in respect of their funding for social care, there is a real risk that district councils could lose further under any new allocation process. The original intention of the business rates retention scheme was for it to be fiscally neutral and in order to achieve this, additional responsibilities would need to be transferred to Local Government in a move to 100% retention. In this scenario care will be needed to ensure that any new transferred responsibilities are capable of being fully funded in both the short and long term although the risk of this materialising is now reduced if the retention level stays at the current 50%.

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

- **New Homes Bonus**: the main body of the report at paragraph 2.4.4, identifies the significant impact that changes to this funding stream has for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in a significantly reduced awards since 2016/17.

  In line with the line with the one year only local government finance settlement, the NHB award has continued on a one year only basis for 2022/23. Previously the government has stated that it is no longer clear that the NHB in its current form is focussed on incentivising homes where they are needed most. A consultation on the future of the NHB was held in the spring of 2021 but there is, as yet, no firm indication as to how the Government will wish to proceed. There is speculation that the future of NHB will be considered in the context of the Fair Funding Review.

  Whilst there may still be an opportunity to receive NHB in the future it is considered that there is a significant downside risk to this arising and it is not prudent to rely on this funding stream to support the revenue budget. This risk came to fruition for 2021/22 as Gedling received a zero award because growth was below the threshold before receiving a positive allocation of £427,670 for 2022/23. Therefore the MTFP assumes future payments will be zero. In the event that the Council does receive some NHB in the future, this will be used to support projects or be transferred to balances to support future budget setting but, in all probability, will be matched by corresponding reduction in Lower Tier Services Grant.

- **Council Tax**: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by 2% or £5 per annum whichever is greater and that growth in the tax base will recover from the adverse impact of Covid due to the increased Council Tax Reduction Scheme caseload and will increase by the creation of additional hereditaments. These may be optimistic assumptions and in any case leave very little room for local discretion to set a higher Council Tax in order to plug any funding gaps. The MTFP contained in this report assumes that a £5 increase will be applied between 2022/23 and 2026/27 but the actual increase will be determined on an annual basis by Council. In the absence of additional ongoing funding in the local government finance settlement, any Council Tax increase below the £5 will require an increase in the efficiency/budget reduction targets to ensure that a balanced MTFP is secured.

- **<u>COVID19:</u>** There remains a significant amount of uncertainty and risk around the financial impact of Covid-19 in the medium term due to: potential increased service demand arising from the economic impact; the ongoing impact on income for Council services e.g. leisure, and local tax collection reductions; and now to a lesser extent, the risk of ongoing response work being required. There remains a risk that the Covid financial impacts are higher than estimated and in the absence of additional government funding these will need to be met from an increase in savings/budget reductions in other Council services. For both 2020/21 and 2021/22 the full costs of Covid have not been covered in full by government grant and the Council has been required to use its finite reserves to cover the deficit. No further government grant funding is expected for 2022/23 despite income levels not being anticipated to reach pre-pandemic levels until 2023/24.

- **<u>Economic Growth/Inflation</u>**: Both Brexit and Covid-19 had a major adverse impact on the economy and whilst effective vaccines improved the economic outlook, the related ongoing uncertainty continues to create major challenges for economic forecasting. Overall the balance of risk to economic growth in the UK is now to the downside, with significant risks related to: labour supply shortages proving more enduring and depressing economic activity; inflationary pressures not being effectively controlled by monetary policy interventions; UK/EU trade agreements being effective. Without a multi-year settlement or an understanding of what the Fair Funding Review or business rates retention will bring any future pressure arising from an economic downturn and inflationary pressure need to be managed within local resources i.e. from further budget reductions or efficiencies.

- Inflation assumptions have been incorporated in the MTFP as detailed in Appendix 3, including pay award of 3% for 2022/23 and 2% per annum from 2023/24 to 2026/27. Whilst the 2021/22 pay award for Local Government staff has not yet between agreed, and an offer of 1.75% has been made to all staff below Chief Officer level, it is considered prudent to forecast a pay award of 3% in the MTFP for 2022/23 to reflect the rapidly rising inflation levels and skills shortages in certain key areas. However, given the uncertainties in the economy present there is a minor upside financial risk that future awards could be lower than 2% if a period of public sector austerity ensues and is reflected in local government finance reforms and Settlement.

5.3 A minimum balance of £1m on the General Fund, or 7.5% of net operating expenditure whichever greater, is recommended by the Chief Financial Officer to be a prudent amount given the scale of the business conducted by the Council. The external auditor regards this level of balance on the General Fund to be satisfactory, and it is also appropriate to reflect uncertainties in the financial position in the medium term.

5.4 The (surplus)/deficit on balances in the MTFP table in 3.2 shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £614,000 in 2022/23 declining to £31,700 by the end of 2026/27. Achievement of this position is reliant upon efficiency plans being progressed and delivered during the period of the MTFP or additional funding being made available via the local government finance reforms. Underlying this is an annual deficit between the amounts of income expected and anticipated expenditure which needs to be managed beyond the five-year horizon but this is significantly reduced to manageable levels with the inclusion of the efficiency/savings programmes. However this still does not leave significant capacity to manage future budget and inflation pressures that may arise which will have to be managed by further budget reductions.

The Council has a substantial programme of budget reductions planned for delivery, as detailed in paragraph 2.5.3. Whilst risk provisions and transformation funds have previously been approved, (which mitigate the risk of non-delivery) and in the main the delivery of the programme has gone well, more recently difficulties have been experienced particularly with regards to projects that contain uncertainties inherent in more innovative commercial approaches and the impacts of Covid-19 which presents an increasing downside risk to successful delivery. Programmes are regularly monitored and progress reported to Cabinet to manage this risk and as detailed in paragraph 2.5.3 new efficiency proposals recommended to ensure this downside risk is effectively managed.

The challenges that lie ahead remain equal to those in previous years, but this plan is considered robust. Gedling is not alone in facing this challenge - it is a national problem - and it is better placed than most councils to react and to develop strategies to meet the set efficiency targets.

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

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

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

5.7 There is an increased risk arising from these assumptions and it has been necessary to increase minimum balances to £1m from 7.5% of net projected expenditure (approx. £930,000 2022/23). As the Council is responding to the challenges through efficiency measures and service reductions it is considered that the annual and medium term budgets are robust, but given the above risk assessment the achievement of the estimated Medium Term Financial Plan will not be easy to deliver.

5.8 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to still be at a manageable level, although it should be expected that there may need to be some contraction of service delivery/performance if existing efficiency plans do not proceed in line with expectations or there are funding reductions following the implementation of the Fair Funding Review.

6. Risk Assessment

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

Risk	Impact	Comments
Time	Medium	Gedling has always aimed to be at least one year ahead of the budget reductions it needs to make, so that any changes required are as trouble free as possible. Efficiency plans to meet the approved targets will continue to be implemented over the next 4 years to help balance the MTFP.

Viability	High	The continuing one year local government finance settlements, the lack of a clear timeframe for the Fair Funding Review, uncertainty regarding the future of the New Homes Bonus and the rapidly increasing levels of inflation as well as the upward movement in interest rates increases the risks to the finances of the Council; Whilst it has reserves to cushion the impact, these are quickly reducing and delivery of the approved efficiency programmes will be essential.
Finance	Medium	With the continued removal of central government support, the Council will increasingly rely on income generated by local fees and charges, and council tax, and these will need to consistently increased year on year to offset the momentum of continual reductions in available budgets. Covid19 presents an additional risk to income levels for which the recovery period is uncertain
Profile	High	The achievement of a balanced and sustainable MTFP is reliant upon the effective delivery of the efficiency programme, with £1.7m planned for delivery 2021/22 to 2024/25. In the absence of additional funding in the next local government finance settlement, or reduced inflationary pressures, further budget reductions of £1.0m over 2023/24 to 2026/27 will be required.
Adaptability	High	Working with partners will be essential to successfully respond to the challenges that face the Council. The joint work with the DWP has provided a positive model of partnership working and Gedling is working more closely with the Police and the local Clinical Commissioning Group to work laterally across the sector.

7. **Equality Issues**

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

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

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

8. **Key Decision Thresholds**

In accordance with the Council's Constitution, full Council will in each year determine the financial thresholds for each service or function above which expenditure or saving is regarded to be significant and should therefore be regarded as a Key Decision. Traditionally the threshold has operated at above £0.5m and it is proposed that this value be continued for 2022/23.

9. Alternative Options

Cabinet could consider recommending an alternative budget and service plan. Recommending an alternative budget may alter the level of recommended Council Tax for 2022/23. If Cabinet chose not to recommend a budget to Council this would be in contravention of the Council's Constitution and would not be in compliance with the Local Government Finance Act 1992.

10. Financial Implications

As detailed in the report.

11. Legal Implications

It is a statutory requirement under Local Government Finance Act 1992 that the budget is presented to Council for approval. The budget has been prepared taking into account the Council's Gedling Plan priorities and Council objectives for the coming year, as well as with regard to statutory requirements.

12. Carbon Reduction/Environmental Sustainability Implications

The Council has committed through the Gedling Plan to promote a sustainable environment, recognising the responsibility it has to safeguard the local environment by reducing its own Carbon Footprint, and working with the local community to reduce global warming. This commitment impacts on the budget in terms of investments and expenditure required to deliver such changes, and in considering the risk of climate change to the Council in terms of impact on its residents and delivery of services.

13. Appendices

Appendix 1 - Local Government Association Settlement Briefing
Appendix 2 - Detailed Gedling Plan Portfolio Budgets 2022/23
Appendix 3 - Major Price Indices – Medium Term Financial Plan
Appendix 4 - Movement on Earmarked Reserves
Appendix 5 - Council Tax Collection Fund Estimate 2022/23
Appendix 6 - Summary of Budget Reduction Proposals 2022/23 – 2025/26

14. Background Papers

- Central Government Report – Local Government Finance Report 2022/23
- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2022/23
- Capital Programme and Capital Investment Strategy 2022/23 to 2026/27
- Gedling Plan 2020/21 to 2022/23

15. Reasons for Recommendations

To obtain approval of the General Fund Revenue Budget 2022/23 for referral to Council.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 9 February 2022

Approved by: Monitoring Officer

Date: 9 February 2022

Local Government Association
Provisional Local Government Finance Settlement 2022/23
On the Day Briefing
16 December 2021

Briefing

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Introduction

The local government finance settlement is the annual determination of funding to local government from central government. This briefing covers the provisional local government finance settlement for 2022/23. We expect the final 2022/23 settlement to be laid before the House of Commons, for its approval, in late January or early February 2022.

The LGA has issued a media statement responding to today's statement.

Key messages

- It is good that the Government has listened to our calls to publish the Provisional Local Government Finance Settlement for 2022/23 ahead of the Christmas period. It has provided a potential increase of 6.9 per cent in council core spending power in cash terms, including new government grants, to support vital local services. The potential increase will support councils to meet extra cost and demand-led pressures next year to keep providing services at pre-pandemic levels.

- However, these Government forecasts are based on the assumption that every local authority will raise their council tax by the maximum permitted without a referendum. This leaves councils facing the tough choice about whether to increase council tax bills to bring in desperately-needed funding at a time when they are acutely aware of the significant burden that could place on some households.

- The LGA has long highlighted that council tax rises – particularly the adult social care precept – have never been the solution to the long-term pressures faced by councils, particularly in social care which is desperately in need of reform. Increasing council tax raises different amounts of money in different parts of the country, unrelated to need.

- Steadily growing demand has seen councils with responsibility for children's and adult's social care devoting nearly two-thirds of their total spending to these services. While the additional funding these services is good, it will not go far enough in addressing the very real existing pressures these vital services face.

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities. Councils need clarity on the future of the New Homes Bonus to be able to plan their budgets beyond next year and into the medium term. Any changes should come with transitional funding to ensure that local authority services that residents rely on are not put at risk.

- With the spread of Omicron, COVID-19 pressures are intensifying and costs are rising, underlining the urgency for government to extend outbreak funding for councils beyond March, to tackle rising cases and meet a surge in demand for local contact tracing.

- The public health grant also needs to be published as soon as possible, so councils know how much they can budget for essential services to help keep people healthy throughout their lives, including for treating drug misuse and tackling obesity.

- The Government should now provide clarity on which local government funding reforms will happen and when. It needs to push ahead with the Fair Funding Review, including looking both at the data and the formulas used to distribute funding. We look forward to resuming our work with Government on the Review to ensure overall local government funding is sufficient when any funding distribution changes are introduced and that no council sees its funding reduce as a result.

- While funding reforms make it difficult for a government to set out a multi-year settlement for local government, this is the fourth on-year settlement in a row for councils which continues to hamper financial planning and their financial sustainability. Only with adequate long-term resources, certainty and freedoms, can councils deliver world-class local services for our communities, tackle the climate emergency, and level up all parts of the country.

- We will continue to promote the role all councils play in making a huge difference to the lives of our residents and communities. We will be continuing to campaign for local services to be provided with a long-term, sustainable future which gives councils clarity and certainty over their funding. This will allow local government to play our full part as we improve outcomes and value for money in public services, rebuild our economy, get people back to work, level up inequalities some face and create new hope in our communities.

Summary of Council Tax Referendum Principles

The following Band D council tax referendum principles were announced:

- a core principle of up to 2 per cent applying to shire county councils, unitary authorities, London boroughs, and the Greater London Authority (GLA) and fire and rescue authorities.
- up to 2 per cent or £5, whichever is higher, for shire district councils
- a continuation of the Adult Social Care precept, with an additional 1 per cent flexibility available for social care authorities on top of the core principle.

- Those social care authorities which did not use the entirety of the 3 per cent adult social care precept in 2021/22 can use the unused flexibility in 2022/23.
- a £5 referendum principle for the 8 lowest-charging fire and rescue authorities.
- A maximum of £10 for Police and Crime Commissioners including the police element of the GLA.
- no referendum principle for Mayoral Combined Authorities or town and parish councils.

The settlement in detail

The Department for Levelling Up, Housing and Communities (DLUHC) has announced the provisional local government finance settlement for 2022/23.

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

Today's statement is broadly in line with the indicative figures for 2022/23 announced in the 2021 Autumn Budget and Spending Review in October 2021.

The closing date for responses to the consultation document to DLUHC is 13 January 2022. We expect the final settlement to be published in late January / early February 2022.

The 2022 Virtual Annual Local Government Finance Conference will take place online on 13 January 2022 and will provide further analysis of the settlement. This webinar provides the opportunity to raise questions with senior experts from the sector. We will explore the outcome of the 2021 Spending Review, the 2022/23 provisional local government finance settlement, as well as consider what next for local government finance reform.

Core Spending Power

The Government figures indicate that Core Spending Power will rise by an average 6.9 per cent in 2022/23 in cash terms. These Government forecasts are on the assumption that every local authority will raise their council tax by the maximum permitted without a referendum.

Core Spending Power in 2022/23 consists of:

- Settlement Funding Assessment (which consists of Revenue Support Grant, and the baseline funding level);
- A new one-off Services Grant for 2022/23
- Compensation for under-indexing the business rates multiplier;
- Income from the New Homes Bonus;
- The Social Care Grant for 2022/23;
- The new Market Sustainability and Fair Cost of Care Fund;

- Improved Better Care Fund;
- The Lower Tier Services Grant;
- Rural Services Delivery Grant;
- Income from council tax assuming that the tax base grows, and councils increase council tax by the maximum possible.

Detailed Core Spending Power figures are included in Annex A.

LGA view:

- It is good that the Settlement has provided a potential increase of 6.9 per cent in council core spending power, including new government grant, to support vital local services.

- However, this assumes that council tax bills will rise by a maximum 3 per cent next year, including 1 per cent for social care authorities, next year, and this continue will place a significant financial burden on households in a year of economic uncertainty as they recover from the COVID-19 pandemic.

Revenue Support Grant

The Government is not proposing to change the distribution of RSG from that used in 2021/22. Instead, the Government proposes to increase 2021/22 RSG levels in line with the September 2020 to September 2021 change in the Consumer Price Index (CPI) (3.1 per cent). On top of this, it will roll in two New Burdens grants into RSG; the Electoral Registration grant worth £1.2 million per year and the Financial Transparency of Local Authority Maintained Schools grant, worth £0.8 million per year. This will be distributed on the basis of the 2013/14 shares of Settlement Funding.

LGA view:

- We welcome the increase in Revenue Support Grant.

- We note the decision to roll in grants using 2013/14 settlement funding shares. Authorities with those responsibilities will want to ensure that the funding goes to correct tier.

Business rates and business rates retention

When the Business Rates Retention scheme was introduced in 2013/14, the government committed that Baseline Funding Levels (BFLs) and Business Rates Baselines, which are used to determine tariffs and top-ups, would be fixed in real terms until the system was reset. The government therefore proposes not to alter the existing mechanism for determining tariff and top-up payments in 2022/23.

As announced in the 2021 Spending Review, the business rates multiplier will be frozen for 2022/23. It will remain at 49.9p (small business multiplier) and 51.2p (national business multiplier). In 2022/23, the government plans to freeze BFLs at their 2021/22 levels for all authorities except authorities with increased Business Rates Retention arrangements. BFLs for authorities with increased Business Rates Retention arrangements will be the sum of their 2021/22 BFL and the value of the grant(s) that these authorities will forgo in 2022/23.

The consultation document notes that councils will be compensated for the freeze up to RPI as in previous years but in the provisional settlement CPI is used. The figures in core spending power will be updated at the final settlement to be based on RPI. We estimate compensation up to RPI to be worth around an extra £275 million in core spending power on top of current figures.

2021/22 BFLs included the elimination of so-called 'negative RSG' and this will continue in 2022/23.

Local authorities in 100 per cent business rates retention Devolution Deal areas (Greater Manchester, Liverpool City Region, Cornwall Council, the Combined Authorities of the West of England and the West Midlands) and the Greater London Authority will continue to receive increased levels of business rates retention in 2022/23.

DLUHC is consulting on 27 business rates pools.

LGA view:

- In our response to the Call for Evidence for the Business Rates Review, we stated that although property continues to provide a good basis for a local tax on business, we cannot look to business rates to form such a substantial part of local government funding in the future and alternative means of funding councils will be needed instead or as well as a reformed business rates system. We will be replying to the current consultation on technical reforms to the business rates system and look forward to replying to the consultation on the online sales tax when it is published.

- We welcome the fact that local government will be fully compensated for the freezing of the business rates multiplier in 2022/23. However, freezing the multiplier reduces buoyancy in the business rates system, and without alternative means of funding or compensation, council income would reduce in the medium term. We look forward to the government confirming at the final settlement that the under-indexation compensation will be updated to be in line with RPI.

Funding distribution updates

The Government has stated its commitment to ensuring that funding allocations for councils are based on an up-to-date assessment of their needs and resources, and notes that the data has not been updated for a number of years. It has announced that it will work closely with the sector and other stakeholders to update this and to look at the challenges and opportunities facing the sector before consulting on any potential changes. This includes options to support local authorities through transitional protection – the one off 2022/23 Services Grant will be excluded from potential transitional protections.

LGA view:

- The Government should commit to the Fair Funding Review, reviewing both the formulas and the underlying data used for the assessment of relative needs and resources.
- As a first step, the Government needs to review progress it made prior to the pausing of this work to ensure that it is still fit for purpose, or flexible enough to deal with shifts in available data and council service models as a result of COVID-19.
- We welcome the Government's intention to engage with the sector, and consult, on potential future changes to the system. This process should be as open and transparent as possible.
- Transitional mechanisms attached to the outcome of the review should provide sufficient funding to ensure that no council experiences a loss of income.

Council tax

A core referendum principle of up to 2 per cent will apply to shire county councils, unitary authorities, London boroughs, and the Greater London Authority (GLA) and fire and rescue authorities.

Shire districts will have a referendum principle of up to 2 per cent or £5, whichever is higher.

As previously announced, social care authorities will be able to levy a 1 per cent adult social care precept (in addition to the existing basic referendum threshold referred to above). Those social care authorities which did not use the entirety of the 3 per cent adult social care council tax precept in 2021/22 can use the unused flexibility in 2022/23.

The Government proposes to provide the 8 lowest-charging fire and rescue authorities with the flexibility to increase band D precepts by £5 for one year only in 2022/23. The consultation says that this is to assist them in addressing immediate pressures and to maintain a sustainable income baseline for future years. This flexibility has not been included in the published core spending power figures.

As announced in the Spending Review, the Police and Crime Commissioner (PCC) precepts, including the Police element of the Greater London Authority precept, and the PCC component of the Greater Manchester Combined Authority and West Yorkshire precept will be allowed to increase by up to £10 on a Band D bill.

There will be no referendum principles for mayoral combined authorities (MCAs). The Government will continue with its policy of not setting referendum limits for parish and town councils. It will take account of the increases set by parishes in 2022/23 when reviewing next year's settlement.

The consultation notes that the Mayor of London is considering his approach to the future funding of Transport for London. The Government is awaiting proposals from the Mayor of London, as part of the responses to this consultation, on the GLA referendum principle.

LGA view:

- Whilst it is good that there will be flexibility for councils to raise the adult social care precept by a further 1 per cent in 2022/23, there is a very real risk that local residents will feel they are paying twice with an increased social care precept, on top of the new health and social care levy, yet see their experience of social care services deteriorate due to dwindling resources and ever greater pressure on providers, the care workforce and unpaid carers.

- An increase in council tax of up to 3 per cent will place a significant burden on households. In addition, increasing council tax raises different amounts of money in different parts of the country not related to need.

- We have always maintained that the council tax referendum limit should be abolished so councils and their communities can decide how local services are paid for, with residents able to democratically hold their council to account through the ballot box.

- We agree that shire districts should have the extra flexibility but in view of the proposed £10 threshold proposed for Police and Crime Commissioners, we would call for a higher limit than £5.

Adult and children's social care

The Government has confirmed there will be an additional £700 million provided for social care as part of the additional resources identified in the 2021 Spending Review funding.

This includes an inflationary uplift to the improved Better Care Fund worth £63 million, with distribution of funding unchanged, and additional funding through the un-ringfenced Social Care Grant of £636 million for adult and children's services. This is in addition to all existing social care funding continuing in 2022/23.

Of the additional £636 million through the social care grant, £556 million will be distributed on the basis of the 2013/14 adult social care relative needs formula, with £80 million used to adjust for the funding that could potentially be raised through the adult social care precept in 2022/23.

The announcement of the £162 million Market Sustainability & Fair Cost of Care Fund is covered in the next section of this briefing.

As mentioned above, the Government is also consulting on a 1 per cent adult social care precept. This is in addition to any unused part of the 3 per cent flexibility in 2021/22. Taken together, the Government estimates that this could provide councils with up to £1 billion in funding specifically for social care.

LGA view:

- Steadily growing demand has seen councils with responsibility for children's and adult's social care devoting nearly two-thirds of their total spending to these services. This demonstrates councils' commitment to protecting these crucial services, but it both comes at the expense of funding for other important services and is also completely unsustainable.

- This additional funding is welcome and will help to tackle the most immediate budget pressures. However, it will not be sufficient to invest in the preventative and early help services or improve the quality of care in all settings that councils and their partners are committed to. It will tackle neither unmet and under-met need nor workforce challenges, including the key issue of care worker pay for adult social care, across both sectors.

- Additional investment for here and now pressures and core services is an essential foundation for future adult social care reforms if councils are to play their part in delivering on the Government's ambition as set out in its recent white paper. We continue to call for a greater share of the new Health and Social Care Levy for the social care frontline to help secure that investment.

- We look forward to the outcome of the Independent Review of Children's Social Care, which we hope will make clear the investment needed to give children and families the help they need to thrive, and how local and central government can work together to achieve that goal.

Adult social care white paper funding

The Government outlined at Spending Review 2021 that social care reform funding would be part of Core Spending Power. In 2022/23, this will be the Market Sustainability & Fair Cost of Care Fund worth £162 million. The Government is consulting on the methodology for distribution of this fund, with the preferred option of using the existing adult social care relative needs formula.

The Department for Health and Social Care has separately published further detail on the purpose and conditions of this funding.

In summary, the 2022 to 2023 funding is designed to ensure local authorities can prepare their markets for reform (particularly the impact of section 18(3)) and move towards paying providers a fair cost of care, as appropriate to local circumstances. The Government expects local authorities will carry out activities such as:

- conduct a cost of care exercise to determine the sustainable rates and identify how close they are to it;

- engage with local providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market;

- strengthen capacity to plan for, and execute, greater market oversight (as a result of increased section 18(3) commissioning) and improved market management to ensure markets are well positioned to deliver on our reform ambitions; and

- use this additional funding to genuinely increase fee rates, as appropriate to local circumstances.

The statement makes further funding for this purpose, worth £600 million in 2023/24 and another £600 million in 2024/25, conditional upon the conclusion of the cost of care exercise, a publication of a provisional 3-year market sustainability plan on how councils intend to move to a sustainable rate fee and a grant spending report.

The Department will make available ongoing support and there will be ongoing monitoring and governance of fund spend that councils must participate in across the three-year period.

LGA View:

- We are not convinced that the £3.6 billion funding over three years to implement fair cost of care reform, the care cost cap and extension of the means test threshold (part of the wider £5.4 billion allocated for social care through the new Health and Social Care Levy) is sufficient. Our estimate of the provider market funding gap is £1.5 billion now, rising to £1.8 billion by 2024/25. Tackling this alone is more than the funding allocated for reform, leaving nothing for other practical implementation matters associated with the reforms, such as setting up necessary IT systems and conducting additional assessments, or the actual implementation costs of the cap and floor.

- In a scenario in which the costing exercise reveals a deeper level of unsustainability in provider fee rates, we need assurances that additional funding will be made available. Equally, as the pandemic continues to exert major pressure on councils' staff capacity, the Government must be mindful of the challenging timetable they are expecting councils to adhere to. Conducting cost of care exercises, proper engagement with providers and strengthening capacity for market oversight and improved market management will take time if they are to be done comprehensively. The

Department must therefore publish its promised supporting templates and guidance as soon as possible and ensure its monitoring of councils is light-touch and proportionate.

- More widely, councils will be unable to play their part in delivering the Government’s white paper ambitions if certain key challenges are not addressed as an immediate priority, in particular unmet and under-met need and action on care worker pay. The funding announced today – both for social care grants and the Market Sustainability & Fair Cost of Care Fund – will not enable councils to make meaningful progress on these issues and run the risk of further destabilising the foundations for social care reform.

- We therefore call on the Government to immediately redirect a significantly greater share of the Levy to frontline adult social care.

2022/23 Services Grant

The Government proposes to introduce a one-off Services Grant worth £822 million in 2022/23. This new grant will be distributed through the existing formula for assessed relative need across the sector, using 2013/14 shares of Settlement Funding Assessment. The government says that the new grant will provide funding to all tiers of local government in recognition of the vital services, including social care, delivered at every level of local government. It includes funding for local government costs for the increase in employer National Insurance Contributions.

The grant will not be ring-fenced. The Government intends this to be a one off grant for 2022/23 and to work closely with local government on how to best use this funding from 2023/24 onwards. This funding would be excluded from any proposed baseline for transitional support as a result of any potential future system changes.

LGA view:

- We welcome the new unringfenced grant which will provide vital resources for local authority services. There will be some concern in the sector that its one-off nature makes planning for 2023/24 and beyond more difficult.

New Homes Bonus

Core spending power includes a provisional amount of £554 million for the New Homes Bonus (NHB) in 2022/23.

The bonus consists of the legacy payment for 2019/20 and the new money for 2022/23, as well as the Affordable Homes Premium across those years. The England total of allocations for 2022/23 alone (excluding the 2019/20 legacy payments) is £333 million.

As previously announced, there is no legacy payment in respect of 2020/21 or 2021/22, and there will be no legacy payment in respect of 2022/23 in forthcoming years. The threshold over which the bonus is paid remains at 0.4 per cent.

The Government has not yet responded to its consultation on new homes bonus reform.

LGA view:

- The New Homes Bonus makes up a considerable part of funding for some councils, particularly shire district authorities.

- Councils need clarity on the future of the new homes bonus to be able to plan their budgets beyond next year and into the medium term. Any changes should come with transitional funding to ensure that local authority services that residents rely on are not put at risk.

District-level services

The Government has announced the continuation of the lower tier services grant. It remains worth £111 million as in 2021/22, however the allocations differ slightly in comparison to last year.

Most of the distribution will be based on assessed relative needs for lower tier services. Alongside this, the minimum funding floor from 2021/22 will be updated to ensure that no authority sees an annual reduction in Core Spending Power (CSP) in 2022/23.

To do this, the Government has increased the amount distributed via shares of lower tier funding within the 2013/14 Settlement Funding Assessment from £86 million in 2021/22 to £91 million in 2022/23, and decreased the amount allocated to a funding floor from £25 million in 2021/22 to £21 million in 2022/23.

Lower tier services grant	2021/22 (£m)	2022/23 (£m)
Amount allocated via lower tier funding shares from 2013/14 SFA	86	91
Amount allocated via funding floor	25	21
Total	**111**	**111**

LGA View:

- Councils receiving this funding will welcome the additional resource.

Education

In the 2021 Spending Review the Government confirmed that the schools budget will increase by £4 billion from £49.8 billion in 2021/22 to £53.8 billion in 2022/23. The Government also announced that £2.6 billion of capital funding was being allocated for school places for children with Special Educational Needs and Disabilities (SEND). Today's Written Ministerial Statement and Dedicated Schools Grant (DSG) announcement contains an additional £325 million of High Needs funding in addition to that announced in the Spending Review, bringing the total additional High Needs funding to £1bn this year - a 13 percent increase. A package of £1.8 billion over the Spending Review period for education recovery was also confirmed, including a £1 billion Recovery Premium for the next two academic years for schools. As a result of the DSG announcement every local authority area is forecast to see a cash terms increase of at least 4.7 per cent per pupil in its mainstream school funding, alongside the high needs funding increases.

LGA view:

- The LGA welcomes the Government's announcement to increase schools budgets by £4 billion for 2022/23. Additional funding to support education recovery is also welcome, but we are calling for the Government to commit to funding a programme that goes beyond academic achievement to include measures to support children and young people's socialisation, communication and mental health and well-being.

- We welcome both the £2.6 billion for school places for children with SEND and the additional £1 billion high needs funding for 2022/23. The Government should urgently complete its ongoing review of the SEND system, setting out reforms that increase mainstream inclusion, provide councils and schools with long-term certainty of funding to meet the needs of all children with SEND, and give councils the power to hold education and health partners to account if their provision for identifying and supporting children with SEND is not adequate. The Government should also work with councils to tackle Dedicated Schools Grant (DSG) deficits and extend the statutory override on the treatment of DSG deficits beyond the end of the 2022/23 financial year.

- The LGA welcomes the increased funding for early entitlements, particularly the increase to Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF) and the commitment to continuing supplementary funding for maintained nursery settings to 2024/25. However, early years providers continue to struggle following from COVID-19, the ongoing crisis in recruitment and retention and the increase in national minimum wage results in a challenging picture for early years providers. It is crucial to retain good quality early education and childcare that improves children's outcomes and reduces the disadvantage gap and this requires a review of the early education and childcare system.

Public health

The settlement includes no information about the national total, or individual council allocations, of the public health grant for 2022/23.

LGA view:

- We call on government to provide councils with clarity on the funding for public health as soon as possible. The current delay to the announcement is making it extremely difficult for councils to plan effectively at a time when public health services are vital to the fight against COVID-19.

- Public health teams have faced an unprecedented period of funding and demand pressures and continue to face significant pressures and challenges. Sufficient ongoing funding is needed to ensure all local authorities can continue to meet their public health responsibilities beyond COVID-19 as well.

- The additional £533m in funding for locally commissioned drug and alcohol treatment services announced on 6 December is welcome news. We call on government to provide councils with funding allocations, and certainty beyond 2022/23 as soon as possible.

Rural Services Funding

The Government proposes to roll-forward the 2021/22 allocations of the £85 million Rural Service Delivery Grant for 2022/23, with the quantum of the grant unchanged. The Government is minded to retain the current method of distributing the grant but has included a consultation question on this.

LGA view:

- Councils in rural areas will welcome this additional funding.

- We encourage affected local authorities to respond to the consultation.

Fire Funding

As set out above, Fire and Rescue Authorities will be able to raise their precept by 2 per cent in 2022/23, with 8 fire and rescue authorities with the lowest council tax level able to increase Band D council tax by up to £5.

Fire authorities will also receive an increase in their revenue support grant in line with inflation, an increase in the compensation grant for under-indexing the business rates multiplier and a share of the £822 million Services Delivery Grant.

LGA view:

- Fire and rescue services need to be funded to take account of the full range of risks, demands and cost pressures they face. While we would prefer council tax referendum limits to be removed, in view of the £10 flexibility given to Police and Crime Commissioners, an increase in the precept flexibility for Fire and Rescue Authorities (FRAs) would help. As a first step, whilst it is welcome for the 8 lowest council tax FRAs to be able to raise their precept by £5 it is disappointing that this, or increased, flexibility has not been given to all FRAs

- The sector also needs to be funded properly in order to engage in meaningful reform and transformation

- The outcomes of the cases that have been brought that are about discriminatory practices in the fire fighters pension scheme will have implications for the pension administrative costs and employer contributions to be made by FRAs. Unless these additional cost pressures are funded by government they will have a significant impact on FRA budgets in 2022/23 and beyond.

