

Agenda

Cabinet

Date: **Wednesday 21 February 2024**

Time: **2.00 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

0115 901 3906

Cabinet

Membership

Chair Councillor John Clarke

Vice-Chair Councillor Michael Payne

Councillor David Ellis
Councillor Kathryn Fox
Councillor Jenny Hollingsworth
Councillor Viv McCrossen
Councillor Marje Paling
Councillor Lynda Pearson
Councillor Henry Wheeler

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Responsibility of committee:

Cabinet is the meeting of all executive members. The Executive will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under the Constitution. Cabinet Portfolios are detailed within Section 6, Part 9 of the Council's Constitution.

AGENDA

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- 8 **Hill Crest Business Park Extension, Calverton** 221-235
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Report of the Community Infrastructure Levy Officer
- 10 **Any other items the Chair considers urgent**

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MINUTES CABINET

Wednesday 31 January 2024

Councillor John Clarke (Chair)

Councillor Michael Payne
Councillor David Ellis
Councillor Kathryn Fox
Councillor Jenny Hollingsworth

Councillor Marje Paling
Councillor Lynda Pearson
Councillor Henry Wheeler

Absent: Councillor Viv McCrossen

Officers in Attendance: T Adams, M Hill, C McCleary and F Whyley

61 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Viv McCrossen.

62 TO APPROVE, AS A CORRECT RECORD, THE MINUTES OF THE MEETING HELD ON 14 DECEMBER 2023

RESOLVED:

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

63 DECLARATION OF INTERESTS

None.

64 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 six month period. In relation to the forward plan item Modern Slavery Statement 2022/23, a correction was noted that the Cabinet portfolio holder should state 'Public Protection', not 'Life Chances and Vulnerability'.

RESOLVED:

To note the report.

65 PROGRESS REPORT ON CARBON MANAGEMENT STRATEGY

The Head of Environment introduced a report, which had been circulated in advance of the meeting, updating members on the progress of the Carbon Management Strategy and Action Plan. Consideration was given to two separate presentations, one from the Council's Climate Change Officer and the second from the Gedling Climate Change Group.

RESOLVED:

To note the summary of actions and activities already undertaken by the Council so far this year.

66 CONSULTATION ON EQUALITIES & DIVERSITY POLICY

The Interim Corporate Director introduced a report, which had been circulated in advance of the meeting, seeking approval to launch a consultation on changes to the Council's Equality and Diversity Policy 2024-27 and updating members on the ongoing equality and diversity work.

RESOLVED to:

- 1) Note the work undertaken on the Equality and Diversity framework and action plan and the wider work undertaken to strengthen the Council's approach to equality and diversity in the performance of its functions from 2021-2024; and
- 2) Agree to the public consultation on the Council's updated Equality and Diversity Policy 2024-27.

**67 MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT
2022/23**

The Chief Executive introduced a report, which had been circulated in advance of the meeting, seeking approval of the Modern Slavery and Human Trafficking Statement 2022/23 and a new Modern Slavery and Human Trafficking Policy.

RESOLVED to:

- 1) Approve the Modern Slavery and Human Trafficking Statement 2022/23; and
- 2) Approve the Modern Slavery and Human Trafficking Policy 2024-2027.

68 GEDLING PLAN QUARTER 3 REPORT 2023-24

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 2023-27 Gedling Plan at the end of quarter 3 2023/24.

RESOLVED:

To note the report.

69 PRUDENTIAL CODE INDICATOR MONITORING 2023/24 AND QUARTERLY TREASURY ACTIVITY REPORT FOR QUARTER ENDED 31 DECEMBER 2023

The Head of Finance and ICT and Deputy S151 officer introduced a report, informing Cabinet of the performance monitoring of the 2023/24 prudential code indicators, and advising members of the quarterly treasury activity as required by the treasury management strategy.

RESOLVED:

That the report, together with the treasury activity report 2023/24 for quarter 3 at appendix 1, and the prudential and treasury indicator monitoring 2023/24 for quarter 3 at appendix 2 of the report, be noted.

70 QUARTERLY BUDGET MONITORING AND VIREMENT REPORT – QUARTER 3 DECEMBER 2023

The Head of Finance and ICT and Deputy S151 Officer introduced a report, which had been circulated in advance of the meeting, updating Cabinet on the forecast outturn for revenue and capital budgets for 2023/24, including all approved carried forward amounts from the 2022/23 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;
- 3) Approve the changes to the capital programme included in paragraph 2.3 of the report; and
- 4) Recommend to Council approval of an additional £100,000 to the capital programme and borrowing for funding repairs to the large storage shed as set out in section 2.3 of the report.

71 ANY OTHER ITEMS THE CHAIR CONSIDERS URGENT.

None.

The meeting finished at 3.45 pm

Signed by Chair:
Date:



Report to Cabinet

Subject: Forward Plan

Date: 21 February 2024

Author: Democratic Services Manager

Wards Affected

All

Purpose

To present the Executive's draft Forward Plan for the next six 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 six 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 six month period.

Statutory Officer approval

Approved by:

Chief Financial Officer

Date:

31/8/2020 (report content)

Approved by:

Monitoring Officer

31/8/2020 (report content)

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Gedling Borough Council

FORWARD PLAN

FOR THE PERIOD 1 MARCH 2024 TO 30 JUNE 2024

This Forward Plan sets out the details of the key and non-key decisions which the Executive Cabinet expect to take during the next six months.

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 David Ellis – Portfolio Holder for Public Protection

Councillor Kathryn Fox – Portfolio Holder for Life Chances and Vulnerability

Councillor Jenny Hollingsworth – Portfolio Holder for Sustainable Growth and Economy

Councillor Marje Paling – Portfolio Holder for Environmental Services (Operations)

Councillor Lynda Pearson – Portfolio Holder for Communities and Place

Councillor Viv McCrossen – Portfolio Holder for Climate Change and Natural Habitat

Councillor Henry Wheeler – Portfolio Holder for Lifestyles, 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?
<p>Quarterly Budget Monitoring and Virement Report – Quarter 3 December 2023</p> <p>To update Cabinet on the forecast outturn for Revenue and Capital Budgets for 2023/24.</p>	<p>31 Jan 2024 Cabinet</p> <p>21 Feb 2024 Council</p>	<p>Tina Adams, Financial Services Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Corporate Resources and Performance</p>	<p>Open</p> <p>Yes</p>
<p>Prudential and Treasury Indicators and Treasury Management Strategy Statement 2024/25</p> <p>To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2024/25, for referral to Full Council on 6 March 2024.</p>	<p>21 Feb 2024 Cabinet</p> <p>6 Mar 2024 Council</p>	<p>Tina Adams, Financial Services Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Corporate Resources and Performance</p>	<p>Open</p> <p>Yes</p>
<p>General Fund Revenue Budget 2024/25</p> <p>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. Cabinet is asked to approve the discretionary inflation increase and recommend to Council on 6 March 2024 the approval of Council Tax Increase and the detailed Revenue Budget for 2024/25.</p>	<p>21 Feb 2024 Cabinet</p> <p>6 Mar 2024 Council</p>	<p>Tina Adams, Financial Services Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Corporate Resources and Performance</p>	<p>Open</p> <p>Yes</p>
<p>Capital Programme and Capital Investment Strategy 2024/25 to 2028/29</p> <p>To approve the Capital Investment Strategy 2024/25 to 2028/29 and to approve the Capital Programme for 2024/25 to 2026/27 and refer to Council for approval on 6 March 2024.</p>	<p>21 Feb 2024 Cabinet</p> <p>6 Mar 2024 Council</p>	<p>Tina Adams, Financial Services Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Corporate Resources and Performance</p>	<p>Open</p> <p>Yes</p>

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
<p>Community Infrastructure Levy (CIL) Non- Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations</p> <p>To seek approval for the commencement of a four-week public consultation on the projects shortlisted as suitable for CIL Neighbourhood Funding in the 'CIL Non-Parish Funding - Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations document.</p>	<p>21 Feb 2024 Cabinet</p>	<p>Lewis Widdowson, Planning Officer</p>	<p>Officer Report</p>	<p>Portfolio Holder for Sustainable Growth and Economy</p>	<p>Open</p> <p>Yes</p>
<p>Community Asset transfer of Wollaton Avenue Community Centre</p> <p>To give members an update on the community asset transfer of Wollaton Avenue Community Centre.</p>	<p>28 Mar 2024 Cabinet</p>	<p>Lance Juby, Head of Communities and Leisure</p>	<p>Officer Report</p>	<p>Portfolio Holder for Lifestyles, Health and Wellbeing</p>	<p>Open</p> <p>No</p>
<p>Strategic Review - Community Facilities</p> <p>To adopt the further strategic work undertaken as part of the Strategic Outcomes Planning Model.</p>	<p>28 Mar 2024 Cabinet</p>	<p>Lance Juby, Head of Communities and Leisure</p>	<p>Officer Report</p>	<p>Portfolio Holder for Lifestyles, Health and Wellbeing</p>	<p>Open</p> <p>Yes</p>
<p>Interim Planning Policy Statement: Biodiversity Net Gain</p> <p>To approve an interim planning policy statement on biodiversity net gain</p>	<p>28 Mar 2024 Cabinet</p>	<p>Jo Gray, Planning Policy Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Sustainable Growth and Economy</p>	<p>Open</p> <p>Yes</p>
<p>Review of Local Development Scheme</p> <p>To update members on the Review of Local Development Scheme</p>	<p>28 Mar 2024 Cabinet</p>	<p>Jo Gray, Planning Policy Manager</p>	<p>Officer Report</p>	<p>Portfolio Holder for Sustainable Growth and Economy</p>	<p>Open</p> <p>No</p>

Description of the decision	Date decision is expected to be taken and who will take the decision?	Responsible Officer	Documents to be considered by the decision maker	Cabinet Portfolio	Public / Exempt (and reason if the decision is to be taken in private) Is this a key decision?
Gedling Plan Performance Indicators 2024-25 To update members on the Gedling Plan Performance Indicators for 2024-25	28 Mar 2024 Cabinet	David Archer, Head of Human Resources Performance and Service Planning	Officer Report	Leader of the Council	Open Yes
Front Street To give members an update on the properties on Front Street	23 May 2024 Cabinet	Tanya Najuk, Head of Regeneration and Welfare	Officer Report	Portfolio Holder for Corporate Resources and Performance	Open Yes



Report to Cabinet

Subject: Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2024/25

Date: 21 February 2024

Author: Head of Finance and ICT (Chief Finance Officer)

Wards Affected

All

Purpose

To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2024/25, for referral to Full Council on 6 March 2024.

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) 2024/25, which includes the key elements below, and refer it to Full Council on 6 March 2024 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 2024/25 through to 2026/27 (Appendix 1);
 - e. Treasury Indicators including affordability limits to borrowing for 2024/25 through to 2026/27 (Appendix 1).
2. Note the indicative Prudential Indicators for 2027/28 and 2028/29 (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 on 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 the updated *Treasury Management and Prudential Codes* on 20 December 2021. CIPFA stated that, after a soft introduction of the Codes, local authorities are expected to fully implement the required reporting changes within their TMSS reports from 2024/25.

The Department for Levelling Up, Housing and Communities (DLUHC) is proposing to tighten up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has already closed access to all Public Works Loan Board (PWLB) borrowing if such schemes are included in an authority's capital programme. The new CIPFA codes have adopted a similar outlook to discourage further capital expenditure on commercial investments for yield.

However, this does not mean that local authorities may not currently have the legal powers to undertake such capital expenditure despite such guidance and regulation, but each authority should take its own legal advice on such matters before proceeding.

The main objective of the updated *Treasury Management and Prudential Codes* was to respond to the major expansion of local authority investment activity in recent years on the purchase of non-financial investments, particularly property. The Codes require a local authority to:

- define its risk appetite and its governance processes for managing risk;
- set out, at a high level, its investment policy in relation to environmental, social and governance aspects;
- adopt a new liability benchmark treasury indicator to support the risk management of the capital financing requirement (CFR); this is to be shown in chart form for a minimum of ten years, with material differences between the liability benchmark and actual loans to be explained;
- ensure it does not borrow to finance capital expenditure to invest primarily for commercial return;
- ensure that increases in the CFR and borrowing are undertaken solely for purposes directly and primarily related to the functions of the authority; where any financial returns are related to the financial viability of the project in question, they should be incidental to its primary purpose;
- conduct an annual review to evaluate whether commercial investments should be sold to release funds to finance new capital expenditure or refinance maturing debt;
- ensure its capital plans and investment plans are affordable and proportionate;
- ensure all borrowing and other long-term liabilities are within prudent and sustainable levels;
- ensure risks associated with commercial investments are proportionate to overall financial capacity in order to sustain losses;
- ensure that treasury management decisions are made in accordance with good professional practice;

- ensure that reporting to Members is conducted quarterly, including updates of prudential indicators;
- assess the risks and rewards of significant investments over the long-term as opposed to the usual three to five years that most local authority financial planning has been conducted over to ensure the financial sustainability of the authority;
- ensure it has access to the appropriate level of expertise to be able to operate safely in all areas of investment and capital expenditure and to involve Members adequately in making properly informed decisions on such investments.

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

- Treasury Management

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.

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 purpose and content is summarised below for completeness.

1.2.2 Capital Strategy

The CIPFA 2021 *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.

1.2.3 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.

1.2.4 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.

In addition to the three major reports detailed above, from 2024/25 quarterly reporting (at 30 June and 31 December) is also required. However, these additional reports do not have to be reported to Council but do need to be adequately scrutinised. This role is undertaken by Cabinet.

1.3 Treasury Management Strategy for 2024/25

The treasury management strategy for 2024/25 covers two main areas:

Capital issues including:

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

Treasury management issues including:

- The current treasury position;
- Treasury indicators which limit the treasury risk and activities of the Council;
- Prospects for interest rates;
- The borrowing strategy;

- The policy on borrowing in advance of need;
- Debt rescheduling;
- The investment strategy;
- The Creditworthiness policy;
- The policy on the use of external service providers.

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

1.4 Training

The *CIPFA Treasury Management 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.

Pages 47 and 48 of the *Treasury Management Code* state that they expect *“all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.*

The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- *Record attendance at training and ensure action is taken where poor attendance is identified.*
- *Prepare tailored learning plans for treasury management officers and board/council members.*
- *Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).*
- *Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.”*

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 2024/25.

The training needs of officers involved with Treasury Management are reviewed periodically. A formal record of the training received by these officers will be maintained by the Chief Financial Officer. Similarly, a formal record of the treasury management/capital finance training received by Members will be maintained by Democratic Services.

1.5 Treasury Management Consultants

The Council uses Link Asset Services (LAS) as its external 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.

2.0 Treasury Management Strategy Statement (TMSS)

2.1 The Capital Prudential Indicators 2024/25 to 2026/27

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 2024/25 through to 2026/27 are attached at Appendix 1 and these must be referred to Full Council for approval in accordance with the regulations.

Indicative indicators for 2027/28 and 2028/29 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 and Financing

The indicator includes a summary of the proposed capital expenditure plans for 2024/25 through to 2026/27, including those schemes agreed previously and those forming part of this budget cycle. The Capital Programme includes only “service-related” expenditure.

Capital Expenditure:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Service Investment	9,388.1	4,703.4	3,172.5
Total Capital Expenditure	9,388.1	4,703.4	3,172.5

The table below analyses the capital expenditure plans by portfolio.

Portfolio Capital Expenditure:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Lifestyles, Health and Well-being	219.1	0.0	0.0
Environment Services	1,516.5	1,184.0	1,309.8
Sustainable Growth & Economy	3,734.0	2,300.0	1,200.0
Corporate Resources and Performance	3,918.5	1,219.4	662.7
Total Capital Expenditure	9,388.1	4,703.4	3,172.5

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:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Capital Expenditure (above):	9,388.1	4,703.4	3,172.5
Financed by:			
Capital Receipts	1,014.7	839.4	282.7
Capital Grants & Contributions	3,544.4	1,200.0	1,813.8
Direct Revenue Financing	148.0	0.0	0.0
Net Borrowing Need	4,681.0	2,664.0	1,076.0

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. 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)	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Closing CFR:	19,795.2	21,262.5	20,964.4
Movement in CFR within the year	+3,771.7	+1,467.3	-298.1
Represented by:			
Net financing need	+4,681.0	+2,664.0	+1,076.0
MRP	-909.3	-1,196.7	-1,374.1
Movement in CFR within the year	+3,771.7	+1,467.3	-298.1

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 36% 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:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Estimated closing Long Term Assets: (Property, Plant, Equipment & Investment Assets)	54,409	57,913	59,885
Closing CFR (above)	19,795.2	21,262.5	20,964.4
Gearing Ratio	36%	37%	35%

2.1.3 Liability Benchmark

A fourth prudential indicator is the Liability Benchmark (LB). The Council is required, as a minimum, to estimate and measure the LB for the forthcoming financial year and the two following financial years.

There are four components to the LB:

- Existing Loan Debt Outstanding – The Council’s existing loans that are still outstanding in future years;
- Loans CFR – Calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP;
- Net Loans Requirement – The Council’s gross loan debt less treasury management investments at the last financial year end, projected into the future and based on approved prudential borrowing, planned MRP and any other major cash flow forecasts;
- Liability Benchmark (or Gross Loans Requirement) – The net loans requirement plus a short-term liquidity allowance.

The Council’s estimated liability benchmark is as follows:

	2024/25 £	2025/26 £	2026/27 £
Liability Benchmark	-2,489,000	-3,315,571	-4,266,011

The estimated liability benchmark is a negative figure due to the Council’s investments exceeding its borrowings over the period shown.

2.1.4 Other Capital Affordability Prudential Indicators

Sections 2.1.1, 2.1.2 and 2.1.3 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 General Fund Revenue Budget report elsewhere on this agenda.

Financing costs and the net revenue stream:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Net revenue stream	14,937.9	14,839.2	14,600.3
Financing costs (net)	329.7	569.7	847.2
Ratio to net revenue stream	2.21%	3.84%	5.80%

- **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 2024/25 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 General Fund Revenue Budget report.

Maximum Gross Debt:	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Opening CFR (ie. closing CFR in preceding year)	16,023.4	19,795.2	21,262.5
Additions (only) in-year + following 2 years	4,941.0	318.5	-1,573.9
Maximum Gross Debt	20,964.4	20,113.7	19,688.6
Estimated total GBC debt outstanding at 31 March	10,811.6	10,811.6	10,811.6
Under/(over) borrowing	10,152.8	9,302.1	8,877.0

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 2024/25:

MRP Statement 2024/25

- 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 over 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 not provide for an additional voluntary contribution to MRP in 2024/25, and neither has it done so in previous years.
- f. Based on the above policy, the net MRP charge for 2024/25 has been calculated as **£909,267** as detailed below, and this sum has been included in the Council’s 2024/25 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

Minimum Revenue Provision (MRP)	2024/25 £s
CFR Method - up to 31 March 2008	180,254
Asset Life Method (annuity approach) - from 1 April 2008	729,013
Total MRP	909,267

DLUHC is presently conducting a consultation on amending MRP regulations and guidance for England. It is anticipated that any changes will take effect from 2024/25 at the earliest.

2.3 Treasury Strategy 2024/25 - Borrowing and Investment

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

2.3.1 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	2024/25 Estimate £000s	2025/26 Estimate £000s	2026/27 Estimate £000s
Estimated Debt 1 April	10,811.6	10,811.6	10,811.6
Estimated change in debt	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0
Estimated Gross Debt 31 March	10,811.6	10,811.6	10,811.6
Estimated Closing CFR	19,795.2	21,262.5	20,964.4
Under/Internal / (Over) borrowing	8,983.6	10,450.9	10,152.8
Internal borrowing as % of estimated closing CFR	45%	49%	48%

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%. The table above shows that Gedling’s ratio is estimated to be between 45% and 49% over the next three years, which benefits the Council as it lessens the risk of interest rate 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 2.1.4 above, to comply with the “gross debt” indicator, the Council must ensure that its gross debt does not, except in the short term, exceed the total of the closing CFR in the preceding year plus the estimates of any additional CFR for 2024/25 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, 2023/24, 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 8 January 2024 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 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
BANK RATE	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

Link’s forecast for interest rates show that the Bank Rate has peaked at 5.25% and is expected to fall to 3.0% in September 2025.

Significant downside risks to the forecasts include:

- Labour and supply shortages proving more enduring and disruptive and depressing economic activity;
- The MPC acting against the forecast and freezing or increasing the Bank Rate, causing United Kingdom economic growth to be weaker than currently anticipated;
- United Kingdom/European Union 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;
- Geopolitical risks such as, for example, the situation in Ukraine and Russia leading to increasing flows to safe havens.

Significant upside risks to the forecasts include:

- The MPC acting against the forecast and decreasing the Bank Rate, thereby enabling faster economic growth;
- The Government acting too quickly to cut taxes and/or increase expenditure in response to the cost of living crisis;

- The pound weakening because of a lack of confidence in the Government's fiscal policies and leading to investors pricing in a risk premium for holding United Kingdom sovereign debt;
- Long term United States treasury yields rising strongly and pulling gilt yield up higher than currently forecast;
- Projected gilt issues being too much for the market comfortably digest without higher yields.

2.3.4 Borrowing Strategy 2024/25

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 as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy.

As always, against this background and the risks within the economic forecast outlined above, and the potential cost of carrying debt, caution will be adopted with the 2024/25 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 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. The Council is currently not budgeting to take any additional new borrowing in 2024/25 and future years.

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 extent to which these funding options may prove cheaper than PWLB would be subject to comparison at the appropriate time. The Council may make use of these sources of borrowing if appropriate, but only following advice from LAS.

2.3.8 Annual Investment Strategy 2024/25

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. Non-financial investments such the purchase of income-yielding assets and service investments are managed by the Property Services team and are covered in the Capital Strategy.

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 2021* (“the CIPFA TM Code”);
- CIPFA *Treasury Management Guidance Notes 2021*.

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, i.e. 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 2024/25 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 they see 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 for 2022/23 under IFRS9, whereby movements in the value of investments are charged immediately to the revenue accounts, the Council have considered the implications of investment instruments that 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 ending on 31 March 2023. This has been extended to 31 March 2025 and has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet until 31 March 2025.

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 past 31 March 2025, then all 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 initial value of the Council's £1m investment in the CCLA Property Fund in December 2017 was £0.937m. The latest value as at 31 December 2023 is £0.893m. However, this investment is regarded as a long term commitment and fluctuations are expected. It must be noted that the Council still receives dividend payments of circa £45k per year into revenue from this investment.

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. Creditworthiness Policy

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. Counterparty selection:

The Chief Financial Officer maintains a “counterparty list” and this is monitored constantly. The CFO has delegated authority to amend the minimum criteria as they see 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 maximum duration of investments with a given counterparty. The colour bandings used by LAS and the Council are as follows:

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

- Green 100 days
- No colour not to be used

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

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

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.

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 they see 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 was 5.25% on 8 January 2024. Link forecast that it will remain at 5.25% until June 2024 and then fall to 3.0% by September 2025. LAS consider that it is prudent to assume investment earnings from market-related instruments up to around 3 months will be approximately 4.6% for 2024/25 before falling to 3.1% for 2025/26. The Council's investment interest estimate for 2024/25 is currently based on an

assumption of 4.5% on the property fund and an equated rate of 3.0% 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 2024 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 2024/25, 2025/26 and 2026/27 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 CIPFA *Treasury Management Code 2021*, 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 now uses Sterling 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 official rates.

Link provides 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. 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 *Treasury Management Code* suggests that the credit and counterparty policies for an organisation like the Council “*should set out its policy and practices relating to ESG investment considerations. This is still a developing area and it is not implied that the organisation’s ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level*”.

The CIPFA *Treasury Management Code 2021* also goes on to state that “*ESG issues are increasingly significant for investors and investment managers. This is better developed in equity and bond markets than for short-term cash deposits, and there is a diversity of market approaches to ESG classification and analysis. This means that a consistent and developed approach to ESG for public service organisations is currently difficult. Organisations are therefore recommended to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation’s own relevant policies, such as environmental and climate change policies.*”

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. limiting the Council’s potential counterparty options and thus decreasing 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 increase 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 alongside 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 does 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 and social factors are also important, but more for the long-term impact, unless 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 emphasise the use of SMART (specific, measurable, appropriate, realistic and timely) criteria in investment decisions. This approach seems more relevant than ever in view of perceived weaknesses in the ability of many fund managers to accurately report on the degree to which their funds or products are ESG compliant.

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 uncertainty as to how the *Treasury Management Code* may develop TMP1, 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 2024/25 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 Finance Officer)

The role of the Section 151 (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.

The above list of the specific responsibilities of the Section 151 Officer as set out in the CIPFA *Treasury Management Code 2021* are as per the 2017 Code. However, implicit in the changes to both the CIPFA *Prudential and Treasury Management Codes* was a major extension of the function of the Section 151 Officer role, especially in respect of non-financial investments (which CIPFA has defined as being part of treasury management). The Section 151 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 long term timeframe;
- Ensuring that the capital strategy is prudent, sustainable and affordable in the long term, and provides value for money;
- Ensuring that due diligence has been carried out on all treasury and non-financial investments, and is in accordance with the risk appetite of the authority;
- Ensuring that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- Ensuring the proportionality of all investments so that the authority does not undertake a level of investment which exposes it to an excessive level of risk compared to its financial resources;
- Ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities;
- Provision to Members of a schedule of all non-treasury 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

As set out throughout 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

These are set out in paragraph 2.3.8 under the heading “Environmental, Social and Governance (ESG) considerations.