- We note that funding for building safety is not mentioned in the settlement, including funding for local authority building control and for fire services to increase capacity to deliver the functions of the Building Safety Regulator. This is a concern as sufficient funding will be required to enable local authorities to support the regulator in its work to deliver meaningful change to the built environment.

Police Funding

The Provisional Police Grant Report (England and Wales) 2022/23 was published by the Home Office today in a written Ministerial statement. Funding to Police and Crime Commissioners (PCCs) will increase next year by up to an additional £796 million (5.8%), assuming full take-up of precept flexibility. PCCs will be able to increase their Band D precept by up to £10 in 2022/23 (which could raise up to £246 million), without the need to call a local referendum. In addition, the Minister announced that PCCs will have up to £10 of precept flexibility in 2023/24 and 2024/25 to use according to their local needs.

The Minister announced the Government will continue to provide vital support for counter-terrorism (CT) policing, ensuring they have the resources they need to meet and deal with the threats we face. Counter terrorism policing funding will total more than £1 billion in 2022/23, although specific PCC allocations for counter terrorism policing are not made public for security reasons.

The Minister also announced that the settlement provides £1.4 billion for national priorities in 2022/23 including cutting crime to make communities safer and there will be investment in critical priority areas including drugs and county lines activity, violent crime reduction, child sexual abuse and exploitation, fraud, and modern slavery.

LGA view:

- As well as investing in counter terrorism policing we need to retain investment in the wider terrorism prevention space at a local level, including initiatives to counter extremism and support those at risk of radicalisation. The Government has already withdrawn funding for the Building a Strong Britain Together (BSBT) programme, including specialist counter-extremism Community Coordinator posts in around 40 areas, as well as funding for the Special Interest Group on Countering Extremism (SIGCE). We urge the

Government to continue to invest in these broader measures to build resilience, help stop individuals from being drawn into terrorism and criminality and prevent division and polarisation from taking hold.

- As part of this investment in cutting crime to make communities safer we would like to see the Government extend the Violence Reduction Unit (VRU) model - currently in 18 police force areas – to all police forces in England and Wales and for them to be given a five-year funding settlement, rather than year-on-year commitments. This would be especially helpful given that some VRUs are looking to expand their focus beyond public space serious violent crime, to consider domestic abuse and wider Violence Against Women and Girls (VAWG) issues.

Further Information

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

For further information on the content of this briefing please contact Mike Heiser, Senior Adviser (Finance) (mike.heiser@local.gov.uk / 020 7664 3265) and Laura Johnson, Public Affairs Adviser (laura.johnson@local.gov.uk / 07921 604235).

Annex A: Core Spending Power

	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Business Rates Baseline	**11,323.2**	**11,417.7**	**11,650.6**	**12,000.7**	**12,275.7**	**12,475.7**	**12,475.7**	**12,475.7**
Revenue Support Grant	**9,926.8**	**7,183.9**	**4,982.1**	**3,573.5**	**2,284.0**	**2,321.2**	**2,334.0**	**2,406.5**
Compensation for under-indexing the business rates multiplier	**165.1**	**165.1**	**175.0**	**275.0**	**400.0**	**500.0**	**650.0**	**1,025.1**
Improved Better Care Fund	**0.0**	**0.0**	**1,115.0**	**1,499.0**	**1,837.0**	**2,077.0**	**2,077.0**	**2,139.8**
Rural Services Delivery Grant	**15.5**	**80.5**	**65.0**	**81.0**	**81.0**	**81.0**	**85.0**	**85.0**
Transition Grant	**0.0**	**150.0**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Adult Social Care Support Grant	**0.0**	**0.0**	**241.1**	**150.0**	**0.0**	**0.0**	**0.0**	**0.0**
New Homes Bonus	**1,167.6**	**1,461.9**	**1,227.4**	**947.5**	**917.9**	**907.2**	**622.3**	**554.5**
New Homes Bonus - returned funding	**32.4**	**23.1**	**24.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Winter pressures Grant	**0.0**	**0.0**	**0.0**	**240.0**	**240.0**	**0.0**	**0.0**	**0.0**
Social Care Support Grant	**0.0**	**0.0**	**0.0**	**0.0**	**410.0**	**0.0**	**0.0**	**0.0**
Social Care Grant	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1,410.0**	**1,710.0**	**2,346.4**
Market Sustainability and Fair Cost of Care Fund	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**162.0**
Lower Tier Services Grant	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**111.0**	**111.0**
Services Delivery Grant	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**822.0**
Council Tax	**22,035.9**	**23,247.3**	**24,665.8**	**26,331.6**	**27,767.8**	**29,226.9**	**30,326.9**	**31,728.5**
Core Spending Power	**44,666.5**	**43,729.5**	**44,296.5**	**45,098.3**	**46,213.3**	**48,999.1**	**50,392.0**	**53,856.4**
Year-on-year Change (£ million)		*-936.9*	*566.9*	*801.8*	*1,115.0*	*2,785.7*	*1,392.9*	*3,464.5*
Year-on-year Change (%)		*-2.1%*	*1.3%*	*1.8%*	*2.5%*	*6.0%*	*2.8%*	*6.9%*

Notes

Winter Pressures Grant rolled into Improved Better Care Fund from 2020/21

Social Care Support Grant rolled into Social Care Grant from 2020/21

Source: [CSP Supporting Information]

Annex B – Glossary of Local Government Finance Technical Terms

Adult Social Care Precept	Local authorities with responsibility for adult social care have flexibility to raise additional council tax above the referendum threshold. Funding raised through this additional 'precept' must be used entirely for adult social care.
Affordable Homes Premium	As part of the New Homes Bonus, affordable homes delivered in an area attract an additional £350 per unit on top of the standard Bonus grant.
Area Cost Adjustment (ACA)	A factor to reflect the differences in service cost delivery in different areas. The current ACA reflects differences in wages (the 'Labour Cost Adjustment') and differences in rateable values (the 'Rates Cost Adjustment') between local authorities across the country.
Business rates baseline	The business rates baseline for each authority determined at the start of the 50 per cent business rates retention scheme in 2013/14, uprated in line with the small business rates multiplier each year.
Business rates baseline funding level (BFL)	The amount of the settlement funding assessment (SFA) provided through the local share of business rates.
Better Care Fund (BCF)	A single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities.
Business rates revaluation	A regular exercise by the Valuation Office Agency, last carried out in 2017, to reassess the rateable value of individual non-domestic hereditaments. The results are used to set new business rates bills. The next revaluation will occur in 2023.
Central Share	The percentage share of locally collected business rates paid to central government by billing authorities. In 2013/14 when business rates retention began this was set at 50 per cent. The central share is redistributed to local government through grants including the Revenue Support Grant.
Core Spending Power	The government's measure of the core components of local government funding, comprising the Settlement Funding Assessment, assumed income from council tax (including the adult social care precept), New Homes Bonus, Rural Services Delivery Grant and the improved Better Care Fund and Adult Social Care Support Grant
Dedicated Schools Grant	The Dedicated Schools Grant is the principal source of funding for schools and related activities in England. It is a ringfenced grant paid to local authorities for maintained schools. School-level allocations are currently determined in consultation with the schools forum in each local authority area. From April 2017 has also included the 'retained duties' element previously paid as part of the Education Services Grant
Improved Better Care Fund (iBCF)	Additional funding for adult social care authorities from 2017/18 onwards that has to be included within the Better Care Fund plans.
Levy account	A Government account into which proceeds from the business rates levy, and any top-slice, are paid and which is used to pay safety net to qualifying authorities. Any surplus is to be returned to authorities.
Local Share	The percentage share of locally collected business rates retained by local government. This was set at 50 per cent at the implementation of business rates retention.
Lower Tier Services Grant	A grant introduced in 2021/22 to provide funding for shire district councils and unitary authorities providing shire district-level services (so called 'lower tier services' by the Government).
Market Sustainability and Fair Cost of Care Fund	This fund is to support local authorities prepare their markets for reform and move towards paying providers a fair cost of care. In 2022/23 it is proposed to be allocated using the existing adult social care relative needs formula.

(Business Rate) Multiplier	The business rates multiplier when multiplied by the rateable value of a property determines a ratepayer's business rate bill. There are two multipliers – one for small businesses and one for larger businesses. These are set nationally. Unless the Government decides to set a lower increase, the small business multiplier is uprated annually by the Consumer Prices Index and the other multiplier adjusted accordingly.
Net Collectable Debit	The total amount that authorities expect to collect if every taxpayer paid the full amount for which they are liable for the current financial year after discounts and benefits.
New Homes Bonus (NHB)	A grant paid to reward local authorities for the number of homes built and brought back into use.
Referendum Threshold	A referendum threshold is an amount set by Central Government by which local authorities can increase council tax without needing to hold a referendum to seek approval from residents on the increase.
Relative Needs Formula (RNF)	A relative needs formula provides a way of assessing the relative need for a particular service or set of services across different local authorities. Relative Needs Formulas are used to estimate the relative funding requirement for each local authority in England and incorporate factors such as demography and deprivation.
Revenue Support Grant	A grant paid to local authorities as part of the Settlement Funding assessment (see below) which can be used to fund revenue expenditure on any service.
Rural Services Delivery Grant	A grant paid to the top quartile of local authorities on the basis of the super-sparsity indicator, in recognition of possible additional costs for rural councils.
Safety Net	A mechanism to protect any authority which sees its business rates income drop, in any year, by more than a given level below their baseline funding level. In 2022/23 this level is set at 7.5 per cent for authorities with 50 per cent business rates retention and 3 per cent for authorities with 100 per cent business rates retention.
Section 31 Grant	A grant paid to local councils under Section 31 of the Local Government Act 2003, under such conditions as the minister may determine. This mechanism is used to compensate local authorities for the costs of additional business rates reliefs announced by Government.
2022/23 Services Grant	A one off unringfenced grant distributed using local authority shares of 2013/14 Settlement Funding Assessment, adjusted for local authority restructuring where necessary. The grant will be excluded from any proposed baseline for transitional support as a result of any proposed system changes.
Settlement Funding Assessment (SFA)	This is a local authority's share of the local government spending control total which will comprise its Revenue Support Grant for the year in question and its baseline funding level.
Small Business Rate Relief	Businesses with a property with a rateable value of £12,000 and below receive 100 per cent relief on business rates. Businesses with a property with a rateable value between £12,000 and £15,000 receive tapered relief.
Social Care Support Grant	A non-ringfenced grant for adult and children's social care services.
Top-Ups and Tariffs	The difference between an authority's business rates baseline (the amount expected to be collected through the local share of business rates) and its baseline funding level (the amount of SFA provided through the local share). Tariff authorities make a payment and top-up authorities receive a payment. Tariffs and top-ups are self-funding at the outset of the scheme and uprated in line with the small business rates multiplier each year, except for recalculation so that authorities do not have gains or losses solely due to business rates revaluation.

Under-indexing grant	A grant provided by the Ministry for Housing, Communities and Local Government to compensate councils for the impact of the Government's decisions to increase the business rates multiplier by lower than the Retail Prices Index (so-called 'underindexing'). This is intended to make sure that councils do not experience funding reductions as a result of this policy.

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Portfolio Summary - Revenue Budget 2022-2023

	Actual 2020-2021	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Portfolio				
Community Development	1,381,990	1,409,700	1,368,500	(41,200)
Housing, Health & Well-being	3,662,585	3,098,700	2,397,500	(701,200)
Public Protection	1,270,929	1,362,400	1,520,000	157,600
Environment	5,151,987	4,749,400	5,399,400	650,000
Growth & Regeneration	1,043,346	812,300	1,056,200	243,900
Resources & Reputation	(3,232,338)	1,472,400	1,059,200	(413,200)
Net Portfolio Budget	**9,278,501**	**12,904,900**	**12,800,800**	**(104,100)**
	2,049,332	(1,250,600)	(426,700)	823,900
Transfer to/from Earmarked Reserves	**2,049,332**	**(1,250,600)**	**(426,700)**	**823,900**
Net Council Budget	**11,327,833**	**11,654,300**	**12,374,100**	**719,800**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	14,191,476	14,324,700	14,845,300	520,600
Premises Related Expenses	1,682,061	1,897,800	1,999,700	101,900
Transport Related Expenses	531,462	587,500	644,900	57,400
Supplies & Services	10,095,296	4,187,100	4,136,700	(50,400)
Third Party Payments	338,311	311,100	336,200	25,100
Transfer Payments	20,114,911	17,155,000	17,168,000	13,000
Capital Interest	1,041,372	2,122,900	1,267,500	(855,400)
Revenue Income	(38,716,388)	(27,681,200)	(27,597,500)	83,700
Controllable	**9,278,501**	**12,904,900**	**12,800,800**	**(104,100)**
Consisting of				
Premises Related Recharges	115,125	144,600	132,400	(12,200)
Transport Related Recharges	1,657,584	1,659,800	1,782,500	122,700
Supplies & Services Related Recharges	241,274	257,000	273,700	16,700
Central Support and Service Admin	5,310,245	5,236,100	5,764,800	528,700
Internal Recharges	(7,324,229)	(7,297,500)	(7,953,400)	(655,900)
Recharges	**0**	**0**	**0**	**0**
Consisting of				
Capital Financing Charges	3,885,940	2,833,000	2,120,600	(712,400)
Capital Entries	(3,885,940)	(2,833,000)	(2,120,600)	712,400
Capital	**0**	**0**	**0**	**0**
Net Portfolio Revenue Budget	**9,278,501**	**12,904,900**	**12,800,800**	**(104,100)**
Consisting of				
Transfer to Reserves	2,692,827	340,900	369,600	28,700
Transfer from Reserves	(643,495)	(1,591,500)	(796,300)	795,200
Reserves	**2,049,332**	**(1,250,600)**	**(426,700)**	**823,900**
Transfer to/from Earmarked Reserves	**2,049,332**	**(1,250,600)**	**(426,700)**	**823,900**
Net Council Budget	**11,327,833**	**11,654,300**	**12,374,100**	**719,800**

Community Development

		Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
	Division				
R140	Democratic Mgt & Representation	644,911	662,900	669,700	6,800
R157	Committee Services	290	0	0	0
R210	Localities	157,626	145,500	140,700	(4,800)
R420	Community Grants	228,493	252,600	272,500	19,900
R765	The Arts & Tourism	45,849	49,400	54,400	5,000
R775	Community Centres	218,637	196,900	146,200	(50,700)
R780	Events	86,186	102,400	85,000	(17,400)
	Total Community Development Portfolio Budget	**1,381,990**	**1,409,700**	**1,368,500**	**(41,200)**
	Transfer to/from Earmarked Reserves				
R100	Community Development	27,202	(18,000)	(18,000)	0
	Total Reserves	**27,202**	**(18,000)**	**(18,000)**	**0**
	TOTAL	**1,409,192**	**1,391,700**	**1,350,500**	**(41,200)**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	518,593	522,800	512,700	(10,100)
Premises Related Expenses	53,754	54,100	53,100	(1,000)
Transport Related Expenses	134	6,800	6,800	0
Supplies & Services	580,865	581,000	562,900	(18,100)
Revenue Income	(154,673)	(137,800)	(140,400)	(2,600)
Controllable	**998,674**	**1,026,900**	**995,100**	**(31,800)**
Consisting of				
Premises Related Recharges	9,229	12,300	8,000	(4,300)
Supplies & Services Related Recharges	4,947	4,800	5,700	900
Central Support and Service Admin	309,572	315,600	308,900	(6,700)
Recharges	**323,748**	**332,700**	**322,600**	**(10,100)**
Consisting of				
Capital Financing Charges	59,569	50,100	50,800	700
Capital	**59,569**	**50,100**	**50,800**	**700**
Total Community Development	**1,381,990**	**1,409,700**	**1,368,500**	**(41,200)**
Consisting of				
Transfer to Reserves	56,091	0	0	0
Transfer from Reserves	(28,889)	(18,000)	(18,000)	0
Reserves	**27,202**	**(18,000)**	**(18,000)**	**0**
Transfer to/from Earmarked Reserves	**27,202**	**(18,000)**	**(18,000)**	**0**
TOTAL	**1,409,192**	**1,391,700**	**1,350,500**	**(41,200)**

R140 Democratic Mgt & Representation	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	126,948	131,400	140,800	9,400
Transport Related Expenses	13	5,500	5,500	0
Supplies & Services	322,295	338,200	342,800	4,600
Revenue Income	0	(10,200)	(10,400)	(200)
Controllable	**449,257**	**464,900**	**478,700**	**13,800**
Supplies & Services Related Recharges	1,112	1,100	1,500	400
Central Support and Service Admin	194,542	196,900	189,500	(7,400)
Recharges	**195,654**	**198,000**	**191,000**	**(7,000)**
Total	**644,911**	**662,900**	**669,700**	**6,800**

R157 Committee Services	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	164	0	0	0
Supplies & Services	126	0	0	0
Controllable	**290**	**0**	**0**	**0**
Total	**290**	**0**	**0**	**0**

R210 Localities	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	108,949	104,600	107,300	2,700
Premises Related Expenses	9,445	0	0	0
Transport Related Expenses	112	1,000	1,000	0
Supplies & Services	19,505	13,200	13,200	0
Revenue Income	(3,360)	0	0	0
Controllable	**134,651**	**118,800**	**121,500**	**2,700**
Supplies & Services Related Recharges	1,021	1,000	1,200	200
Central Support and Service Admin	21,954	25,700	18,000	(7,700)
Recharges	**22,974**	**26,700**	**19,200**	**(7,500)**
Transfer to Reserves	3,360	0	0	0
Transfer from Reserves	(3,889)	0	0	0

Reserves	**(529)**	**0**	**0**	**0**
Total	**157,097**	**145,500**	**140,700**	**(4,800)**

R420 Community Grants	**Actual 2020-21 £**	**Original Budget 2021-22 £**	**Original Budget 2022-23 £**	**Variance to Original Budget 2021-22 £**
Employee Expenses	79,791	82,600	93,400	10,800
Supplies & Services	216,864	143,600	123,600	(20,000)
Revenue Income	(94,803)	0	0	0
Controllable	**201,851**	**226,200**	**217,000**	**(9,200)**
Supplies & Services Related Recharges	737	700	900	200
Central Support and Service Admin	25,904	25,700	54,600	28,900
Recharges	**26,642**	**26,400**	**55,500**	**29,100**
Transfer to Reserves	48,331	0	0	0
Transfer from Reserves	(25,000)	(15,000)	(15,000)	0
Reserves	**23,331**	**(15,000)**	**(15,000)**	**0**
Total	**251,824**	**237,600**	**257,500**	**19,900**

R765 The Arts & Tourism	**Actual 2020-21 £**	**Original Budget 2021-22 £**	**Original Budget 2022-23 £**	**Variance to Original Budget 2021-22 £**
Employee Expenses	31,818	33,700	41,400	7,700
Transport Related Expenses	8	100	100	0
Supplies & Services	3,672	4,100	2,000	(2,100)
Revenue Income	(255)	0	0	0
Controllable	**35,244**	**37,900**	**43,500**	**5,600**
Supplies & Services Related Recharges	294	300	400	100
Central Support and Service Admin	10,311	11,200	10,500	(700)
Recharges	**10,605**	**11,500**	**10,900**	**(600)**
Total	**45,849**	**49,400**	**54,400**	**5,000**

R775 Community Centres	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	122,206	150,100	116,000	(34,100)
Premises Related Expenses	44,309	54,100	53,100	(1,000)
Transport Related Expenses	0	200	200	0
Supplies & Services	4,561	7,400	7,400	0
Revenue Income	(56,255)	(111,900)	(113,800)	(1,900)
Controllable	**114,821**	**99,900**	**62,900**	**(37,000)**
Premises Related Recharges	9,229	12,300	8,000	(4,300)
Supplies & Services Related Recharges	1,337	1,300	1,500	200
Central Support and Service Admin	33,680	33,300	23,000	(10,300)
Recharges	**44,247**	**46,900**	**32,500**	**(14,400)**
Transfer to Reserves	4,400	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	**4,400**	**0**	**0**	**0**
Capital Financing Charges	59,569	50,100	50,800	700
Capital	**59,569**	**50,100**	**50,800**	**700**
Total	**223,037**	**196,900**	**146,200**	**(50,700)**

R780 Events	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	48,717	20,400	13,800	(6,600)
Supplies & Services	13,842	74,500	73,900	(600)
Revenue Income	0	(15,700)	(16,200)	(500)
Controllable	**62,559**	**79,200**	**71,500**	**(7,700)**
Supplies & Services Related Recharges	445	400	200	(200)
Central Support and Service Admin	23,181	22,800	13,300	(9,500)
Recharges	**23,626**	**23,200**	**13,500**	**(9,700)**
Transfer from Reserves	0	(3,000)	(3,000)	0
Reserves	**0**	**(3,000)**	**(3,000)**	**0**
Total	**86,186**	**99,400**	**82,000**	**(17,400)**

Housing, Health & Well-being

	Division	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
R630	Housing Needs	486,860	408,800	437,100	28,300
R700	Leisure Services Division	9,482	0	1,300	1,300
R725	Calverton Leisure Centre	359,189	336,200	268,900	(67,300)
R730	Carlton Forum Leisure Centre	945,164	501,900	170,400	(331,500)
R735	Redhill Leisure Centre	421,407	345,000	257,200	(87,800)
R740	Arnold Theatre	146,926	189,600	144,200	(45,400)
R745	Arnold Leisure Centre	660,637	516,800	373,400	(143,400)
R750	Richard Herrod Centre	388,480	331,400	329,200	(2,200)
R770	Health & Wellbeing	11,866	(3,800)	2,500	6,300
R877	Council Tax Benefits	(2,517)	(4,000)	(3,800)	200
R880	Rent Allowances	86,953	49,000	140,800	91,800
R882	Housing Benefit Administration	143,686	415,300	269,100	(146,200)
R885	Rent Rebates	4,454	12,500	7,200	(5,300)
	Total Housing, Health & Well-being Portfolio Budget	**3,662,585**	**3,098,700**	**2,397,500**	**(701,200)**
	Transfer to/from Earmarked Reserves				
R200	Housing, Health & Well-being	413,510	(37,700)	(18,000)	19,700
	Total Reserves	**413,510**	**(37,700)**	**(18,000)**	**19,700**
	TOTAL	**4,076,096**	**3,061,000**	**2,379,500**	**(681,500)**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	2,902,751	3,257,300	3,332,500	75,200
Premises Related Expenses	734,491	891,900	942,900	51,000
Transport Related Expenses	1,493	5,100	4,700	(400)
Supplies & Services	1,065,952	858,700	746,200	(112,500)
Transfer Payments	20,114,911	17,155,000	17,168,000	13,000
Capital Interest	241	0	0	0
Revenue Income	(22,459,104)	(20,425,700)	(21,116,000)	(690,300)
Controllable	**2,360,736**	**1,742,300**	**1,078,300**	**(664,000)**
Consisting of				
Premises Related Recharges	36,619	42,100	36,300	(5,800)
Supplies & Services Related Recharges	27,110	27,500	31,600	4,100
Central Support and Service Admin	922,463	1,001,500	944,600	(56,900)
Recharges	**986,193**	**1,071,100**	**1,012,500**	**(58,600)**
Consisting of				
Capital Financing Charges	315,657	285,300	306,700	21,400
Capital	**315,657**	**285,300**	**306,700**	**21,400**
Total Housing, Health & Well-being	**3,662,585**	**3,098,700**	**2,397,500**	**(701,200)**
Consisting of				
Transfer to Reserves	539,973	18,000	18,000	0
Transfer from Reserves	(126,462)	(55,700)	(36,000)	19,700
Reserves	**413,510**	**(37,700)**	**(18,000)**	**19,700**
Transfer to/from Earmarked Reserves	**413,510**	**(37,700)**	**(18,000)**	**19,700**
TOTAL	**4,076,096**	**3,061,000**	**2,379,500**	**(681,500)**

R630 Housing Needs	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022
	£	£	£	£
Employee Expenses	277,650	323,900	428,500	104,600
Premises Related Expenses	36,971	34,300	102,000	67,700
Transport Related Expenses	83	600	600	0
Supplies & Services	495,837	303,200	187,400	(115,800)
Revenue Income	(455,876)	(382,500)	(433,900)	(51,400)
Controllable	**354,665**	**279,500**	**284,600**	**5,100**
Premises Related Recharges	1,794	1,800	3,200	1,400
Supplies & Services Related Recharges	2,944	2,900	3,600	700
Central Support and Service Admin	114,872	111,800	133,300	21,500
Recharges	**119,610**	**116,500**	**140,100**	**23,600**
Capital Financing Charges	12,585	12,800	12,400	(400)
Capital	**12,585**	**12,800**	**12,400**	**(400)**
Transfer from Reserves	0	(36,000)	(36,000)	0
Reserves	**0**	**(36,000)**	**(36,000)**	**0**
Total	**486,860**	**372,800**	**401,100**	**28,300**

R700 Leisure Services Division	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022
	£	£	£	£
Employee Expenses	0	0	0	0
Supplies & Services	9,482	0	0	0
Revenue Income	0	0	0	0
Controllable	**9,482**	**0**	**0**	**0**
Supplies & Services Related Recharges	0	0	0	0
Central Support and Service Admin	0	0	1,300	1,300
Recharges	**0**	**0**	**1,300**	**1,300**
Transfer from Reserves	(9,350)	0	0	0
Reserves	**(9,350)**	**0**	**0**	**0**
Total	**132**	**0**	**1,300**	**1,300**

R725 Calverton Leisure Centre	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022

	£	£	£	£
Employee Expenses	255,414	375,900	380,900	5,000
Premises Related Expenses	105,109	125,400	129,500	4,100
Transport Related Expenses	167	600	600	0
Supplies & Services	85,988	69,600	67,600	(2,000)
Capital Interest	20	0	0	0
Revenue Income	(162,841)	(317,900)	(385,200)	(67,300)
Controllable	**283,857**	**253,600**	**193,400**	**(60,200)**
Premises Related Recharges	4,168	4,600	4,300	(300)
Supplies & Services Related Recharges	2,881	3,000	3,200	200
Central Support and Service Admin	65,084	70,800	63,800	(7,000)
Recharges	**72,133**	**78,400**	**71,300**	**(7,100)**
Capital Financing Charges	3,199	4,200	4,200	0
Capital	**3,199**	**4,200**	**4,200**	**0**
Transfer to Reserves	33,443	0	0	0
Transfer from Reserves	(43,237)	0	0	0
Reserves	**(9,794)**	**0**	**0**	**0**
Total	**349,395**	**336,200**	**268,900**	**(67,300)**

R730 Carlton Forum Leisure Centre	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	732,073	815,900	810,100	(5,800)
Premises Related Expenses	247,422	265,000	266,800	1,800
Transport Related Expenses	201	800	800	0
Supplies & Services	183,217	177,100	168,000	(9,100)
Capital Interest	149	0	0	0
Revenue Income	(436,945)	(979,000)	(1,295,700)	(316,700)
Controllable	**726,117**	**279,800**	**(50,000)**	**(329,800)**
Premises Related Recharges	6,688	7,300	7,300	0
Supplies & Services Related Recharges	6,147	6,200	7,500	1,300
Central Support and Service Admin	156,828	159,900	157,000	(2,900)
Recharges	**169,663**	**173,400**	**171,800**	**(1,600)**
Capital Financing Charges	49,384	48,700	48,600	(100)
Capital	**49,384**	**48,700**	**48,600**	**(100)**
Transfer to Reserves	70,048	0	0	0
Transfer from Reserves	(18,300)	(19,700)	0	19,700
Reserves	**51,748**	**(19,700)**	**0**	**19,700**

Total	**996,912**	**482,200**	**170,400**	**(311,800)**

R735 Redhill Leisure Centre	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	327,195	391,000	398,900	7,900
Premises Related Expenses	85,807	132,800	135,700	2,900
Transport Related Expenses	316	200	200	0
Supplies & Services	62,361	86,200	81,700	(4,500)
Capital Interest	1	0	0	0
Revenue Income	(166,696)	(385,200)	(471,500)	(86,300)
Controllable	**308,984**	**225,000**	**145,000**	**(80,000)**
Premises Related Recharges	3,896	4,600	4,700	100
Supplies & Services Related Recharges	2,810	2,900	3,300	400
Central Support and Service Admin	81,731	88,500	80,200	(8,300)
Recharges	**88,437**	**96,000**	**88,200**	**(7,800)**
Capital Financing Charges	23,986	24,000	24,000	0
Capital	**23,986**	**24,000**	**24,000**	**0**
Transfer to Reserves	51,687	18,000	18,000	0
Transfer from Reserves	(3,600)	0	0	0
Reserves	**48,087**	**18,000**	**18,000**	**0**
Total	**469,494**	**363,000**	**275,200**	**(87,800)**

R740 Arnold Theatre	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	138,607	163,900	163,500	(400)
Premises Related Expenses	18,724	33,900	40,300	6,400
Transport Related Expenses	50	100	100	0
Supplies & Services	21,622	101,700	100,200	(1,500)
Capital Interest	5	0	0	0
Revenue Income	(94,955)	(165,800)	(216,400)	(50,600)
Controllable	**84,053**	**133,800**	**87,700**	**(46,100)**
Premises Related Recharges	0	300	300	0
Supplies & Services Related Recharges	1,157	1,100	1,400	300
Central Support and Service Admin	51,381	53,600	54,000	400
Recharges	**52,538**	**55,000**	**55,700**	**700**
Capital Financing Charges	10,335	800	800	0

Capital	**10,335**	**800**	**800**	**0**
Transfer to Reserves	87,200	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	**87,200**	**0**	**0**	**0**
Total	**234,126**	**189,600**	**144,200**	**(45,400)**

R745 Arnold Leisure Centre	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	415,686	449,500	458,600	9,100
Premises Related Expenses	151,300	167,100	175,400	8,300
Transport Related Expenses	306	900	900	0
Supplies & Services	35,005	39,900	37,700	(2,200)
Capital Interest	42	0	0	0
Revenue Income	(154,568)	(344,500)	(533,900)	(189,400)
Controllable	**447,771**	**312,900**	**138,700**	**(174,200)**
Premises Related Recharges	8,981	10,800	7,500	(3,300)
Supplies & Services Related Recharges	3,665	3,800	4,400	600
Central Support and Service Admin	75,558	79,600	97,600	18,000
Recharges	**88,204**	**94,200**	**109,500**	**15,300**
Capital Financing Charges	124,662	109,700	125,200	15,500
Capital	**124,662**	**109,700**	**125,200**	**15,500**
Transfer to Reserves	29,300	0	0	0
Transfer from Reserves	(3,500)	0	0	0
Reserves	**25,800**	**0**	**0**	**0**
Total	**686,437**	**516,800**	**373,400**	**(143,400)**

R750 Richard Herrod Centre	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	265,925	292,300	301,600	9,300
Premises Related Expenses	89,157	133,400	93,200	(40,200)
Transport Related Expenses	307	600	600	0
Supplies & Services	28,715	56,900	53,500	(3,400)
Capital Interest	25	0	0	0
Revenue Income	(169,629)	(328,700)	(299,800)	28,900
Controllable	**214,500**	**154,500**	**149,100**	**(5,400)**

Premises Related Recharges	11,093	12,700	9,000	(3,700)
Supplies & Services Related Recharges	2,349	2,300	2,800	500
Central Support and Service Admin	69,032	76,800	76,800	0
Recharges	**82,474**	**91,800**	**88,600**	**(3,200)**
Capital Financing Charges	91,506	85,100	91,500	6,400
Capital	**91,506**	**85,100**	**91,500**	**6,400**
Transfer to Reserves	21,000	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	**21,000**	**0**	**0**	**0**
Total	**409,480**	**331,400**	**329,200**	**(2,200)**

R770 Health & Wellbeing	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	53,722	54,000	67,300	13,300
Transport Related Expenses	22	800	400	(400)
Supplies & Services	45,516	3,000	2,000	(1,000)
Revenue Income	(96,826)	(73,300)	(76,200)	(2,900)
Controllable	**2,433**	**(15,500)**	**(6,500)**	**9,000**
Supplies & Services Related Recharges	476	500	800	300
Central Support and Service Admin	8,956	11,200	8,200	(3,000)
Recharges	**9,432**	**11,700**	**9,000**	**(2,700)**
Transfer to Reserves	41,276	0	0	0
Transfer from Reserves	(40,300)	0	0	0
Reserves	**976**	**0**	**0**	**0**
Total	**12,841**	**(3,800)**	**2,500**	**6,300**

R877 Council Tax Benefits	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Transfer Payments	(2,870)	500	500	0
Revenue Income	352	(4,500)	(4,500)	0
Controllable	**(2,517)**	**(4,000)**	**(4,000)**	**0**
Central Support and Service Admin	0	0	200	200
Recharges	**0**	**0**	**200**	**200**
Total	**(2,517)**	**(4,000)**	**(3,800)**	**200**

R880 Rent Allowances	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Supplies & Services	41,177	(9,000)	18,000	27,000
Transfer Payments	19,949,190	16,949,000	16,996,000	47,000
Revenue Income	(19,903,414)	(16,891,000)	(16,876,500)	14,500
Controllable	**86,953**	**49,000**	**137,500**	**88,500**
Central Support and Service Admin	0	0	3,300	3,300
Recharges	**0**	**0**	**3,300**	**3,300**
Total	**86,953**	**49,000**	**140,800**	**91,800**

R882 Housing Benefit Administration	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	436,480	390,900	323,100	(67,800)
Transport Related Expenses	41	500	500	0
Supplies & Services	56,621	30,100	30,100	0
Revenue Income	(653,159)	(360,300)	(353,700)	6,600
Controllable	**(160,017)**	**61,200**	**0**	**(61,200)**
Supplies & Services Related Recharges	4,681	4,800	4,600	(200)
Central Support and Service Admin	299,022	349,300	264,500	(84,800)
Recharges	**303,703**	**354,100**	**269,100**	**(85,000)**
Transfer to Reserves	206,019	0	0	0
Transfer from Reserves	(8,175)	0	0	0
Reserves	**197,844**	**0**	**0**	**0**
Total	**341,529**	**415,300**	**269,100**	**(146,200)**

R885 Rent Rebates	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Supplies & Services	409	0	0	0
Transfer Payments	168,591	205,500	171,500	(34,000)
Revenue Income	(164,546)	(193,000)	(168,700)	24,300
Controllable	**4,454**	**12,500**	**2,800**	**(9,700)**

Central Support and Service Admin	0	0	4,400	4,400
Recharges	**0**	**0**	**4,400**	**4,400**
Total	**4,454**	**12,500**	**7,200**	**(5,300)**

Public Protection

		Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
	Division				
R100	Licencing & Hackney Carriages	31,205	71,900	79,100	7,200
R200	Environmental Protection	222,518	311,500	339,800	28,300
R205	Food, Health & Safety	141,524	234,600	269,800	35,200
R215	Comm Protection & Dog Control	490,105	606,300	590,000	(16,300)
R600	Public Sector Housing	385,577	138,100	241,300	103,200
	Total Public Protection Portfolio Budget	**1,270,929**	**1,362,400**	**1,520,000**	**157,600**
	Transfer to/from Earmarked Reserves				
R300	Public Protection	239,104	67,000	(16,300)	(83,300)
	Total Reserves	**239,104**	**67,000**	**(16,300)**	**(83,300)**
	TOTAL	**1,510,033**	**1,429,400**	**1,503,700**	**74,300**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	1,139,491	1,189,700	1,445,700	256,000
Transport Related Expenses	3,634	11,400	11,400	0
Supplies & Services	225,579	176,000	181,000	5,000
Third Party Payments	18,929	19,000	19,000	0
Revenue Income	(1,081,636)	(881,600)	(982,400)	(100,800)
Controllable	**305,997**	**514,500**	**674,700**	**160,200**
Consisting of				
Transport Related Recharges	30,591	28,500	35,500	7,000
Supplies & Services Related Recharges	117,505	129,700	131,600	1,900
Central Support and Service Admin	647,313	689,700	678,100	(11,600)
Internal Recharges	(5,800)	(5,800)	(5,800)	0
Recharges	**789,609**	**842,100**	**839,400**	**(2,700)**
Consisting of				
Capital Financing Charges	875,619	905,800	5,900	(899,900)
Capital Entries	(700,295)	(900,000)	0	900,000
Capital	**175,324**	**5,800**	**5,900**	**100**
Total Public Protection	**1,270,929**	**1,362,400**	**1,520,000**	**157,600**
Consisting of				
Transfer to Reserves	294,104	134,800	153,500	18,700
Transfer from Reserves	(55,000)	(67,800)	(169,800)	(102,000)
Reserves	**239,104**	**67,000**	**(16,300)**	**(83,300)**
Transfer to/from Earmarked Reserves	**239,104**	**67,000**	**(16,300)**	**(83,300)**
TOTAL	**1,510,033**	**1,429,400**	**1,503,700**	**74,300**

R100 Licencing & Hackney Carriages	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	175,219	193,300	197,800	4,500
Transport Related Expenses	62	0	0	0
Supplies & Services	29,645	56,900	56,900	0
Revenue Income	(626,658)	(688,500)	(656,200)	32,300
Controllable	**(421,732)**	**(438,300)**	**(401,500)**	**36,800**
Supplies & Services Related Recharges	107,675	119,900	120,200	300
Central Support and Service Admin	345,262	390,300	360,400	(29,900)
Recharges	**452,937**	**510,200**	**480,600**	**(29,600)**
Transfer to Reserves	40,700	0	0	0
Reserves	**40,700**	**0**	**0**	**0**
Total	**71,905**	**71,900**	**79,100**	**7,200**

R200 Environmental Protection	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	213,858	227,600	237,300	9,700
Transport Related Expenses	880	1,600	1,600	0
Supplies & Services	8,264	18,600	18,600	0
Third Party Payments	0	2,000	2,000	0
Revenue Income	(79,345)	(22,400)	(22,600)	(200)
Controllable	**143,657**	**227,400**	**236,900**	**9,500**
Transport Related Recharges	6,309	8,400	8,100	(300)
Supplies & Services Related Recharges	2,092	2,100	2,500	400
Central Support and Service Admin	76,261	79,400	98,100	18,700
Internal Recharges	(5,800)	(5,800)	(5,800)	0
Recharges	**78,862**	**84,100**	**102,900**	**18,800**
Transfer to Reserves	48,500	0	0	0
Reserves	**48,500**	**0**	**0**	**0**
Total	**271,018**	**311,500**	**339,800**	**28,300**

R205 Food, Health & Safety	Actual 2020-21	Original Budget 2021-22	Original Budget 2022-23	Variance to Original Budget 2021-22
	£	£	£	£
Employee Expenses	130,547	180,600	207,500	26,900
Transport Related Expenses	892	3,700	3,700	0
Supplies & Services	2,479	6,700	6,700	0
Revenue Income	(39,610)	(7,900)	(8,000)	(100)
Controllable	**94,309**	**183,100**	**209,900**	**26,800**
Supplies & Services Related Recharges	1,614	1,600	1,900	300
Central Support and Service Admin	45,601	49,900	58,000	8,100
Recharges	**47,215**	**51,500**	**59,900**	**8,400**
Transfer to Reserves	30,300	0	0	0
Reserves	**30,300**	**0**	**0**	**0**
Total	**171,824**	**234,600**	**269,800**	**35,200**

R215 Comm Protection & Dog Control	Actual 2020-21	Original Budget 2021-22	Original Budget 2022-23	Variance to Original Budget 2021-22
	£	£	£	£
Employee Expenses	324,040	373,700	359,200	(14,500)
Transport Related Expenses	172	1,600	1,600	0
Supplies & Services	174,680	74,900	74,900	0
Third Party Payments	18,929	17,000	17,000	0
Revenue Income	(189,595)	(11,200)	(11,200)	0
Controllable	**328,226**	**456,000**	**441,500**	**(14,500)**
Transport Related Recharges	24,282	20,100	27,400	7,300
Supplies & Services Related Recharges	3,226	3,200	4,300	1,100
Central Support and Service Admin	129,999	121,200	110,900	(10,300)
Recharges	**157,506**	**144,500**	**142,600**	**(1,900)**
Transfer to Reserves	144,412	29,300	35,800	6,500
Transfer from Reserves	(55,000)	(35,100)	(35,100)	0
Reserves	**89,412**	**(5,800)**	**700**	**6,500**
Capital Financing Charges	4,373	5,800	5,900	100
Capital	**4,373**	**5,800**	**5,900**	**100**
Total	**579,517**	**600,500**	**590,700**	**(9,800)**

R600 Public Sector Housing	Actual 2020-21	Original Budget 2021-22	Original Budget 2022-23	Variance to Original Budget 2021-22
	£	£	£	£
Employee Expenses	295,826	214,500	443,900	229,400
Transport Related Expenses	1,628	4,500	4,500	0
Supplies & Services	10,511	18,900	23,900	5,000
Revenue Income	(146,427)	(151,600)	(284,400)	(132,800)
Controllable	**161,538**	**86,300**	**187,900**	**101,600**
Supplies & Services Related Recharges	2,898	2,900	2,700	(200)
Central Support and Service Admin	50,190	48,900	50,700	1,800
Recharges	**53,089**	**51,800**	**53,400**	**1,600**
Transfer to Reserves	30,192	105,500	117,700	12,200
Transfer from Reserves	0	(32,700)	(134,700)	(102,000)
Reserves	**30,192**	**72,800**	**(17,000)**	**(89,800)**
Capital Financing Charges	871,246	900,000	0	(900,000)
Capital Entries	(700,295)	(900,000)	0	900,000
Capital	**170,951**	**0**	**0**	**0**
Total	**415,769**	**210,900**	**224,300**	**13,400**

Environment

		Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
	Division				
R500	Waste Other	27,011	96,000	(92,000)	(188,000)
R501	Waste Recycling	80,105	60,600	1,165,600	1,105,000
R502	Waste Residual	1,923,248	1,819,100	1,250,000	(569,100)
R503	Waste Services	0	0	0	0
R505	Street Care	972,914	903,800	1,051,655	147,855
R510	Public Conveniences	18,710	21,800	22,400	600
R514	Environment Service Support	0	(0)	0	0
R520	Building Services	0	(0)	(0)	0
R540	Car Parks	214,531	77,400	122,000	44,600
R555	Fleet Management	0	(0)	(0)	0
R715	Parks	1,863,279	1,841,500	1,897,680	56,180
R717	Parks - External Works	101,972	24,700	10,200	(14,500)
R720	Cemeteries	(49,782)	(95,500)	(28,135)	67,365
	Total Environment Portfolio Budget	**5,151,987**	**4,749,400**	**5,399,400**	**650,000**
	Transfer to/from Earmarked Reserves				
R500	Environment	(33,397)	(11,400)	(43,900)	(32,500)
	Total Reserves	**(33,397)**	**(11,400)**	**(43,900)**	**(32,500)**
	TOTAL	**5,118,591**	**4,738,000**	**5,355,500**	**617,500**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	4,141,421	4,023,600	4,283,500	259,900
Premises Related Expenses	359,799	374,200	378,900	4,700
Transport Related Expenses	513,136	539,300	599,300	60,000
Supplies & Services	686,590	631,600	603,200	(28,400)
Third Party Payments	298,836	271,300	295,800	24,500
Revenue Income	(2,740,317)	(3,024,300)	(3,050,600)	(26,300)
Controllable	**3,259,464**	**2,815,700**	**3,110,100**	**294,400**
Consisting of				
Premises Related Recharges	27,616	35,000	27,800	(7,200)
Transport Related Recharges	1,625,125	1,628,600	1,747,000	118,400
Supplies & Services Related Recharges	34,420	35,000	41,200	6,200
Central Support and Service Admin	1,050,820	987,600	1,290,300	302,700
Internal Recharges	(2,056,849)	(2,017,700)	(2,169,900)	(152,200)
Recharges	**681,132**	**668,500**	**936,400**	**267,900**
Consisting of				
Capital Financing Charges	1,211,391	1,265,200	1,352,900	87,700
Capital	**1,211,391**	**1,265,200**	**1,352,900**	**87,700**
Total Environment	**5,151,987**	**4,749,400**	**5,399,400**	**650,000**
Consisting of				
Transfer to Reserves	48,429	43,100	43,100	0
Transfer from Reserves	(81,825)	(54,500)	(87,000)	(32,500)
Reserves	**(33,397)**	**(11,400)**	**(43,900)**	**(32,500)**
Transfer to/from Earmarked Reserves	**(33,397)**	**(11,400)**	**(43,900)**	**(32,500)**
TOTAL	**5,118,591**	**4,738,000**	**5,355,500**	**617,500**

R500 Waste Other	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022
	£	£	£	£
Employee Expenses	39,096	38,600	358,700	320,100
Transport Related Expenses	0	0	0	0
Supplies & Services	150	0	28,600	28,600
Third Party Payments	11,200	11,200	11,200	0
Revenue Income	(74,207)	(41,500)	(731,300)	(689,800)
Controllable	**(23,761)**	**8,300**	**(332,800)**	**(341,100)**
Transport Related Recharges	35,198	74,900	203,800	128,900
Supplies & Services Related Recharges	345	300	400	100
Central Support and Service Admin	15,229	12,500	36,600	24,100
Recharges	**50,773**	**87,700**	**240,800**	**153,100**
Total	**27,011**	**96,000**	**(92,000)**	**(188,000)**

R501 Waste Recycling	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022
	£	£	£	£
Employee Expenses	580,405	557,900	777,900	220,000
Transport Related Expenses	0	100	0	(100)
Supplies & Services	54,022	8,100	27,100	19,000
Revenue Income	(897,647)	(852,300)	(174,600)	677,700
Controllable	**(263,220)**	**(286,200)**	**630,400**	**916,600**
Transport Related Recharges	233,192	235,800	453,600	217,800
Supplies & Services Related Recharges	4,207	4,300	5,800	1,500
Central Support and Service Admin	105,926	106,700	79,900	(26,800)
Internal Recharges	0	0	(4,100)	(4,100)
Recharges	**343,325**	**346,800**	**535,200**	**188,400**
Total	**80,105**	**60,600**	**1,165,600**	**1,105,000**

R502 Waste Residual	Actual 2020-2021	Original Budget 2021-2022	Original Budget 2022-2023	Variance to Original Budget 2021-2022
	£	£	£	£
Employee Expenses	1,141,443	1,151,000	720,800	(430,200)
Transport Related Expenses	0	300	0	(300)
Supplies & Services	279,280	354,200	261,000	(93,200)
Third Party Payments	1,095	1,500	0	(1,500)
Revenue Income	(517,000)	(634,100)	(575,400)	58,700
Controllable	**904,818**	**872,900**	**406,400**	**(466,500)**

Transport Related Recharges	702,790	664,900	413,100	(251,800)
Supplies & Services Related Recharges	9,624	9,800	11,200	1,400
Central Support and Service Admin	354,024	318,900	462,600	143,700
Internal Recharges	(53,859)	(53,300)	(49,200)	4,100
Recharges	**1,012,579**	**940,300**	**837,700**	**(102,600)**
Capital Financing Charges	5,850	5,900	5,900	0
Capital	**5,850**	**5,900**	**5,900**	**0**
Transfer from Reserves	(6,049)	0	0	0
Reserves	**(6,049)**	**0**	**0**	**0**
Total	**1,917,198**	**1,819,100**	**1,250,000**	**(569,100)**

R503 Waste Services	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	0	0	0	0
Transport Related Expenses	0	0	400	400
Supplies & Services	0	0	5,400	5,400
Third Party Payments	0	0	1,500	1,500
Revenue Income	0	0	(46,000)	(46,000)
Controllable	**0**	**0**	**(38,700)**	**(38,700)**
Central Support and Service Admin	0	0	300	300
Internal Recharges	0	0	38,400	38,400
Recharges	**0**	**0**	**38,700**	**38,700**
Total	**0**	**0**	**0**	**0**

R505 Street Care	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	606,198	580,700	575,555	(5,145)
Premises Related Expenses	1,844	6,700	42,400	35,700
Transport Related Expenses	28	400	400	0
Supplies & Services	98,335	70,900	82,500	11,600
Third Party Payments	1,570	2,200	2,200	0
Revenue Income	(28,049)	(27,300)	(32,900)	(5,600)
Controllable	**679,927**	**633,600**	**670,155**	**36,555**
Transport Related Recharges	245,352	226,000	252,300	26,300
Supplies & Services Related Recharges	5,302	5,400	6,200	800
Central Support and Service Admin	39,826	38,800	73,300	34,500

Recharges	**290,480**	**270,200**	**331,800**	**61,600**
Capital Financing Charges	2,507	0	49,700	49,700
Capital	**2,507**	**0**	**49,700**	**49,700**
Transfer from Reserves	0	0	(8,000)	(8,000)
Reserves	**0**	**0**	**(8,000)**	**(8,000)**
Total	**972,914**	**903,800**	**1,043,655**	**139,855**

R510 Public Conveniences	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Premises Related Expenses	10,092	13,200	9,100	(4,100)
Supplies & Services	1	0	0	0
Controllable	**10,093**	**13,200**	**9,100**	**(4,100)**
Premises Related Recharges	151	300	100	(200)
Central Support and Service Admin	4,345	4,200	9,100	4,900
Recharges	**4,497**	**4,500**	**9,200**	**4,700**
Capital Financing Charges	4,121	4,100	4,100	0
Capital	**4,121**	**4,100**	**4,100**	**0**
Total	**18,710**	**21,800**	**22,400**	**600**

R514 Environment Service Support	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	162,000	101,100	109,200	8,100
Transport Related Expenses	116	100	100	0
Supplies & Services	1,097	1,000	1,000	0
Controllable	**163,213**	**102,200**	**110,300**	**8,100**
Supplies & Services Related Recharges	1,285	1,300	1,100	(200)
Central Support and Service Admin	21,947	24,900	49,400	24,500
Internal Recharges	(186,444)	(128,400)	(160,800)	(32,400)
Recharges	**(163,213)**	**(102,200)**	**(110,300)**	**(8,100)**
Total	**0**	**0**	**0**	**(0)**

R520 Building Services	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	85,709	82,800	128,900	46,100
Transport Related Expenses	19	100	100	0
Supplies & Services	1,567	3,200	3,200	0
Controllable	**87,295**	**86,100**	**132,200**	**46,100**
Supplies & Services Related Recharges	761	800	900	100
Central Support and Service Admin	22,531	22,900	12,900	(10,000)
Internal Recharges	(110,586)	(109,800)	(146,000)	(36,200)
Recharges	**(87,295)**	**(86,100)**	**(132,200)**	**(46,100)**
Capital Financing Charges	0	0	0	0
Capital	**0**	**0**	**0**	**0**
Total	**0**	**(0)**	**(0)**	**0**

R540 Car Parks	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	19,019	19,200	19,600	400
Premises Related Expenses	127,081	132,000	133,800	1,800
Transport Related Expenses	702	800	800	0
Supplies & Services	8,948	5,700	5,700	0
Third Party Payments	211,593	223,900	223,900	0
Revenue Income	(199,902)	(347,900)	(347,900)	0
Controllable	**167,440**	**33,700**	**35,900**	**2,200**
Premises Related Recharges	949	3,700	3,700	0
Supplies & Services Related Recharges	176	200	200	0
Central Support and Service Admin	39,569	37,500	45,300	7,800
Recharges	**40,694**	**41,400**	**49,200**	**7,800**
Capital Financing Charges	6,397	2,300	36,900	34,600
Capital	**6,397**	**2,300**	**36,900**	**34,600**
Transfer to Reserves	0	35,000	35,000	0
Transfer from Reserves	0	(3,000)	(3,000)	0
Reserves	**0**	**32,000**	**32,000**	**0**
Total	**214,531**	**109,400**	**154,000**	**44,600**

R555 Fleet Management	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	302,550	316,000	337,600	21,600
Transport Related Expenses	510,974	535,200	595,200	60,000
Supplies & Services	32,919	30,400	30,600	200
Third Party Payments	0	0	0	0
Revenue Income	(7,900)	(44,600)	(46,400)	(1,800)
Controllable	**838,543**	**837,000**	**917,000**	**80,000**
Premises Related Recharges	3,229	3,200	3,100	(100)
Transport Related Recharges	74,290	74,300	75,000	700
Supplies & Services Related Recharges	2,692	2,700	3,300	600
Central Support and Service Admin	101,129	98,800	139,600	40,800
Internal Recharges	(1,689,049)	(1,703,500)	(1,825,500)	(122,000)
Recharges	**(1,507,709)**	**(1,524,500)**	**(1,604,500)**	**(80,000)**
Capital Financing Charges	669,166	687,500	687,500	0
Capital	**669,166**	**687,500**	**687,500**	**0**
Transfer from Reserves	0	(7,500)	(7,500)	0
Reserves	**0**	**(7,500)**	**(7,500)**	**0**
Total	**0**	**(7,500)**	**(7,500)**	**(0)**

R715 Parks	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	656,102	650,500	678,630	28,130
Premises Related Expenses	166,309	172,900	139,800	(33,100)
Transport Related Expenses	138	1,000	1,100	100
Supplies & Services	160,823	123,400	114,250	(9,150)
Third Party Payments	56,674	25,000	49,500	24,500
Revenue Income	(143,816)	(131,400)	(143,800)	(12,400)
Controllable	**896,232**	**841,400**	**839,480**	**(1,920)**
Premises Related Recharges	9,262	13,000	7,700	(5,300)
Transport Related Recharges	236,221	236,300	250,800	14,500
Supplies & Services Related Recharges	4,847	5,000	6,300	1,300
Central Support and Service Admin	231,335	218,100	277,400	59,300
Recharges	**481,664**	**472,400**	**542,200**	**69,800**
Capital Financing Charges	485,383	527,700	516,000	(11,700)
Capital	**485,383**	**527,700**	**516,000**	**(11,700)**

Transfer to Reserves	48,429	8,100	8,100	0
Transfer from Reserves	(75,776)	(44,000)	(68,500)	(24,500)
Reserves	**(27,348)**	**(35,900)**	**(60,400)**	**(24,500)**
Total	**1,835,932**	**1,805,600**	**1,837,280**	**31,680**

R717 Parks - External Works	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	307,176	332,300	315,100	(17,200)
Premises Related Expenses	28,676	27,100	28,700	1,600
Transport Related Expenses	5	100	0	(100)
Supplies & Services	24,431	30,400	30,400	0
Third Party Payments	0	3,500	3,500	0
Revenue Income	(356,477)	(474,200)	(466,200)	8,000
Controllable	**3,812**	**(80,800)**	**(88,500)**	**(7,700)**
Premises Related Recharges	1,342	700	700	0
Transport Related Recharges	51,120	69,200	43,500	(25,700)
Supplies & Services Related Recharges	3,358	3,400	3,600	200
Central Support and Service Admin	51,961	47,600	59,800	12,200
Internal Recharges	(16,911)	(22,700)	(22,700)	0
Recharges	**90,870**	**98,200**	**84,900**	**(13,300)**
Capital Financing Charges	7,290	7,300	13,800	6,500
Capital	**7,290**	**7,300**	**13,800**	**6,500**
Total	**101,972**	**24,700**	**10,200**	**(14,500)**

R720 Cemeteries	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	241,723	193,500	261,515	68,015
Premises Related Expenses	25,797	22,300	25,100	2,800
Transport Related Expenses	1,153	1,200	1,200	0
Supplies & Services	25,017	4,300	13,450	9,150
Third Party Payments	16,704	4,000	4,000	0
Revenue Income	(515,320)	(471,000)	(486,100)	(15,100)
Controllable	**(204,926)**	**(245,700)**	**(180,835)**	**64,865**
Premises Related Recharges	12,683	14,100	12,500	(1,600)
Transport Related Recharges	46,963	47,200	54,900	7,700
Supplies & Services Related Recharges	1,823	1,800	2,200	400
Central Support and Service Admin	62,998	56,700	44,100	(12,600)
Recharges	**124,467**	**119,800**	**113,700**	**(6,100)**

Capital Financing Charges	30,677	30,400	39,000	8,600
Capital	**30,677**	**30,400**	**39,000**	**8,600**
Total	**(49,782)**	**(95,500)**	**(28,135)**	**67,365**

Growth & Regeneration

		Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
	Division				
R105	Development Service Support	0	0	0	(0)
R110	Development Management	143,936	13,400	134,300	120,900
R115	Planning Policy	326,905	361,300	377,200	15,900
R120	Building Control Account	51,114	49,700	63,700	14,000
R121	Building Control Fee Earning Account	(10)	(24,800)	(18,700)	6,100
R172	Land Charges	16,558	(8,700)	(4,200)	4,500
R175	Economic Development	363,958	278,400	424,300	145,900
R640	Housing Strategy	140,886	143,000	79,600	(63,400)
	Total Growth & Regeneration Portfolio Budget	**1,043,346**	**812,300**	**1,056,200**	**243,900**
	Transfer to/from Earmarked Reserves				
R700	Growth & Regeneration	(26,719)	(53,200)	(99,900)	(46,700)
	Total Reserves	**(26,719)**	**(53,200)**	**(99,900)**	**(46,700)**
	TOTAL	**1,016,627**	**759,100**	**956,300**	**197,200**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	1,400,791	1,290,400	1,259,500	(30,900)
Premises Related Expenses	20,722	22,200	72,500	50,300
Transport Related Expenses	11,081	15,200	15,200	0
Supplies & Services	227,659	133,700	206,400	72,700
Third Party Payments	13,746	13,600	13,600	0
Revenue Income	(1,048,703)	(1,100,300)	(998,200)	102,100
Controllable	**625,297**	**374,800**	**569,000**	**194,200**
Consisting of				
Premises Related Recharges	7,270	7,400	12,700	5,300
Supplies & Services Related Recharges	18,886	18,900	21,400	2,500
Central Support and Service Admin	501,320	526,600	549,400	22,800
Internal Recharges	(120,966)	(126,900)	(98,900)	28,000
Recharges	**406,510**	**426,000**	**484,600**	**58,600**
Consisting of				
Capital Financing Charges	11,539	11,500	2,600	(8,900)
Capital	**11,539**	**11,500**	**2,600**	**(8,900)**
Total Growth & Regeneration	**1,043,346**	**812,300**	**1,056,200**	**243,900**
Consisting of				
Transfer to Reserves	10,000	0	10,000	10,000
Transfer from Reserves	(36,719)	(53,200)	(109,900)	(56,700)
Reserves	**(26,719)**	**(53,200)**	**(99,900)**	**(46,700)**
Transfer to/from Earmarked Reserves	**(26,719)**	**(53,200)**	**(99,900)**	**(46,700)**
TOTAL	**1,016,627**	**759,100**	**956,300**	**197,200**

R105 Development Service Support	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	91,855	92,900	73,600	(19,300)
Supplies & Services	596	3,700	3,700	0
Controllable	**92,450**	**96,600**	**77,300**	**(19,300)**
Supplies & Services Related Recharges	872	900	1,100	200
Central Support and Service Admin	27,644	29,400	20,500	(8,900)
Internal Recharges	(120,966)	(126,900)	(98,900)	28,000
Recharges	**(92,450)**	**(96,600)**	**(77,300)**	**19,300**
Transfer from Reserves	0	0	0	0
Reserves	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**

R110 Development Management	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £
Employee Expenses	498,968	478,100	490,000	11,900
Transport Related Expenses	1,712	3,500	3,500	0
Supplies & Services	58,571	15,400	15,400	0
Revenue Income	(652,646)	(718,500)	(608,500)	110,000
Controllable	**(93,395)**	**(221,500)**	**(99,600)**	**121,900**
Supplies & Services Related Recharges	4,422	4,500	5,400	900
Central Support and Service Admin	232,908	230,400	228,500	(1,900)
Recharges	**237,330**	**234,900**	**233,900**	**(1,000)**
Transfer from Reserves	0	(7,800)	(2,000)	5,800
Reserves	**0**	**(7,800)**	**(2,000)**	**5,800**
Total	**143,936**	**5,600**	**132,300**	**126,700**

R115 Planning Policy	Actual 2020-21 £	Original Budget 2021-22 £	Original Budget 2022-23 £	Variance to Original Budget 2021-22 £

Employee Expenses	254,143	238,000	235,900	(2,100)
Transport Related Expenses	75	600	600	0
Supplies & Services	18,454	39,700	39,700	0
Third Party Payments	13,746	13,600	13,600	0
Revenue Income	(10,382)	(600)	(600)	0
Controllable	**276,036**	**291,300**	**289,200**	**(2,100)**
Supplies & Services Related Recharges	2,323	2,300	3,200	900
Central Support and Service Admin	47,546	66,700	83,800	17,100
Recharges	**49,869**	**69,000**	**87,000**	**18,000**
Transfer from Reserves	(10,821)	(38,000)	(38,000)	0
Reserves	**(10,821)**	**(38,000)**	**(38,000)**	**0**
Capital Financing Charges	1,000	1,000	1,000	0
Capital	**1,000**	**1,000**	**1,000**	**0**
Total	**316,084**	**323,300**	**339,200**	**15,900**

R120 Building Control Account	**Actual 2020-21**	**Original Budget 2021-22**	**Original Budget 2022-23**	**Variance to Original Budget 2021-22**
	£	**£**	**£**	**£**
Employee Expenses	41,918	38,100	49,900	11,800
Transport Related Expenses	2,303	3,000	3,000	0
Supplies & Services	1,200	2,100	2,100	0
Revenue Income	(897)	0	(11,600)	(11,600)
Controllable	**44,524**	**43,200**	**43,400**	**200**
Supplies & Services Related Recharges	345	300	400	100
Central Support and Service Admin	6,244	6,200	19,900	13,700
Recharges	**6,589**	**6,500**	**20,300**	**13,800**
Total	**51,114**	**49,700**	**63,700**	**14,000**

R121 Building Control Fee Earning Account	**Actual 2020-21**	**Original Budget 2021-22**	**Original Budget 2022-23**	**Variance to Original Budget 2021-22**
	£	**£**	**£**	**£**
Employee Expenses	154,471	159,500	159,600	100
Transport Related Expenses	6,779	7,000	7,000	0
Supplies & Services	3,043	4,000	4,000	0
Revenue Income	(223,933)	(255,900)	(255,900)	0
Controllable	**(59,639)**	**(85,400)**	**(85,300)**	**100**

Supplies & Services Related Recharges	1,557	1,600	1,800	200
Central Support and Service Admin	58,072	59,000	64,800	5,800
Recharges	**59,629**	**60,600**	**66,600**	**6,000**
Total	**(10)**	**(24,800)**	**(18,700)**	**6,100**

R172 Land Charges	**Actual 2020-21 £**	**Original Budget 2021-22 £**	**Original Budget 2022-23 £**	**Variance to Original Budget 2021-22 £**
Employee Expenses	694	2,800	3,000	200
Supplies & Services	18,828	24,400	24,400	0
Revenue Income	(64,733)	(100,100)	(73,100)	27,000
Controllable	**(45,211)**	**(72,900)**	**(45,700)**	**27,200**
Supplies & Services Related Recharges	6,066	6,100	6,400	300
Central Support and Service Admin	55,704	58,100	35,100	(23,000)
Recharges	**61,770**	**64,200**	**41,500**	**(22,700)**
Total	**16,558**	**(8,700)**	**(4,200)**	**4,500**

R175 Economic Development	**Actual 2020-21 £**	**Original Budget 2021-22 £**	**Original Budget 2022-23 £**	**Variance to Original Budget 2021-22 £**
Employee Expenses	243,649	167,100	187,100	20,000
Premises Related Expenses	20,722	22,200	72,500	50,300
Transport Related Expenses	59	500	500	0
Supplies & Services	126,962	43,800	116,500	72,700
Revenue Income	(96,112)	(25,200)	(48,500)	(23,300)
Controllable	**295,279**	**208,400**	**328,100**	**119,700**
Premises Related Recharges	7,270	7,400	12,700	5,300
Supplies & Services Related Recharges	2,287	2,200	1,800	(400)
Central Support and Service Admin	48,583	49,900	80,100	30,200
Recharges	**58,140**	**59,500**	**94,600**	**35,100**
Transfer to Reserves	10,000	0	10,000	10,000
Transfer from Reserves	(25,898)	(7,400)	(69,900)	(62,500)
Reserves	**(15,898)**	**(7,400)**	**(59,900)**	**(52,500)**
Capital Financing Charges	10,539	10,500	1,600	(8,900)

Capital	**10,539**	**10,500**	**1,600**	**(8,900)**
Total	**348,060**	**271,000**	**364,400**	**93,400**

R640 Housing Strategy	**Actual 2020-21**	**Original Budget 2021-22**	**Original Budget 2022-23**	**Variance to Original Budget 2021-22**
	£	**£**	**£**	**£**
Employee Expenses	115,093	113,900	60,400	(53,500)
Transport Related Expenses	153	600	600	0
Supplies & Services	6	600	600	0
Controllable	**115,253**	**115,100**	**61,600**	**(53,500)**
Supplies & Services Related Recharges	1,013	1,000	1,300	300
Central Support and Service Admin	24,620	26,900	16,700	(10,200)
Recharges	**25,633**	**27,900**	**18,000**	**(9,900)**
Total	**140,886**	**143,000**	**79,600**	**(63,400)**

Resources & Reputation

	Division	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
R130	HR, Performance and Service Planning	0	0	4,800	4,800
R145	Corporate Management	997,982	980,100	746,400	(233,700)
R150	Health & Safety and Emergency Planning	(20,919)	7,800	31,900	24,100
R160	Legal Services	0	(0)	2,200	2,200
R165	Central Print Room	0	0	(3,000)	(3,000)
R170	Postages	0	0	0	0
R177	Registration Of Electors	238,834	183,100	200,700	17,600
R180	Elections	1,922	1,600	2,500	900
R182	Estates & Valuation	0	0	(0)	(0)
R185	Public Land & Buildings	65,141	36,200	57,200	21,000
R300	Information Technology	(0)	(0)	(17,300)	(17,300)
R340	Communications & Publicity	0	0	0	0
R350	Corporate Officers	42,223	20,500	(0)	(20,500)
R410	Business Units	13,186	(27,100)	(8,500)	18,600
R560	Public Offices	6,459	(4,400)	1,900	6,300
R800	Corporate Administration	0	0	0	0
R805	Financial Services	0	0	0	0
R820	Customer Services	(0)	(0)	9,300	9,300
R825	Insurance Premiums	(1,950)	0	300	300
R835	Revenues-Local Taxation	(196,262)	521,600	767,300	245,700
R872	Central Provisions Account	(3,532,373)	(514,700)	37,200	551,900
R875	Non Distributed Costs	258,946	119,000	120,200	1,200
R890	Corporate Income & Expenditure	(844,070)	333,200	366,700	33,500
R891	Movement in Reserves (MiRs)	(261,457)	(184,500)	(1,260,600)	(1,076,100)
	Total Resources & Reputation Portfolio Budget	**(3,232,338)**	**1,472,400**	**1,059,200**	**(413,200)**
	Transfer to/from Earmarked Reserves				
R800	Resources & Reputation	1,429,631	(1,197,300)	(230,600)	966,700
	Total Reserves	**1,429,631**	**(1,197,300)**	**(230,600)**	**966,700**
	TOTAL	**(1,802,707)**	**275,100**	**828,600**	**553,500**