8. Appendices

1. Prudential and Treasury Indicators 2024/25 through to 2026/27 for approval, and Indicative Indicators for 2027/28 and 2028/29;
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 2024

Approved by: Monitoring Officer

Date: 9 February 2024

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	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Indicative	2028/29 Indicative
<u>Prudential Indicators</u>					
a) Capital Expenditure:	£ 9,388,100	£ 4,703,400	£ 3,172,500	£ 1,793,000	£ 2,264,000
b) Capital Financing Requirement: (closing)	£ 19,795,200	£ 21,262,500	£ 20,964,400	£ 20,113,700	£ 19,688,629
c) Gearing	36%	37%	35%	34%	32%
d) Liability Benchmark	-£ 2,489,000	-£ 3,315,571	-£ 4,266,011	-£ 5,356,733	-£ 6,486,248
e) <u>Ratio of Financing Costs to Net Revenue Stream</u> Service activity	2.21%	3.84%	5.80%	6.46%	6.47%
f) Maximum Gross Debt	£ 20,964,400	£ 20,113,700	£ 19,688,600	£ 19,688,600	£ 19,688,600
g) Ratio of Internal Borrowing to CFR	45%	49%	48%	46%	45%
<u>Treasury Indicators</u>					
a) Operational Boundary for External Debt:					
Borrowing	£ 22,000,000	£ 21,100,000	£ 20,700,000		
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000		
Total Operational Boundary	£ 23,500,000	£ 22,600,000	£ 22,200,000		
b) Authorised Limit for External Debt:					
Borrowing	£ 23,000,000	£ 22,100,000	£ 21,700,000		
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000		
Total Authorised Limit	£ 24,500,000	£ 23,600,000	£ 23,200,000		
c) Upper limits for the maturity structure of o/s Borrowing during 2024/25 (Lower limit 0%)					
Under 1 Year	40.00%	40.00%	40.00%		
1 Year to 2 Years	40.00%	40.00%	40.00%		
2 Years to 5 Years	50.00%	50.00%	50.00%		
5 Years to 10 Years	50.00%	50.00%	50.00%		
Over 10 Years	100.00%	100.00%	100.00%		
d) 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 DECEMBER 2026 (Link and Capital Economics as at 8 January 2024)

Link Group Interest Rate View														
	Now	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
Bank Rate	5.25%	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
3 month ave. earnings	-	5.30%	5.30%	5.00%	4.50%	4.00%	3.50%	3.30%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6 month ave. earnings	-	5.20%	5.10%	4.80%	4.30%	3.80%	3.30%	3.20%	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
12 month ave. earnings	-	5.00%	4.90%	4.60%	4.10%	3.70%	3.20%	3.20%	3.10%	3.10%	3.10%	3.10%	3.20%	3.20%

Bank Rate													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Link Group	5.25%	5.25%	4.75%	4.25%	3.75%	3.25%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Capital Economics	5.25%	5.00%	4.50%	4.00%	3.50%	3.00%	3.00%	3.00%	-	-	-	-	

5yr PWLB Rate													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Link Group	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.80%	3.70%	3.60%	3.60%	3.50%	3.50%	
Capital Economics	4.50%	4.30%	4.10%	4.00%	3.90%	3.80%	3.80%	3.70%	-	-	-	-	

10yr PWLB Rate													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Link Group	4.70%	4.50%	4.40%	4.30%	4.20%	4.10%	4.00%	3.90%	3.80%	3.70%	3.70%	3.70%	
Capital Economics	4.60%	4.40%	4.20%	4.10%	4.10%	4.10%	4.10%	4.10%	-	-	-	-	

25yr PWLB Rate													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Link Group	5.20%	5.10%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.20%	4.10%	4.10%	4.10%	
Capital Economics	5.10%	4.80%	4.60%	4.30%	4.40%	4.40%	4.50%	4.60%	-	-	-	-	

50yr PWLB Rate													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	
Link Group	5.00%	4.90%	4.70%	4.60%	4.40%	4.20%	4.10%	4.00%	4.00%	3.90%	3.90%	3.90%	
Capital Economics	4.80%	4.60%	4.50%	4.30%	4.30%	4.30%	4.40%	4.40%	-	-	-	-	

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LOCAL GOVERNMENT INVESTMENTS (England) page1

SPECIFIED INVESTMENTS 2024/25

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 presently 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. <i>Custodial arrangement required prior to purchase</i>	No	Yes	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/advice from Link Asset Services (LAS)	365 days
Gilts with maturities up to 1 year <i>Custodial arrangement required prior to purchase</i>	No	Yes	Govt-backed	No	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

LOCAL GOVERNMENT INVESTMENTS (England) page 2

SPECIFIED INVESTMENTS 2024/25 (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
<p>Money Market Funds (MMFs) Collective investment schemes as defined in SI 2004 No 534</p> <p>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) <i>These funds do not have any maturity date</i></p>	No	Yes	AAA	No	<p>In-house with advice from LAS</p> <p>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</p>	<i>The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements</i>
<p>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 <i>Custodial arrangement required prior to purchase</i></p>	No	Yes	Govt-backed	No	In-house	365 days
<p>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 <i>Custodial arrangement required prior to purchase</i></p>	No	Yes	Govt-backed	No	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

LOCAL GOVERNMENT INVESTMENTS (England) page 3

SPECIFIED INVESTMENTS 2024/25 (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 <i>Custodial arrangement required prior to purchase</i>	No	Yes	AAA	No	Buy and hold to maturity. To be used in-house after consultation/advice from LAS	365 days

LOCAL GOVERNMENT INVESTMENT (England) page 4

NON-SPECIFIED INVESTMENTS 2024/25

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>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Exp?</u>	<u>Circumstance of use</u>	<u>Maximum Investment</u>	<u>Maximum maturity of investment</u>
<p>Term deposits with credit rated deposit takers (banks and building societies) with maturities <u>greater</u> than 1 year (365 days)</p> <p>Page 56</p>	<p>(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment.</p> <p>(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</p>	No	No	Adopt LAS creditworthiness methodology to assess usage, and duration of investments	No	In-house	£3m any ONE counterparty AND £5m in TOTAL. <u>AND</u> subject to the prevailing OVERALL maximum investment with any one counterparty	3 years
<p>Certificates of Deposit with credit rated deposit takers (banks and building societies) with maturities <u>greater</u> than 1 year (365 days) <i>Custodial arrangement required prior to purchase</i></p>	<p>(A) (i) Although in theory tradable, are relatively illiquid.</p> <p>(B) (i) ‘Market or interest rate risk’ - Yield subject to movement during life of CD which could negatively impact on price of the CD.</p>	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

LOCAL GOVERNMENT INVESTMENT (England) page 5

NON-SPECIFIED INVESTMENTS 2024/25 (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
<p>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)</p>	<p>(A) (i) Enhanced income - Potentially higher return than using a term deposit with similar maturity.</p> <p>(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.</p>	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
<p>UK government gilts with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i></p>	<p>(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</p> <p>(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.</p>	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

LOCAL GOVERNMENT INVESTMENT (England) page 6

NON-SPECIFIED INVESTMENTS 2024/25 (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).

<u>Investment</u>	<u>(A) Why use it?</u> <u>(B) Associated risks?</u>	<u>Share/ Loan Capital?</u>	<u>Repayable/ Redeemable within 12 months?</u>	<u>Security / Minimum credit rating</u>	<u>Capital Exp?</u>	<u>Circumstance of use</u>	<u>Maximum Investment</u>	<u>Maximum maturity of investment</u>
<p>Sovereign issues ex UK govt gilts - any maturity <i>Custodial arrangement required prior to purchase</i></p> <p>Page 58</p>	<p>(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</p> <p>(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.</p>	No	Yes	AAA	No	Buy and hold to maturity. To be used in-house after consultation/ advice from LAS	£3m	5 years
<p>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 <i>Custodial arrangement required prior to purchase</i></p>	<p>(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)</p> <p>(B) (i) ‘Market or interest rate risk’ - Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen</p>	Yes	Yes	AAA / government guaranteed	No	Buy and hold to maturity. To be used in-house after consultation/ advice from LAS	£3m	5 years

LOCAL GOVERNMENT INVESTMENT (England) page 7

NON-SPECIFIED INVESTMENTS 2024/25 (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
<p>Bonds issued by multilateral development banks (as defined in SI 2004 No 534) with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i></p>	<p>(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)</p> <p>(B) (i) 'Market or interest rate risk' - Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen</p>	Yes	Yes	AAA or government guaranteed	No	Buy and hold to maturity. To be used in-house after consultation/ advice from LAS	£3m	5 years
<p>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). <i>These funds do not have any maturity date</i></p>	<p>(A) Property Funds allow a property element to be introduced into an investment portfolio, without the direct purchase of assets and associated risks.</p> <p>(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.</p> <p>(B) (ii) Property is not a liquid asset and it may take time to realise an investment.</p>	No	No	Property Funds are not rated, due to their diverse portfolios and structures	Investment in the 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.

LOCAL GOVERNMENT INVESTMENT (England) page 8

NON-SPECIFIED INVESTMENTS 2024/25 (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 Page 60	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
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- France
- Qatar
- **U.K.**

This list was provided by Link Asset Services as at 17 November 2023 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 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 2024/25 to 2028/29

Date: 21 February 2024

Author: Senior Leadership Team on behalf of the Leader

Wards Affected

All

Purpose

This report summarises:

- a) The proposed Capital Investment Strategy for 2024/25 to 2028/29; and
- b) The proposed Capital Programme for 2024/25 through to 2026/27 for approval, and the indicative capital programme for 2027/28 and 2028/29, 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 6 March 2024 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 2024/25 through to 2028/29;
2. Approve the Capital Investment Strategy 2024/25 through to 2028/29 detailed at Appendix 1 and refer it to Council for approval on 6 March 2024;
3. Approve the Capital Programme for 2024/25 through to 2026/27 detailed at Appendix 2 and refer it to Council for approval on 6 March 2024;
4. Note the indicative Capital Programme for 2027/28 and 2028/29.

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 CIPFA issued a new edition of the Prudential Code in December 2021. Although the revised reporting arrangements could be deferred until 2024/25, the Council moved to adopt the majority of changes at the earliest opportunity. The Capital Investment Strategy 2024/25, contained as an appendix to this report complies in full with the new Prudential Code.
- 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.
- 1.6 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), 2024/25 through to 2028/29, 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.

- 1.7 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.
- 1.8 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
- 1.9 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.
- 1.10 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. Capital Investment Strategy

- 2.1 The Capital Investment Strategy outlines the principles and framework that shape the Council’s capital investment decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council’s priorities and objectives as set out in the Gedling Plan.
- 2.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending; and sets out how the resources and capital programme will be managed.
- 2.3 The Prudential Code details the indicators that Councils are required to set to demonstrate that capital plans are affordable and prudent. The required indicators are included in the Prudential and Treasury Indicators and Treasury Management Strategy Statement, an item elsewhere on this agenda.
- 2.4 A copy of the proposed Capital Investment Strategy for 2024/25 through to 2028/29 is attached at Appendix 1.

3. Proposed Capital Programme

- 3.1 The following table presents the proposed three year Capital Programme for 2024/25 through to 2026/27 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	
	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Lifestyles, Health & Well-being	219,100	0	0	0	0
Environmental Services	1,516,500	1,184,000	1,309,800	163,000	634,000
Sustainable Growth & Economy	3,734,000	2,300,000	1,200,000	1,200,000	1,200,000
Corporate Resources and Performance	3,918,500	1,219,400	662,700	430,000	430,000
Total Capital Programme	9,388,100	4,703,400	3,172,500	1,793,000	2,264,000

3.2 The proposed capital programme is derived from the following:

a) **Inclusion of the Councils Digital Data & Technology Strategy**

Gedling's Digital, Data and Technology Strategy is central to the Council's transformation efforts and a critical enabler of more customer-centric, efficient ways of working. It sets the direction for how we will deliver better services for customers and how we will organise ourselves more efficiently, enabled by Council wide standards and approaches to service design, underpinned by joined up data and technology solutions.

The purpose of this strategy is to provide a clear vision and direction for Digital, Data and Technology within Gedling over the next three years. It sets out our ambitions for improving our ways of working by making better use of technology, with the aim of helping us to become more efficient and customer focused in how we deliver our services.

The strategy is a significant investment which will enable the Council to deliver long term financial efficiencies which are expected to start to be realised in 2025/26 and will increase over the next few years as the strategy and associated roadmap progresses. The initial costs of implementation will be a mixture of both revenue and capital costs, with on-going costs being revenue.

The initial capital costs of the project are expected to be financed through the use of capital receipts which is permitted under the direction for flexible use of capital receipts as set out in *the Local Government Act 2003 sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure*, with the appropriate approvals.

The costs of the road map have been included in the capital programme, but approval of expenditure will be subject to a Full Business Case being presented to Cabinet (at a later date) which sets out a viable financial model including efficiencies that will be delivered as part of the project. In addition, in order to utilise the direction for flexible use of capital receipts a strategy must be developed and presented to Full Council for approval prior to being approved by the Secretary of State.

The capital costs of the project are set out in the table below:

Cost	2024/25 £	2025/26 £	2026/27 £	Total £
System Implementation Costs	805,200	576,800	179,600	1,561,600
Project Implementation Costs including Capitalisation of Appropriate Salaries	159,500	212,600	53,100	425,200
Total Capital	964,700	789,400	232,700	1,986,800

b) **Schemes re-profiled from 2023/24**

Schemes totalling **£1,210,200** have been approved for deferral in year by Cabinet to 2024/25:

Schemes Re-profiled from 2023/24	2024/25 £
Vehicle Replacement Programme	764,000
Civic Centre Window Replacement	200,000
Valley Road Play Area Refurbishment	110,000
St Mary's Play Area Refurbishment	100,000
Bestwood Country Park car park extension	36,200
Total	1,210,200

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

- Disabled Facilities Grants **£1,200,000** per annum (subject to confirmation of grant funding via Better Care Fund).
- Future Service Development Bids **£100,000** per annum 2025/26 through to 2028/29.

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

Replacement assets and maintenance to ensure continuation of existing service:

	Proposed Programme			Indicative Programme	
	2024/25	2025/26	2026/27	2027/28	2027/28
	£	£	£	£	£
Vehicle Replacement Programme	504,500	1,164,000	1,309,800	163,000	634,000
IT Licences	110,000	110,000	110,000	110,000	110,000
Equipment Replacement	70,000	70,000	70,000	70,000	70,000
Asset Management Fund	150,000	150,000	150,000	150,000	150,000
Total	834,500	1,494,000	1,639,800	493,000	964,000

Note: The proposed Vehicle Replacement Programme for 2024/25 after totalling the sums in (b) and (d) amounts to £1,268,500 all shown in appendix 2.

e) **New resource development bids and grant funded schemes which meet the Council priorities**

The table below show schemes totalling **£3,525,600** and **£1,100,000** included in the proposed capital programme for 2024/25 and 2025/26 respectively. Resource development bids which score 30 points and above using the Council's approved methodology as detailed in the Capital Investment Strategy (see paragraph 2 above) are proposed for inclusion in the programme. 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 Plan.

Scheme	2024/25 £	2025/26 £
Public Sector Decarbonisation	2,143,000	0
Temporary Accommodation	1,100,000	1,100,000
Fire Door Replacements	130,000	0
Agresso Upgrade	50,000	0
Pond Hills Community Centre Repairs	34,600	0
Car Park Machine Upgrades	30,000	0
Park View Retaining Wall	22,000	0
Repairs Phoenix Farm Estate	16,000	0
Total	3,525,600	1,100,000

Further details of these schemes are as follows:

- Public Sector Decarbonisation Scheme £2,143,000 – A grant funding bid has been submitted to reduce the Council's carbon emissions from its properties. The project has been presented for inclusion in the capital programme, but expenditure will be subject to a successful grant funding bid. In addition, as the match funding is expected to be financed by prudential borrowing and the production of a full business case will be required, which includes a viable financial model demonstrating as a minimum a break-even position on the Councils investment.
- Temporary Accommodation £2,200,000, the Council is looking to extend the scheme approved in 2023/24, to purchase additional properties to meet the significantly increased demand for Temporary Accommodation and reduce the use of Bed & Breakfast accommodation.
- Fire Door Replacements £130,000, Health & Safety has identified the need to replace the fire doors across the Civic Centre.
- Agresso Upgrade £50,000, this upgrade of the Core Financial System is a move to a cloud-based solution which is necessary as the provider will no longer be supporting 'on premises' platforms.
- Pond Hills Community Centre Repairs £34,600, the replacement of old windows, which are required in order to meet Health & Safety standards.

- Car Park Machine Upgrade £30,000, replacement of computer boards and upgrading of systems in order to ensure machines are compatible with latest technology and can provide a better customer experience.
- Park View Retaining Wall £22,000, works to ensure the retaining wall in Arnot Hill Park continues to be stable in order to meet Health & Safety standards.
- Repairs Phoenix Farm Estate £16,000, footpath repairs required in order to maintain Health & Safety standards.

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. In addition, the direction of flexible use of capital receipts as set out in the *Local Government Act 2003 sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure*, allows the use of capital receipts to fund the revenue costs of projects that provide future efficiencies to the Council and improve service delivery. This Capital Direction has been extended to continue until 2030.

The estimated annual capital receipt generation for 2024/25 to 2028/29 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. The amounts included under 'land sales' represent the use of capital receipts to fund the digital transformation programme.

	Proposed Programme			Indicative Programme	
	2024/25	2025/26	2026/27	2027/28	2027/28
	£	£	£	£	£
Land Sales	964,700	789,400	232,700	0	0
General Capital Receipts	50,000	50,000	50,000	50,000	50,000
Total Capital Receipt Estimate	1,014,700	839,400	282,700	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 **£148,000** in 2024/25 are proposed as follows:

- £138,000 contribution from the NNDR Pool Reserve to contribute to the cost of Hillcrest Business Park Extension pending a successful bid;
- £10,000 contribution from the Asset Management Reserve to meet the cost of Valley Road Play Area Refurbishment.

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:

	2024/25	2025/26
	£	£
Disabled Facilities/Better Care Fund Grant (assumed £1.2m per annum ongoing 2024/25-2028/29)	1,200,000	1,200,000
Salix – Public Sector Decarbonisation Scheme	1,189,600	0
D2N2 – Bid submitted pending Green Book Business Case	642,500	0
UK Shared Prosperity Fund	287,100	0
FCC Community Foundation	189,000	0
S106 contribution to Bestwood Country Park car park extension	36,200	0
Total Grants and Contributions	3,544,400	1,200,000

Disabled Facilities/Better Care Fund grant funding is 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 has not, as yet, been any grant announcements for 2024/25 so an estimated grant amount of £1,200,000 is included for 2024/25 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 2024/25 - 2026/27 capital programme is £8.421m. It is currently estimated that a further £1.557m of borrowing will be required to finance the indicative capital programme for 2027/28 - 2028/29. The proposed borrowing amounts are detailed in paragraph 4.5 below.

The Council's Prudential Indicators in respect of both the proposed programme 2024/25 through to 2026/27 and the indicative programme for 2027/28 and 2028/29 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 2024/25 through to 2026/27 programme is summarised below:

	Proposed Programme			Indicative Programme	
	2024/25	2025/26	2026/27	2027/28	2028/29
Capital Resources	£	£	£	£	£
Use of Capital Receipts	1,014,700	839,400	282,700	50,000	50,000
Direct Revenue Financing	148,000	0	0	0	0
Grants and Contributions	3,544,400	1,200,000	1,813,800	1,200,000	1,200,000
Total Cash Resource	4,707,100	2,039,400	2,096,500	1,250,000	1,250,000
Prudential Borrowing	4,681,000	2,664,000	1,076,000	543,000	1,014,000
Total Financing	9,388,100	4,703,400	3,172,500	1,793,000	2,264,000

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

The legal implications are detailed in the background section of this report and the report reflects the requirements of the Prudential framework.

8. Carbon Reduction/ Environmental Sustainability Implications

There are a number of schemes in the 2024/25 capital programme specifically focussed upon improving energy efficiency in Council and other properties as well as other environmental objectives. These will assist in meeting the Council's ambition to achieve net zero emissions by 2030 as set out in the Carbon Management Strategy.

All procurement activity required to deliver the capital programme will be undertaken in accordance with both corporate and legislative requirements.

9. Appendices

Appendix 1 - Capital Investment Strategy 2024/25 – 2028/29

Appendix 2 - Proposed Capital Programme 2024/25 – 2026/27 (including Indicative Programme 2027/28 and 2028/29)

10. Background Papers

- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2024/25

- Gedling Plan 2023-27

11. Reasons for Recommendations

To obtain approval of the draft Capital Programme and Capital Investment Strategy, which supports the delivery of the Gedling Plan 2023-2027.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 9 February 2024

Approved by: Monitoring Officer

Date: 9 February 2024



**CAPITAL INVESTMENT
STRATEGY
2024/25 to 2028/29**

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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;

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

- 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 Council's 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	
	2024/25	2025/26	2026/27	2027/28	2028/29
	£	£	£	£	£
Expenditure:					
Gedling Assets	8,188,100	3,503,400	1,972,500	593,000	1,064,000
Disabled Facilities Grant	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total Programme	9,388,100	4,703,400	3,172,500	1,793,000	2,264,000
Financed by:					
Capital Receipts	1,014,700	839,400	282,700	50,000	50,000
Direct Revenue Financing	148,000	0	0	0	0
Grants and Contributions	3,544,400	1,200,000	1,813,800	1,200,000	1,200,000
Borrowing Requirement	4,681,000	2,664,000	1,076,000	543,000	1,014,000
Total Financing	9,388,100	4,703,400	3,172,500	1,793,000	2,264,000

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:

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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.

Treasury Management Strategy

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

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

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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 2023-2027 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:

Economy

To encourage and support healthy businesses in our town and local centres, improving local skills and employment opportunities, and promoting an economy that attracts visitors throughout the day and supports leisure activity.

Community

To enable a resilient, empowered, connected, inclusive and healthy community.

Place

To enable a safe, attractive, clean and culturally vibrant borough that plays its part to tackle the climate emergency.

The Council

To ensure the Council is a healthy place to work, it engages with its customers has a focus on improvement, is financially sound, and ensures compliance with all relevant legislation.

4. FINANCIAL CONTEXT

Spending Review and Local Government Finance Settlement

The final settlement figures for 2024/25 were announced by the Secretary of State for Levelling Up, Housing and Communities (DLUHC) on 5 February 2024, this was the second of a two- year settlement. The final settlement followed a consultation on the provisional settlement, which closed on 15th January 2024. 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.

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

The final settlement figures announced on 5 February 2024 related only to 2024/25 and is a one-year settlement and there was no multi-year settlement that many local authorities were hoping for. However, the Government has attempted to provide some clarity for 2024/25 by ensuring the funding guarantee introduced last year is maintained, to ensure every Council sees at least a 4% increase in Core Spending Power next year before any local decisions on council tax. Core settlement funding was also uplifted with Revenue Support Grant increasing by CPI, and an increase in baseline funding levels. They also announced that they will continue with the previous years approach to the Service Delivery Grant and New Homes Bonus in recognition that these grants are important to Councils. This means there will be no implementation of the Fair Funding Review or reset of the Business Rates system in 2024/25 and confirming no further changes will be made to Council Tax referendum principles.

The statement also announced that the Government will continue to support projects that reduce costs and improve efficiency by extending the flexibility to use capital receipts to fund the revenue costs of these projects until 2030. In addition a consultation was launched to engage with the sector to explore additional capital flexibility options to enable invest-to-save and transformation initiatives.

The one-year settlement means that there is still no clarity over funding levels after March 2025. This continues to hamper meaningful financial planning at a time when demand for services is still high. This resulting level of uncertainty means in practice that local authorities will find it much harder to plan and fund capital expenditure.

In light of the 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.

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

- 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.

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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.

In addition, given the current Direction from the Government to enable the flexible use of capital receipts to fund the revenue costs of projects that reduce costs and improve efficiency, the Council may choose to divert these resources to suitable appropriate projects once the required level of approval has been granted in line with the latest Government Direction.

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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.

- Heads of Service 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.

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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 Heads of Service 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 most recent 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 2024/25 to 2028/29 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.

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

The maximum score possible (excluding Asset Management Fund items) is 61 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 2024/25 to 2028/29 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 30 points	Automatic Proposal
Less than 30 but are a satisfactory Requirement or an Health & Safety issue	Automatic Proposal
Between 15 and 30 points	Include with Cabinet Support
Less than 15 points	Disregard or second consideration if compelling circumstances i.e. vital for continuation of service delivery of statutory functions etc.

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. 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. Projects that are determined as tier 1 are reported on a regular basis to the Corporate Management Team acting as Programme Board.