	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Consisting of				
Employee Expenses	4,088,428	4,040,900	4,011,400	(29,500)
Premises Related Expenses	513,296	555,400	550,500	(4,900)
Transport Related Expenses	1,983	9,700	7,500	(2,200)
Supplies & Services	7,308,652	1,806,100	1,837,000	30,900
Third Party Payments	6,800	7,200	7,800	600
Capital Interest	1,041,130	2,122,900	1,267,500	(855,400)
Revenue Income	(11,231,956)	(2,111,500)	(1,309,900)	801,600
Controllable	**1,728,333**	**6,430,700**	**6,371,800**	**(58,900)**
Consisting of				
Premises Related Recharges	34,390	47,800	47,600	(200)
Transport Related Recharges	1,868	2,700	0	(2,700)
Supplies & Services Related Recharges	38,405	41,100	42,200	1,100
Central Support and Service Admin	1,878,758	1,715,100	1,993,500	278,400
Internal Recharges	(5,140,613)	(5,147,100)	(5,677,000)	(529,900)
Recharges	**(3,187,192)**	**(3,340,400)**	**(3,593,700)**	**(253,300)**

Consisting of				
Capital Financing Charges	1,412,165	315,100	401,700	86,600
Capital Entries	(3,185,645)	(1,933,000)	(2,120,600)	(187,600)
Capital	**(1,773,480)**	**(1,617,900)**	**(1,718,900)**	**(101,000)**
Total Resources & Reputation	**(3,232,338)**	**1,472,400**	**1,059,200**	**(413,200)**
Consisting of				
Transfer to Reserves	1,744,231	145,000	145,000	0
Transfer from Reserves	(314,600)	(1,342,300)	(375,600)	966,700
Reserves	**1,429,631**	**(1,197,300)**	**(230,600)**	**966,700**
Transfer to/from Earmarked Reserves	**1,429,631**	**(1,197,300)**	**(230,600)**	**966,700**
TOTAL	**(1,802,707)**	**275,100**	**828,600**	**553,500**

R130 HR, Performance and Service Planning	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	213,670	225,100	242,100	17,000
Transport Related Expenses	32	700	700	0
Supplies & Services	10,228	24,000	40,000	16,000
Revenue Income	(9,266)	(24,500)	(10,300)	14,200
Controllable	**214,664**	**225,300**	**272,500**	**47,200**
Supplies & Services Related Recharges	2,310	2,400	2,700	300
Central Support and Service Admin	57,571	43,700	63,700	20,000
Internal Recharges	(274,544)	(271,400)	(334,100)	(62,700)
Recharges	**(214,664)**	**(225,300)**	**(267,700)**	**(42,400)**
Transfer to Reserves	4,000	0	0	0
Transfer from Reserves	0	(4,700)	(4,700)	0
Reserves	**4,000**	**(4,700)**	**(4,700)**	**0**
Total	**4,000**	**(4,700)**	**100**	**4,800**

R145 Corporate Management	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	490,334	480,600	497,300	16,700
Transport Related Expenses	674	3,400	3,200	(200)
Supplies & Services	170,616	185,100	194,600	9,500
Revenue Income	(65,437)	(7,000)	(7,000)	0
Controllable	**596,187**	**662,100**	**688,100**	**26,000**
Supplies & Services Related Recharges	5,534	4,400	5,300	900
Central Support and Service Admin	579,884	521,700	350,900	(170,800)
Internal Recharges	(183,624)	(208,100)	(297,900)	(89,800)
Recharges	**401,795**	**318,000**	**58,300**	**(259,700)**
Total	**997,982**	**980,100**	**746,400**	**(233,700)**

R150 Health & Safety and Emergency Planning	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	65,308	84,400	104,400	20,000
Transport Related Expenses	66	300	300	0
Supplies & Services	13,635	18,000	18,000	0
Third Party Payments	6,800	7,200	7,800	600

Revenue Income	(27,769)	0	0	0
Controllable	**58,039**	**109,900**	**130,500**	**20,600**
Supplies & Services Related Recharges	515	500	900	400
Central Support and Service Admin	14,111	27,500	31,600	4,100
Internal Recharges	(93,585)	(130,100)	(131,100)	(1,000)
Recharges	**(78,959)**	**(102,100)**	**(98,600)**	**3,500**
Transfer to Reserves	34,469	0	0	0
Transfer from Reserves	(7,500)	(7,500)	(23,500)	(16,000)
Reserves	**26,969**	**(7,500)**	**(23,500)**	**(16,000)**
Total	**6,050**	**300**	**8,400**	**8,100**

R160 Legal Services	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	346,748	279,300	266,800	(12,500)
Transport Related Expenses	59	800	800	0
Supplies & Services	27,325	29,700	29,700	0
Revenue Income	(40,310)	(97,400)	(81,100)	16,300
Controllable	**333,822**	**212,400**	**216,200**	**3,800**
Supplies & Services Related Recharges	3,397	3,500	3,100	(400)
Central Support and Service Admin	47,648	43,000	63,000	20,000
Internal Recharges	(384,867)	(258,900)	(280,100)	(21,200)
Recharges	**(333,822)**	**(212,400)**	**(214,000)**	**(1,600)**
Transfer from Reserves	(5,000)	0	(2,000)	(2,000)
Reserves	**(5,000)**	**0**	**(2,000)**	**(2,000)**
Total	**(5,000)**	**0**	**200**	**200**

R165 Central Print Room	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	6,434	6,500	6,600	100
Transport Related Expenses	9	0	0	0
Supplies & Services	11,875	15,100	15,100	0
Controllable	**18,317**	**21,600**	**21,700**	**100**
Supplies & Services Related Recharges	62	100	100	0
Central Support and Service Admin	1,674	1,700	2,400	700
Internal Recharges	(20,053)	(23,400)	(27,200)	(3,800)

Recharges	**(18,317)**	**(21,600)**	**(24,700)**	**(3,100)**
Transfer to Reserves	10,000	3,000	3,000	0
Reserves	**10,000**	**3,000**	**3,000**	**0**
Total	**10,000**	**3,000**	**0**	**(3,000)**

R170 Postages	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Supplies & Services	41,528	50,200	44,500	(5,700)
Revenue Income	(123)	(700)	(700)	0
Controllable	**41,405**	**49,500**	**43,800**	**(5,700)**
Central Support and Service Admin	0	0	800	800
Internal Recharges	(41,405)	(49,500)	(44,600)	4,900
Recharges	**(41,405)**	**(49,500)**	**(43,800)**	**5,700**
Total	**(0)**	**0**	**0**	**(0)**

R177 Registration Of Electors	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	80,217	95,300	98,100	2,800
Transport Related Expenses	11	200	200	0
Supplies & Services	41,931	51,000	51,000	0
Revenue Income	(7,028)	(1,900)	(1,900)	0
Controllable	**115,132**	**144,600**	**147,400**	**2,800**
Supplies & Services Related Recharges	679	700	900	200
Central Support and Service Admin	123,023	37,800	52,400	14,600
Recharges	**123,702**	**38,500**	**53,300**	**14,800**
Total	**238,834**	**183,100**	**200,700**	**17,600**

R180 Elections	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	0	99,500	0	(99,500)
Premises Related Expenses	0	16,500	0	(16,500)
Supplies & Services	14,333	80,500	0	(80,500)
Revenue Income	(14,000)	(200,000)	0	200,000

Controllable	**333**	**(3,500)**	**0**	**3,500**
Supplies & Services Related Recharges	0	3,500	0	(3,500)
Central Support and Service Admin	0	0	900	900
Recharges	**0**	**3,500**	**900**	**(2,600)**
Capital Financing Charges	1,589	1,600	1,600	0
Capital	**1,589**	**1,600**	**1,600**	**0**
Total	**1,922**	**1,600**	**2,500**	**900**

R182 Estates & Valuation	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	144,767	152,800	147,500	(5,300)
Transport Related Expenses	166	300	300	0
Supplies & Services	37,584	17,700	17,700	0
Revenue Income	(12,700)	0	0	0
Controllable	**169,816**	**170,800**	**165,500**	**(5,300)**
Supplies & Services Related Recharges	1,286	1,300	1,700	400
Central Support and Service Admin	39,811	41,200	50,200	9,000
Internal Recharges	(210,913)	(213,300)	(217,400)	(4,100)
Recharges	**(169,816)**	**(170,800)**	**(165,500)**	**5,300**
Transfer to Reserves	38,700	0	0	0
Transfer from Reserves	(13,800)	0	0	0
Reserves	**24,900**	**0**	**0**	**0**
Total	**24,900**	**0**	**0**	**0**

R185 Public Land & Buildings	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Premises Related Expenses	11,655	12,700	12,200	(500)
Supplies & Services	4,374	2,400	2,400	0
Revenue Income	(120,158)	(139,600)	(139,700)	(100)
Controllable	**(104,128)**	**(124,500)**	**(125,100)**	**(600)**
Premises Related Recharges	1,753	3,700	4,200	500
Central Support and Service Admin	165,742	142,100	176,500	34,400
Recharges	**167,495**	**145,800**	**180,700**	**34,900**

Capital Financing Charges	1,775	14,900	1,600	(13,300)
Capital	**1,775**	**14,900**	**1,600**	**(13,300)**
Total	**65,141**	**36,200**	**57,200**	**21,000**

R300 Information Technology	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	304,600	341,200	352,400	11,200
Transport Related Expenses	86	500	500	0
Supplies & Services	641,304	739,600	792,100	52,500
Revenue Income	(8,189)	(8,100)	(11,100)	(3,000)
Controllable	**937,801**	**1,073,200**	**1,133,900**	**60,700**
Premises Related Recharges	2,205	2,600	9,400	6,800
Supplies & Services Related Recharges	3,273	3,400	3,900	500
Central Support and Service Admin	47,134	26,000	65,700	39,700
Internal Recharges	(1,088,944)	(1,235,000)	(1,426,300)	(191,300)
Recharges	**(1,036,332)**	**(1,203,000)**	**(1,347,300)**	**(144,300)**
Capital Financing Charges	98,531	129,800	196,100	66,300
Capital	**98,531**	**129,800**	**196,100**	**66,300**
Transfer to Reserves	181,600	107,000	107,000	0
Transfer from Reserves	(48,209)	(109,700)	(89,700)	20,000
Reserves	**133,391**	**(2,700)**	**17,300**	**20,000**
Total	**133,391**	**(2,700)**	**0**	**2,700**

R340 Communications & Publicity	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	174,490	150,500	156,300	5,800
Transport Related Expenses	60	200	200	0
Supplies & Services	31,495	57,200	49,200	(8,000)
Revenue Income	(2,050)	(21,300)	(21,700)	(400)
Controllable	**203,995**	**186,600**	**184,000**	**(2,600)**
Supplies & Services Related Recharges	1,651	1,700	1,800	100
Central Support and Service Admin	57,893	48,100	58,500	10,400
Internal Recharges	(263,540)	(236,400)	(244,300)	(7,900)
Recharges	**(203,995)**	**(186,600)**	**(184,000)**	**2,600**
Transfer from Reserves	0	0	0	0

Reserves	**0**	**0**	**0**	**0**
Total	**0**	**(0)**	**(0)**	**(0)**

R350 Corporate Officers	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	87,641	66,800	47,700	(19,100)
Supplies & Services	53	5,000	5,000	0
Revenue Income	0	(20,000)	(20,000)	0
Controllable	**87,693**	**51,800**	**32,700**	**(19,100)**
Supplies & Services Related Recharges	811	400	500	100
Central Support and Service Admin	1,431	1,400	2,900	1,500
Internal Recharges	(47,712)	(33,100)	(36,100)	(3,000)
Recharges	**(45,470)**	**(31,300)**	**(32,700)**	**(1,400)**
Transfer from Reserves	(41,400)	(20,500)	0	20,500
Reserves	**(41,400)**	**(20,500)**	**0**	**20,500**
Total	**823**	**0**	**(0)**	**(0)**

R410 Business Units	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Premises Related Expenses	81,690	113,700	113,700	0
Supplies & Services	250	1,000	1,000	0
Revenue Income	(157,535)	(223,000)	(216,400)	6,600
Controllable	**(75,595)**	**(108,300)**	**(101,700)**	**6,600**
Premises Related Recharges	4,080	2,900	7,700	4,800
Central Support and Service Admin	50,430	50,500	49,100	(1,400)
Recharges	**54,511**	**53,400**	**56,800**	**3,400**
Capital Financing Charges	34,270	27,800	36,400	8,600
Capital	**34,270**	**27,800**	**36,400**	**8,600**
Total	**13,186**	**(27,100)**	**(8,500)**	**18,600**

R560 Public Offices	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**

Employee Expenses	140,267	155,200	156,200	1,000
Premises Related Expenses	400,762	393,300	405,400	12,100
Supplies & Services	33,775	26,700	26,700	0
Revenue Income	(342,415)	(374,200)	(359,600)	14,600
Controllable	**232,389**	**201,000**	**228,700**	**27,700**
Premises Related Recharges	26,353	38,600	26,300	(12,300)
Supplies & Services Related Recharges	1,533	1,600	1,900	300
Central Support and Service Admin	79,938	78,200	161,700	83,500
Internal Recharges	(468,158)	(464,800)	(582,700)	(117,900)
Recharges	**(360,334)**	**(346,400)**	**(392,800)**	**(46,400)**
Capital Financing Charges	134,405	141,000	166,000	25,000
Capital	**134,405**	**141,000**	**166,000**	**25,000**
Transfer from Reserves	(12,700)	0	0	0
Reserves	**(12,700)**	**0**	**0**	**0**
Total	**(6,241)**	**(4,400)**	**1,900**	**6,300**

R800 Corporate Administration	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	0	0	0	0
Supplies & Services	0	0	0	0
Controllable	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**

R805 Financial Services	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	643,552	597,100	594,000	(3,100)
Transport Related Expenses	21	100	100	0
Supplies & Services	100,301	87,300	89,400	2,100
Revenue Income	(59,097)	(45,000)	(45,000)	0
Controllable	**684,778**	**639,500**	**638,500**	**(1,000)**
Supplies & Services Related Recharges	5,991	6,000	6,600	600
Central Support and Service Admin	136,174	134,900	139,700	4,800
Internal Recharges	(848,103)	(780,400)	(784,800)	(4,400)
Recharges	**(705,938)**	**(639,500)**	**(638,500)**	**1,000**

Capital Financing Charges	21,160	0	0	0
Capital	**21,160**	**0**	**0**	**0**
Transfer to Reserves	5,000	0	0	0
Transfer from Reserves	(23,470)	0	0	0
Reserves	**(18,470)**	**0**	**0**	**0**
Total	**(18,470)**	**0**	**(0)**	**(0)**

R820 Customer Services	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	753,363	738,800	735,200	(3,600)
Transport Related Expenses	753	2,700	700	(2,000)
Supplies & Services	9,493	9,900	8,100	(1,800)
Revenue Income	(5,500)	(18,700)	(0)	18,700
Controllable	**758,109**	**732,700**	**744,000**	**11,300**
Supplies & Services Related Recharges	7,274	7,400	7,800	400
Central Support and Service Admin	142,939	149,900	195,000	45,100
Internal Recharges	(908,321)	(890,000)	(937,500)	(47,500)
Recharges	**(758,109)**	**(732,700)**	**(734,700)**	**(2,000)**
Transfer from Reserves	0	(9,300)	(9,300)	0
Reserves	**0**	**(9,300)**	**(9,300)**	**0**
Total	**(0)**	**(9,300)**	**0**	**9,300**

R825 Insurance Premiums	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Supplies & Services	275,717	272,600	276,000	3,400
Revenue Income	(29,302)	0	0	0
Controllable	**246,415**	**272,600**	**276,000**	**3,400**
Central Support and Service Admin	0	0	300	300
Internal Recharges	(248,365)	(272,600)	(276,000)	(3,400)
Recharges	**(248,365)**	**(272,600)**	**(275,700)**	**(3,100)**
Transfer to Reserves	62,938	35,000	35,000	0
Reserves	**62,938**	**35,000**	**35,000**	**0**
Total	**60,988**	**35,000**	**35,300**	**300**

R835 Revenues-Local Taxation	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	382,174	428,800	449,200	20,400
Transport Related Expenses	45	500	500	0
Supplies & Services	903,562	133,100	180,500	47,400
Revenue Income	(1,762,876)	(335,000)	(335,000)	0
Controllable	**(477,094)**	**227,400**	**295,200**	**67,800**
Transport Related Recharges	1,868	2,700	0	(2,700)
Supplies & Services Related Recharges	4,090	4,200	5,000	800
Central Support and Service Admin	333,354	367,400	524,000	156,600
Internal Recharges	(58,480)	(80,100)	(56,900)	23,200
Recharges	**280,832**	**294,200**	**472,100**	**177,900**
Transfer to Reserves	696,224	0	0	0
Transfer from Reserves	(38,677)	(51,400)	(111,400)	(60,000)
Reserves	**657,546**	**(51,400)**	**(111,400)**	**(60,000)**
Total	**461,285**	**470,200**	**655,900**	**185,700**

R872 Central Provisions Account	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £
Employee Expenses	(2,204)	20,000	40,000	20,000
Supplies & Services	4,197,864	0	(4,000)	(4,000)
Revenue Income	(7,728,034)	(534,700)	0	534,700
Controllable	**(3,532,373)**	**(514,700)**	**36,000**	**550,700**
Central Support and Service Admin	0	0	1,200	1,200
Recharges	**0**	**0**	**1,200**	**1,200**
Transfer to Reserves	711,300	0	0	0
Transfer from Reserves	(2,857)	0	0	0
Reserves	**708,443**	**0**	**0**	**0**
Total	**(2,823,930)**	**(514,700)**	**37,200**	**551,900**

R875 Non Distributed Costs	Actual 2020-2021 £	Original Budget 2021-2022 £	Original Budget 2022-2023 £	Variance to Original Budget 2021-2022 £

Employee Expenses	257,066	119,000	117,600	(1,400)
Supplies & Services	1,880	0	0	0
Controllable	**258,946**	**119,000**	**117,600**	**(1,400)**
Central Support and Service Admin	0	0	2,600	2,600
Recharges	**0**	**0**	**2,600**	**2,600**
Total	**258,946**	**119,000**	**120,200**	**1,200**

R890 Corporate Income & Expenditure	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	0	0	0	0
Premises Related Expenses	19,189	19,200	19,200	0
Supplies & Services	746,211	0	0	0
Capital Interest	351,132	374,400	407,500	33,100
Revenue Income	(840,167)	(60,400)	(60,400)	0
Controllable	**276,366**	**333,200**	**366,300**	**33,100**
Central Support and Service Admin	0	0	400	400
Recharges	**0**	**0**	**400**	**400**
Capital Entries	(1,120,435)	0	0	0
Capital	**(1,120,435)**	**0**	**0**	**0**
Total	**(844,070)**	**333,200**	**366,700**	**33,500**

R891 Movement in Reserves (MiRs)	**Actual 2020-2021 £**	**Original Budget 2021-2022 £**	**Original Budget 2022-2023 £**	**Variance to Original Budget 2021-2022 £**
Employee Expenses	0	0	0	0
Supplies & Services	(6,681)	0	0	0
Capital Interest	689,998	1,748,500	860,000	(888,500)
Controllable	**683,317**	**1,748,500**	**860,000**	**(888,500)**
Capital Financing Charges	1,120,435	0	0	0
Capital Entries	(2,065,210)	(1,933,000)	(2,120,600)	(187,600)
Capital	**(944,774)**	**(1,933,000)**	**(2,120,600)**	**(187,600)**
Transfer from Reserves	(120,987)	(1,139,200)	(135,000)	1,004,200
Reserves	**(120,987)**	**(1,139,200)**	**(135,000)**	**1,004,200**
Total	**(382,444)**	**(1,323,700)**	**(1,395,600)**	**(71,900)**

Major Inflation Indices - Medium Term Financial Plan

	2022/23	2023/24	2024/25	2025/26	2026/27
Council Tax	£5	£5	£5	£5	£5
(Excluding Taxbase Changes	£187,000	£187,000	£187,000	£187,000	£187,000
Pay Award	3.0%	2.0%	2.0%	2.0%	2.0%
	£418,700	£283,900	£289,600	£295,400	£301,300
	%	%	%	%	%
Premises Expenses:					
Gas	15	2.5	2.5	2.5	2.5
Electricity	15	2.5	2.5	2.5	2.5
Water	2	2	2	2	2
NNDR	2	2	2	2	2
General Supplies & Services	0	0	0	0	0
Discretionary Income	3	3	3	3	3
Vacancy Provision	-£150,000	-£150,000	-£150,000	-£150,000	-£150,000

Appendix 4

Movement on Earmarked Reserves

Reserve	Original Estimate 2021/22				Revised Estimate 2021/22				Original Estimate 2022/23			
	Opening Balance 01/04/21	Transfer to Reserve	Transfer from Reserve	Balance 31/03/22	Opening Balance 01/04/21	Transfer to Reserve	Transfer from Reserve	Balance 31/03/22	Opening Balance 01/04/22	Transfer to Reserve	Transfer from Reserve	Balance 31/03/23
	£	£	£	£	£	£	£	£	£	£	£	£
Leisure Strategy Reserve	**0**			**0**	**(278,000)**		22,700	**(255,300)**	**(255,300)**			**(255,300)**
Joint Use & Base Maintenance Reserve	**(112,922)**			**(112,922)**	**(101,513)**			**(101,513)**	**(101,513)**			**(101,513)**
Pub Watch/Shop Radio Replacement Reserve	**(33,961)**	(3,500)		**(37,461)**	**(33,961)**	(3,500)		**(37,461)**	**(37,461)**	(3,500)		**(40,961)**
Building Control Reserve	**0**			**0**	**0**			**0**	**0**			**0**
Community & Crime Reserves	**(16,308)**		3,000	**(13,308)**	**(258,920)**		205,000	**(53,920)**	**(53,920)**		19,000	**(34,920)**
IT Replacement Reserve	**(204,670)**	(110,000)	109,700	**(204,970)**	**(580,910)**	(110,000)	121,700	**(569,210)**	**(569,210)**	(110,000)	87,700	**(591,510)**
Risk Mgmt Reserve	**(24,608)**		7,500	**(17,108)**	**(32,558)**		17,700	**(14,858)**	**(14,858)**		7,500	**(7,358)**
Budget Redn Risk Reserve	**0**			**0**	**0**			**0**	**0**			**0**
S106 Revenue Reserve	**(133,632)**		29,000	**(104,632)**	**(163,832)**		29,000	**(134,832)**	**(134,832)**		53,500	**(81,332)**
Housing & Housing Benefits Reserve	**(267,889)**		51,000	**(216,889)**	**(243,734)**		95,000	**(148,734)**	**(148,734)**		51,000	**(97,734)**
Insurance Reserve	**(329,518)**	(35,000)		**(364,518)**	**(337,506)**	(35,000)		**(372,506)**	**(372,506)**	(35,000)		**(407,506)**
Efficiency & Innovation Reserve	**(230,202)**		19,700	**(210,502)**	**(343,384)**		87,300	**(256,084)**	**(256,084)**		21,700	**(234,384)**
Asset Management Reserve	**(351,029)**	(61,100)	73,000	**(339,129)**	**(560,859)**	(61,100)	358,600	**(263,359)**	**(263,359)**	(71,100)	146,000	**(188,459)**
Local Development Framework Reserve	**(75,774)**		45,800	**(29,974)**	**(120,199)**	(2,000)	45,800	**(76,399)**	**(76,399)**		40,000	**(36,399)**
Earmarked Grants Reserve	**(569,949)**		900	**(569,049)**	**(1,456,472)**	(162,700)	568,600	**(1,050,572)**	**(1,050,572)**	(117,700)	124,200	**(1,044,072)**
CCTV Reserve	**(199,381)**	(25,800)	30,000	**(195,181)**	**(199,381)**	(25,800)	30,000	**(195,181)**	**(195,181)**	(32,300)	30,000	**(197,481)**
LA Mortgage Scheme Reserve (LAMS)	**(110,593)**			**(110,593)**	**(110,593)**			**(110,593)**	**(110,593)**			**(110,593)**
Apprentice Reserve	**(44,428)**		36,500	**(7,928)**	**(61,228)**		36,500	**(24,728)**	**(24,728)**		16,800	**(7,928)**
NNDR Pool Reserve	**(1,258,833)**		994,700	**(264,133)**	**(1,514,321)**		1,400,800	**(113,521)**	**(113,521)**		113,000	**(521)**
Transformation Fund Reserve	**(386,576)**		25,600	**(360,976)**	**(641,969)**		380,800	**(261,169)**	**(261,169)**		7,100	**(254,069)**
Economic Development Fund Reserve	**(210,608)**		132,400	**(78,208)**	**(174,321)**	(14,800)	167,400	**(21,721)**	**(21,721)**		7,400	**(14,321)**
Property Management Fund	**(64,000)**			**(64,000)**	**(64,000)**			**(64,000)**	**(64,000)**			**(64,000)**
Selective Licensing	**(94,700)**	(105,500)	32,700	**(167,500)**	**(213,092)**			**(213,092)**	**(213,092)**		71,400	**(141,692)**
Additional Restrictions Grant (ARG) Reserve	**0**			**0**	**(540,400)**		540,400	**(0)**				
Total Reserves	**(4,719,578)**	**(340,900)**	**1,591,500**	**(3,468,978)**	**(8,031,151)**	**(414,900)**	**4,107,300**	**(4,338,751)**	**(4,338,751)**	**(369,600)**	**796,300**	**(3,912,050)**

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APPENDIX 5

COUNCIL TAX COLLECTION FUND ESTIMATE OF OUTTURN 2021/22

(Estimate of position at 31 March 2022 for distribution in 2022/23)

	£000	£000
Taxpayer Accounts Due	(97,274)	
LESS		
Council Tax Support	7,561	
Disabled Relief	96	
Exemptions	1,734	
Discounts	7,973	
Disregard	495	
Annexe Discount	4	
Transitional Relief	0	
Council Tax Receivable		**(79,411)**
Payment / (Receipt) of Previous Year Surpluses / (Deficits)		(514)
Precepts Paid		78,565
Anticipated Write-Offs	139	
Increase in bad debt provision	301	
		440
Movement in the Collection Fund in 2021/22		**(920)**
(Surplus) / Deficit B/Fwd		**1,127**
Estimated Closing (Surplus) / Deficit before adjustment		**207**
Spreading Adjustment re Exceptional 2020/21 Deficit (1/3 of £621,457)		(207)
Net (Surplus)/Deficit after Spreading Adjustment - declared 15th January 2022		**0**

Allocation of Council Tax (Surplus) / Deficit	£000
Gedling Borough Council	0
Nottinghamshire County Council	0
Nottinghamshire Police and Crime Commissioner	0
Combined Fire Authority	0
TOTAL	**0**

Summary:	£000
Opening (Surplus) / Deficit 1/4/21	1,127
Previously declared (distributed 21/22)	(514)
Cumulative (Surplus) / Deficit 31/3/22	613
In year (Surplus) / Deficit for 2021/22	(406)
Reduced by spreading adjustment	(207)
Est (Surplus) / Deficit 31/3/22	**0**

NON DOMESTIC RATES COLLECTION FUND ESTIMATE 2021/22

(Estimate of position at 31 March 2022 for distribution in 2022/23)

	£000	£000
Opening NDR Deficit at 1 April 2021		**13,173**
Collectible Rates	(17,165)	
Deficit declared January 2021	(12,135)	
		(29,300)
Net transitional relief payable		(7)
Central Government share		11,745
Nottinghamshire County Council and Fire Authority shares		2,349
Gedling share		9,396
Cost of collection allowance		97
Renewables		382
		0
Estimated Closing (Surplus) / Deficit before adjustment		**7,835**
Spreading Adjustment re Exceptional 2020/21 Deficit (1/3 of £2,100,969)		(700)
Net (Surplus)/Deficit after Spreading Adjustment - per NNDR1 22/23 Part 4		**7,135**

Allocation of Deficit	Central Govt £000s	Gedling £000s	Notts CC £000s	Notts Fire £000s	Total £000s
Previous Yr residual deficit	519	415	93	10	1,037
Spread'g adj-def'd to 23/24	(350)	(280)	(63)	(7)	(700)
	169	135	30	3	337
Est Addl Covid Reliefs	3,073	2,459	553	61	6,146
Other	326	260	59	7	652
In-Yr Deficit	3,399	2,719	612	68	6,798
Total per NNDR1 22/23 Pt4	**3,568**	**2,854**	**642**	**71**	**7,135**

Appendix 6 - Budget Reduction Proposals 2022/23 to 2024/25

			Efficiency Type		Inclusion in 2022/23 Budgets and MTFP			
Portfolio	**Service Area**	**Description**	**Efficiency and Effectiveness**	**Income Generation**	**2022/23**	**2023/24**	**2024/25**	**Total**
			£	**£**	**£**	**£**	**£**	**£**
Community Development	Democratic Mgt and Representation	Reduce number of Cabinet Member and Policy Advisers	10,000	0	10,000	0	0	10,000
	Community Grants	Reduce Member Pot by 25% (one year only)	0	0	20,000	(20,000)		0
Portfolio Total			**10,000**	**0**	**30,000**	**(20,000)**	**0**	**10,000**
Health, Housing and Wellbeing	Leisure Services - All Sites	Review of DNA Fitness Membership Pricing and Structure, including concessions		100,000	100,000			**100,000**
	Leisure Services - Swimming Lessons	Increase Swim School Sessions		250,000		150,000	100,000	**250,000**
	Leisure Services - Bonington Theatre	Cinema Price Review		4,000	4,000			**4,000**
	Leisure Services - Richard Herrod Centre	Review of Operations	45,000		45,000			**45,000**
Portfolio Total			**45,000**	**354,000**	**149,000**	**150,000**	**100,000**	**399,000**
Environment	Garden Waste Services	Garden Waste Service Fee Increase		24,000		24,000		**24,000**
	Cemeteries	Review of Fees		1,000	1,000			**1,000**
Portfolio Total			**0**	**25,000**	**1,000**	**24,000**	**0**	**25,000**
Resources and Reputation	All	Vacancy Freeze (1 year only)	0		100,000	(100,000)		**0**
	All	Review of Discretionary Pricing (provision)		30,000	30,000			**30,000**
	Public Offices	Rent - Council Chamber		3,000	3,000			**3,000**
	All	Service Reviews	78,000		24,000	54,000		**78,000**
Portfolio Total			**78,000**	**33,000**	**157,000**	**(46,000)**	**0**	**111,000**
Grand Total			**133,000**	**412,000**	**337,000**	**108,000**	**100,000**	**545,000**

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Gedling Borough Council

Report to Cabinet

Subject: Review of the Gedling Plan 2020-23

Date: 17 February 2022

Author: Senior Leadership Team

Wards Affected

Borough-wide

Purpose

To update Cabinet on the review of the Gedling Plan 2020-23 and seek support for a number of amendments to be agreed for referral to Council.

Key Decision

This is a key decision because it significantly affects residents living in two or more wards.

Recommendations

THAT:

1. The review of the Gedling Plan 2020-23 be noted;

2. The amendments to the actions contained in the Gedling Plan as set out in the report be agreed for referral to Council on 3 March for approval.

1 Background

1.1 As Cabinet is aware, the original Gedling Plan 2020-23 was approved by Cabinet in February 2020 and Council in March 2020 and was revised and approved by Cabinet in February 2021 to take account of emerging issues and the impact of Covid-19 on the plan, which resulted in delays to a number of projects.

1.2 As part of the Council's Service Planning process, the Plan is reviewed on an annual basis. During this process this year a number of changes have been proposed by Senior Leadership Team to take account of emerging issues, the ongoing impact of the Covid-19 and in order to more clearly align responsibilities for objectives and review.

2 Proposal

2.1 With regards to emerging issues the following two new actions are proposed for inclusion into the Gedling Plan:

- Carry out Gedling Plan survey. This consultation is to support the formulation of the new 2023-2027 Gedling Plan

- Increase the prosperity and connectedness of our rural communities

2.2 In addition, the following action was amended to reflect the imminent change in name of the local NHS integrated Care System.

- **Change** - "Maintain active involvement in the County wide Health and Wellbeing board, South Nottinghamshire Integrated Care System and continue to support delivery of the approved Health and Wellbeing Plan" **to** "Maintain active involvement in the County wide Health and Wellbeing board, South Nottinghamshire Place Based Partnership and continue to support delivery of the approved Health and Wellbeing Plan".

3 Alternative Options

3.1 An alternative option would be not to agree any changes to the Gedling Plan actions and remain with the existing 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 The inclusion of the action in the Gedling Plan to ensure delivery of the Equality Framework and Action Plan is to ensure that there is a greater focus on equality through service delivery, decision making and planning. This will have a positive impact on service users and staff within the protected characteristic groups.

7 Carbon Reduction/Sustainability Implications

7.1 There are no Carbon Reduction/Environmental Sustainability implications arising from the changes proposed in this report, actions in respect of carbon reduction and sustainability are captured in the Gedling Plan.

8 Appendices

8.1 Appendix 1 – Revised Gedling Plan

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

10.1 To approve the revised Gedling Plan.

Statutory Officer approval

Approved by the Chief Financial Officer
Date: 8 February 2022

Approved by the Monitoring Officer
Date: 4 February 2022

GEDLING PLAN

2020-2023

Refreshed February 2022

Serving people **Improving Lives**

Arnot Hill Park

www.gedling.gov.uk

Gedling Borough Council

Contents

Introduction

We have lots to be proud of as a Council and as a borough, and it gives me great pleasure to introduce the refreshed Gedling Plan for 2020-23. This Plan sets out Gedling Borough Council's vision for the future, our priorities and our actions up to 31 March 2023, all of which support our ethos of 'Serving People, Improving Lives'. Despite the challenges we face, the Plan sets out an ambitious programme of activity to ensure the borough continues to be a place where people choose to live, do business and spend their time. We have already had two successful years - 2020/21 and 2021/22 – and we now move onto our third and final year – 2022/23.

Feedback from residents in our 2021 Satisfaction Survey tells us that we are continuing to deliver good council services, with 75% being satisfied with the local area as a place to live, and 67% feeling informed about what we are doing to improve the borough.

For many of our residents, the day-to-day services we provide such as recycling and refuse collection, keeping the place clean and maintaining our open spaces and play areas matter the most, and we will continue to maintain our high standards. Our strong track record of delivery and partnership working enables us to continue to be an ambitious Council and strive to deliver better outcomes for everyone.

The Council plays an important strategic role in developing and shaping the future of the borough for our residents and businesses. This is why we remain committed to promoting and stimulating economic growth, delivering much needed housing, creating vibrant town centres, and protecting and supporting the most vulnerable in our communities. We are also deeply committed to playing our part in tackling the climate emergency and making progress towards meaningful carbon reduction in our borough.

Like all Councils, we continue to face an extremely difficult financial challenge. More and more people are in need of our services at a time when our funding from government has been drastically cut. For 2020/21 and 2021/22 the government's own statistics officially classed Gedling as the worst affected Council in England in terms of 'core spending power'. The figures for 2022/23 have improved slightly and we are now ranked the 7th worst affected, but this movement is primarily down to the number of housing developments that have accelerated in the borough. We are, therefore, heavily reliant on locally generated income to provide the necessary resources that pay for our services. This means that we will have to continue to make difficult decisions about our future operations and spending plans. We want to continue to provide good quality services, and will use technology and smarter ways of working to continue to provide the value for money and customer-focussed services our residents need.

Despite these challenges, we remain committed to delivering this Plan for our communities. It articulates our strategic vision, it sets out priorities that matter to residents in our borough, it makes a positive difference to our local communities and businesses, and it continues to be at the heart of our programme for 2022/23.

Cllr. John Clarke
Leader of the Council

About the borough and the people we serve

Arnold Town Centre

About the borough

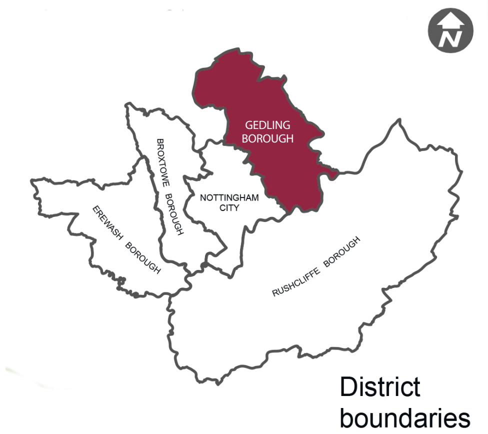
Gedling borough lies adjacent to the boundary of the City of Nottingham and covers 120Km²

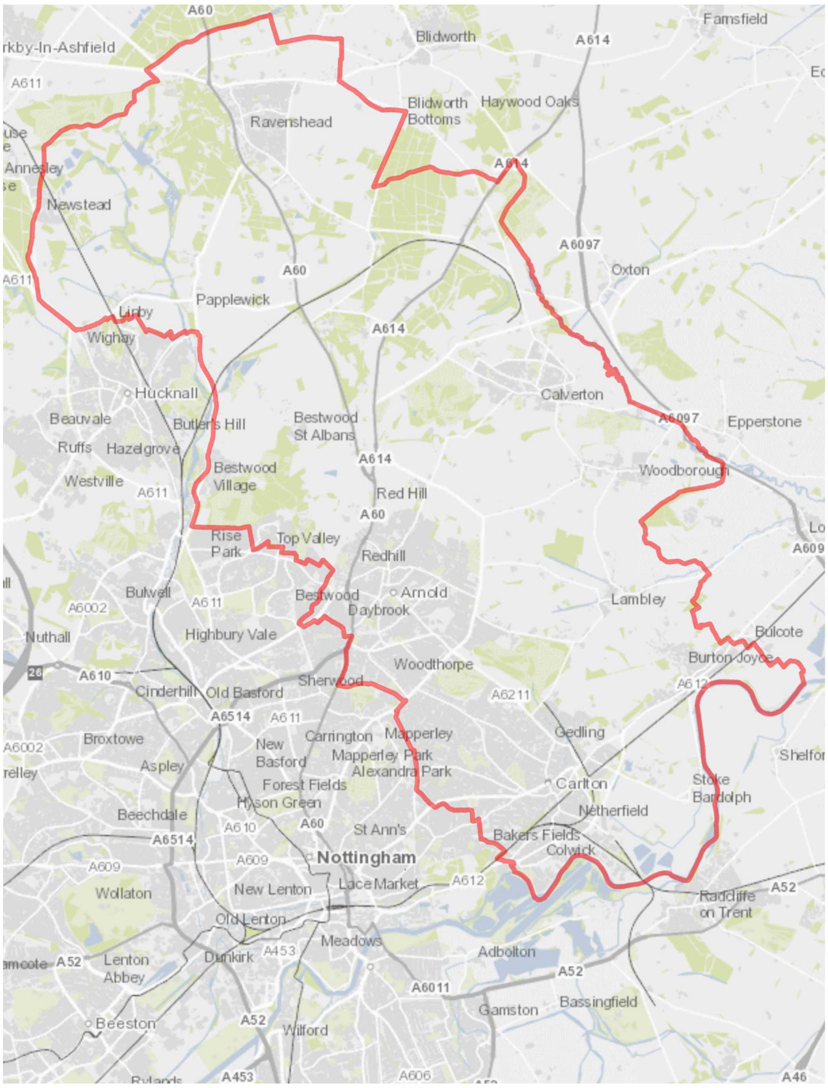
The latest estimated population is 118,200

We have around 53,500 households

Life expectancy is higher than the national average at 80.1 years for males and 83.1 years for females

Around 5,000 businesses are based in Gedling





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Vision, Ambition, Values and Priorities

Pride of Gedling Awards

Our Vision

We are responsible for a wide range of local services that matter to our residents and businesses in the borough. However, we do not limit our interest to only those services we are directly accountable for but rather seek to influence and make a difference in all aspects of community life. At the centre of what we do is:

“Serving People, Improving Lives”

Our Ambition

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

Our Values

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

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

A co-operative council that listens to, involves and responds to the concerns of its citizens, partners and employees

A commercial council that is innovative and forward thinking in its use of resources and focused on achieving value for money

A caring and compassionate council that reaches out to the lonely and marginalised and encourages others to do the same

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

Gedling Country Park

Cafe 1899 Heritage wall

Our Priorities

COHESIVE, DIVERSE AND SAFE COMMUNITIES

To promote strong, resilient communities and reduce hardship and inequality

HIGH PERFORMING COUNCIL

To be a high performing, efficient and effective council

VIBRANT ECONOMY

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

SUSTAINABLE ENVIRONMENT

To promote a sustainable environment

HEALTHY LIFESTYLES

To promote the health and wellbeing of our residents

Volunteers working on a new mural at Arnot Hill Park

COHESIVE, DIVERSE AND SAFE COMMUNITIES

To promote strong, resilient communities and reduce hardship and inequality

PROMOTE AND ENCOURAGE PRIDE, GOOD CITIZENSHIP AND PARTICIPATION	2020/21	2021/22	2022/23
Deliver a programme of community events and youth activities reflecting Gedling Plan priorities	•	•	•
Develop and implement a sustainable plan for our existing Community Centres	•	•	•
Develop, engage and support the voluntary sector to increase participation	•	•	•
Continue to support the Interfaith forum, Gedling Senior's Council and Youth Council and develop new community leadership forums	•	•	•
Deliver the annual Pride of Gedling Awards	•	•	•
Undertake targeted youth engagement to seek their views in order to influence provision of services	•	•	•
Develop a strategic approach with partners to enable a strong and resilient voluntary and community sector		•	•
Prepare and plan for an event to mark the 50th anniversary of the creation of GBC and the 200 years anniversary of Lord Bryon			•
REDUCE POVERTY AND INEQUALITY AND PROVIDE SUPPORT TO THE MOST VULNERABLE			
Work with local organisations to improve people's life chances and reduce levels of poverty	•	•	•
Deliver improvements to the standard and of availability of temporary accommodation	•	•	•
Coordinate the supported internship programme	•	•	•
Identify and deliver key interventions to prevent homelessness and rough sleeping	•	•	•
Ensure equality implications are considered as part of project development and decision making	•	•	•
Ensure delivery of the Equalities Framework Action Plan		•	•
IMPROVE SOCIAL MOBILITY AND LIFE CHANCES			
Establish a Gedling Social Mobility Commission to improve the life chances and opportunities of young people	•	•	•
Deliver and implement the Social Mobility Action Plan	•	•	•
Identify and facilitate delivery of key interventions in agreed locality areas	•	•	•
REDUCE ANTI-SOCIAL BEHAVIOUR, CRIME AND THE FEAR OF CRIME			
Work with partners to use innovative approaches to bring about a reduction in crime and anti-social behaviour	•	•	•
Seek successful prosecutions and enforcement action for dog fouling, anti-social behaviour and against those that fly-tip waste	•	•	•
Invest in new and existing CCTV in priority hot spots	•	•	•
Work with the Police and Crime Commissioner to establish an additional Neighbourhood Policing Team	•	•	•
Develop the Council's approach to licensing regulation and enforcement	•	•	•
Work with partners to promote and develop support for Neighbourhood Watch	•		

HIGH PERFORMING COUNCIL

To be a high performing, efficient and effective council

IMPROVE THE CUSTOMER EXPERIENCE OF ENGAGING WITH THE COUNCIL	2020/21	2021/22	2022/23
Engage in local government restructuring debate to ensure local services are maintained and the voice of our residents is heard	●	●	●
Carry out Gedling Plan survey			●
Create a welcoming and vibrant reception at the Civic Centre	●	●	
Strengthen the working arrangements with the Department for Work and Pensions, to improve advice and support for our residents	●	●	●
Create and implement a Communication Strategy and plan	●	●	●
Complete the Constitution review to continue to support good governance	●	●	
PROVIDE EFFICIENT AND EFFECTIVE SERVICES			
Develop and deliver a new efficiency programme in order to secure a balanced budget in the medium term	●	●	●
Continue to maximise the Council's commercial investment opportunities	●	●	●
Develop and implement a strategy to maximise current income streams and identify new income opportunities	●	●	●
Continue to implement the Demand Management Strategy	●	●	
Implement the requirements of the financial management code to deliver effective longer term financial planning	●	●	
Identify further management savings to ensure continuing investment in front line services	●		
Carry out a Local Government Association Peer Review and agree and implement an improvement plan	●	●	
Explore delivery models in partnership with other local authorities and public bodies	●	●	●
MAINTAIN A POSITIVE AND SUPPORTIVE WORKING ENVIRONMENT AND STRONG EMPLOYEE MORALE			
Continue to implement the Agile Working Strategy	●	●	●
Develop and implement strong, fair employment policies	●	●	●
Support provision of training in order to maintain a skilled, competent and confident workforce	●	●	●
IMPROVE USE OF DIGITAL TECHNOLOGIES			
Review and implement a new Digital Strategy	●	●	●
Continue to invest in digital Infrastructure	●	●	●
Develop and implement a new ICT Strategy	●	●	●

Our Customer Services Digital Team

VIBRANT ECONOMY

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

ENSURE A ROBUST STRATEGIC DEVELOPMENT FRAMEWORK IS IN PLACE	2020/21	2021/22	2022/23
Work with partners to review the Aligned Core Strategy	•	•	•
Review and implement a Housing Needs assessment	•		
Put in place and keep up to date an appropriate suite of Planning guidance	•	•	•
Review the Community Infrastructure Levy policy	•	•	•
PROVIDE MORE HOMES			
Identify and facilitate the delivery of the identified housing priorities	•	•	•
Drive the delivery of key housing sites	•	•	•
Identify the opportunities for redeveloping vacant or underused sites for new affordable homes and temporary accommodation	•	•	•
Explore the development of additional houses across the borough through appropriate models	•	•	•
RESTORE BUSINESS CONFIDENCE, WORKFORCE DEVELOPMENT AND JOB OPPORTUNITIES			
Support schools to prepare young people for work through career/interview skills days or 'Prepare local people for work'.	•	•	•
Work with partners and local businesses to provide training opportunities for residents through apprenticeships, jobs, work experience placements and specialist events	•	•	•
Extend delivery of the Compact Agreement with Nottingham Trent University through provision of student work placements and project opportunities	•	•	•
Work with the partners to provide support for the unemployed (including delivering Mentoring Circles and the KickStart scheme)	•	•	•
Support delivery of a local industrial strategy including playing an active role in D2N2/LEP	•	•	•
Identify opportunities to redevelop vacant or underused land for employment uses	•	•	•
Facilitate growth and inward investment across the Borough	•	•	•
Provide targeted business support to small and medium businesses, including building resilience	•	•	•
CREATE THRIVING AND VIBRANT TOWN AND LOCAL CENTRES			
Facilitate delivery of the key strategic interventions in Arnold town centre, including Arnold Market	•	•	•
Identify and facilitate delivery of the strategic interventions in our local centres, including the Carlton Square development	•	•	•
Create a programme of events and festivals to increase footfall in our Town Centre and High Streets	•	•	•
Implement a Car Parking strategy	•	•	•
Increase the prosperity and connectedness of our rural communities			•

Chase Farm Housing Development

SUSTAINABLE ENVIRONMENT

To promote a sustainable environment

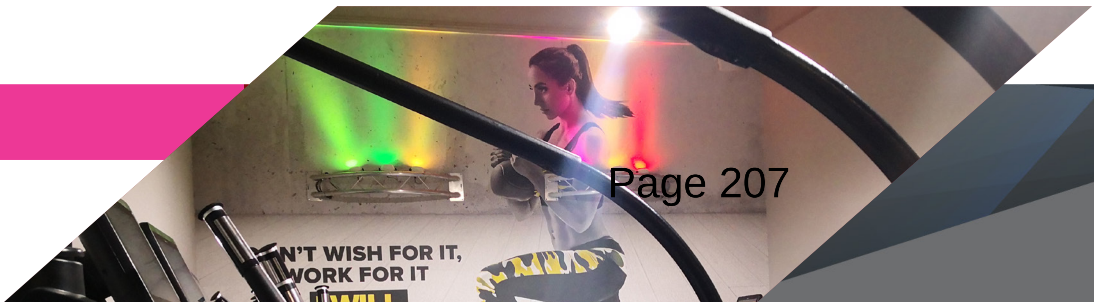
PROVIDE AN ATTRACTIVE AND SUSTAINABLE LOCAL ENVIRONMENT THAT LOCAL PEOPLE CAN ENJOY	2020/21	2021/22	2022/23
Develop and implement a long term strategy for the improvement of Gedling Country Park	●	●	●
Develop and implement a plan to enhance existing parks and open spaces	●	●	●
Review the asset stock for Allotments to meet current and future demand	●		
Review and develop availability and quality of Council public toilets	●	●	●
IMPROVE TRANSPORT INFRASTRUCTURE AND CONNECTIVITY			
Work with the County Council to ensure completion of the Gedling Access Road to support growth	●	●	●
Deliver in partnership sustainable transport links to reduce congestion and improve air quality including the tram extension, bus park and ride etc.	●	●	●
Create a new network of walkways and cycleways around the borough	●	●	●
Work with the Metro Partners and D2N2 to secure funds for key infrastructure priorities	●	●	●
Ensure delivery of new technology infrastructure such as electric charging points, 5G and broadband	●	●	●
CONSERVE, ENHANCE, PROMOTE AND CELEBRATE OUR HERITAGE			
Explore and further develop plans for the Gedling Borough Heritage Way	●	●	●
Work with owners to identify and secure opportunities for external funding for key historic assets	●	●	●
Ensure appropriate Conservation Area coverage and keep under review	●	●	●
Plant 500 UK native trees across the borough to mark the lead up to the 50th Anniversary of the creation of Gedling Borough	●	●	●
PROMOTE AND PROTECT THE ENVIRONMENT BY MINIMISING POLLUTION AND WASTE AND BECOMING CARBON NEUTRAL			
Develop and implement a Carbon Reduction Strategy aligned with key partners across the borough	●	●	●
Produce and implement a practical and robust borough wide action plan to tackle a climate emergency	●	●	●
Approve and implement a plan of action to increase levels of recycling and reduce contamination levels and levels of residual waste	●	●	●
Promote and support community based 'clean up' initiatives including the seasonal big clean events	●	●	●
Maintain the Council's commitment as a 'Plastic Clever Council'	●	●	●
Make arrangements to offer every household one free bulky waste collection every year and provide additional waste collection at Christmas	●	●	●
Develop and implement a bee/pollinator action plan		●	●

HEALTHY LIFESTYLES

To promote the health and wellbeing of our residents

IMPROVE HEALTH AND WELLBEING AND REDUCE HEALTH INEQUALITIES	2020/21	2021/22	2022/23
Maintain active involvement in the County wide Health and Wellbeing board, South Nottinghamshire Place Based Partnership and continue to support delivery of the approved Health and Wellbeing Plan	•	•	•
Review the pilot Selective Licensing Scheme and investigate new schemes in the borough	•	•	•
Develop and roll out a 'Quality Scheme' for safe places, health and food outlets	•	•	•
Working with key partners develop and implement a plan to address the impact of alcohol related harm in the borough	•	•	•
SUPPORT PHYSICALLY ACTIVE LIFESTYLES			
Agree and implement a range of actions to deliver the approved Sport and Physical Activity Strategy	•	•	•
Review options for improving our Leisure facilities	•	•	•
Develop investment opportunities into sport and physical activity outreach programmes	•	•	•
Explore options and introduce a 'Swimming Passport' providing access & opportunity for free swimming sessions for under-16s and over 65s	•	•	
Explore the options and implement a 'Gedling Forces Leisure Card' for all serving and retired armed forces personnel	•	•	
INCREASE RECREATIONAL ACTIVITIES			
Develop and implement a plan to enhance and seek external funding for existing play areas	•	•	•
Develop and implement a plan to raise awareness of and maximise usage of our local parks, play areas and open spaces	•	•	•
Deliver the Playing Pitch Strategy	•	•	•
Work with target groups and community organisations to maximise investment opportunities for the Bonington Theatre and Cinema to increase attendance and improve visitor experience	•	•	•
REDUCE LEVELS OF LONELINESS AND ISOLATION			
Develop and work with key stakeholders to embed a sustainable social prescribing programme across the borough	•	•	•
Directly support local groups to tackle loneliness and isolation	•	•	•
Implement the action plan to deliver the Council's commitment to the Mental Health Concordat	•	•	•
Directly work with groups to support those affected by dementia	•	•	•

Recently refurbished Redhill gym



How we measure and manage our performance

Gedling Borough Council Civic Centre

How we manage and measure our performance

Performance Indicators

Each year Cabinet will agree the key strategic performance indicators we will measure our performance against. Service Plans will capture the key operational performance indicators for each service area.

Council Performance

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

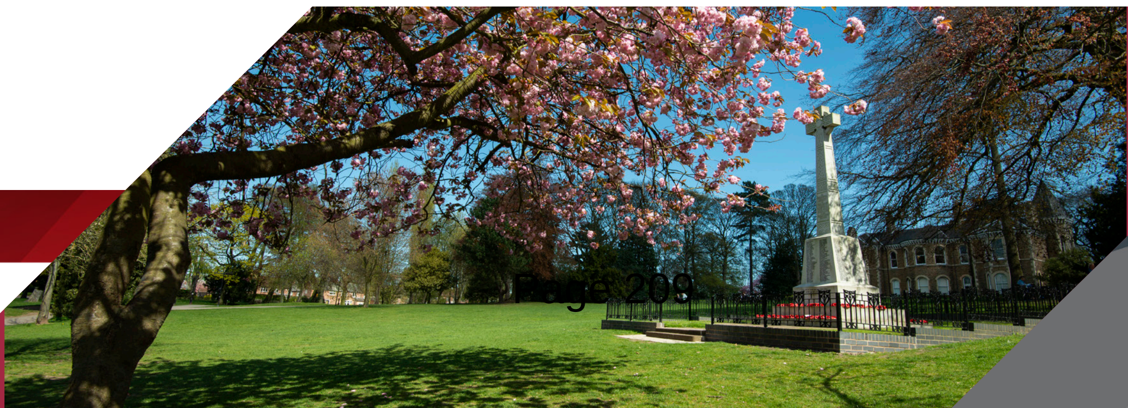
Service Performance

Service plans capture the key departmental tasks that will deliver the Gedling Plan along with details of all activities planned for each service area. Performance against the service plan is monitored by the Service Manager and reported to the Director to assess progress and make sure the service is on target.

Individual Performance

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

Arnot Hill Park

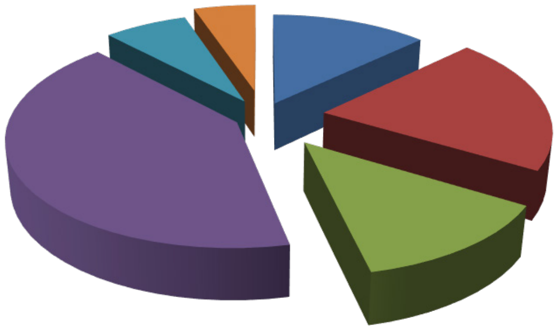


Financial Position

What we spend and how we spend it

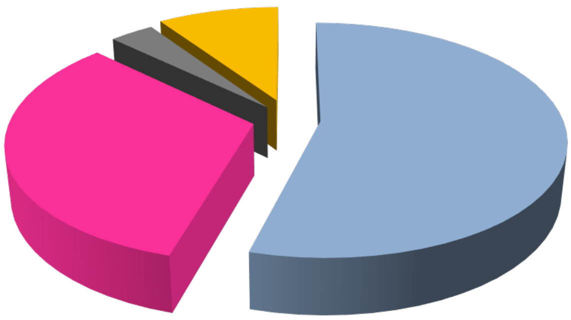
In 2022/23 we expect to spend around £12.4 million on a wide range of services. We also administer £17 million in housing benefit payments for central government. Apart from the benefit payments we make, the main areas we spend our money on are:

Community Development	£1.3m
Housing Health and Wellbeing	£2.4m
Public Protection	£1.5m
Environment	£5.4m
Growth and Regeneration	£1.0m
Resources and Reputation	£0.8m



Where we get our money from

Council Taxpayers	£6.7m
Business Rates	£4.1m
Government Grant	£0.9m
Reserves	£0.7m



We have a long track record of delivering low cost, high quality services and our council tax charge remains lower than nearly two-thirds of other councils. The final year of our plan will see us continue to face significant pressures from reduced funding from central government. Since 2010 our core funding from the Government has been reduced by 65% making us one of the worst affected council in England.

Having been hit with a £5.8 million cut in money to spend on local services, the council is continuing to work hard to deliver efficiency savings to ensure our community continues to receive the high quality services it needs and deserves. Since 2014/15 the Council has approved a £6.5 million programme of efficiencies with £1.2 million remaining to be delivered by 2024/25.

In addition the Council is now also facing significant budgetary pressure due to the Covid-19 pandemic and rising inflation and whilst some additional one-off grant funding has been received from Government this does not cover all of the additional costs that we face. An additional efficiency programme of £0.5 million is now to be delivered from 2024/25 to ensure we can meet those costs.

We work hard to demonstrate a balanced medium term financial plan, and our projections are that we will have a surplus on balances at 31 March 2023.

Despite the difficulties of having to find this money, there are plans for investment in the borough, including the continuing improvements to our major town centres which will be complemented by a programme of town centre events. Works are also planned to improve the offering at several of the Council's parks and play areas including further investment at the increasingly popular Gedling County Park.

Ensuring an increase in the supply of suitable housing remains a priority for the Council. We will continue to work with landlords to ensure acceptable housing standards in the private rented sector through the extension of our Selective Licencing Scheme, as well as developing our own affordable and temporary accommodation on our own sites in the borough.

We will also seek to improve the safety and cleanliness of our borough by investing in CCTV in priority hotspots, and in our Waste and Street Care teams to support the growth in households. We will also continue our offer of one free bulky waste collection for each household and support community based 'clean up' initiatives. We will maintain our commitment to our Carbon Reduction initiatives including the planting of at least 500 native trees every year.

Vision for the Future

Vision for the Future

When the Gedling Plan 2020-2023 was first introduced in March 2020, it was hoped that by 31 March 2023 the Council would have significantly rebalanced its budget and have a medium term financial plan that sustains the Council into the future. Since that time, the world has had to come to terms and deal with the Covid-19 pandemic, and this means that the promised reforms of local government finance i.e. the business rates retention scheme, the fair funding review, and review of the new homes bonus scheme, keep being deferred. These, alongside a continuance of single year finance settlements, has provided no long-term stability on which local authorities can plan, and determine how future services will be delivered.

Tough decisions regarding service delivery have already been made, following the reduction of £5.8m of government grant over the last ten years. We will continue to look at ways to further reduce the council's costs to ensure that the budget we have in place best meets the needs of our borough and the communities we serve. We will also ensure services are commercially minded and that we maximise the returns from our assets.

Going forward the Council will continue to be a key enabler of improvements to the borough. Working collaboratively with our communities, public sector partners, voluntary organisations, schools, universities and businesses we will shape services that deliver real and sustainable improvements to people's lives. This will instil a strong sense of pride for all to reduce inequalities and make Gedling a healthy borough.

Our guiding principles regarding our use of resources and placing the customer first in all that we do will shape our future Council. We will use new technologies and ideas to deliver innovation and increase efficiency. This includes continuing to expand online services, improve processes and use data to design more intelligent ways of working.

We will continue to support national priorities around housing delivery. The borough has experienced sustainable growth, with 2,699 new homes developed since 2011, creating attractive locations in many areas previously in need of regeneration. A key priority for the Council is to boost the supply of new homes, to provide good quality homes to rent, to reduce homelessness, and to tackle the housing waiting list, with a further 5,332 new homes planned by 2028.

Improved transport connectivity is vital to the borough, and we aspire to see an extension of the Nottingham tram into Gedling, and a fourth road crossing built across the River Trent. We also expect our communities to see the roll-out of high speed broadband and high quality mobile connectivity across the borough. The Council will continue to invest in our town centres to improve their vitality and viability for future generations to enjoy.

The long awaited Environment Act (November 2021) will pose some difficult challenges for all local authorities to deliver, but Gedling is committed to becoming carbon neutral by 2030. This will include examination of our own operations, the collection and recycling of waste streams across the borough, and the development of new communities and neighbourhoods which embrace the highest design and environmental standards.

Chase Farm Housing Development overlooking Gedling Country Park

View from Gedling Country Park

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Tel: 0115 901 3901 www.gedling.gov.uk

Gedling Borough Council

Gedling Borough Council

Report to Cabinet

Subject: Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document (SPD)

Date: 10th February 2022

Author: Planning Policy Manager

Wards Affected

All

Purpose

The purpose of this paper is to seek Cabinet approval to publish the Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document.

Key Decision

Yes

Recommendation(s)

THAT Cabinet:

1) Adopts the Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document;

2) Authorise the Planning Policy Manager to publish the document; and

3) Delegates authority to the Planning Policy Manager in consultation with the Portfolio Holder for Growth and Regeneration to make any minor typographical, formatting or factual amendments to the Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document.

1 Background

1.1 Supplementary Planning Documents (SPD) build upon and provide more detailed advice or guidance on policies in an adopted local plan. An SPD does not form part of the development plan and cannot introduce new planning policies into the development plan. However, they are a material consideration in decision-making and carry significant weight provided they have been prepared within the statutory procedures and subject to public consultation.

1.2 The purpose of this Supplementary Planning Document is to summarise the national and local policy context relating to parking provision for new development in Gedling Borough, and provide a clear framework to set out how parking provision is to be provided.

2 Proposal

2.1 It is proposed that Cabinet agrees to the adoption of the Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document attached at **Appendix 1**.

2.2 The existing Parking Provision for Residential Developments Supplementary Planning Document, attached at **Appendix 2**, was approved in 2012 and sets minimum parking standards for new residential development in Gedling Borough. For non-residential development, reference is made elsewhere to the standards set by Nottinghamshire County Council. The 2012 SPD will be superseded by the adoption of the 2022 SPD.

2.3 The revised SPD (2022) includes reference to both residential and non-residential developments. In terms of non-residential developments, the revised SPD cross refers to the Nottinghamshire County Council Highway Design Guide and Policy LPD 57 (Parking Standards) of the Local Planning Document (Part 2 Local Plan).

2.4 In terms of residential developments, the revised SPD notes that achieving appropriate parking provision within residential developments is key to ensuring the design, layout, use and location of development remains appropriate in the long-term. The revised SPD sets out specific parking requirements taking account of the following factors which are likely to impact on car ownership:

- Type of dwelling (house or flat)
- Size of dwelling (the total number of bedrooms)
- Location of dwelling (rural or urban)

- Type of parking required (allocated/unallocated)

2.5 The revised SPD includes general policy considerations in relation to garage and parking space minimum sizes and electronic vehicle charging. The revised SPD also sets out that a flexible approach to applying car parking standards will be taken reflecting site specific material considerations.

2.6 The key change from the existing standards is that a different approach is no longer taken to developments comprising 5 or less dwellings and therefore the approach to car parking across development types is more consistent. In order to predict future levels of car ownership, the parking requirements set out in the draft SPD are based on 2011 Census Data and National Trip End Model (NTEM) car ownership projections. This has resulted in no change to the parking requirements for flats but there are slight differences (generally increases) in the requirements for the number of unallocated spaces for houses in both urban and rural locations.

Consultation

2.7 Details of the consultation process are set out in the Consultation Statement attached as **Appendix 3**. The revised SPD has been informed by informal consultation with Nottinghamshire County Council Highways Authority who has provided valuable comments and assistance. The SPD was also subject to formal public consultation between 25th October and 6th December 2021. The documents were made available on the Council's website. Paper copies could be viewed at the Civic Centre in Arnold. Emails or letters were sent directly to statutory consultees and developers who have an interest in Gedling Borough (approximately 326 addresses). The consultation was shared more widely on Gedling Borough Council social media accounts and the 'News' page on the Council's website.

2.8 Fourteen comments were received from thirteen respondents and these are summarised in the Report of Responses (attached as an appendix to **Appendix 3)** along with the Council's response and any proposed changes. Comments were received from a range of bodies, including local authorities, statutory consultees, developers, local residents and councillors. The comments related to a wide range of issues.

Next Steps

2.9 The comments made during the consultation period have been carefully considered and a number of changes have been made to the final SPD.

- Generally these comprise the inclusion of additional text lifted from the Highways Design Guide for ease of reference, covering:
    - the need for permeable surfacing of driveways and parking areas;
    - references to cycle parking and e-bike charging standards; and
    - minimum distances from highway boundaries for different garage door types.
- The reference to tandem spaces has been clarified to explain that no more than 3 spaces in a line will be acceptable, to include one garage space and no more than two driveway spaces.
- In terms of the standards themselves, an additional reference will be included to standards for larger houses to confirm that no unallocated spaces will be required where 3 allocated spaces are provided.

2.10 Other minor changes have been made by officers in order to improve clarity. Once adopted as a Supplementary Planning Document, the document will be a material consideration and can be given significant weight in decision making.

3 Alternative Options

3.1 An alternative option is not to approve the revised SPD. The revised SPD is intended to provide updated parking standards based on the latest available evidence. Not adopting the revised SPD would result in the Borough Council relying on an outdated version of the document.

4 Financial Implications

4.1 There are no additional financial implications arising from this report. The preparation of the Supplementary Planning Document has been met from existing budgets.

5 Legal Implications

5.1 The 2004 Planning and Compensation Act empowers Local Planning Authorities to prepare local plans and supplementary planning documents. The document has been prepared as a supplementary planning document and subject to public consultation and will be given appropriate weight in future decision-making.