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;

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

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. Economy			
i	SKILLS AND EMPLOYMENT	0 – 1	
ii	BUSINESS	0 – 1	
iii	TOWN AND LOCAL CENTRES	0 – 1	
iv	VISITORS	0 – 1	
Total for 1a: Maximum points =		4	0 0
Weighting due to performance indicator:		1	1 1
b. Community			
i	POVERTY AND THE VULNERABLE	0 – 1	
ii	CHILDREN AND YOUNG PEOPLE	0 – 1	
iii	EQUALITY, DIVERSITY AND SOCIAL INCLUSION	0 – 1	
iv	HEALTH AND WELLBEING	0 – 1	
Total for 1b: Maximum points =		4	0 0
Weighting due to performance indicator:		1	1 1
c. Place			
i	CLEANLINESS, ENVIRONMENT AND CLIMATE CHANGE	0 – 1	
ii	PRIDE OF PLACE	0 – 1	
iii	COMMUNITY PROTECTION	0 – 1	
iv	HOUSING	0 – 1	
Total for 1c: Maximum points =		4	0 0
Weighting due to performance indicator:		1	1 1
d. Carbon Net Zero			
i	Does the proposal contribute to reducing energy and or meet the Zero net Carbon agenda	0 - 4	
Total for 1d: Maximum points =		4	0 0
Weighting due to performance indicator:		1	1 1

CAPITAL INVESTMENT STRATEGY 2024/25 to 2028/29

2. Other			
a. Statutory Implications incl urgent Health & Safety - Must Fund	25 pts		
b. Business Continuity (don't score if scored under Statutory)	20 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. Cost neutral	0 - 10		
d. VFM	0 - 10		
e. Risk	0 - 10		
f. Capital Receipt Generation	0 - 10		
Total for :	Maximum points = 20	0	0
4. Total points	Maximum points possible = 61	0	0

Proposed Capital Programme 2024/25 - 2026/27 and Indicative Programme 2027/28 to 2028/29

	Capital Programme for Approval			Indicative programme	
	2024/25	2025/26	2026/27	2027/28	2028/29
<u>Lifestyles, Health & Well-being</u>					
Sports Facilities Investment	199,100	0	0	0	0
Events & Culture	20,000	0	0	0	0
Lifestyles, Health & Well-being Total	219,100	-	-	-	-
<u>Environmental Services</u>					
Vehicle Replacement Programme	1,268,500	1,164,000	1,309,800	163,000	634,000
Valley Road Play Area Refurbishment	110,000	0	0	0	0
St Mary's Play Area Refurbishment	100,000	0	0	0	0
Park View Retaining Wall	22,000	0	0	0	0
Repairs Phoenix Farm Estate	16,000	0	0	0	0
Waste Management - in-cab devices	0	20,000	0	0	0
Environmental Services Total	1,516,500	1,184,000	1,309,800	163,000	634,000
<u>Sustainable Growth and Economy</u>					
Hillcrest Business Park Extensions	1,434,000	0	0	0	0
Disabled Facilities Grant	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Temporary Accommodation	1,100,000	1,100,000	0	0	0
Sustainable Growth and Economy Total	3,734,000	2,300,000	1,200,000	1,200,000	1,200,000
<u>Corporate Resources & Performance</u>					
Public Sector Decarbonisation	2,143,000	0	0	0	0
Digital Transformation	964,700	789,400	232,700	0	0
Civic Centre Window Replacement	200,000	0	0	0	0
Asset Management Fund	150,000	150,000	150,000	150,000	150,000
Fire Door Replacements	130,000	0	0	0	0
IT Licences	110,000	110,000	110,000	110,000	110,000
Replacement Equipment	70,000	70,000	70,000	70,000	70,000
Agresso Upgrade	50,000	0	0	0	0
Bestwood Country Park car park extension	36,200	0	0	0	0
Pond Hills Community Centre repair works	34,600	0	0	0	0
Replacement Boards Car Park Machines	30,000	0	0	0	0
Future Resource Development Bids	0	100,000	100,000	100,000	100,000
Corporate Resources & Performance Total	3,918,500	1,219,400	662,700	430,000	430,000
Total Capital Budget	9,388,100	4,703,400	3,172,500	1,793,000	2,264,000

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Report to Cabinet

Subject: General Fund Revenue Budget 2024/25
Date: 21 February 2024
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 5% discretionary income inflation increase for the individual portfolios as shown in the table at paragraph 2.4.5.

Cabinet is asked to recommend to Council on 6 March 2024:

- ii. that the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2024/25;
- iii. a provisional Council Tax increase of 2.988% (£5.48) which balances the financing of a Net Council Tax Requirement of £7,358,400 in 2024/25;
- iv. that the detailed budget for 2024/25, as detailed in Appendix 1 be approved.

1. Background

- 1.1 The Constitution of the Council requires the Leader to present, by 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 2024/25 budget proposals together with the Gedling Plan will be presented to Budget Council on 6 March 2024. The Borough Council has a statutory responsibility to determine its Council Tax by 11 March each year.
- 1.3 This report ensures that these requirements will be met for the 2024/25 budget process.

2. Proposed General Fund Budget 2024/25

- 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 2024-27;
- Income is only included in the budget where supported by robust proposals and is deliverable;
- The Council will optimise 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.

Considering the anticipated medium term financial pressure, 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 2024-27.

2.3 Local Government Finance Settlement (LGFS) 2024/25

2.3.1 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; Funding Guarantee Grant.

The final settlement figures for 2024/25 were announced by the Secretary of State for Levelling Up, Housing and Communities (DLUHC) on 5 February 2024, this was the second of a two-year settlement. The final settlement followed a consultation on the provisional settlement, which closed on 15 January 2024. 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.

The final settlement figures announced on 5 February 2023 related only to 2024/25 (i.e. a one-year settlement) and there was no multi-year settlement that many local authorities were hoping for. However, the Government has attempted to provide some clarity for 2024/25 by ensuring the funding guarantee introduced last year is maintained, to ensure every Council sees at least a 4% increase in Core Spending Power next year before any local decisions on council tax. Core settlement funding was also uplifted with Revenue Support Grant increasing by CPI, and an increase in baseline funding levels. They also announced that they will continue with the previous year's approach to the Service Delivery Grant and New Homes Bonus in recognition that these grants are important to Councils. This means there will be no implementation of the Fair Funding Review or reset of the Business Rates system in 2024/25 and confirmed no further changes will be made to Council Tax referendum principles.

The statement also announced that the Government will continue to support projects that reduce costs and improve efficiency by extending the flexibility to use capital receipts to fund the revenue costs of these projects until 2030. In addition, a consultation was launched to engage with the sector to explore additional capital flexibility options to enable invest-to-save and transformation initiatives.

The one-year settlement means that there is still no clarity over funding levels after March 2025. This continues to hamper meaningful financial planning at a time when demand for services is still high. This resulting level of uncertainty

means in practice that local authorities will find it much harder to plan and fund capital expenditure.

The 2024/25 Settlement Funding Assessment (SFA) figures are set out in the table below along with those from previous periods for comparative purposes:

Year	Revenue Support Grant £	Business Rates £	Total SFA £	Cash (Reduction) /Increase £	Movement from Prev. Year	Movement from 2015/16
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	0.0%	-37.7%
2022/23	500	3,076,400	3,076,900	500	0.0%	-37.7%
2023/24	117,500	3,191,600	3,309,100	232,200	+7.5%	-33.0%
2024/25	125,300	3,321,100	3,446,400	137,300	+4.1%	-30.2%

The total cumulative settlement reductions equate to -30.2% or £1,492,100 in cash terms over the periods from 2016/17 to 2024/25 compared to the base position of 2015/16. Excluding the grant now consolidated into RSG of **£125,300** (council tax administration grant) i.e. not additional funding, the equivalent cumulative settlement reductions equate to 32.8% or £1,617,400 over the same period.

SFA is reduced to 23% of Gedling's net budget for 2024/25, before accounting for new required efficiency targets, compared to 60% in 2010/11.

2.3.2 Business Rates Retention – Current 50% Retention Scheme

Business Rates growth compared to baseline funding levels of £3,321,100 for 2024/25 is estimated at £3,217,800 giving total income from business rates of **£6,538,900**, 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).

Growth amounts for the medium term have been set at a prudent level of £1,069,300 per annum from 2025/26 to 2028/29 due to the uncertainties that

remain in the estimation process due to 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.

2.3.3 New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is funded from the centrally retained share of Business Rates income and paid as a separate non-ringfenced grant 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 – 2024/25	Above 0.4% Threshold	1

During 2016/17 the Government made changes to the NHB with effect from 2017/18 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 185 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, for example in green belt areas.

The Government have confirmed that NHB will continue for 2024/25 on the same basis as 2020-24, with no change to the way the NHB is calculated and the award being for one year only.

For the period measured for the 2024/25 New Homes Bonus i.e. October 2022 to October 2023, growth in Gedling was 593 band D equivalent houses, equivalent to 1.28% growth. This growth is before removing the national baseline of 0.4%, and the reduced NHB based on 408 band D properties has been confirmed at **£709,853** for 2024/25 (to be paid for one year only).

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 Year	16/17 £000	17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £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		
2023/24								333	
2024/25									709
Total MTFP	2,400	1,660	857	482	383	106	521	333	709
Reduction from 2016/17		(740)	(1,543)	(1,918)	(2,017)	(2,294)	(1,879)	(2,067)	(1,691)

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 were never announced. Given that the Fair Funding Review is not expected to be completed for 2025/26, the Medium Term Financial Plan assumes a lower award for NHB of £300,000 each year (roughly compared to 2023/24). This is because if NHB was to be deleted

then an equivalent amount of protective funding would be received as an alternative.

2.3.4 Services Grant

The Government introduced a new Services Grant as part of the local government finance settlement for 2022/23 which was initially intended 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 e.g. the planned increase in National Insurance contributions for Health and Social Care levy. This grant was reduced in 2023/24 because there was no longer an increase in employer National Insurance contributions. However, the settlement announced that the service Grant would continue in 2024/25, although again at a much-reduced rate. This is an un-ringfenced grant and Gedling's allocation is **£21,479** reduced from £125,258 in 2023/24.

2.3.5 Funding Guarantee Grant

The settlement also announced that the Funding Guarantee introduced in 2023/24 would continue in 2024/25. This is intended to ensure that all Council's see at least a 4% increase in their Core Spending Power (CSP) before any decision about efficiencies, use of reserves, and Council Tax Levels.

Gedling's Funding Guarantee allocation for 2024/25 is **£225,721**. This is a reduction from the 2023/24 allocation of £349,912.

The Funding Guarantee replaced the previous Lower Tier Services Grant, but still only protects CSP at 2021/22 levels. There is still no consideration or allowance for CSP reductions suffered by Councils prior to 2021/22, and therefore this approach continues to protect those Councils that had healthy levels of NHB in the base year, despite the principle of NHB legacy payments not being paid.

2.3.6 Core Spending Power 2024/25 Compared to 2015/16

As part of the Settlement announcements the Government includes its projection and comparison of Core Spending Power (CSP) for each authority. The government has selected to use 2015/16 as their base year for comparative purposes.

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, the Funding Guarantee Grant, the Services Grant and S31 grants and these are summarised in the table below:

Core Spending Power 2015/16 to 2024/25 (based on Government projections)

Year	SFA and S31 Grant	Council Tax	NHB	Funding Guarantee	Service Grant	Total	Movement	Movement from 2015/16
	£m	£m	£m	£m	£m	£m	£m	£m
15/16	5.2	5.5	2.0	0.0	0.0	12.7	N/A	N/A
16/17	4.3	5.5	2.4	0.0	0.0	12.3	-2.5%	-2.5%
17/18	3.8	5.7	1.7	0.0	0.0	11.2	-9.0%	-11.2%
18/19	3.5	6.0	0.9	0.0	0.0	10.4	-7.7%	-18.4%
19/20	3.3	6.0	0.5	0.0	0.0	9.8	-5.8%	-21.5%
20/21	3.3	6.3	0.4	0.0	0.0	10.0	+2.3%	-21.3%
21/22	3.4	6.5	0.1	0.1	0.1	10.1	+1.4%	-20.2%
22/23	3.6	6.7	0.5	0.1	0.2	11.1	+10.3%	-12.4%
23/24	3.9	7.0	0.3	0.3	0.1	11.7	+4.8%	-8.0%
24/25	4.1	7.3	0.7	0.2	0	12.4	+5.8%	-2.0%

Core Spending Power for local authorities in England increased by 7.5% in 2024/25. The table above shows an increase of +5.8% for Gedling in 2024/25 which is -1.7% below 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 £213,000 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 -2.0% when compared to 2015/16. **Gedling has the seventh largest reduction in Core Spending Power when comparing 2024/25 to 2015/16 out of 349 Authorities in England.** In previous years Gedling's positioning was as follows:

Worst affected Council in England:	Gedling's Position
2024/25	7th
2023/24	5th
2022/23	7th
2021/22	1st
2020/21	1st

Note for comparative purposes – only 11 other authorities remain in negative CSP growth, a further 17 are showing as zero growth (but they did not exist in 2015/16) and 23 have had CSP growth of less than 5%. The remaining 298 authorities have all seen growth of 5% and above since 2015/16.

2.3.7 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 principles for 2024/25. For Shire Districts a Council Tax increase will be considered excessive if it is either 3% (or more than 3%) and more than £5 greater than the amount for 2023/24. For Gedling the 3% limit equates to £5.50. 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.

2.3.8 Future of Business Rates Retention

As detailed above the Business Rates Retention Scheme will be retained at 50% for next year and there will also be no reset of the business rates baseline for 2024/25. If the reset is implemented in 2025/26 it is expected that some existing business rates growth could be removed upon reset, reducing income levels.

2.4 General Fund Budget 2024/25 Summary

2.4.1 The following table summarises the proposed General Fund Budget for 2024/25. The detailed budgets are presented at Appendix 1. In developing a budget proposal, assumptions on the core budget have to be made. These have been included in both the annual base budget and MTFP calculations.