6 Equalities Implications

6.1 None direct. However, by updating standards to reflect more recent evidence this will ensure that the amount and nature of parking provision meets the needs of occupants/users and in particular those with reduced mobility (due to either age or disability) who may be more reliant on the car.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 The document refers to the Air Quality and Emissions Mitigation Guidance for Developers (2019) which establishes the Council's general support for electric vehicle charging infrastructure to be accommodated within new developments. The updated standards include the requirement for EV charging as part of the allocated parking.

8 Appendices

8.1 **Appendix 1**: Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document (2022)

Appendix 2: Parking Provision for Residential Developments (May 2012)

Appendix 3: Consultation Statement (including a Report of Responses attached as Appendix A)

9 Background Papers

9.1 None

10 Reasons for Recommendations

10.1 The reasons for the recommendations are:

a) To provide a clear framework to set out how parking provision is to be provided for residential and non-residential developments.

b) To comply with statutory requirements and to publicise the approved document.

c) For the purpose of efficiently rectifying minor errors as appropriate.

Statutory Officer approval

Approved by:
Date:
On behalf of the Chief Financial Officer

Approved by:
Date:

On behalf of the Monitoring Officer

Parking Provision for Residential and Non-Residential Developments: Supplementary Planning Document (SPD)

February 2022

Gedling Borough Council

Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document (SPD)

Executive Summary

Achieving appropriate parking provision within residential developments is key to ensuring the design, layout, use and location of development remains appropriate in the long-term. This document establishes parking standards for residential and non-residential developments in Gedling Borough and is a material consideration for determining planning applications. Parking standards are based on car ownership projections up to 2051 and Nottinghamshire County Council Highways advice. The standards are set out in Sections 4 and 5 of this document.

Contents

1.0 Introduction

1.1. This Supplementary Planning Document sets minimum parking standards for new development in Gedling Borough, see sections 4 and 5. It will be a material consideration for determining planning applications and will support the Gedling Borough Aligned Core Strategy (Part 1 Local Plan), Local Planning Document (Part 2 Local Plan) and neighbourhood plans.

1.2. The parking standards are based on Government car ownership projections up to 2051 and also on the advice of Nottinghamshire County Council Highways Authority. This document updates and supersedes the '*Parking Provision for Residential Developments Supplementary Planning Document (May 2012)*'.

1.3. The purpose of this Supplementary Planning Document is to ensure that new development is supported by the appropriate level of parking and does not over or under provide, taking account of future car ownership patterns. Achieving appropriate parking provision is key to ensuring that the design, layout, use and location of development remains appropriate in the long-term.

1.4. It is intended that the document provides a framework for all stakeholders setting out the expected parking standards in Gedling Borough. The document will provide a framework for negotiations on planning applications.

2.0 Planning Policy Context

2.1. This section sets out the planning policies and documents that relate to parking provision.

2.2. National Planning Policy Framework (NPPF) (2021) - https://www.gov.uk/government/publications/national-planning-policy-framework--2

- Section 9 (Paragraphs 107 and 108) set out the requirement for the preparation of local parking standards. See **Appendix C** of this SPD for the 'Note on compliance with the NPPF (2021)'.

2.3. Greater Nottingham Aligned Core Strategy (Part 1 Local Plan) (ACS) (2014) - https://www.gedling.gov.uk/acs/

- Policy 10 (Design and Enhancing Local Identity)
- Policy 14 (Managing Travel Demand)
- Policy 15 (Transport Infrastructure Priorities)

2.4. Gedling Borough Local Planning Document (Part 2 Local Plan) (LPD) (2018) - https://www.gedling.gov.uk/lpd/

- Policy LPD 11 (Air Quality)
- Policy LPD 32 (Amenity)
- Policy LPD 35 (Safe, Accessible and Inclusive Development)
- Policy LPD 40 (Housing Development on Unallocated Sites);
- Policy LPD 41 (Live Work Units);
- Policy LPD 42 (Self Build and Custom Build);
- Policy LPD 50 (Development within Town and Local Centres)
- Policy LPD 51 (Upper Floors)
- Policy LPD 57 (Parking Standards)
- Policies LPD 64 – LPD 70 (Housing Allocations)

2.5. Neighbourhood Plans - https://www.gedling.gov.uk/resident/planningandbuildingcontrol/planningpolicy/neighbourhoodplans/
There are four adopted neighbourhood plans in Gedling Borough in Burton Joyce, Calverton, Linby and Papplewick.

2.6. Nottinghamshire County Council (Highways Authority) Highway Design Guide
See Section 5.0 of this SPD.

2.7. Supplementary Planning Guidance - https://www.gedling.gov.uk/resident/planningandbuildingcontrol/planningpolicy

/adoptedlocalplanandpolicydocuments/supplementaryplanningdocumentsandguidance/

- Gedling Borough Air Quality and Emissions Mitigation Guidance (2018) which supports Policy LPD11.

3.0 Methodology Summary and Evidence

3.1. This section summarises the methodology used to calculate the residential parking standards set out in section 4 of this SPD. The methodology projects car ownership levels between 2011 and 2051 in the urban and rural areas of Gedling Borough, taking account also of Nottinghamshire County Council Highways advice.

Sources of information

3.2. This SPD is informed by the following sources of information:-

- 2011 Census (Office for National Statistics) 'tenure by number of bedrooms by car or van availability by accommodation type (excluding caravans or other mobile or temporary structures) (CT0867)'. Data provided at the geographical level middle layer super output areas. https://www.ons.gov.uk/peoplepopulationandcommunity/housing/adhocs/009405ct08672011census

- National Trip End Model 7.2 (2017) (Department for Transport) information on car availability projections between 2011 and 2051. Information based on 2011 mid-year estimates. The projections are of general car ownership in each area only and do not give an indication of dwelling type or size. Data provided at the geographical level middle layer super output areas. https://www.gov.uk/government/publications/tempro-downloads

- Residential Car Parking Research for Nottinghamshire (Nottinghamshire County Council, 2010) which forms the basis for the methodology of this SPD and includes information on typical levels of parking demand. https://www.nottinghamshire.gov.uk/media/123026/residentialcarparkingresearch.pdf

3.3. Both datasets are provided at the middle layer super output area geographical level and present the data as 15 separate zones of Gedling Borough, as shown in **Appendix A**. The Census 2011 Rural-Urban classification of middle layer super output areas classifies three zones as 'rural town and fringe' and twelve zones as 'urban minor conurbation'. Given that both datasets have a baseline date of 2011 and both are based on the same geographical levels, they provide comparable sources of data.

Methodology Summary

3.4. In broad terms, the methodology projects car ownership levels between 2011 and 2051 in the urban and rural areas of Gedling Borough, and takes account of the following factors which are likely to impact on car ownership:

- Type of dwelling (house or flat)
- Size of dwelling (the total number of bedrooms)
- Location of dwelling (rural or urban)
- Type of parking required (allocated/unallocated)

3.5. The National Trip End Model data was firstly used to calculate the percentage change in car ownership and total dwellings between 2011 and 2051, providing separate figures for both the urban and rural areas. The Census 2011 data was split into four categories – Urban 'house or bungalow' and 'flats, maisonettes and apartments' and Rural 'house or bungalow' and 'flats, maisonettes and apartments'. The percentage changes were applied to the correspondent urban/rural Census category, effectively projecting forward Census 2011 data up to 2051.

3.6. Urban and rural areas are defined as shown on the plan attached as **Appendix A**.

<u>Standards for houses and bungalows</u>

3.7. The standards for house and bungalow proposals (**Tables 1 and 2**) reflect the average projected car ownership up to 2051, plus an allowance (0.2) for unallocated and visitor parking. The figures for average car ownership were rounded to the nearest 0.1 and are shown in these tables as the unallocated parking requirement figure where there are no allocated spaces. In order to calculate the unallocated parking requirement in cases where 1 or 2 allocated spaces are proposed, the typical assumptions supplied in Residential Car Parking Research for Nottinghamshire (2010, p. 11) were used.

3.8. In addition to allocated and unallocated parking for residents, the need for visitor parking provision has also been considered. Residential Car Parking Research for Nottinghamshire (2010) states: "research suggests that no special provision need be made for visitors where at least half of the parking provision associated with a development is unallocated. In all other circumstances, it may be appropriate to allow for additional demand for visitor parking of up to 0.2 spaces per dwelling" (p. 12). Visitor parking has therefore been combined with the unallocated parking requirement where relevant.

<u>Standards for flats, maisonettes or apartments</u>

3.9. Given that the sample size for flats, maisonettes or apartments is much smaller than for houses and bungalows, a standard approach to parking standards has been applied in accordance with advice from Nottinghamshire County Council Highways. The standard approach applies to such developments in both urban and rural areas. The standard approach is that 0.8 unallocated parking spaces are required for a 1-2 bedroom flat without an allocated space. The unallocated element halves for each allocated space provided, see **Table 3**. Visitor parking is also required, as set out above. The same standards apply in both the urban and rural areas.

4.0 Requirement for Residential Parking Provision

4.1. This section sets out the required residential parking standards for allocated and unallocated/visitor parking in Gedling Borough. The parking requirement has been calculated using the methodology summarised in section 3.0. Different parking standards are required dependant on location, proposed size and proposed type of dwelling.

<u>Interpretation of standards</u>

4.2. The parking standards set out below in Tables 1 to 3 are minimum standards and should be interpreted alongside the 'general considerations' part of this section in order to ensure comprehensive consideration of parking requirements consistent with the National Planning Policy Framework (2021).

4.3. An **allocated** parking space includes any spaces within the curtilage of a residential property and spaces within communal areas that are reserved for one particular residential property. An **unallocated/visitor** parking space should be available to all residents associated with the development to meet the residential parking demand of the development and includes on-street car parking.

4.4. A worked example of calculating car parking requirements is provided at **Appendix B**.

<u>Development proposals for houses and bungalows</u>

4.5. Houses and bungalows have varied requirements for both allocated and unallocated/visitor parking, dependant on the number of bedrooms per dwelling and the location of the proposal, as shown in **Table 1** and **Table 2**. The requirement for unallocated parking should be rounded up to the nearest whole number. Larger developments are more likely to create additional parking requirement arising from the broader range of car ownership levels, justifying the need for unallocated and visitor elements of parking provision. Each dwelling within a development should meet the parking provision requirement for both allocated and unallocated/visitor spaces. See **Appendix A** for the boundary of urban and rural areas.

Table 1: Parking requirement per dwelling for houses and bungalows – Urban		
No. Bedrooms	**Parking requirement**	
	Allocated spaces	**Unallocated/ Visitor spaces**
1	0	0.7
	1	0.3
	2	0.2
2	0	1.0
	1	0.4
	2	0.2
3	0	1.4
	1	0.7
	2	0.3
4+	0	2.3
	1	1.4*
	2	0.6*
	3	0.0

*Based on average car ownership of 2.2 due to insufficient data for 2.3 in Residential Car Parking Research for Nottinghamshire.

Table 2: Parking requirement per dwelling for houses and bungalows – Rural		
No. Bedrooms	**Parking requirement**	
	Allocated spaces	**Unallocated spaces**
1	0	0.8
	1	0.4
	2	0.2
2	0	1.1
	1	0.5
	2	0.2
3	0	1.5
	1	0.8
	2	0.3
4+	0	2.4
	1	1.4*
	2	0.6*
	3	0.0

*Based on average car ownership of 2.2 due to insufficient data for 2.4 in Residential Car Parking Research for Nottinghamshire.

<u>Development proposals for flats, apartments or maisonettes</u>

4.6. Developments for flats, apartments or maisonettes have varied requirements for both allocated and unallocated/visitor parking, dependant on the number of bedrooms per dwelling as shown in **Table 3**. The requirement for unallocated parking should be rounded up to the nearest whole number. Developments for flats, apartments or maisonettes generally have different car ownership patterns compared to houses, reflecting for example higher development densities and occupier demographics. The nature of developments is such that it is appropriate to require both allocated and unallocated spaces. Proposals with more than two bedrooms are less common therefore parking provision in this case will be determined on a case-by-case basis.

Table 3: Parking requirement for developments of flats, apartments or maisonettes – Urban and Rural		
No. Bedrooms	**Parking requirement**	
	Allocated spaces	**Unallocated/ Visitor spaces**
1	0	0.8*
	1	0.4*
2	0	0.8
	1	0.4
	2	0.2

* Due to insufficient data, the calculated figure has been replaced with a standard multiplier (see Paragraph 3.9)

<u>General Considerations</u>

4.7. **Garages** will only count towards the allocated parking provision where they meet the below minimum internal dimensions.

- Standard single – 6m x 3m with minimum door width of 2.3m
- Double – 6m x 6m with minimum door width of 4.2m

4.8. **Parking spaces** should have a minimum dimension of 2.4m x 5.5m (and add 0.5m if bounded on one side by an obstruction such as a wall, fence, hedge or tree, or add 1m if bounded on both sides). Where driveways are to be counted as a parking space, the minimum distance from the garage door to the highway boundary will depend on the garage door type, as follows:

- No garage: 5.5m
- Roller shutter, sliding or inward opening garage door: 5.5m
- Up and over garage door: 6.1m
- Hinged, outward opening: 6.5m

4.9. **Tandem spaces** are acceptable but no more than three spaces in a line will be acceptable, to include one garage space and no more than two driveway spaces and subject to minimum dimensions of both garages and driveways being met.

4.10. **Off street residential parking** should be sited as close as possible to dwellings to ensure that they are fully utilised to reduce the burden of on-street parking. Separate communal parking areas away from individual properties are discouraged.

4.11. Whilst it is expected that the parking requirements are met, it is recognised that in certain circumstances a departure from the requirements may be appropriate. It is not intended that the requirements are definitive when **material considerations** otherwise exist (for example there may be existing parking controls in the area; it may be infill development where the local built form prevents the ability to include allocated parking; or the proposal may be for the change of use of upper floors). Where the parking requirement can be accommodated on-street, this may be acceptable provided it does not cause an adverse impact on the free flow of traffic, cyclists and pedestrians. Where on-street parking provision is poorly designed, it can impair road safety, obstruct access for vehicles and footways, be a hazard to cyclists and pedestrians, make a development look cluttered and unattractive, and be a source of crime. For the safety of all road users, including pedestrians and cyclists, and to maintain efficient flow of traffic, it is important that developments include well designed on-street and off-street parking layouts that minimise the likelihood of on-street parking problems.

4.12. **Off-street residential parking** should be sited as close as possible to dwellings to ensure that they are fully utilised to reduce the burden of on-street parking. Separate communal parking areas away from individual properties are discouraged.

4.13. The expectation is that parking standards will be met, however if the development is served by one or more regular public transport service, this may be a material consideration justifying a reduced parking provision requirement, especially if a site is located within; or close to a central area.

4.14. The Air Quality and Emissions Mitigation Guidance for Developers (2019) establishes the Council's general support for **electric vehicle charging** infrastructure to be accommodated within new developments. The provision of such infrastructure is part of a suite of actions required in order to mitigate against air pollution in the Borough, as required by Policy LPD 11. Given that electric/hybrid vehicles are becoming an increasingly available, new residential developments should seek to enable more sustainable vehicle choices through the provision of electric vehicle charging points. In applying these parking standards, developers should include at least one electric vehicle charging point per dwelling, as part of the allocated parking.

4.15. All driveways and parking areas should be surfaced in a bound material, which is either permeable or includes appropriate drainage in the interests of highway safety and to minimise the risk of flooding.

5.0 Requirement for Non-Residential Parking Provision

Adopted Standards

5.1. Nottinghamshire County Council is the highway authority responsible for the local highway network in Gedling Borough and has adopted standards that set out the requirement for parking on non-residential developments. Where the below document refers to residential parking standards, it should be read in conjunction with this SPD which is based on the latest information.

- The **Nottinghamshire County Council Highway Design Guide** (2021) sets out at 4.1 Residential Parking section car parking standards concerning:
    - Driveway lengths (para 4.1.2)
    - Parking space widths (para 4.1.3)
    - Tandem parking (para 4.1.4)
    - Long driveways (para 4.1.5)
    - Communal parking areas (para 4.1.6)
    - Gates (para 4.1.7)
    - Cycle parking (para 4.1.8)
    - Mobility scooters and motorcycle parking – and charging facility (para 4.1.9)
    - Residential turning heads (para 4.1.10)
    - Surfacing and drainage (para 4.1.11)
    - Driveway approach (para 4.1.12)
    - Electric vehicle (EV) charging (para 4.1.13)

- Section 4.2 Commercial Parking section sets out minimum parking standards for food retail, take-away hot food shops and drive-through restaurants, cafés and similar uses, offices, light and general industry, storage and distribution facilities, residential care homes and nursing homes, cinemas, assembly and leisure, conference facilities, higher education and stadia. The Design Guide gives specific guidance on:
    - Departures from standard (para 4.2.3)
    - Normal minimum disabled parking standard (para 4.2.4)
    - Minimum servicing provision (para 4.2.5)
    - Parking for motorcycles (para 4.2.6)
    - Minimum cycle parking provision (para 4.2.7)
    - Electric vehicle charging (para 4.2.8)
    - Dimensions for car parking spaces within car parks (para 4.2.9)

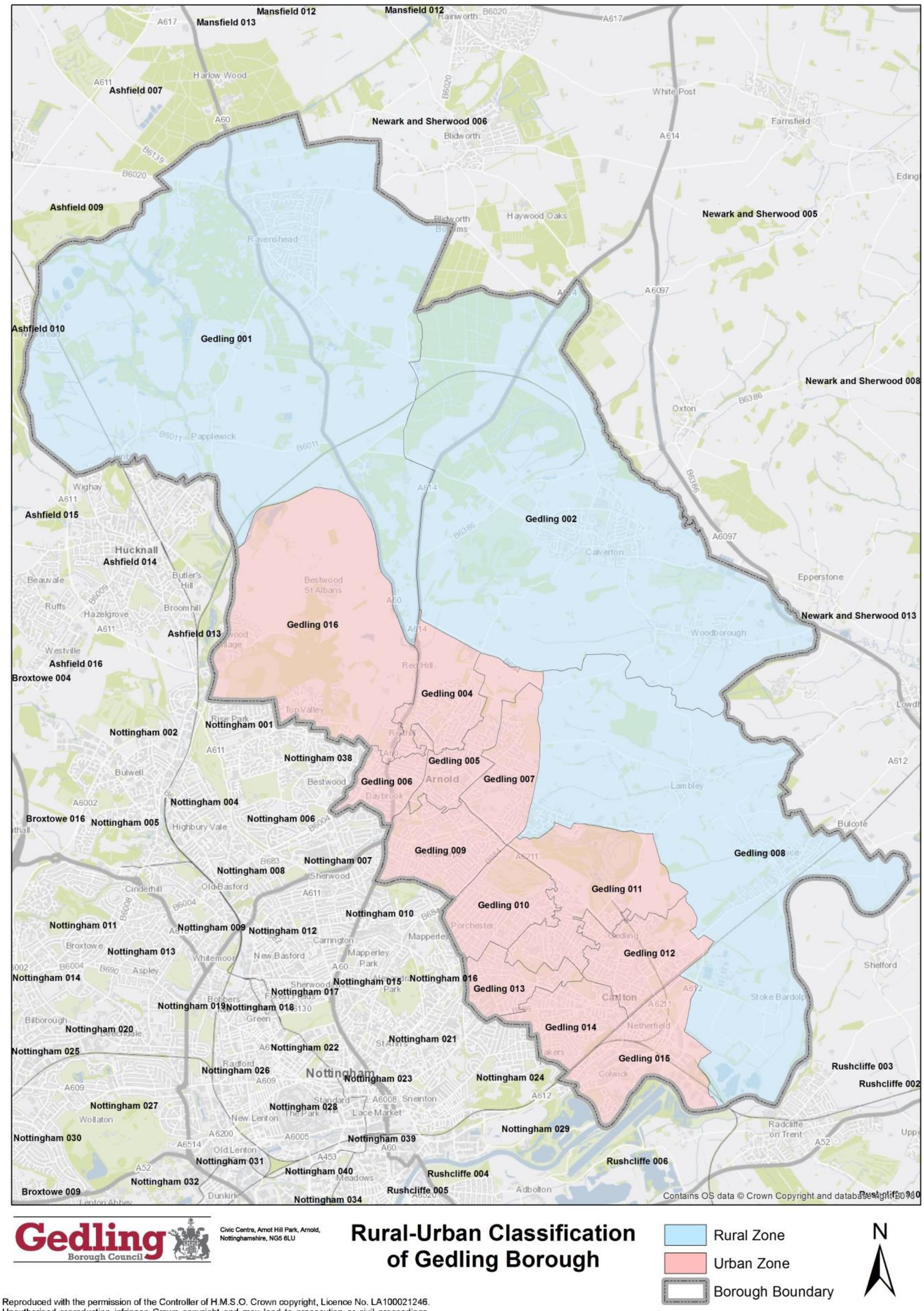
  The document can be viewed using the web-link below:
  Nottinghamshire County Council, Highway Design Guide (2021)

https://www.nottinghamshire.gov.uk/transport/roads/highway-design-guide

Update to the Local Planning Document (Part 2 Local Plan) Policy LPD 57

5.2. Policy LPD 57 (Parking Standards) of the Local Planning Document (Part 2 Local Plan) refers to the use of Appendix D (of the plan) to calculate the requirement for parking on residential and non-residential developments. Appendix D (of the plan) includes the standards set out in 'Nottinghamshire County Council Highways Requirements Part 4' document and the 'Nottinghamshire County Council 6C's Design Guide' document. These documents are updated on a regular basis to reflect current guidance and legislation, and were recently superseded by the Nottinghamshire County Council Highway Design Guide (2021). For clarification, the Nottinghamshire County Council Highway Design Guide (2021) should be used for determining non-residential parking standards.

Appendix A – Rural-Urban Classification of Gedling Borough[1]



[1] The boundaries are at the geographical level middle layer super output areas (MSOA) as per the Census 2011. Zone 003 is not recorded in the data provided by the Office for National Statistics.

Appendix B – Worked Example of Using the Residential Parking Standards

Below is a step-by-step worked example to explain how the residential car parking standards should be used to calculate the parking requirement for a proposed development.

Example: A planning application for 20 dwellings is being considered.

Step 1: Establish whether the proposed development falls within the urban or rural part of the Borough using the map at Appendix A. For the purpose of this example, the proposal is within the urban area.

Step 2: Establish the breakdown of house types for the proposed development. For the purpose of this example, the breakdown is as follows:-

- 5 x 4 bedroom dwellings
- 9 x 3 bedroom dwellings
- 6 x 2 bedroom dwellings

Step 3: The developer will have some flexibility over how the parking requirement is provided, in terms of the proportion of allocated and unallocated spaces, in accordance with Tables 1, 2 and 3 of the SPD. The most appropriate solution for a specific development site will be established through the development management process, taking account of the location of the site and the nature of the development proposed. The 'general considerations' set out in Section 4.0 of the SPD will also be a material consideration when establishing appropriate parking provision.

For the purposes of this example, the development consists of:-

- 5 x 4 bedroom houses with 2 allocated spaces
- 5 x 3 bedroom houses with 2 allocated spaces
- 4 x 3 bedroom houses with 1 allocated space
- 6 x 2 bedroom houses with 1 allocated space

Step 4: Calculate allocated parking provision:-

- 5 x 4 bedroom houses with 2 allocated spaces = 10 allocated spaces
- 5 x 3 bedroom houses with 2 allocated spaces = 10 allocated spaces
- 4 x 3 bedroom houses with 1 allocated space = 4 allocated spaces
- 6 x 2 bedroom houses with 1 allocated space = 6 allocated spaces

Step 5: Add up the allocated spaces proposed for each house type:-
= 10 + 10 + 4 + 6
= 30 allocated parking spaces

Step 6: Using the parking standards set out in Tables 1, 2 and 3 of the SPD, the number of required unallocated spaces needs to be calculated for each house type proposed. The number of unallocated spaces required will vary, depending on the number of allocated spaces proposed.

With reference to the example, a 4 bedroom house with 2 allocated parking spaces in the urban area has an additional demand of 0.6 unallocated parking spaces per dwelling, in accordance with Table 1. For this example, there are 5 x 4 bedroom houses proposed (5 x 0.6) accounting for an additional demand of 3.0 unallocated spaces.

This process is then applied to the remaining houses types proposed:-

- 5 x 3 bedroom dwellings with 2 allocated spaces (5 x 0.3) accounting for an additional demand of 1.5 unallocated spaces.
- 4 x 3 bedroom dwellings with 1 allocated space (4 x 0.7) accounting for an additional demand of 2.8 unallocated spaces.
- 6 x 2 bedroom houses with 1 allocated spaces (6 x 0.4) accounting for an additional demand of 2.4 unallocated spaces.

Step 7: Add up the unallocated spaces required for each house type.
= 3.0 + 1.5 + 2.8 + 2.4
= 9.7 unallocated parking spaces required.

Step 8: The unallocated parking provision is rounded up to the nearest whole number so the total demand for parking is met. The total additional demand for unallocated parking would therefore be 10 unallocated spaces.

Step 9: Add together the number of allocated and unallocated spaces required to serve the proposed development. For this example, the development of the 20 house types proposed results in the need for 30 allocated spaces plus 10 unallocated spaces. This is a minimum requirement.

Appendix C – Note on compliance with the National Planning Policy Framework (2021)

Paragraph 107 of the National Planning Policy Framework (2021) requires local parking standards to take account of the following:-:

- The accessibility of the development
  The parking requirements set out in this SPD take account of accessibility of developments as they set separate standards for rural and urban areas. Generally rural locations are less accessible to everyday amenities such as shops or frequent public transport and therefore the population are more likely to be dependent on cars. The standards generally reflect higher requirements in rural areas.

- The type, mix and use of development
  The parking requirements set out in this SPD take account of the use of the development as they specifically relate to residential development. The type and mix of development is taken to account in applying separate standards for both ‘houses or bungalows’ or ‘flats, apartments or maisonettes’ and varying the parking requirement depending on the number of bedrooms. The standards are expected to be applied to both market and social housing.

- The availability of and opportunities for public transport
  The ‘general considerations’ section of the requirements set out in this SPD specify that the proximity to public transport nodes will be a material consideration for implementing the parking standards.

- Local car ownership levels
  The parking requirements set out in this SPD are based on 2011 Census Data and NTEM car ownership projections up to 2051. This is the most up-to-date information in relation to car ownership. Paragraph 14.2.3 of the Local Planning Document (Part 2 Local Plan) confirms that this SPD will be kept under review to ensure that it remains up to date.

- The need to ensure an adequate provision of spaces for charging plug-in and other ultra-low emission vehicles
  The ‘general considerations’ section of the requirements set out in this SPD highlight the Air Quality and Emissions Mitigation Guidance for Developers (2018) which sets out the Council’s approach to securing electronic vehicle charging as part of developments, and other air quality mitigations. This guidance can be given weight under Policy LPD11 of the Local Planning Document (Part 2 Local Plan).

Parking Provision for Residential Developments

Supplementary Planning Document

May 2012

Gedling
Borough Council

Contents

1 . Introduction and purpose

1.1 This Supplementary Planning Document on parking provision for residential developments has been prepared by Gedling Borough Council to provide architects, engineers, planners, land owners and developers with new clear, detailed advice on the Council's requirement for parking provision to serve new housing developments within the Borough. The document offers a revised framework that can be used in negotiations with developers on planning applications and Section 106 agreements.

1.2 The document has been produced by Gedling Borough Council with advice and input from Nottinghamshire County Council.

1.3 The main objectives of the Supplementary Planning Document are to:-

- provide a clear framework for all to understand how parking provision is to be provided in the borough for new development;
- summarise the national and local policy context relating to the provision of parking for new development;
- offer architects, engineers, planners and developers involved in the preparation of schemes for new development clear, detailed advice on the Borough Council's criteria for parking standards:

1.4 The key purpose of the Supplementary Planning Document is to ensure that new development is supported by the appropriate level of parking provision to accommodate demand, without exceeding demand (over-providing) which would lead to poorly designed developments that are dominated by the car and without resulting in a shortfall (under-providing) which could lead to potential problems for highway safety. In achieving an appropriate level of parking provision, the design, location and layout of spaces will be important as well as the number of spaces provided.

2 . Policy context and background

2.1 This section sets out the policy context and background to this guidance.

National Policy

2.2 The National Planning Policy Framework (NPPF) was published on 27th March 2012. Paragraph 30 of the NPPF requires local planning authorities to 'support a pattern of development which, where reasonable to do so, facilitates the use of sustainable modes of transport'. Paragraph 37 of the NPPF states that 'planning policies should aim for a balance of land uses within their area so that people can be encouraged to minimise journey lengths for employment, shopping, leisure, education and other activities'.

2.3 Paragraph 39 of the NPPF refers specifically to car parking and states that 'if setting local parking standards, for residential and non-residential development, local planning authorities should take into account:

- the accessibility of the development;
- the type, mix and use of development;
- the availability of and opportunities for public transport;
- local car ownership levels; and
- on overall need to reduce the use of high - emission vehicles.'

Regional Policy

2.4 It is understood that the Government intends to abolish the Regional Strategies, which for the East Midlands is the East Midlands Regional Plan (also known as Regional Spatial Strategy 8), dated March 2009. The document incorporates (at section 3.4) the Regional Transport Strategy which includes Policy 48 'Regional Car Parking Standards'. This policy requires local planning authorities to apply the maximum amounts of vehicle parking for new development as set out in the now deleted PPG13 and to develop more challenging standards in the region's Principal Urban Areas, Growth Towns and environmentally sensitive rural areas. The document can be accessed using the following link http://www.gos.gov.uk/497296/docs/229865/East_Midlands_Regional_Plan2.pdf

Local Policy

2.5 Nottinghamshire County Council is the highway authority responsible for the local highway network (excluding trunk roads and motorways) within Gedling Borough. Since May 2004, the County Council has applied the parking standards detailed in Supplementary Planning Guidance 'Parking Provision for New Developments'.

2.6 However, the relevance of this guidance changed following the publication of the now deleted Planning Policy Statement 3 'Housing' in November 2006 which placed the emphasis on local planning authorities to identify their own parking requirements as part of local planning policies emerging through the Local Development Framework process. Paragraph 39 of the NPPF allows for local planning authorities to set local parking standards.

2.7 The County Council therefore issued a report to cabinet members for Transport and Highways on 12th January 2010 (attached as **Appendix A**) which withdrew the Supplementary Planning Guidance with immediate effect and re-affirmed the County Council's commitment to the parking policy detailed in the now deleted Planning Policy Guidance 13 'Transport', dated March 2001. To cover the interim period until local planning authorities adopted their own parking standards, the County Council adopted temporary residential parking standards detailed in the report to cabinet members. The temporary residential standards are the same maximum standards that were contained within the Supplementary Planning Guidance 'Parking Provision for New Developments', for up to five dwellings. For developments of greater than five dwellings, a document entitled 'Residential Car Parking Research for Nottinghamshire - Highway Development Control Guidance' in February 2010 provides guidance on the estimation of demand for car parking space for residential developments within the County, based on the methodology of the 2007 DCLG document outlined above. The document can be accessed using the following link http://www.nottinghamshire.gov.uk/residcarparkresearchfirsted.pdf

2.8 It is this changed policy context that has prompted the preparation of this Supplementary Planning Document.

2.9 The Gedling Borough Replacement Local Plan adopted July 2005 includes, at Appendix 5 of that document, the County's Supplementary Planning Guidance 'Parking Provision for New Developments'. The document can be accessed using the following link http://www.gedling.gov.uk/planningbuildingcontrol/planningpolicy/thereplacementlocalplan/

2.10 Gedling Borough Council is progressing an Aligned Core Strategy together with Broxtowe, Erewash and Nottingham City Councils. The publication draft document will be the subject of a consultation exercise between 11th June and 23rd July 2012 and it is anticipated that the document will be adopted summer/autumn 2013. Policy 14 of the publication draft reiterates the need to locate new development on sites which are already accessible by walking, cycling and public transport.

Background Documents

2.11 In May 2006, English Partnerships published a document entitled 'Car Parking – What Works Where'. This document provides guidance on appropriate levels of residential car parking provision based on research that preceded the publication of the Communities and Local Government document 'Residential Car Parking Research' mentioned below. This document also provides numerous case studies and best practise examples of integrating car parking provision into urban design. The document can be accessed using the following link http://www.communities.gov.uk/publications/planningandbuilding/residentialcarparking

2.12 In 2007, Communities and Local Government published a document entitled 'Residential Car Parking Research'. This document provides guidance on the estimation of car parking demand for residential developments, taking into account the characteristics of housing in the area and local assessments of future household ownership levels. The document can be accessed using the following link http://www.communities.gov.uk/publications/planningandbuilding/residentialcarparking

2 . Policy context and background

2.13 Nottinghamshire County Council adopted guidance entitled 'Highways, Transportation and Development' on 1st April 2009 (in conjunction with Leicestershire and Derbyshire County Councils). The document sets out guidance on a range of design elements, materials and landscape in line with general policies and objectives for proposals affecting highways and transportation issues. The document can be accessed using the following link http:/www.leics.gov.uk/index/highways/transport plans policies/6csdg intro.htm. The document is now known as the 6C's Design Guide and has been adopted by Nottingham, Derby and Leicester City councils as well. It is updated on a regular basis to reflect current guidance and legislation.

2.14 The clear guidance arising from the above background documents is that car parking standards should be based on an assessment of future demand for parking, which will be influenced by future levels of car ownership.