General Fund Budget Summary 2024/25

Portfolio	Original Budget 2023/24 £	Base Budget 2024/25 £	Variance £
Communities and Place	188,000	342,600	154,600
Lifestyles, Health and Wellbeing	2,028,100	2,144,800	116,700
Public Protection	1,566,100	1,319,200	(246,900)
Life Chances and Vulnerability	1,140,800	1,860,100	719,300
Environmental Services	3,703,700	4,071,300	367,600
Climate Change and Natural Habitat	1,899,800	2,126,200	226,400
Sustainable Growth and Economy	1,471,100	1,182,000	(289,100)
Corporate Resources and Performance	2,367,900	2,402,200	34,300
Net Portfolio Budget	14,365,500	15,448,400	1,082,900
Transfer to/(from) Earmarked Reserves	(165,600)	(510,500)	(344,900)
Net Council Budget	14,199,900	14,937,900	738,000

2.4.2 Major Budget Pressures

Since the approval of the original budget 2023/24 there has been a continuous increase in demand for services including Homelessness. Inflation remains high albeit reducing slowly, and many of the inflationary pressures remain with the cost of higher than usual pay awards placing significant pressure on Council budgets across the medium term.

The base budget includes the following major budget movements **greater than £50,000**, which are substantially above the previous Medium Term Financial Plan expectations due to prevailing economic conditions and resulting inflationary and demand pressures:

Expenditure:

- An estimated £1,925 pay award per full-time employee is anticipated to cost £930,600;
- Additional budget is required to deliver the Digital, Data and Technology Strategy of £163,200 (assumed 9 months in 2024/25 of full year cost of 213,600);
- Efficiencies proposals totalling (£406,200), see 2.4.3 for details;
- Resource Developments totalling £435,600, see 2.4.4 for details;
- Removal of one-off additional staff vacancy provision £150,000;
- Inflationary savings on utility contract prices amounting to (£84,900);
- Housing Benefits Rent Allowances reduced subsidies £236,200;
- Additional borrowing cost (interest and minimum revenue provision) due to the rising interest rates and the Capital Programme financing amounts of £134,000;
- Reduction in Superannuation Fixed Recharge (£93,000) following pension valuation report;
- Increase in Waste Services Agency & Overtime budget £94,500;
- Increase in fuel budget £80,000.

Income:

- Income inflation on fees and charges (£159,200);
- Due to the currently high Bank of England interest rates and amount available for investment an additional (£869,000) investment income is anticipated;
- Civic Centre Income expected to fall by £106,700 following rent review July 2024.

2.4.3 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 seven separate efficiency programmes totalling £7.5m net of risk provision. The total programme remaining for delivery over 2024/25 to 2025/26 is £297,600 (net of risk provision).

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 Proposals 2024/25

Due to the uncertainties of future Settlement funding and the potential pressures arising from pay awards, inflation and increased demand for services, additional efficiencies will be required.

As part of the budget set for 2023/24 on 2 March 2023, efficiencies totalling £2,857,000 were required to balance the budget in the medium term. The Medium Term Financial Plan has been refreshed and moved on a further year and it is now anticipated that comparable efficiencies of £3,558,900 are required by 2028/29 (however £1,333,700 has already been identified as detailed in the next paragraph).

The Council has been active in developing plans to deliver these efficiencies and proposals of £833,700 have been agreed and proposed for approval in this report with £406,200 of these being delivered in 2024/25 as set out in the table below and at appendix 4. A further £500,000 has been identified to be delivered as part of the Council's investment in the Digital Data and Technology Strategy (these are minimum efficiencies identified for the medium term, the strategy roadmap is expected to identify more efficiencies which will support the Council to deliver efficiencies in the longer term. The remaining £2,225,200 of efficiencies have partially been identified but are in the early days of development. These plans will be worked up into viable proposals and presented for approval at a later date.

A new **efficiency programme totalling £406,200** for delivery in 2024/25 is now proposed for approval. An additional risk provision of £79,600 is included in the budget to manage the inherent risks of efficiency programme delivery and a **Transformation Fund budget of £200,700** (refer to paragraph 2.4.4b) is included to facilitate the implementation of the overall programme.

The tables below summarise the proposed budget reductions analysed by Portfolio and Reduction type, with a detailed list included in Appendix 4.

Summary of Budget Reduction Proposals

Portfolio	2024/25 £	2025/26 £	2026/27 £	Total £
Environmental Services	40,000	75,000	75,000	190,000
Life Chances & Vulnerability	41,000	2,000	18,400	61,400
Public Protection	45,100	118,500	3,000	166,600
Sustainable Growth & Economy	37,800	12,500	0	50,300
Corporate Resources & Performance	242,300	99,700	23,400	365,400
Total	406,200	307,700	119,800	833,700

Budget Reduction Proposals Summarised by Type

Summary 2024/25 - 2026/27	Efficiency & Effectiveness £	Income Generation £	Total £
Environmental Services	0	190,000	190,000
Life Chances & Vulnerability	61,400	0	61,400
Public Protection	157,600	9,000	166,600
Sustainable Growth & Economy	50,300	0	50,300
Corporate Resources & Performance	232,400	133,000	365,400
Grand Total	501,700	332,000	833,700

2.4.4 Proposed Revenue Resource Developments 2024/25

The Revenue Resource Developments detailed in the table below are recommended to Cabinet for approval. These have been scored using the Council's approved methodology (which assesses schemes in accordance with the level of contribution made towards the achievement of the Council's Priorities and Improvement Plans).

(a) Revenue Resource Developments 2024/25

Scheme	Revenue Bid 2024/25 £	Ongoing £
Temporary accommodation bed & breakfast	135,000	-
Increase in vehicle workshop parts & repairs	68,800	68,800
Ecology Officer	51,100	51,100
Temporary accommodation property sinking fund	41,000	41,000
Property condition surveys	30,000	-
Increase in protective clothing budget	19,000	19,000
Maintenance of new pavilion at Magenta Way	15,000	15,000
Temporary accommodation properties repairs & maintenance	24,000	24,000
Cleaning of Changing Places Toilets at King George V park	11,000	11,000
Repair Flooring at Ponds Hills Community Centre	5,700	-
Total Revenue Bids	400,600	229,900

Further details of the Revenue Bids are as follows:

- Temporary accommodation bed & breakfast £135,000, increase in cases presenting as homeless;
- Increase in vehicle workshop parts and repairs £68,800, increasing life of vehicles pending introduction of Food Waste collections;
- Ecology Officer £51,100, due to new Bio-Diversity Net Gain requirements in Planning;
- Temporary accommodation property sinking fund £41,000, introduction of budget to ensure properties are maintained appropriately;
- Property Condition surveys £30,000, to help identify potential issues and risk;
- Increase in protective clothing budget £19,000, following Health & Safety recommendations;
- Maintenance of new pavilion at Magenta Way £15,000, following asset transfer;
- Temporary accommodation properties repairs & maintenance £24,000, due to expanding portfolio;
- Cleaning of new Changing Places Toilets at King George V park £11,000;
- Repairs to flooring at Ponds Hills Community Centre £5,700.

In addition to the revenue resource development proposals, capital resource development bids (see capital programme report elsewhere on this agenda) also have ongoing revenue implications which have been included in the revenue budget and MTFP.

(b) Inclusion of the Councils Digital Data & Technology Strategy and Senior Leadership Restructure

Gedling's Digital, Data and Technology Strategy is central to the Council's transformation efforts and a critical enabler of more customer-centric, efficient ways of working. It sets the direction for how we will deliver better services for customers and how we will organise ourselves more efficiently, enabled by Council wide standards and approaches to service design, underpinned by joined up data and technology solutions.

The purpose of this strategy is to provide a clear vision and direction for Digital, Data and Technology within Gedling over the next three years. It sets out our ambitions for improving our ways of working by making better use of technology, with the aim of helping us to become more efficient and customer focused in how we deliver our services.

The strategy is a significant investment which will enable the Council to deliver long term financial efficiencies which are expected to start to be realised in 2025/26 and will increase over the next few years as the strategy and associated roadmap progresses. The initial costs of implementation will be a mixture of both revenue and capital costs, with on-going costs being revenue.

The revenue costs of the project are expected to be financed by a contribution from earmarked reserves each year, the use of these reserves will reduce as efficiencies are delivered as part of the Roadmap.

The costs of the road map have been included in the revenue & capital budgets, but approval of expenditure will be subject to a Full Business Case being presented to Cabinet (at a later date) which sets out a viable financial model including efficiencies that will be delivered as part of the project.

The costs of a Senior Leadership Team restructure has been included in the revenue budget and is subject to a separate decision and consultation. Proposals have been put forward to modernise and improve the council's working practices, and further senior management capacity is needed to bring about that organisational change, development and improvement. Costs of £37,500 have been built into the estimates for 2024/25 with an expectation that it will be self-financing through efficiencies in future years.

The revenue costs of the Digital Data & Technology Strategy and the Senior Management Restructure and associated financing per year are set out in the table below:

Revenue	2024/25	2025/26	2026/27	2027/28	2028/29
Digital Strategy	163,200	561,100	675,100	675,100	675,100
Management Restructure	37,500	0	0	0	0
Total Revenue	200,700	561,100	675,100	675,100	675,100
Funded by:					
Earmarked Reserves	(200,700)	(461,100)	(475,100)	(375,100)	(175,100)
Future Efficiencies	0	(100,000)	(200,000)	(300,000)	(500,000)
Total Net Revenue Impact	0	0	0	0	0

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

Description	Capital Budget – For Information	Revenue Costs 2024/25 and ongoing
	£	£
Temporary Accommodation	£2,200,000	65,000

2.4.5 Discretionary Income Inflation

The Medium Term Financial Plan includes income inflation on discretionary income at 5% for 2023/24 and 2024/25, and 3% for 2025/26, 2026/27 and 2027/28 (excluding leisure DNA memberships, garden waste, trade waste, building control, town centre car parking, taxi licencing), which equates to £159,100, and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £31,800. The 5% increase for 2023/24 and 2024/25 is 2% higher than originally anticipated due to the increased cost of service provision being experienced.

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

Portfolio	Discretionary Income	1% increase	5% increase
	£	£	£
Lifestyles, Health and Wellbeing	(2,260,200)	(22,600)	(113,000)
Public Protection	(77,300)	(800)	(3,900)
Life Chances and Vulnerability	(4,800)	(0)	(200)
Environmental Services	(592,300)	(5,900)	(29,600)
Climate Change and Natural Habitat	(109,300)	(1,100)	(5,500)
Corporate Resources and Performance	(137,400)	(1,400)	(6,900)
Total	(3,181,300)	(31,800)	(159,100)

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. Building Control. The levels of fees which are set in these areas are considered separately and the base budget amended

to ensure appropriate fees are set.

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

2.4.6 **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.

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 2023/24 and 2024/25 are detailed at Appendix 2 and show expected balances of £4.65m as at 31 March 2025. 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.

There is currently no reclassification of earmarked reserves proposed for the 2024/25 budget however, the classification of earmarked reserves will be kept under review and considered in the light of the outturn position for 2023/24 and recommendations made for reclassification at that time if required.

The Council's minimum General Fund Balance level is set at £1m or 7.5% of the Council's net operating expenditure, whichever is greater. For 2024/25 the required minimum General Fund balance at 31 March 2025 is £1,120,000 compared to the current projected closing balance of £3,637,600.

This level of General Fund Balance indicates the increasing and immediate level of financial risk the Council is now facing as a result of the long history of government grant funding reductions, which are no longer related to the Relative Needs together with the substantial inflationary pressures, significant increase in Homelessness and demand for other services, and high pay awards.

The medium term projection on the General Fund Balance is detailed in the Medium Term Financial Plan summary at paragraph 3 below which demonstrates that substantial budget reductions must be achieved in the future to maintain the minimum level of General Fund Balance and achieve a sustainable financial position in the absence of additional government funding.

2.4.7 Financing of the Capital Programme

As detailed in the Capital Programme report elsewhere on this agenda it is currently forecast that external PWLB borrowing will not be required to finance the capital programme in 2024/25 through to 2028/29, however some internal borrowing from cash reserves may still be required. 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.

2.4.8 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 3, a deficit of £285,200 was declared on 15 January 2024 for the estimated position at 31 March 2024. The deficit of £285,200 will be shared by the preceptors with the sum of **£25,600** being charged to the General Fund in 2024/25.

Business Rates

The estimated Business Rates Collection Fund surplus at 31 March 2024 of £1.755m was declared in January 2024, of which Gedling's share is £0.702m (40%) and will be received by the General Fund in 2024/25.

2.4.9 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 2024/25 to 2028/29 is presented against a backdrop of major and unprecedented economic uncertainty, the impact of the war in Ukraine, rapidly rising inflation, energy prices and problems in the global supply chain, significant increase in homelessness and shortage of available housing 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 2024/25;
- Likely continued upward pressure on pay awards in response to rising inflation, wage comparability and skills shortages in key areas;
- Continued inflationary pressures for supplies and services, including energy prices, the future movement of which remains potentially volatile;
- The lack of a confirmed timescale for the Fair Funding Review and Business Rate system reset;
- The one-off nature of some government grant funding, for example the Funding Guarantee and New Homes Bonus.

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 2.4.3);
- The incremental increase in base revenue expenditure from 2024/25 and budget growth items (paragraph 2.4.4);
- Pay Award of 5% for 2024/25, 3% for 2025/26 and 2% per annum from 2026/27 onwards. The April 2023 pay award was settled with an average 7% impact on the Council's pay bill compared to the estimated 5%. Whilst the April 2024 pay award for local government staff will not be known for some time, it is not currently anticipated to be lower than that awarded in 2023/24. This level of pay claim presents a downside risk to the current MTFP projections, as do potential market adjustments that may be required to address skill shortages in key service areas;
- Fees and charges to be increased by an average 5% in 2024/25 and onwards (paragraph 2.4.5);
- Anticipated cost of borrowing to finance the capital programme for 2024-2029;
- A 2.988% Band D Council Tax increase (45p per month for a Band D property and 30p per month for a Band A property) has been assumed for 2024/25. Beyond that a 2.988% Council Tax increase has been assumed for each year of the MTFP to maintain increases 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;
- Based on the current information available, and in the absence of funding increases, in order to achieve a balanced MTFP and ensure the Council's balances do not fall below the minimum level required, additional ongoing

budget reductions of **£2,225,200** will be required in the following profile, and are included in the MTFP:

Year	Adjusted Efficiency Target	Identified Efficiencies (para 2.4.3)	Digital Transformation Efficiencies	New Efficiency Target
	(£)	(£)	(£)	(£)
2024/25	406,200	(406,200)	0	0
2025/26	407,700	(307,700)	(100,000)	0
2026/27	901,000	(119,800)	(100,000)	681,200
2027/28	1,844,000	0	(100,000)	1,744,000
2028/29	0	0	(200,000)	(200,000)
Total	3,558,900	(833,700)	(500,000)	2,225,200

Any new demand pressures arising will require an increase in these budget reduction/savings projections to maintain a balanced budget.

Of the efficiencies above £833,700 has already been identified and built into base budgets. A further £500,000 of efficiencies are required to be delivered as part of the Digital, Data & Transformation Strategy. The remaining £2,225,200 has been partially identified and is in the early stages of development and will be presented in more detail at a later date. Although efficiencies have been partially identified the Council will not be complacent and will consider options for further budget reductions during 2024/25 which can be implemented from 2025/26 onward in the event that additional funding is not available in the next or future Local Government Finance Settlement(s).

The following table demonstrates a balanced Medium Term Financial Plan with a small projected surplus on balances at the end of year 5 (2028/29) subject to securing budget reductions. The current budget makes a small contribution to the General Fund Reserve in 2024/25, but relies on a significant contribution from reserves in 2025/26 and 2026/27 in order to maintain service delivery at current operational levels. From 1 April 2027 onwards the budget forecasts the General Fund will be operating at minimum levels with no further capacity to address funding gaps, indicating the increasing risk presented to the Council's financial sustainability arising from increased costs and uncertain funding levels, which is affecting many local authorities at this time.

MEDIUM TERM FINANCIAL PLAN 2024/25 TO 2028/29 - HIGH LEVEL SUMMARY

	2024/25 £	2025/26 £	2026/27 £	2027/28 £	2028/29 £
Net Council Budget	14,937,900	14,839,200	14,628,600	13,429,800	13,651,100
Financed by					
SFA Business Rates Baseline	(3,321,100)	(3,387,500)	(3,455,300)	(3,524,400)	(3,594,900)
SFA – Revenue Support Grant	(125,300)	(125,300)	(125,300)	(125,300)	(125,300)
Funding Guarantee Grant	(225,700)	(120,000)	(120,000)	(120,000)	(120,000)
Services Grant	(21,500)	(21,500)	(21,500)	(21,500)	(21,500)
New Homes Bonus	(709,900)	(300,000)	(300,000)	(300,000)	(300,000)
Council Tax Collection Fund Deficit	25,600	0	0	0	0
NNDR Growth/ Collection Fund (Surplus)/Deficit/ S31 Grant	(2,516,000)	(1,069,300)	(1,069,300)	(1,069,300)	(1,069,300)
NNDR Surplus Reliefs 2023/24	(701,800)	0	0	0	0
Less: Amount (from)/to Balances Core Budget	16,200	(2,165,000)	(1,583,500)	(1,200)	174,000
Council Tax Requirement	7,358,400	7,650,600	7,953,700	8,268,100	8,594,100
Council Tax increase	2.98%	2.98%	2.98%	2.98%	2.98%
Tax Base	38,963	39,338	39,713	40,088	40,463

The MTFP above assumes that a 2.988% increase will be applied between 2024/25 and 2028/29 but the actual increase will be determined on an annual basis by Council.

Expected balances at year end	4,757,600	2,592,600	1,009,100	1,007,900	1,181,900
Required balance	1,120,000	1,113,000	1,008,900	1,007,000	1,037,000
(Surplus)/Deficit on required balances	(3,637,600)	(1,479,600)	(200)	(900)	(144,900)

4. **COUNCIL TAX**

- 4.1 The Council Taxpayer must 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 2024/25.

- 4.2 Gedling’s share of the council tax for a band D property for 2023/24 is £183.38. The level of council tax for 2024/25 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 £71,450. In the above MTFP a 2.988% (equivalent to £5.48) increase has been assumed for 2024/25. **The MTFP at paragraph 3.2 assumes that a 2.988% 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 Council Tax referendum limit for a shire district at which an increase is considered excessive is 3% or more and £5 whichever is greater. To illustrate the impact of the proposed 2.988% increase, the overall position in terms of the increase for the year ahead on each Council Tax Band would be as follows:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Year	£3.64	£4.25	£4.85	£5.48	£6.67	£7.89	£9.10	£10.92
Week	7p	8p	9p	11p	13p	15p	18p	21p

- 4.3 At its meeting on 24 January 2024, the Council maintained its commitment to continuing the Council Tax Reduction Scheme unchanged, enabling a maximum award entitlement of up to 100% discount. This continues to mitigate the impact of council tax increases, including those levied by preceptors, for Gedling’s most financially vulnerable households.

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 2024/25 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are detailed in paragraphs 5.2 to 5.8 below.

5.2 **Financial Settlement/Funding Streams**

The 2021 Comprehensive Spending Review outlined the Government’s spending plans for the period 2022/23 to 2024/25 and set 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 grant funding to this department was 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 across the 3 year period.

In the Autumn Statement 2023 the Chancellor maintained the Government commitment to the departmental expenditure limits set out in the Comprehensive Spending Review 2021, however this has not translated into a multi-year settlement for local government, with another one year settlement being made for 2024/25. The Government confirmed that the long-awaited local government finance reforms i.e. Fair Funding Review and Business Rates Retention reset which were initially due for implementation in 2020 will not now be implemented until 2025/26 at the earliest.

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 the economic downturn in terms of ongoing demand and inflationary pressures and how they will be financed.

- **Business rates retention/Fair Funding Review:** The extension of the business rates retention scheme reset and implementation of the Fair Funding Review was originally planned for 2020/21 but this has been delayed for five years so far, with the earliest implementation expected to coincide with the next Comprehensive Spending Review period and the 2025/26 Local Government Finance Settlement. In the absence of a review of the local government funding, pilots for the 100% business rates retention are continuing in 2024/25 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 plan 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, and in the recent Autumn Budget 2023, 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 2.3.3, identifies the significant impact that changes to this funding stream has had for Gedling Borough Council due to the introduction of a 0.4% growth baseline resulting in significantly reduced awards since 2016/17.

In line with the one year only local government finance settlement, the NHB award has continued on a one year only basis for 2024/25. 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 with amendments to the scheme.

Whilst there may still be an opportunity to receive NHB in the future it is considered that there is a downside risk to this arising, and whilst it may not have seemed prudent to include this funding stream to support the revenue budget previously, the government have indicated that they will continue to support a minimum growth of 4% in Core Spending Power, therefore a reduced sum of NHB or equivalent funding has been included in the MTFP.

- **Council Tax**: The Government's Core Spending Power figures are based on the assumption that Council Tax will be increased by the maximum amount in accordance with the referendum principles and that growth in the tax base will be created through additional hereditaments. This rise is equivalent to the maximum possible without requiring a referendum and leaves no 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 2.988% increase will be applied between 2024/25 and 2028/29 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 2.988% will require an increase in the efficiency/budget reduction targets to ensure that a balanced MTFP is secured.
- **Economic Growth/Inflation**: Both Brexit and Covid-19 and more recently the war in Ukraine have had a major adverse impact on the economy and 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 reset will bring, the demand and inflationary pressures arising from the economic downturn need to be managed within local resources i.e. from further budget reductions or efficiencies.

Inflation assumptions have been incorporated in the MTFP, including pay award of 5% for 2024/25, 3% for 2025/26 and 2% per annum from 2026/27 onwards.

An increase in contract prices for utilities is included in the 2024/25 budget. This aspect of the budget is likely to continue to be volatile and there is a downside risk that the full year effect of expected price increases will be higher than those currently projected. However, there is also an upside risk that energy prices will drop back and utility contract prices and budgets will fall back to some degree in the medium term.

- 5.3 A minimum balance of £1m on the General Fund, or 7.5% of net operating expenditure whichever is 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. Given the substantial inflationary pressures being experienced and the scale of the future budget reductions likely to be required in the absence of funding increases, the level of minimum balances will be kept under review and may need to increase to reflect the increasing level of risk in the MTFP.
- 5.4 The (surplus)/deficit on balances in the MTFP table in 3.3 shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £3,637,600 in 2024/25 declining to £144,900 by the end of 2028/29. 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 2.4.3. 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 require more innovative and transformation approaches with inherent uncertainties 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 2.4.3 new efficiency proposals recommended to ensure this downside risk is effectively managed.

The challenges that lie ahead are increasing compared to those in previous years, due to inflationary pressures but whilst recognising the significant challenges ahead, this plan is considered robust. Gedling is not alone in facing this challenge - it is a national problem – but with the Council’s long track record in delivering successful efficiency programmes, it is well placed 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.

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 on families, homelessness and those with specialist housing need.

5.7 There is an increased risk arising from these assumptions and the level of minimum balances will be kept under review. 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 be a significant challenge 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 now significant, and 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 does not, or is projected not to, corrective action needs to be identified and put in hand.

Risk	Impact	Comments
Time	Medium	<p>Gedling has always aimed to be at least one year ahead of the budget reductions it needs to make, so that any changes required are as trouble free as possible.</p> <p>The General Fund Balance is now forecast to be at minimum levels from 1 April 2027 and efficiency plans to meet the approved targets will continue to be implemented and developed over the next 4 years to help balance the MTFP.</p>
Viability	High	<p>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; reserves to cushion the impact, are quickly reducing and delivery of the approved efficiency programmes and the development of new efficiency programmes will be essential.</p>
Finance	High	<p>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 be consistently increased year on year to offset the momentum of continual reductions in available budgets. The cost of living crisis presents an additional risk to income levels for discretionary services.</p>

Profile	High	The achievement of a balanced and sustainable MTFP is reliant upon the effective delivery of the efficiency programme, with £0.834m planned for delivery between 2024-27. In the absence of additional funding in the next local government finance settlement, or reduced inflationary pressures, further budget reductions of £2.725m over 2024-29 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 Integrated Care Partnership 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 2024/25.

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 2024/25. 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 the *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 2024-27 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 2024-27 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 - Detailed Portfolio Holder Budgets 2024/25
- Appendix 2 - Movement in Earmarked Reserves
- Appendix 3 - Council Tax Collection Fund Estimate 2024/25
- Appendix 4 - Summary of Budget Reduction Proposals 2024/25 – 2027/28

14. Background Papers

- Central Government Report – Local Government Finance Report 2024/25
- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2024/25
- Capital Programme and Capital Investment Strategy 2024/25 to 2028/29
- Gedling Plan 2023-27

15. Reasons for Recommendations

To obtain approval of the General Fund Revenue Budget 2024/25 for referral to Council.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 9 February 2024

Approved by: Monitoring Officer

Date: 9 February 2024

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Portfolio Summary - Revenue Budget 2024-2025