3 . Methodology

3.1 As summarised in the previous section, the NPPF allows local planning authorities to develop residential parking policies, taking account of expected levels of car ownership, the accessibility of the development and the type, mix and use of development.

3.2 It is accepted good practice to base car parking standards on an assessment of future car ownership levels, in order to ensure that future demand for parking is met. If demand is exceeded, this might lead to poorly designed development that is dominated by parking provision. If demand is not met, then there might be potential problems for highway safety. The methodology adopted for the purposes of this supplementary planning document is based on the approach taken by Nottinghamshire County Council which is in turn based on national guidance.

3.3 In broad terms, the methodology used projects forward existing data on car ownership levels within Gedling Borough and then derives appropriate parking standards based on this assessment of future levels of car ownership. This approach is based on the assumption that new housing will have similar car ownership characteristics to the existing housing stock in the area.

3.4 The methodology is based on that used by the County Council ('Residential Car Parking Research for Nottinghamshire – Highway Development Control Guidance' Feb 2010, which was in turn based on the CLG document 'Residential Car Parking Research' 2007, which provides guidance on how to estimate car parking demand for residential developments.

3.5 The data on existing car ownership levels is taken from the 2001 Census data and it is also appropriate to consider this data in more detail to assess the impact of other factors affecting car ownership levels. As such, the methodology used has identified and considered the following factors:-

- Type of dwelling proposed (i.e. houses or flats);
- Size of dwelling proposed (i.e. total number of rooms);
- Location of dwelling (i.e. whether it is in a 'built up' or 'rural' location, which will influence accessibility to alternative transport provision)

3.6 District level data for Gedling Borough is set out in **Appendix B** and this shows levels of car ownership collected through the 2001 Census broken down by house tenure, type and size.

3.7 In order to predict future levels of car ownership, the 2001 Census data is projected forward using the TEMPRO model. TEMPRO is a computer program prepared and issued by the Department of Transport and has been used to derive car ownership levels in 2026. The model takes account of population forecasts, household formation, employment factors and long term changes in the economic climate in order to forecast future levels of car ownership.

3.8 Each of the factors influencing the demand for car parking are now considered in turn below.

3.9 **Dwelling size and type** are major factors in determining car ownership levels, in that larger dwellings are more likely to be inhabited by more people of driving age and/or households with larger incomes. Conversely, smaller dwellings tend to be occupied by single-person households. 'Rooms' are defined in the 2001 Census as excluding bathrooms, toilets, halls or landings, or rooms that can only be used for storage, but including all other rooms (such as kitchens, living rooms, bedrooms, utility rooms and studies). Analysis of the Census data for Gedling Borough demonstrates that there is a difference in existing and projected car ownership levels for different sizes of dwellings and the parking standards set out in Section 4 therefore reflect these different car ownership levels.

3.10 The data was examined to see if there was a difference in projected car ownership levels between houses and flats. However, there is a lack of data available for development of flats in Gedling Borough, given the need for a statistically significant level of data for households of differing numbers of rooms in different locations. As such, the decision has been made to use County level data for flats to ensure an appropriate sample size. The parking standards set out in Section 4 reflect the different car ownership levels for occupiers of houses and flats.

3.11 **Tenure** is another potential influence on household car ownership. However, for the purposes of this Supplementary Planning Document, the decision has been made to use only the data on owner occupied dwellings from the Census, in order to ensure that the parking standards derived allow for the maximum levels of car ownership achievable for a dwellings. In many cases, it is not possible to control or anticipate whether a dwelling will change from shared ownership/rented to owner occupied in the future.

3.12 **Dwelling location** may also have an influence on car ownership levels , in particular by proximity to local services. As such, the district level data on car ownership has been broken down to ward level in order to examine future car ownership levels in more detail. This work has shown, however, that once car ownership is rounded up (to the nearest number of 'whole' cars owned) there is no difference in car ownership levels between individual wards, although some difference is distinguishable between the rural wards and the urban wards for some sizes of dwelling. As such, the decision has been made to distinguish only between rural wards and urban wards for the purposes of this Supplementary Planning Document, as identified on the map attached as **Appendix C.**

3.13 The following table sets out data for Gedling Borough to demonstrate that average levels of car ownership per dwelling vary by house size and by location.

House size (number of rooms)	Urban areas		Rural areas	
	2001	2026	2001	2026
Up to 3 rooms	1	1.1	1.3	1.4
4 rooms	1	1.1	1	1.1
5 rooms	1.1	1.3	1.2	1.4
6 rooms	1.3	1.4	1.4	1.6
7 rooms	1.6	1.7	1.8	2
8 rooms	1.8	2	2.1	2.3

Table 3.1

Availability of allocated and unallocated car parking spaces

3.14 The allocation of spaces to individual dwellings has an impact on how efficiently those spaces are used, and therefore on the overall number of spaces that need to be provided in order to meet demand. The parking standards set out in Section 4 enable account to be taken of whether spaces are allocated to a particular property or not, and addresses the impact that this has on the overall demand for parking.

3.15 Allocated parking spaces include any spaces provided within the curtilage of a property (e.g. garage or driveway parking) and any spaces in communal areas where the space is reserved for one particular property. Unallocated spaces include on-street spaces on the public highways or spaces in communal areas where the spaces are not reserved for a particular property.

3.16 The potential impact of allocated car parking spaces is best illustrated through an example. In 2001, the profile of car ownership for 5 room houses in Nottinghamshire was:-

- 18% had no car;
- 55% had one car;
- 23% had two cars;
- 3% had three cars; and
- 1% had four or more cars.

3.17 On the basis of a development of 100 houses, therefore, this results in an average of 1.1 cars per household. This figure is derived by dividing the total number of cars (i.e. 0 + 55 + (2 x 23) + (3 x 3) + (4 x 1) = 114) by the number of houses to give 114/100 = 1.1 cars on average.

3.18 It is also important to note that the number of spaces required to accommodate this number of cars owned will depend on whether parking spaces are allocated to individual properties or unallocated. In this example, if each house is allocated one space, then 18% of houses will not use their space but 27% of houses (i.e. 23 + 3 + 1 = 27) will need more than that one space as they own more than one car. Pages 9 and 10 of the County's document 'Residential Car Parking Research for Nottinghamshire' explains this point further.

3.19 By undertaking this analysis for all sizes of houses, in rural and urban locations, for both flats and houses, a table has been produced to show the demand for parking spaces generated in each instance depending on the number of parking spaces allocated to individual dwellings. **See Appendix D.** This data has been used to inform the draft parking standards to provide greater flexibility and clarity for developers, by setting out the required minimum standards for different scenarios depending on the proportion of allocated and unallocated spaces provided.

3.20 For ease of use, the source data (which is provided in terms of 'number of rooms') has been converted as follows to 'number of bedrooms', for the sake of consistency with how planning application documentation is generally submitted.

Houses	
Up to 4 rooms	1 - 2 bed houses
5 - 6 rooms	3 bed houses
7 - 8 rooms	4 bed house
Flats	
Up to 3 rooms	1 bed flat
4 -5 rooms	2 bed flat

Table 3.2

4 . Requirement for parking provision

4.1 Following the methodology outlined in the previous section, parking standards for Gedling Borough have been established, as set out below. The first two tables refer to houses (development of less than and more than 5 dwellings) and the third table refers to flats. A worked example showing how to apply the standards is provided in **Appendix E.**

4.2 The parking standards for smaller and larger developments are presented separately. Smaller developments of up to and including 5 dwellings take account of only allocated parking provision. The reason for this is that no more than 5 dwellings can be accessed from an unadopted road, and there is therefore less control over the design of any unallocated parking. It can also be argued that it's the larger developments that create an additional parking requirement arising from the broader range of car ownership levels. For larger developments (comprising 6 and more dwellings) and developments of flats, account should be taken of any unallocated parking provision.

Development of up to and including 5 dwellings (NB no unallocated element)

	Number of allocated spaces	
	Built Up	**Rural**
Up to 2 bedrooms	1	1
3 bedrooms	2	2
4 or more bedrooms	2	3

Table 4.1

Development of 6 or more dwellings

	Built Up		Rural	
	Allocated	**Unallocated***	**Allocated**	**Unallocated***
Up to 2 bedrooms	0 1 2	1.1 0.5 0.2	0 1 2	1.1 0.5 0.2
3 bedrooms	0 1 2	1.4 0.7 0.3	0 1 2	1.6 0.9 0.3
4 or more bedrooms	0 1	1.7 1	0 1	2 1.2

	Built Up		Rural	
	2 3	0.5 0	2 3	0.6 0

Table 4.2

Flats

	Allocated	Unallocated
1 bedroom	0 1	0.8 0.4
2 bedrooms	0 1 2	0.8 0.4 0.2

Table 4.3

*NB the allocated element should be rounded up at the end of the calculation only. See the worked example included as **Appendix E.**

4.3 The above standards are presented as minimum parking standards, since dwellings are predominantly journey origins and it is widely recognised that limiting parking provision at the journey origin does little to limit car ownership. In addition, under provision can be unattractive to potential occupiers and can, over time, result in the conversion of front gardens to parking areas, or result in parking in inappropriate and potentially unsafe locations. Therefore, parking provision should seek to meet the demand at the journey origin to avoid these undesirable effects.

4.4 Where the unallocated requirement can be accommodated on-street, this will be acceptable as long as it does not cause an adverse impact on the free flow of traffic.

4.5 It is not intended that the guidance given is regarded as definitive; it is recognised that there are circumstances that require a departure and this will be addressed through negotiations involving the planning authority and the highway authority. For example where:-

- Infill development is proposed in a road comprising predominantly Victorian terraced properties.
- All on-street parking is controlled by Controlled Parking Zones.
- Residential uses are provided above an existing shop in a shopping centre.

4 . Requirement for parking provision

4.6 The standards apply specifically to new residential developments. Wherever possible, changes of use should reflect the appropriate level of provision. For example, whilst in some cases this may mean the provision of additional parking, in other cases it may well mean a reduction in that currently available.

4.7 Extensions to dwellings that result in an increase in the number of bedrooms should take account of the parking requirement set out in this Supplementary Planning Document for the increased number of bedrooms. However, in any event, planning permission should not be granted for extensions that result in a loss of parking provision for that property through the construction of the extension below that set out in this document.

5 . Delivery of parking provision

5.1 For all parking issues associated with new development it is recommended that developers consult with the relevant planning officers at Gedling Borough Council and Nottinghamshire County Council's Highways Development Control Officer for the area at an early stage in the planning application process to discuss and agree site specific parking requirements. Contact details are provided in Section 7 of this document.

Design

5.2 Traditionally new housing layouts have often been designed around the needs of the car, which has resulted in street scenes that do not cater for pedestrians or other vulnerable road users.

5.3 Advice on design is provided in the following documents:-

- Recent Government guidance in the companion guide to PPG3 'Better Places to Live by Design'contains valuable advice on how to accommodate parking within a housing development and achieve a balance between the needs of other users of the street and the requirements of car owners.
  http://www.communities.gov.uk/publications/planningandbuilding/betterplaces
- Developers are expected to refer to the above document and also 'Places, Streets and Movement' (the companion guide to Design Bulletin 32) when seeking to accommodate motor vehicles within new housing developments.
  http://www.communities.gov.uk/documents/planningandbuilding/pdf/151558.pdf
- The County Council's Highway Design Guide (adopted 1st April 2009**)** will remain the reference document for developers.
  http://www.nottinghamshire.gov.uk/home/traffic_and_travel/roads/highwayshelpline/highwaydesignguide.htm
- The Department for Transport's 'Manual for Streets' aims to reduce the impact of vehicles on residential streets by giving a high priority to the needs of pedestrians, cyclists and users of public. Manual for Streets 1 was published in 2007
  http://www.dft.gov.uk/pgr/sustainable/manforstreets/ Manual for Streets 2 was published in 2010 and does not supersede Manual for Streets 1, but explains how the principles of the first document can be applied more widely. The document is only available in hard form.
- Building for Life criteria is the national standard for well-designed homes and neighbourhoods and promotes design excellence. The 20 Building for Life criteria embody the vision of functional, attractive and sustainable housing. New housing developments are scored against the criteria to assess the quality of their design.
  Http://webarchive.nationalarchives.gov.uk/20110107165544/http:/www.buildingforlife.org/criteria

5.4 The Building for Life criteria are a series of 20 questions which can be used to evaluate the quality of new housing developments. The criteria relating to streets, parking and pedestrianisation are relevant to this Supplementary Planning Document and should be referred to in designing new housing developments within the Borough. The relevant criteria are as follows:-

- Does the building layout take priority over the streets and car parking, so that the highways do not dominate?

- Is the car parking well integrated and situated so it supports the street scene?
- Are the streets pedestrian, cycle and vehicle friendly?
- Does the scheme integrate with existing streets, paths and surrounding development?
- Are public spaces and pedestrian routes overlooked and do they feel safe?

5.5 Standards for accessing private drives serving new residential developments are contained in Section DG18 of the Highway Design Guide.

5.6 Dimensions for on-street parking spaces and layouts are shown in Figure DG18a of the Highway Design Guide.

5.7 Within conservation areas as identified in local plans and at all sites involving listed buildings, developers will be required to take into consideration the special character and nature of the surrounding area in liaison with the relevant planning authority.

5.8 In the past, approaches to residential car parking have focused on off-street provision due to concerns that on-street parking may lead to problems of congestion and road accidents. However, Manual for Streets recommends that well-designed on-street parking in residential areas can explicitly count towards the overall supply of unallocated spaces, regardless of whether the spaces are formally marked or are simply occasional spaces on the highway. Manual for Streets also includes recommendations for the design of on street parking.

5.9 Off street residential parking should be sited as close as possible to dwellings to ensure that they are fully utilised to reduce the burden of on-street parking. Separate communal parking areas way from individual properties are discouraged. More information is provided in the Highway Design Guide (paragraphs 3.181-3.183).

Definitions

5.10 Garages will not normally be counted as a parking space for the purpose of calculating parking provision, unless:-

- The garage meets the minimum dimensions (as set out in paragraph 3.222 of the Highway Design Guide)
- Planning conditions are imposed to control use of the garage; or
- Restrictions are placed on converting the garage to a room that can be lived in.

5.11 The access to a garage or other designated parking space is not regarded as a space if it is no wider or longer than it would need to be to create a safe access.

5.12 Tandem spaces are acceptable, but no more than 3 spaces in a line will be acceptable (to include one garage space and no more than 2 driveway spaces and subject to minimum dimensions of both garages and driveways being met).

5.13 Allocated parking spaces include any spaces within the curtilage of a residential property (e.g. garage or driveway parking) and any spaces in communal areas where the space is reserved for one particular residential property.

5.14 Unallocated spaces are those that are available for any user and usually comprise on-street parking.

6 . Conclusions

6.1 This Supplementary Planning Document replaces the following documents:-

- Nottinghamshire County Council Supplementary Guidance 'Parking Provision for New Developments' (May 2004), where it applies to new residential developments.

- Appendix 5 of the Gedling Borough Replacement Local Plan (which contains the May 2004 document), where it applies to new residential developments.

6.2 This Supplementary Planning Document applies to residential development only. For non-residential uses, the appropriate maximum parking standards at the time of writing are those set out in the 6C's Design Guide which cross refers to Part 4 of the document 'Highway Requirements for Development' (HRfD) (a Leicestershire County Council design standard). http://www.leics.gov.uk/index/htd/highway req development archive.htm

6.3 It is not intended that the guidance given is regarded as definitive; it is recognised that there are circumstances that require a departure and this will be addressed through negotiations involving the planning authority and the highway authority.

7 . Further information

Further information on the operation of the Council’s parking policy can be obtained from:-

Development Control, Gedling Borough Council, Civic Centre, Arnot Hill Park, Arnold, Nottingham NG5 6LU

Tel 0115 901 3971

E-mail developmentcontrol@gedling.gov.uk

Planning Policy, Gedling Borough Council, Civic Centre, Arnot Hill Park, Arnold, Nottingham NG5 6LU

Tel 0115 901 3757

E-mail planningpolicy@gedling.gov.uk

Mr Chris Charnley, Head of Service for Highway Management

Mr Eamonn Harrision, Highway Manager South

Nottinghamshire County Council, Trent Bridge House, Fox Road, West Bridgford, Nottingham NG2 6BJ

Tel 08449 808080

E-mail hdc.south@nottscc.gov.uk

APPENDIX A – County Council Cabinet Report 12th January 2010

Report

REPORT TO CABINET MEMBER FOR TRANSPORT AND HIGHWAYS

Date **12 January 2010** agenda item number 3.1

RESIDENTIAL PARKING STANDARDS FOR NEW DEVELOPMENTS

Decisions Recommended

1. That the County Council's Supplementary Planning Guidance "Parking Provision For New Developments" (May 2004) is withdrawn with immediate effect

2. That the County Council re-affirm its commitment to the parking policy as set out in Planning Policy Guidance 13 (Transport) and the East Midlands Regional Plan (March 2009)

3. That the County Council adopt the temporary residential parking standards as outlined in the report until such time as each Local Planning Authority adopts its own standards through the Local Development Framework Process.

Delegated Authority

4. Scheme of Delegation TH.1. To prepare and to recommend to Council policy on matters relating to transport excluding those within the remit of the People and Performance portfolio including, but not limited to, the following plans: Local Transport Plan.

Policy Framework

5. Central Government planning policy and guidance relating to car parking associated with new development is contained in Planning Policy Statement (PPS) 3 (Housing), Planning Policy Guidance (PPG) 13 (Transport) and Regional parking is within the East Midlands Regional Plan (March 2009).

6. Current policy and guidance for Nottinghamshire is contained in NCC's "Parking Provision for New Developments" (hereafter "the guidance").

Background

7. In May 2004 the County Council adopted the "Parking Provision for New Developments" document as Supplementary Planning Guidance to support Policy 5/7 of the Nottingham and Nottinghamshire Draft Joint Structure Plan for applications within the area covered by the County Council.

8. The Guidance applies to both new residential and non-residential developments and is aimed at encouraging the use of alternative modes of transport to the private car. The approach applied a different level of parking provision for new developments, depending on the availability of alternative means of transport to the car and on local characteristics.

9. The Guidance helped to ensure that development proposals conformed to parking policies and standards which in turn took into account strategic and local objectives. These objectives have since been reviewed to reflect changes in circumstances relating to transport policies and the planning process.

10. In particular, the continued relevance of the guidance has altered significantly with the publication of PPS3 (Housing) and the adoption of the East Midlands Regional Plan (March 2009) to replace the Structure Plan.

11. The recently published PPS3 on Housing includes the following statement in paragraph 51 on residential parking standards:

> "Local Planning Authorities should, with stakeholders and communities, develop residential parking policies for their areas, taking account of expected levels of car ownership, the importance of promoting good design and the need to use land efficiently."

12. This supersedes the previous guidance in Planning Policy Guidance 3 (PPG3) which recommended a maximum average of 1.5 spaces per dwelling. It was not made clear at the time whether this should be an average across the development, a district, or even a county. This led to much confusion and inconsistency and concerns about the mismatch between levels of car ownership and off-street parking in new homes. It has become one of the most contentious and unpopular planning policies in operation.

13. It is considered that it was never intended to be a means of restricting car ownership or usage, hence its inclusion in PPG3 rather than PPG13 which relates to transport. It was more to do with land usage and housing densities and there appears to be little evidence that restricting car parking at the home end of the journey has any real effect on car trips on the network. It does, however, lead to excessive parking on street which in many areas is causing road safety issues, emergency and public transport access difficulties, neighbour disputes and visually unappealing streetscapes. Conversely restricting car parking availability and cost at the destination is generally accepted as having a real effect on reducing car trips.

14. It is, therefore, considered that parking standards for residential development should, particularly in view of the wording in PPS3 (para 9 above), be a matter solely for district councils as planning authorities and that the County Council should not seek to formulate a policy on this matter. The County Council has little or no involvement in the layout of individual residential developments. Consequently, responsibility for the number of residential parking spaces and how they are integrated into the development is more appropriately for the district planning process.

15. Policy 48 in the East Midlands Regional Plan is related to parking and states that:

"Local Planning Authorities should apply the maximum amounts of vehicle parking for new development as set out in PPG13. In the Region's Principal Urban Areas and Growth Towns and environmentally sensitive areas, opportunities should be taken to develop more challenging standards based on emerging public transport accessibility work.

16. PPG13 contains detailed maximum parking standards for non residential (i.e. "destination") development. Car parking facilities in excess of the maximum standards in PPG13 should only be provided in exceptional circumstances.

17. In the Region's Principal Urban Areas and Growth Towns, net increases in public car parking not associated with development should only be permitted where it is demonstrated that:

- Adequate public transport, cycling or walking provision cannot be provided or a shortage of short stay parking is the principal factor detracting from the vitality and viability of an area; or

- Excessive on-street parking is having an adverse effect on highway safety or residential amenity which cannot be reasonably resolved by other means; or

- The nature of new car parking can shift from long stay spaces to high quality short stay provision; or

- It is linked to public transport provision, for example as part of a park and ride scheme."

18. Consequently, the East Midlands Regional Plan (March 2009) with reference to PPG13 provides policy guidance for non-residential parking, with the Local Transport Plan providing the overall context for parking policy in the county. However, it is for the local development documents to set parking levels and standards for new residential developments.

19. However, by withdrawing the residential parking guidance in advance of the Local Planning Authorities implementing their own standards they will be left in the difficult position of not having any standards with which to refer. As such it is suggested that the County Council adopt temporary residential parking standards for use until such time as each Local Planning Authority has had the opportunity to adopt its own. These are recommended as maximum standards (unless exceptional circumstances – with strong evidence - justify otherwise) and should be applied as follows;

		Number of bedrooms			
Accessibility		1	2	3	4+
Average number of buses during the peak hour	> 2	**1**	**1**	**1**	**2**
	0 - 2	**1**	**1**	**2**	**3**

Table .1

(note – this table is copied from the Supplementary Planning Guidance "Parking Provision for New Developments (May 2004))

All other uses not covered by National Guidance or the recently adopted Regional Design Guide should be individually justified on a sound evidence base.

Statutory and Policy Implications

20. This report has been compiled after consideration of implications in respect of Finance, Equal Opportunities, Human Rights Act 1998, Disability Discrimination Act 1995, Personnel, Crime and Disorder (Community Safety) and those using the services. Where such implications are material, they have been brought out in the text of the report.

Equal Opportunities Implications

21. The regional guidance document is based on national guidance, which fully encompasses equality issues. It is therefore felt that the equality impact is acceptable and that an equality impact assessment is not required.

STEVE CALVERT

Service Director (Planning, Sustainability and Regeneration)

Comments of the Service Director – Finance

There are no financial implications arising from the contents of the report. [KP –

16/12/09]

Legal Services Comments

Cabinet Member has power to make this decision. [SHB – 17/12/09]

Background Papers Available for Inspection

Parking Provision for New Developments Supplementary Planning Guidance (May 2004).

Electoral Division(s) and Member(s) Affected

All

Author of the report / Case Officer

Richard Smith, Service Manager Development Control (Highways)

(0115) 977 4925

PSL.RS.IY.ep5201

14 October 2009 (updated 9 November 2009) (updated 1 December 2009)

Appendix B - District level data on car ownership for Gedling Borough

Appendix B - District level data on car ownership for Gedling Borough

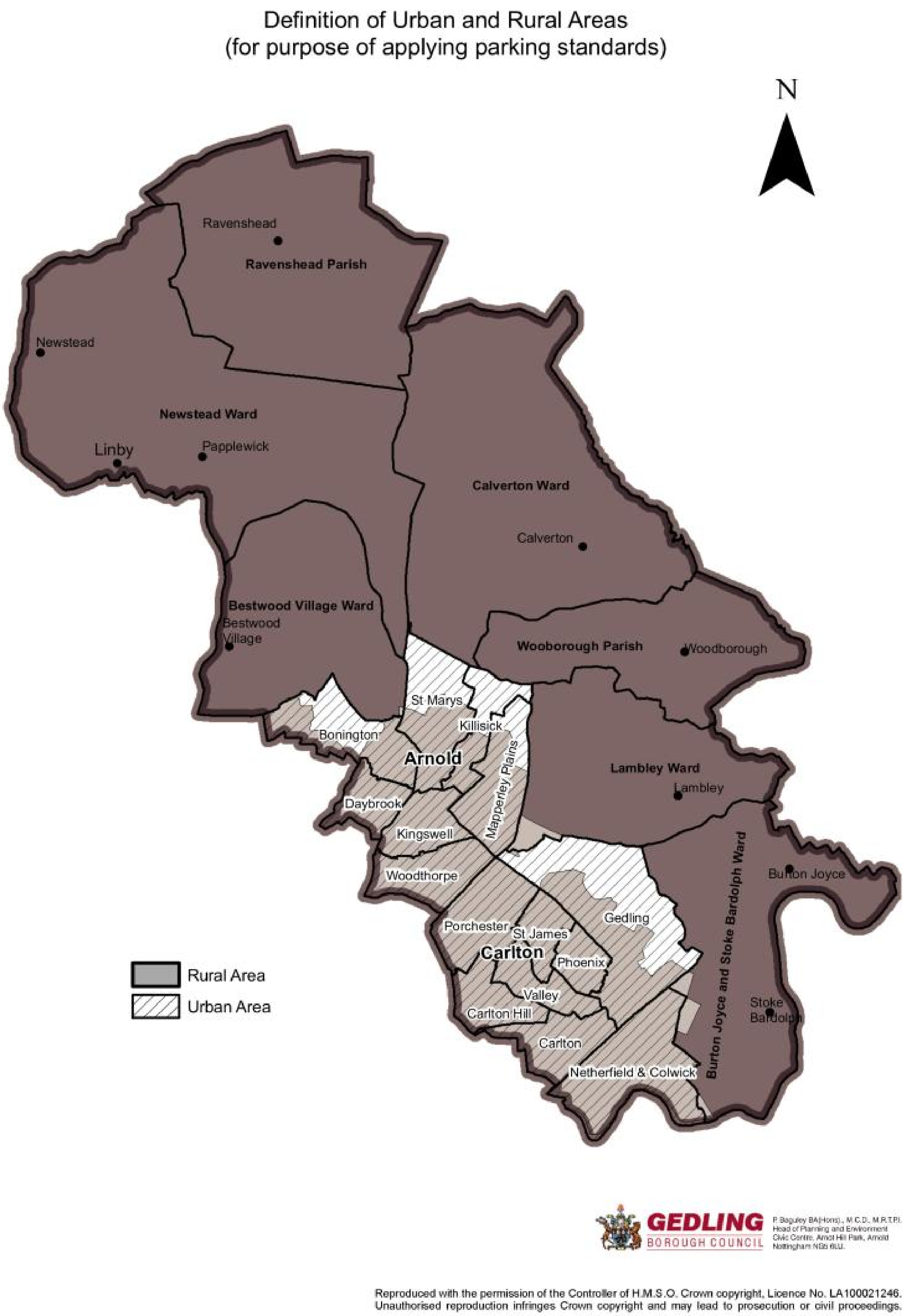
APPENDIX B – car ownership levels 2001 (Census data)

HOUSES BY TENURE (Houses comprising detached, semi-detached and terraced	Number of cars or vans							Percentage of households with particular numbers of cars/vans					Average No. Cars/vans per household
	Total	None	One	Two	Three	Four +		None	One	Two	Three	Four +	
Owner occupied	37052	5297	18253	11035	1946	521		14%	49%	30%	5%	1%	1.3
Up to 3 rooms	572	138	312	108	11	3		24%	55%	19%	2%	1%	1.0
4 rooms	4897	1094	2953	778	61	11		22%	60%	16%	1%	0%	1.0
5 rooms	12417	2224	6830	2879	408	76		18%	55%	23%	3%	1%	1.1
6 rooms	10269	1450	5154	3083	468	114		14%	50%	30%	5%	1%	1.3
7 rooms	4565	260	1868	1923	410	104		6%	41%	42%	9%	2%	1.6
8 or more rooms	4332	131	1136	2264	588	213		3%	26%	52%	14%	5%	1.9
Shared ownership/Rented (social/private)	5390	2578	2268	471	61	12		48%	42%	9%	1%	0%	0.6
Up to 3 rooms	285	162	113	10	0	0		57%	40%	4%	0%	0%	0.5
4 rooms	1114	556	464	86	5	3		50%	42%	8%	0%	0%	0.6
5 rooms	2512	1230	1041	209	27	5		49%	41%	8%	1%	0%	0.6
6 rooms	1158	508	520	113	17	0		44%	45%	10%	1%	0%	0.7
7 rooms	223	91	93	35	4	0		41%	42%	16%	2%	0%	0.8
8 or more rooms	98	31	37	18	8	4		32%	38%	18%	8%	4%	1.2

Table .1

Appendix C - Map identifying rural/urban wards in Gedling Borough

Appendix C - Map identifying rural/urban wards in Gedling Borough



Appendix D - Additional demand for unallocated parking spaces

APPENDIX D - Typical Additional Demand for Unallocated parking for owner occupied houses in Built Up wards in Gedling.

Average Car Ownership Per Dwelling	With 1 Allocated Space per dwelling	With 2 Allocated Spaces per dwelling
0.1	0.0	0.0
0.2	0.0	0.0
0.3	0.0	0.0
0.4	0.0	0.0
0.5	0.1	0.0
0.6	0.1	0.0
0.7	0.1	0.0
0.8	0.1	0.0
0.9	0.2	0.0
1.0	0.2	0.0
1.1	0.3	0.0
1.2	0.4	0.1
1.3	0.4	0.1
1.4	0.5	0.1
1.5	0.6	0.1
1.6	0.7	0.1
1.7	0.8	0.2
1.8	0.9	0.2
1.9	0.9	0.2
2.0	1	0.3
2.1	1.1	0.3
2.2	1.2	0.4

APPENDIX E – Worked example: implementing the residential car parking standards

The purpose of this worked example is to explain how the residential car parking standards should be used to calculate the parking requirement for a proposed development.

Example: A planning application for 20 dwellings is being considered.

Step 1: Establish whether the proposed development falls within the urban or rural part of the Borough, using map attached as Appendix C. For the purpose of this example, it is assumed that the development site falls within the urban area.

Step 2: Establish the breakdown of house types for the proposed development. For the purposes of this example it is assumed that the breakdown is as follows:-

- 5 x 4 bedroom dwellings
- 9 x 3 bedroom dwellings
- 6 x 2 bedroom dwellings

Step 3: The developer will have some flexibility over how the parking requirement is provided (in terms of the proportion of allocated and unallocated spaces) based on Tables 4.1, 4.2 and 4.3 of this Supplementary Planning Document. The most appropriate solution for a specific development site will be established through the negotiation process and consultation, taking account of the location of the site and the nature of the development proposed.

The parking spaces provided will need to accord with the definitions set out in Section 5 of this Supplementary Planning Document.

For the purposes of this example, it is assumed that it is the development consists of: -

- 5 x 4 bedroom dwellings with 2 allocated spaces
- 5 x 3 bedroom dwellings with 2 allocated spaces
- 4 x 3 bedroom dwellings with 1 allocated space
- 6 x 2 bedroom dwellings with 1 allocated space

Step 4: Calculate allocated parking provision.

- 5 x 4 bedroom dwellings with 2 allocated spaces = 10 allocated spaces
- 5 x 3 bedroom dwellings with 2 allocated spaces = 10 allocated spaces
- 4 x 3 bedroom dwellings with 1 allocated space = 4 allocated spaces
- 6 x 2 bedroom dwellings with 1 allocated space = 6 allocated spaces

Step 5: Add up the allocated spaces proposed for each house type.

= 10 + 10 + 4 + 6

= 30

Appendix E - Worked example

Therefore, the total allocated parking proposed is 30 spaces.

Step 6: Using the parking standards set out in Table 4.2 and 4.3 of this Supplementary Planning Document, the number of required unallocated spaces needs to be calculated for each house type proposed. The number of unallocated spaces required will vary, depending on the number of allocated spaces proposed. (NB There is no requirement for unallocated parking for developments of up to and including 5 dwellings).

- For a 4 bedroom house with 2 allocated spaces in an urban area of Gedling there is an additional demand for 0.5 unallocated spaces per dwelling (from Table 4.2).
- For this example, there are 5 x 4 bedroom dwellings proposed (5 x 0.5) accounting for an additional demand of 2.5 unallocated spaces.

This process is then applied to the remaining houses types proposed: -

- 5 x 3 bedroom dwellings with 2 allocated spaces (5 x 0.3) accounting for an additional demand of 1.5 unallocated spaces.
- 4 x 3 bedroom dwellings with 1 allocated space (4 x 0.7) accounting for an additional demand of 2.8 unallocated spaces.
- 6 x 2 bedroom houses with 1 allocated spaces (6 x 0.5) accounting for an additional demand of 3 unallocated spaces.

Step 7: Add up the unallocated spaces required for each house type.

= 2.5 + 1.5 + 2.8 +3

= 9.8.

Therefore, the total additional demand for unallocated parking as a result of the development is 9.8 spaces.

Step 8: The unallocated parking provision is rounded up to the nearest whole number so the total demand for parking is met. The total additional demand for unallocated parking as a result of this proposed development would therefore be 10 unallocated spaces.

Step 9: Add together the number of allocated and unallocated spaces required to serve the proposed development. For this example, the development of the 20 house types proposed results in the need for 30 allocated spaces plus 10 allocated spaces. This is a *minimum* requirement.

NB Whilst this Supplementary Planning Document does not look to set out detailed design guidance, appropriate cross references are included which must be taken into account in the provision of parking.

Gedling Borough Council

Draft Parking Provision for Residential and Non-Residential Developments Supplementary Planning Document (SPD) Consultation Statement

Introduction

Under the Planning and Compulsory Purchase Act 2004 and the associated Town and Country Planning (Local Development) (England) Regulations 2012 (Section 12), it is a requirement to prepare and publish a Consultation Statement for Supplementary Planning Documents (SPDs) in order to describe the involvement of the community and organisations in the preparation of the document.

Consultation on the preparation of the draft SPD should be undertaken in accordance with the relevant regulations and the adopted Statement of Community Involvement (SCI). The SCI, adopted in September 2019, sets out how Gedling Borough Council will consult with the public and statutory consultees in planning matters and is available here: http://www.gedling.gov.uk/resident/planningandbuildingcontrol/planningpolicy/consultations/

Draft Supplementary Planning Document

As part of the preparation of the draft Parking SPD, the Council has undertaken informal consultation with Nottinghamshire County Council as Highways Authority for advice on technical matters in relation to parking standards. The advice received was reflected in the consultation draft Parking SPD.

The draft SPD was made available at the Civic Centre and on the Borough Council's website. The consultation was also promoted by social media. The consultation was publicised through writing directly to all developers/landowners in the Council's consultation database and to statutory consultees including the following:

- British Gas;
- BT Wholesale;
- Cadent
- The Coal Authority;
- D2N2;
- Environment Agency;
- Eon;

- Highways Agency;
- Historic England;
- Homes England;
- National Grid UK Transmission Land & Development;
- Natural England;
- Network Rail;
- Nottingham Biological and Geological Records Centre;
- Nottinghamshire Constabulary;
- Nottinghamshire Wildlife Trust;
- Nottingham North & East Clinical Commissioning Group;
- Openreach BT;
- Ramblers Association;
- Royal Mail Group Plc;
- Severn Trent Water Limited;
- Western Power;
- Nottinghamshire County Council and adjoining authorities;
- Relevant officers at Gedling Borough Council; and
- Ward members.

The minimum consultation period for SPDs is four weeks. To reflect that the consultation period covered October half term, the consultation was extended to six weeks and ran from Monday 25th October to Monday 6th December 2021.

Consultation Responses

The Report of Responses attached as Appendix A to this statement sets out:

- a summary of the comments received;
- the Council's response to the comments received; and
- proposed changes to the draft SPD in response to the comments received

Next steps

Following the consultation exercise, the comments received were carefully considered and the draft SPD amended as appropriate. The draft document will then be considered by Cabinet for adoption as a Supplementary Planning Document and will be published on the Borough Council's website. All those who have commented on the draft document will be notified that this is the case.

REPORT OF RESPONSES

From	Comment	Response	Action
Erewash Borough Council	No comments	Noted.	No change.
Severn Trent	Recommend that where designing parking areas, opportunities to make the surfacing permeable are considered and where suitable taken forward.	Agree that it would be helpful to amend the text to include reference to permeable surfacing	Add new paragraph 4.15 to read: "All driveways and parking areas should be surfaced in a bound material, which is either permeable or includes appropriate drainage in the interests of highway safety and to minimise the risk of flooding."
Local resident	The draft SPD omits consideration of cycle parking standards, and other related issues such as the provision for e-bike charging, and a development management context for car club planning. The SPD should not be adopted without addressing this omission, which appears on the face of it to contradict both local and national policy contexts including those listed in the draft.	Paragraph 5.1 of the draft SPD cross refers to the Nottinghamshire County Council Highway Design Guide which sets out cycle parking and e-bike charging standards. Agree that the text should be amended to make this reference clearer. The issue of car club planning is out of the scope of this SPD but could be addressed through the requirement for travel plans for larger developments.	Amend the first bullet of paragraph 5.1 to more clearly refer to the additional guidance included in the Nottinghamshire County Council Highway Design Guide, including specific reference to charging facilities. No change.
Agent	At present 'private' roads have a restriction that suggests no more than five dwellings can be accessed. This is an anomaly because many private roads tend to have large detached houses with - ironically - few cars per large dwelling. Given there is a National need for more housing - it would seem eminently sensible to allow more homes to be built off private roads (not restricted to just five houses) - keeping to local planning standards parking requirements.	The comment does not directly relate to the content of the draft SPD. Unadopted private roads and access to dwellings is out of the scope of this SPD.	No change.
Environment Agency	No comments	Noted.	No change.
Papplewick Parish Council	The Parish Council would like to see 4 and 5 bedroom houses provided with 3 allocated spaces in rural areas as we believe it is more likely these homes will have young adults still at home with their own transport. We are pleased to see the mention in 4.14 of 'at least 1 electric charging point being require for all houses'. There will be challenges to the electricity infrastructure though to enable this.	The standards are based on an updated methodology which sets standards based on anticipated future car ownership. However, we agree that it would be helpful to clarify the requirement for unallocated spaces where 3 allocated spaces are provided for 4+ bedroom houses. Noted.	Amend Tables 1 and 2 to include reference to the requirement for 3 allocated spaces for 4+ bedroom houses. No change.
Papplewick Parish Council	In addition to our previous comments (sent 8th November 2021): The Parish Council advised there is no information relating to other forms of transport such as cycles, e-scooters, mobility scooters, motorcycles, especially in relation to the non-residential parking, and that for dwellings with shared access from the highway such as flats and maisonettes. New developments, and old lack anywhere to lock up and park your bike, or other modes of transport when we are supposed to be encouraging them.	Paragraph 5.1 of the draft SPD cross refers to the Nottinghamshire County Council Highway Design Guide which sets out standards for bicycles, motorcycles, mobility scooters and their charging facilities. Agree that the text should be amended to make this reference clearer.	Amend the first bullet of paragraph 5.1 to more clearly refer to the additional guidance included in the Nottinghamshire County Council Highway Design Guide, including specific reference to bicycles, motorcycles, mobility scooters and their charging facilities.

Natural England	No comments	Noted.	No change.
Ravenshead Parish Council	We are aware of the need for an increase in the number and size of parking spaces and are pleased that this is recognised within the proposal. Accordingly, Ravenshead Parish Council have supported the proposals set out therein.	Noted.	No change.
Developer	<u>Section 3 – Methodology, Summary and Evidence</u> The evidence to support the residential parking standards is outdated (notably the 2011 Census data) and since this SPD will be adopted and in use for some years it would be prudent to hold out until the 2021 Census data is published in 2022.	The reservation concerning outdated supporting evidence has been noted. However, it should be taken into consideration that, 2011 Census data has been projected forward using National Trip End Model (NTEM) and brought to 2051. Therefore, the car ownership levels used in the SPD reflect the future need. The standards included in the revised SPD are not significantly different to those in the 2012 SPD but the opportunity has been taken to produce a clearer more user friendly document justified by the most up to date evidence available at this time.	No change.
	The summary states visitor parking has been combined with the unallocated parking requirement where relevant which Persimmon Homes welcomes in order to ensure that parking is used and schemes do not become car dominated spaces through a series of allocated/unallocated and visitor parking.	Noted.	No change.
	<u>Section 4 – Requirement for Residential Parking Provision</u> The standards state that "an unallocated / visitor parking space should be available to all residents associated with the development to meet the residential parking demand of the development and includes on-street car parking". Persimmon welcomes the inclusion of on-street parking as unallocated / visitor parking. Persimmon also welcomes the flexibility of how parking requirement is provided, as per appendix B.	Noted.	No change.
	Tables 1, 2 and 3 are complicated to read and could be simplified. As it currently reads, 1 bedroom homes need anything between 1 and 2 spaces (a mix of both allocated and unallocated spaces), and could be a combination of 0 allocated and 0.8 unallocated, 1 allocated and 0.4 unallocated and 2 allocated and 0.2 unallocated. In the real world 0.2, 0.4 or 0.8 spaces won't be provided and therefore the reader of the document will round up those figures (0.8 to 1 and 0.2 and 0.4 to 0 unallocated). This should be rectified so it is less confusing. Therefore within the category there should be no numbers with decimal place. If the fractions are rounded to a full parking space, this means that 1 bedroom homes could have either 1	Parking provision requirement has been calculated using 2011 Census data, Residential Car Parking Research for Nottinghamshire (2010) and National Trip End Model (2017), which provide precise information and figures expressed as a decimal. The presentation of the standards is not intended to be complex, but rather to provide developers with flexibility as to how the standards are met via a mix of allocated and unallocated spaces. The worked example provided at Appendix B to the SPD clear explains how the standards should be used.	No change.

	space or 2 spaces. Flexibility is welcomed but could also be problematic for understanding and being certain upon parking provision. The same comments have to be made about the provision detailed for 2, 3 and 4+ bedroom homes. I suggest a table that looks more like the following: Alternatively, if developers have flexibility to distribute spaces between allocated an unallocated as per section 3, the number of spaces does not need to be separated into allocated and unallocated.		
The Coal Authority	No comments	Noted.	No change.
Councillor	I am aware there is a need to increase both the number of parking places and also the size of the spaces. I am pleased that this has been recognised within the consultation document. Hopefully, once a parking space has been allocated, including those in garages, they will remain as such and will not be allowed to be removed if subsequent planning applications for the property are made. I believe it is important that garages are built large enough to accommodate a car and other household items, including bicycles. If the garage is not sufficiently large enough to accommodate both, it should not be included in the number of allocated parking spaces.	Noted. The change of use of a garage will be considered through the submission of a planning application. However if a garage meets the minimum space standards then any application to remove the condition would be unlikely to be granted planning permission unless there had been a material change in circumstances. The dimensions for garages in the SPD are consistent with the standards set out in the Nottinghamshire County Council's Highway Design Guide.	No change. No change
Developer	1. The proposed increase in parking bay sizes cannot be justified. Some cars may have increased in size but most of those changes occurred before adoption of the local plan which set the required bay sizes at 2.4m wide x 5 m deep. Who knows where we'll be post pandemic/post fuel price increases and post the banning of new petrol diesel cars? 2. Most modern family cars do not exceed 5m in length. Very many are well below it. Some SUV's & 4x4 vehicles are larger but it is inherently wrong to plan 100% of bays to suit larger cars – when most people don't drive them. It's also pertinent to note that the local plan acknowledges that smaller cars do exist and can be catered for in bay sizes at a reduced length of 4m. 3. Increasing bay lengths to 5.5 m across the board is wasteful & unnecessary. Even in a "perfect world scenario" of an ideally proportioned site, the adoption of 5.5m parking bays, results in a minimum additional land take of over 6% and almost 9% more land than required by the national standard length of 4.8m. 4. That means less space for landscaping and/or buildings; but in reality when working with constrained sites, it may be impossible to provide parking to those dimensions. This could result in land being sterilised or at best only being developed at much	The draft SPD does not propose an increase in parking bay sizes. The current Parking SPD (2012) refers to Figure DG18a of the 6C's Design Guide concerning on-street parking spaces, which requires bay sizes at 6 m deep, whereas the draft SPD sets out 2.4m x 5.5m as minimum internal dimensions. However, LPD 2018 refers to Highway Requirements Part 4, which mentions 5 m as a rough approximation. These two documents mentioned above (the 6C's Design Guide and Highway Requirements Part 4) have been superseded by the Nottinghamshire County Council's Highway Design Guide which include detailed standards for various scenarios, i.e. 30º, 45º, 60º parking. The draft SPD is in accordance with the standards set out in this latest document.	No change.

	reduced densities resulting in inefficient use of land, which is a scarce commodity. 5. One answer is to leave mandatory sizes as they are whilst permitting/encouraging where possible a mix of bay sizes. For example in larger car parks provision of both smaller & larger vehicles. For example if an area of 4m length bays is arranged “back to back” with a bank of up to 6m bays this would fit within an existing car park grid and wouldn’t require more land. In addition there may be “natural” opportunities due to accommodate larger bays. I’m also mindful that if a “venue” doesn’t cater for its customers its trade will suffer. 6. The “rural” versus “urban” parking provision is too “broad brush”. There are settlements falling inside the areas defined as “rural” on the SPD plan which are more “urban” in nature & well connected with public transport. An increased number of spaces but cannot be justified by any meaningful difference in car ownership or use. 7. Finally as a matter of principle I’m not convinced that it is appropriate to automatically embrace any “revisions” to parking standards by reference to changes made in the County Council’s/6C’s Design Guide. Any such changes are not subject to the scrutiny of examination in the same way as Local Plan Policy is examined and should not result in additional car parking spaces being required.	Rural and urban classification is based on the boundaries at the geographical level middle layer super output areas (MSOA) as per the Census 2011. Nottinghamshire County Council is the highway authority responsible for the local highway network in Gedling Borough, and the Highway Design Guide should therefore be the starting point for setting out guidance on the design of parking provision in the Borough. In terms of the actual standards, a borough-specific approach has been taken based on evidence.	No change. No change
Resident	I consider the draft Consultation SPD October 2021 to be inadequate and would recommend adoption of the Newark & Sherwood proposals of August 2020 - Appendix A - see attached. The Newark proposal follows the Nottinghamshire Highway Design Guide - see section 4.1 Residential Parking. My particular focus is with dwellings of 4+ Bedrooms, where I think they should have, as a minimum - 3 parking spaces plus 3 cycle parking spaces. Parking spaces should be a minimum of 3m x 5.5m with an additional 0.5m if bounded by a wall, fence, hedge, line of trees or similar obstruction and lm if bounded on both sides. Garages should only count towards the parking provision if they have clear internal dimensions of at least 3.3m x 6m with a minimum door width of 2.4m for single garages and 6m x 6m with a minimum door width of 4.2m for double garages. If the dwelling has no provision for separate parking for cycles, lawn mowers or storage, it should affect whether the	Noted. The standards are based on an updated methodology which sets standards based on anticipated future car ownership. However, we agree that it would be helpful to clarify the requirement for unallocated spaces where 3 allocated spaces are provided for 4+ bedroom houses. The dimensions for garages in the SPD are consistent with the standards set out in the Nottinghamshire County Council’s Highway Design Guide. The Nottinghamshire County Council’s Highway Design Guide provides detailed information at part 4.2.9 regarding minimum dimensions for parallel parking. The proposed dimension in the document is 2m * 6m for parallel parking. The draft SPD requires 2.4m * 5.5m and to add 0.5m if bounded on one side by an	Amend Tables 1 and 2 to include reference to the requirement for 3 allocated spaces for 4+ bedroom houses. No change. No change.

	garage should counted to the required provision.	obstruction such as a wall, fence, hedge or tree, or to add 1m if bounded on both sides. It seems to be in line with the Highway Design Guide.	
	I also feel the new SPD should incorporate the following from the 6Cs Design Guide section 3.223 - Cars can park in front of the garage door and garage doors can be opened while a car is on the drive.	The parking of cars in front of the garage door is already covered by paragraph 4.9 of the revised SPD. However, in the interest of clarity it is intended to reword paragraph 4.9.	Paragraph 4.9 to be reworded to read ' Tandem spaces are acceptable but no more than 3 spaces in a line will be acceptable, to include one garage space and no more than 2 driveway spaces and subject to minimum dimensions of both garages and driveways being met.
	Finally, any subsequent Planning Applications for new garages/garage conversions should obviously comply with these requirements to the letter…	Noted.	No change
Notts County Council	The following information should be added to the Parking SPD: Garage door type & Minimum distance from highway boundary: No garage: 5.5m Roller-shutter, sliding, or inward opening: 5.5m Up-and-over: 6.1m Hinged, outward opening: 6.5m	Paragraph 5.1 of the draft SPD cross refers to the Nottinghamshire County Council Highway Design Guide which sets out standards for driveway lengths, encompassing the information mentioned in the comment. Agree that the text should be amended to make this reference clearer.	Amend paragraph 4.8 and the first bullet of paragraph 5.1 to more clearly refer to the additional guidance included in the Nottinghamshire County Council Highway Design Guide, including specific reference to driveway lengths.

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Gedling Borough Council

Report to Cabinet

Subject: Decision of Ombudsman following complaint against the Council

Date: 17 February 2021

Author: Monitoring Officer

Wards Affected

Borough wide

Purpose

This report is to inform Members of a finding of maladministration with injustice by the Local Government and Social Care Ombudsman ("the Ombudsman") against Gedling Borough Council in response to a complaint by Mr M with regard to the way the Council handled his application for a Covid-19 business grant in February 2021.

Key Decision

This is not a key decision

Recommendations

THAT:

1. **The Ombudsman's decision at Appendix 1 be noted;**
2. **It be noted that a copy of this report has been circulated to all members of the Council;**
3. **A report be prepared on behalf of the Executive setting out the action to be taken and reasons for it being prepared.**

1 Background

1.1 Members are aware that if an individual is dissatisfied with the service provided by the Council he/she may complain under the Council's Complaints, Compliments and Comments Policy. If the complainant exhausts the Council's complaints process and is unhappy with the response at Stage 2 he/she is entitled to refer the complaint to the Ombudsman. If the Ombudsman decides to investigate a complaint he will determine whether, in his opinion, the Council has been guilty of “maladministration” and if so whether the complainant has sustained “injustice” in consequence.

1.2 Section 5A of the Local Government and Housing Act 1989 imposes a duty upon the Monitoring Officer to prepare a report to the Executive if at any time it appears to her that there has been maladministration in the exercise of its functions. The duty does not arise unless the Ombudsman has conducted an investigation. The Monitoring Officer must consult the Head of Paid Service and Chief Financial Officer in the preparation of a section 5A report and provide a copy to each Member of the Council.

1.3 As soon as practicable after the Executive has considered the Monitoring Officer’s report it must prepare a report which specifies:-

(a) What action (if any) the Executive has taken in response to the Monitoring Officer’s report,

(b) What action (if any) the Executive proposes to take in response to the report, and

(c) The reasons for taking the action or for taking no action.

2 Proposal

2.1 This report relates to a complaint by Mr M about the way the Council handled his application for an Additional Restrictions Grant (ARG) one of several Covid-19 business grant schemes administered by the Council. Mr M’s application for this grant was refused by the Council as he did not satisfy one of the mandatory criteria for the grant, namely, from evidence submitted the Council concluded that his business was not trading on 1st October 2020. Ultimately, the Ombudsman, following investigation, determined that there was no fault in how the Council considered the complainant’s application for ARG, as it was entitled to decide the evidence did not support his eligibility. There was also no fault found in how the Council decided his other grant applications. However, on 2 March 2021, during the application process, Mr M was sent, in error, an email, which was sent in bulk to several applicants. The email invited him to apply for a different grant on the basis he had been awarded ARG. At the point the email was sent out, the Council had not in fact made a determination in relation to Mr M’s ARG application. Mr M queried the email, and the Council sent out an email the following day apologising for the error and confirming that his application for ARG was still pending determination. The Ombudsman did conclude that the Council was at fault for wrongly telling the complainant his application had been successful, but concluded that the Council's quick rectification and apology for this error was an adequate remedy.

The Ombudsman:

- Noted that the Council acted quickly to rectify and apologise for the email sent in error on 2 March 2021.
- Has not suggested any further remedy, due to the actions already taken by the Council.
- Only upheld this element of the complaint.
- Found no fault in the way the Council had considered Mr M's application for ARG, or any of his other grant applications.
- Found that whilst there was some delay in determining the ARG application, this was partly down to requiring additional information from Mr M and the delay was not considered to be a significant point.

A copy of the Ombudsman's decision in relation to this complaint is self-explanatory and is attached at Appendix 1. The Ombudsman has confirmed that this complaint will be included in the published figures for the year ending 31 March 2022. It will be recorded as: *Benefits & Tax and the decision as: Upheld: Maladministration and Injustice – no further action, satisfactory remedy provided by the organisation.*

2.2 In light of the Ombudsman's findings, it is proposed that Cabinet consider what further action, if any should be taken in relation to this matter and that a report of the Executive be subsequently circulated setting out what action, if any is required. It should be noted that the ARG process was administered by Revenues Services with support and advice from Financial Services. This was one of a number of grant schemes that the government introduced to alleviate pressure on businesses resulting from the Covid-19 pandemic.

3 Alternative Options

3.1 In view of the fact that the Ombudsman has categorised the complaint as "Upheld: maladministration and injustice", the statutory process for reporting the decision must be followed and the Executive are required to prepare a report specifying any particular actions required as a consequence of this report. The Executive may determine that no further action is required by the Council in line with the Ombudsman's decision, or may propose alternative action in response to the report.

4 Financial Implications

4.1 There are no financial implications arising from this report.

5 Legal Implications

5.1 Section 5A of the Local Government and Housing Act 1989 imposes a duty upon the Monitoring Officer to prepare a report to the Executive if at any time it appears to her that there has been maladministration in the exercise of its functions. This report must be provided to all members of the Council and considered by the Executive within 21 days of the report being circulated.

6 Equalities Implications

6.1 There are no direct 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 Appendix 1 – Copy of Ombudsman's decision.

9 Background Papers

9.1 None identified.

10 Reasons for Recommendations

10.1 To comply with the provisions of the Local Government and Housing Act 1989.

10.2 To propose any action to be taken by the Council to avoid any further complaints or instances of maladministration in the exercise of this function.

Statutory Officer approval	
Approved by: **Date:**	Chief Financial Officer
Written by: **Date:**	Monitoring Officer

26 January 2022

Complaint reference:
21 001 463

Complaint against:
Gedling Borough Council

Local Government & Social Care OMBUDSMAN

The Ombudsman's final decision

Summary: There was no fault in how the Council considered the complainant's application for an additional restrictions grant, as it was entitled to decide the evidence did not support his eligibility. There was also no fault in how the Council decided his other grant applications. The Council was at fault for wrongly telling the complainant his application had been successful, but its quick rectification and apology for this error was an adequate remedy. We have therefore completed our investigation.

The complaint

1. I will refer to the complainant as Mr M.
2. Mr M complains the Council refused his application for a COVID-19 business support grant, under its additional restrictions grant (ARG) scheme.

The Ombudsman's role and powers

3. We investigate complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. We cannot question whether a council's decision is right or wrong simply because the complainant disagrees with it. We must consider whether there was fault in the way the decision was reached. ***(Local Government Act 1974, section 34(3), as amended)***
4. We must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, we may suggest a remedy. ***(Local Government Act 1974, sections 26(1) and 26A(1), as amended)***
5. If we are satisfied with a council's actions or proposed actions, we can complete our investigation and issue a decision statement. ***(Local Government Act 1974, section 30(1B) and 34H(i), as amended)***
6. This complaint involves events that occurred during the COVID-19 pandemic. The Government introduced a range of new and frequently updated rules and guidance during this time. We can consider whether the Council followed the relevant legislation, guidance and our published "Good Administrative Practice during the response to COVID-19".

How I considered this complaint

7. I reviewed Mr M's correspondence with the Council, and the Council's response to enquiries I made with it.

8. I also shared a draft copy of this decision with each party for their comments.

What I found

9. Mr M is a self-employed driving instructor. He received his instructor's licence from the DVSA on 12 October 2020. On 4 January 2021, Mr M applied to the Council for an additional restrictions grant, because he was unable to trade under the national COVID-19 lockdown.

10. On 12 February, while his application was still pending, the Council asked Mr M to provide a copy of his self-assessment tax return, in support of his application. Mr M replied to explain he had not yet submitted a tax return, because he had only been trading since 12 October.

11. On 2 March, the Council sent a general email to a number of ARG applicants, including Mr M. The email said that, as a recipient of a previous ARG, a "further grant payment" was now available for them. Mr M responded to query this email, as he had not previously received an ARG. The following day the Council sent a further general email to several applicants, explaining they had received the previous message in error as their applications were still outstanding.

12. On 16 March, the Council refused Mr M's application, because he had not been trading on or before 1 October 2020, which was a mandatory requirement of the ARG scheme.

13. Mr M replied to the Council, saying that, having checked his records, he had established he had actually begun trading on 23 September, not 12 October as he had previously stated. The Council asked Mr M to provide copies of his bank statements to support this, which Mr M submitted on 18 March. However, the Council maintained its decision to refuse Mr M's application and notified him of this on 7 April.

14. Between March and May, Mr M made four other applications to the Council for grants – three under the local restrictions support grant (LRSG) scheme, and one under the restart grant scheme. The Council refused all four applications because Mr M was not liable to pay business rates, which was a qualifying criterion for both schemes.

15. Mr M made a stage 1 complaint to the Council on 17 May. He complained about the delay in handling his ARG application, the fact the Council had requested a copy of his tax return as evidence, that it had wrongly told him his application was successful, and that it would not now accept he had begun trading before the qualifying date of 1 October. Mr M said he knew of other driving instructors who had received grants, and insisted he was eligible under the ARG scheme criteria.

16. The Council responded on 25 May. It said it had previously addressed Mr M's points of complaint in correspondence with his MP, and had confirmed Mr M had not submitted any additional supporting evidence since then. The Council reiterated that Mr M needed to have been trading on or before 1 October to be eligible for the ARG scheme; and, although he now said he had been trading since "25 September", it considered he could not have formally traded before 12 October because he had not received his instructor's licence until then. The

Council said any payments he had received from customers before 12 October were “transactions … prior to the commencement of trading”.

17. Mr M submitted a stage 2 complaint on 27 May. He said the date of issue on his instructor’s licence was not evidence of when he started trading, and that the advertising and marketing he had done for his business before 1 October constituted trading. Mr M said he had also provided ‘theory support’ and free introductory lessons to customers before 1 October, neither of which required him to have a licence.

18. Mr M acknowledged he had wrongly given the date of 12 October originally, but said he had not made this mistake his application would likely have been approved. He said the Council had also made a mistake in sending the email of 2 March which said his application had been approved, and considered the Council should now honour this.

19. The Council responded on 15 June. It acknowledged Mr M had now provided a “new declaration” he had been offering non-licensed services to customers before 1 October. It said it had fully considered this information but “[it did] not alter the Council’s position in relation to the decision of eligibility for the [ARG]”. The Council also said it had addressed Mr M’s other concerns in its original response of 25 May.

20. Mr M referred his complaint to the Ombudsman on 16 June.

Legislative background

Additional Restrictions Grant

21. In November 2020 the Government introduced the additional restrictions grant (ARG) scheme to support businesses impacted by COVID-19 restrictions.

22. The Government published guidance to support councils in administering these grants. This encouraged councils to support businesses from all sectors that may have been severely impacted by restrictions but were not eligible for other schemes.

Analysis

23. Mr M complains the Council has refused to accept he was trading before 1 October, which means it refused his application to the ARG scheme.

24. I asked the Council to elaborate on its comments in its response to Mr M’s stage 2 complaint, in which it said it had considered the new information he had submitted but had not changed its position. The Council replied:

“On the basis of his initial application, [Mr M] indicated he was not trading on 1st October 2020, as such, his application was rejected. In addition [Mr M] had supplied a copy of his Driver and Vehicle Standards Agency Trainee Driving Licence to allow him to give instruction which was issued on 12th October 2020.

“The nature of his business was a driving instructor, the licence issued to him on 12th October was considered by the Council to be the document that enabled him to trade, in that it enabled him to give instruction which was the nature of his business. This is not considered to be an unreasonable conclusion combined with [Mr M’s] own assertion initially, that trading began on 12th October. It is also the approach taken by the Council in relation to other similar businesses.

"[Mr M] subsequently indicated it was an error on his part, and that he started driving lessons on 12th October 2020 but took income for lessons prior to this. [Mr M] did submit bank statements, and they were considered by the Council, again demonstrating the willingness of the Council to distribute the grant if at all possible, but the accounts only showed payment in advance of lessons and were not considered sufficient to demonstrate trading from 1st October 2020. A payment in advance, in accounting and tax terms is not considered to amount to

provision of a service which would amount to trading and is classed as pre-trading. This is not classed as the business carrying out the activity for which it was set up, that is giving driving instruction in a car."

25. Then, later in its response, the Council summarised its position:

"[Mr M] provided no additional evidence to support his assertion that he had provided some services which amounted to trading. The Council therefore considered the evidence provided, namely evidence of pre-payment for services (which does not amount to trading), [Mr M's] original claim that he started trading on 12th October (which is accepted he later indicated was an error) the licence document which enabled him to provide driver instruction (which was his declared business) dated 12th October 2020 and his statement that he had provided some theory support."

26. The Ombudsman's role is to review the way councils have made decisions. If a council has followed the appropriate procedure, taken account of all relevant information, and given clear and logical reasons for its decision, we generally cannot criticise it. We do not make operational or policy decisions on councils' behalf, or provide a route of appeal against their decisions, and we cannot uphold a complaint simply because someone disagrees with what a council has done.

27. In this case, I appreciate why Mr M considers he was eligible under the ARG scheme. Equally, the Council has set out clear reasons why it does not accept he was trading before 12 October, not least that this is what Mr M originally said himself. The Council has also made the point to me that it refused at least one other application from a driving instructor who was only licensed by the DVSA after 1 October, like Mr M.

28. Fundamentally, Mr M's complaint comes down to a disagreement with the Council over the definition of the term 'trading', and whether Mr M's activities before 12 October should qualify. But this is not a disagreement the Ombudsman can settle; it is not for us to decide the definition of 'trading', or direct the Council to work according to a different definition. Disputes of this nature are a matter for the courts instead.

29. Rather, we can only consider whether the Council has taken proper account of the evidence Mr M has submitted, and clearly explained the reasons for its decision. I am satisfied it has done so here, and the fact Mr M disagrees with the Council's view does not give me grounds to uphold his complaint.

30. Mr M has also raised several other points in the course of his complaint, which I will now address.

31. Mr M complained about the Council's delay in deciding his ARG application, which took more than two months, instead of the advertised five days. In response to my enquiries, the Council commented it had needed to create a new application process for the various schemes, and redeploy members of staff to administer them, who were often required to undertake manual record checks

because there was no specific software for the schemes. Staff members also often needed to seek support from the Council's financial services.

32. Despite this, the Council said it "always aimed to administer grants in a timely manner [and] ensure that customers were kept up to date and advised of any delays".

33. I acknowledge Mr M's frustration it took longer than he expected to receive a decision on his application, although, in his case, some of the delay appears to have been because the Council needed to seek extra information from him. Ultimately though, I do not consider this a significant matter – there is clearly no reason to think the Council's decision would have been different had it made it more quickly, and so nothing of substance has been lost by the delay.

34. I note Mr M has also questioned why the Council asked for a copy of his self-assessment tax return, but it is for the Council to decide what evidence it needs to consider as part of an application.

35. Mr M complained the Council sent him an email in error on 2 March indicating his application had been successful. He considers the Council should now honour this.

36. It is in fact clear Mr M immediately recognised the Council's email did not make sense, as it referred to a previous grant which Mr M knew he had not received. The Council then confirmed this on 3 March, where it explained the email had wrongly been sent to some people whose applications were still pending.

37. I am satisfied this error amounts to fault by the Council, and I also accept Mr M was caused some distress by it. However, the Council very quickly rectified its error and apologised for it, and I consider this is an adequate remedy. I do not consider it would be proportionate for the Council to pay grants to people who did not qualify for them, simply for this reason.

38. Mr M complained the Council had also refused four other applications he made for grants, three under the LRSG scheme and one under the restart grant scheme. However, both of these schemes require applicants to be liable to pay rates for their business premises, which Mr M is not. There is no question of fault in the Council's decision to refuse these applications, therefore. I should add it is not for the Council to decide whether a business premises is 'rateable', but instead the Valuation Office Agency (VOA).

39. I note, in response to the Council's rejection of his restart grant application, Mr M provided a weblink to Government guidance, which he said did not indicate a business must be liable for rates to qualify. However, this guidance was for the ARG scheme, not the restart grant or LRSG schemes. It is correct an applicant did not need to be liable for business rates for the ARG scheme, but the Council refused Mr M's ARG application for a different reason.

40. Finally, Mr M complained other driving instructors in the area had received grants from the Council.

41. Given the number of different schemes, and the different eligibility criteria, it is possible other instructors may have qualified for grants in a way Mr M did not – for example, by being able to show they were trading on or before 1 October. Without being able to verify which schemes other instructors applied to, and why their applications were successful, it is not possible to say whether the Council was at fault in those cases.

42. Even if I could say that, however, this would not affect my decision here. That another person may have benefitted from a Council error does not mean Mr M should also be allowed to. I am satisfied there is no fault in how the Council considered Mr M's various applications, and so there can be no injustice to him in this respect.

Conclusions

43. There is no fault in how the Council considered Mr M's ARG application, or his various other grant applications. The Council was entitled to decide the evidence did not show he was trading on or before 1 October, and he could not qualify for the LRSG or restart grant schemes because he is not liable for business rates. That other driving instructors may have received grants does not alter this.

44. There was some delay in the Council's decision on Mr M's ARG application, although this is partly attributable to its need to seek additional information from him. But this delay is not a significant point, and it was for the Council to decide what evidence it needed Mr M to submit.

45. The Council was at fault for sending Mr M an email which wrongly implied his ARG application had succeeded, and this fault caused Mr M some distress. However, the Council acted quickly to rectify and apologise for its error, and I consider this is adequate to remedy the injustice to Mr M.

Final decision

46. I have completed my investigation with a finding of fault causing injustice, but which the Council has already remedied.

Investigator's decision on behalf of the Ombudsman