Portfolio	Actual 2022-2023	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Communities and Place	265,976	188,000	342,600	154,600
Lifestyles, Health & Wellbeing	1,528,157	2,028,100	2,144,800	116,700
Public Protection	2,171,017	1,566,100	1,319,200	(246,900)
Life Chances and Vulnerability	640,898	1,140,800	1,860,100	719,300
Environmental Services	3,536,944	3,703,700	4,071,300	367,600
Climate Change and Natural Habitat	2,044,055	1,899,800	2,126,200	226,400
Sustainable Growth and Economy	1,281,089	1,471,100	1,182,000	(289,100)
Corporate Resources and Performance	156,188	2,367,900	2,402,200	34,300
Net Portfolio Budget	11,624,323	14,365,500	15,448,400	1,082,900
Transfer to/from Earmarked Reserves	565,061	(165,600)	(510,500)	(344,900)
Net Council Budget	12,189,385	14,199,900	14,937,900	738,000
	Actual 2023-2024 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Consisting of				
Employee Expenses	15,219,899	16,192,100	17,539,800	1,347,700
Premises Related Expenses	2,184,332	2,776,200	2,743,200	(33,000)
Transport Related Expenses	702,214	740,600	889,400	148,800
Supplies & Services	5,643,778	5,086,500	5,604,400	517,900
Third Party Payments	229,131	358,000	330,000	(28,000)
Transfer Payments	17,686,308	16,870,900	16,014,200	(856,700)
Capital Interest	1,110,910	1,234,000	1,495,000	261,000
Revenue Income	(31,152,250)	(28,892,800)	(29,167,600)	(274,800)
Controllable	11,624,323	14,365,500	15,448,400	1,082,900
Consisting of				
Premises Related Recharges	122,993	141,100	151,800	10,700
Transport Related Recharges	1,790,133	1,635,700	1,860,100	224,400
Supplies & Services Related Recharges	241,002	266,500	308,100	41,600
Central Support and Service Admin	5,883,125	6,164,900	6,628,600	463,700
Internal Recharges	(8,037,253)	(8,208,200)	(8,948,600)	(740,400)
Recharges	0	0	0	0
Consisting of				
Capital Financing Charges	4,277,633	3,626,100	3,034,900	(591,200)
Capital Entries	(4,277,633)	(3,626,100)	(3,034,900)	591,200
Capital	0	0	0	0
Net Portfolio Revenue Budget	11,624,323	14,365,500	15,448,400	1,082,900
Consisting of				
Transfer to Reserves	2,028,756	410,800	523,200	112,400
Transfer from Reserves	(1,463,695)	(576,400)	(1,033,700)	(457,300)
Reserves	565,061	(165,600)	(510,500)	(344,900)
Transfer to/from Earmarked Reserves	565,061	(165,600)	(510,500)	(344,900)
Net Council Budget	12,189,385	14,199,900	14,937,900	738,000

Communities and Place Portfolio Budget

Division	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Community Grants	208,525	216,500	280,800	64,300
Events	57,452	(28,500)	61,800	90,300
Total Communities and Place Portfolio Budget	265,976	188,000	342,600	154,600
Transfer to/from Earmarked Reserves				
Communities and Place	46,640	139,400	(18,000)	(157,400)
Total Reserves	46,640	139,400	(18,000)	(157,400)
TOTAL	312,616	327,400	324,600	(2,800)
Consisting of				
	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Employee Expenses	111,678	116,000	120,300	4,300
Supplies & Services	223,024	193,000	275,000	82,000
Revenue Income	(132,675)	(191,400)	(115,200)	76,200
Controllable	202,026	117,600	280,100	162,500
Consisting of				
Supplies & Services Related Recharges	1,096	1,100	1,200	100
Central Support and Service Admin	62,854	69,300	61,300	(8,000)
Recharges	63,950	70,400	62,500	(7,900)
Total Communities and Place	265,976	188,000	342,600	154,600
Consisting of				
Transfer to Reserves	61,843	0	0	0
Transfer from Reserves	(15,203)	139,400	(18,000)	(157,400)
Reserves	46,640	139,400	(18,000)	(157,400)
Transfer to/from Earmarked Reserves	46,640	139,400	(18,000)	(157,400)
TOTAL	312,616	327,400	324,600	(5,600)

	Actual	Original	Original	Variance to
R420 Community Grants	2022-2023	Budget	Budget	Original
		2023-2024	2024-2025	Budget
	£	£	£	£
Employee Expenses	97,630	101,700	105,900	4,200
Supplies & Services	176,779	123,100	194,500	71,400
Revenue Income	(116,977)	(63,400)	(71,400)	(8,000)
Controllable	157,432	161,400	229,000	67,600
Supplies & Services Related Recharges	957	1,000	1,100	100
Central Support and Service Admin	50,136	54,100	50,700	(3,400)
Recharges	51,093	55,100	51,800	(3,300)
Transfer to Reserves	59,943	0	0	0
Transfer from Reserves	(15,203)	48,400	(15,000)	(63,400)
Reserves	44,740	48,400	(15,000)	(63,400)
Total	253,265	264,900	265,800	900

	Actual	Original	Original	Variance to
R780 Events	2022-2023	2023-2024	2024-2025	Original
	£	£	£	Budget 2023-2024
				£
Employee Expenses	14,048	14,300	14,400	100
Supplies & Services	46,245	69,900	80,500	10,600
Revenue Income	(15,699)	(128,000)	(43,800)	84,200
Controllable	44,595	(43,800)	51,100	94,900
Supplies & Services Related Recharges	139	100	100	0
Central Support and Service Admin	12,718	15,200	10,600	(4,600)
Recharges	12,857	15,300	10,700	(4,600)
Transfer to Reserves	1,900	0	0	0
Transfer from Reserves	0	91,000	(3,000)	(94,000)
Reserves	1,900	91,000	(3,000)	(94,000)
Total	59,352	62,500	58,800	(3,700)

Lifestyles, Health & Wellbeing Portfolio Budget

Division	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023- 2024 £
Leisure Services Division	74,995	0	0	0
Calverton Leisure Centre	179,282	342,700	372,100	29,400
Carlton Forum Leisure Centre	152,650	256,500	239,100	(17,400)
Redhill Leisure Centre	230,081	319,400	335,000	15,600
Arnold Theatre	135,840	193,100	189,100	(4,000)
Arnold Leisure Centre	258,523	415,500	438,000	22,500
Richard Herrod Centre	462,966	475,200	501,900	26,700
The Arts & Tourism	55,304	59,600	62,500	2,900
Health & Wellbeing	(21,483)	(33,900)	7,100	41,000
Total Lifestyles, Health & Wellbeing Portfolio Budget	1,528,157	2,028,100	2,144,800	116,700
Transfer to/from Earmarked Reserves				
Total Reserves	33,222	58,000	18,000	(40,000)
TOTAL	1,561,379	2,086,100	2,162,800	76,700
	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023- 2024 £
Consisting of				
Employee Expenses	2,668,308	3,080,200	3,406,600	326,400
Premises Related Expenses	964,965	1,366,100	1,324,400	(41,700)
Transport Related Expenses	2,779	3,700	3,700	0
Supplies & Services	672,834	527,700	544,200	16,500
Capital Interest	802	0	0	0
Revenue Income	(3,676,093)	(3,866,500)	(4,059,400)	(192,900)
Controllable	633,596	1,111,200	1,219,500	108,300
Consisting of				
Premises Related Recharges	37,576	36,500	41,700	5,200
Supplies & Services Related Recharges	22,670	23,000	27,600	4,600
Central Support and Service Admin	555,197	575,900	621,000	45,100
Recharges	615,443	635,400	690,300	54,900
Consisting of				
Capital Financing Charges	279,118	281,500	235,000	(46,500)
Capital	279,118	281,500	235,000	(46,500)
Total Lifestyles, Health & Wellbeing	1,528,157	2,028,100	2,144,800	116,700
Consisting of				
Transfer to Reserves	140,583	18,000	18,000	0
Transfer from Reserves	(107,361)	40,000	0	(40,000)
Reserves	33,222	58,000	18,000	(40,000)
Transfer to/from Earmarked Reserves	33,222	58,000	18,000	(40,000)
TOTAL	1,561,379	2,086,100	2,162,800	153,400

	Actual	Original	Original	Variance to
R700 Leisure Services Division	2022-2023	Budget	Budget	Original
	2023-2024	2023-2024	2024-2025	Budget 2023-
	£	£	£	2024
				£
Employee Expenses	0	0	0	0
Supplies & Services	73,605	0	0	0
Controllable	73,605	0	0	0
Central Support and Service Admin	1,390	0	0	0
Recharges	1,390	0	0	0
Transfer from Reserves	(73,542)	0	0	0
Reserves	(73,542)	0	0	0
Total	1,453	0	0	0

R725 Calverton Leisure Centre	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	£	£	2024	£
Employee Expenses	339,700	437,800	473,400	35,600
Premises Related Expenses	154,825	197,900	199,800	1,900
Transport Related Expenses	371	600	600	0
Supplies & Services	51,260	68,600	72,100	3,500
Capital Interest	96	0	0	0
Revenue Income	(441,540)	(440,100)	(457,600)	(17,500)
Controllable	104,711	264,800	288,300	23,500
Premises Related Recharges	4,272	4,300	4,400	100
Supplies & Services Related Recharges	3,129	3,200	3,900	700
Central Support and Service Admin	63,970	67,200	72,300	5,100
Recharges	71,372	74,700	80,600	5,900
Capital Financing Charges	3,199	3,200	3,200	0
Capital	3,199	3,200	3,200	0
Transfer to Reserves	32,652	0	0	0
Transfer from Reserves	(1,582)	0	0	0
Reserves	31,070	0	0	0
Total	210,352	342,700	372,100	29,400

R730 Carlton Forum Leisure Centre	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	2024			
	£	£	£	£
Employee Expenses	898,922	981,300	1,088,500	107,200
Premises Related Expenses	292,847	425,100	417,400	(7,700)
Transport Related Expenses	952	800	800	0
Supplies & Services	195,238	177,500	183,500	6,000
Capital Interest	374	0	0	0
Revenue Income	(1,456,609)	(1,546,400)	(1,656,400)	(110,000)
Controllable	(68,276)	38,300	33,800	(4,500)
Premises Related Recharges	10,492	6,300	9,100	2,800
Supplies & Services Related Recharges	6,997	7,100	8,800	1,700
Central Support and Service Admin	158,918	165,200	185,800	20,600
Recharges	176,407	178,600	203,700	25,100
Capital Financing Charges	44,519	39,600	1,600	(38,000)
Capital	44,519	39,600	1,600	(38,000)
Transfer to Reserves	31,937	0	0	0
Transfer from Reserves	(21,689)	0	0	0
Reserves	10,248	0	0	0
Total	162,898	256,500	239,100	(17,400)

				Variance to
	Actual	Original	Original	Original
R735 Redhill Leisure Centre	2022-2023	Budget	Budget	Budget 2023-
	2023-2024	2024-2025	2024	2024
	£	£	£	£
Employee Expenses	368,412	439,900	486,700	46,800
Premises Related Expenses	119,225	165,400	162,900	(2,500)
Transport Related Expenses	370	200	200	0
Supplies & Services	82,301	83,200	85,200	2,000
Capital Interest	6	0	0	0
Revenue Income	(447,412)	(475,000)	(507,300)	(32,300)
Controllable	122,903	213,700	227,700	14,000
Premises Related Recharges	5,249	4,400	4,400	0
Supplies & Services Related Recharges	3,105	3,200	3,700	500
Central Support and Service Admin	78,676	82,800	83,900	1,100
Recharges	87,031	90,400	92,000	1,600
Capital Financing Charges	20,147	15,300	15,300	0
Capital	20,147	15,300	15,300	0
Transfer to Reserves	33,794	18,000	18,000	0
Transfer from Reserves	(2,288)	0	0	0
Reserves	31,506	18,000	18,000	0
Total	261,586	337,400	353,000	15,600

				Variance to
	Actual	Original	Original	Original
R740 Arnold Theatre	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	164,389	190,200	204,700	14,500
Premises Related Expenses	35,263	69,500	61,200	(8,300)
Transport Related Expenses	0	100	100	0
Supplies & Services	91,728	100,200	100,200	0
Capital Interest	29	0	0	0
Revenue Income	(202,399)	(227,200)	(238,600)	(11,400)
Controllable	89,010	132,800	127,600	(5,200)
Premises Related Recharges	0	300	300	0
Supplies & Services Related Recharges	1,315	1,300	1,500	200
Central Support and Service Admin	55,094	58,700	59,700	1,000
Recharges	56,409	60,300	61,500	1,200
Capital Financing Charges	(9,579)	0	0	0
Capital	(9,579)	0	0	0
Transfer from Reserves	(527)	0	0	0
Reserves	(527)	0	0	0
Total	135,313	193,100	189,100	(4,000)

R745 Arnold Leisure Centre	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	2024			2024
	£	£	£	£
Employee Expenses	493,475	576,500	661,000	84,500
Premises Related Expenses	227,278	329,100	304,900	(24,200)
Transport Related Expenses	304	900	900	0
Supplies & Services	50,450	40,700	44,700	4,000
Capital Interest	132	0	0	0
Revenue Income	(750,861)	(767,300)	(817,500)	(50,200)
Controllable	20,778	179,900	194,000	14,100
Premises Related Recharges	8,933	9,300	11,000	1,700
Supplies & Services Related Recharges	4,417	4,500	5,400	900
Central Support and Service Admin	101,717	99,800	110,200	10,400
Recharges	115,068	113,600	126,600	13,000
Capital Financing Charges	122,678	122,000	117,400	(4,600)
Capital	122,678	122,000	117,400	(4,600)
Transfer to Reserves	7,133	0	0	0
Transfer from Reserves	(2,287)	0	0	0
Reserves	4,846	0	0	0
Total	263,370	415,500	438,000	22,500

				Variance to
	Actual	Original	Original	Original
R750 Richard Herrod Centre	2022-2023	Budget	Budget	Budget 2023-
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	286,996	337,700	369,600	31,900
Premises Related Expenses	135,528	179,100	178,200	(900)
Transport Related Expenses	298	600	600	0
Supplies & Services	65,203	53,500	54,500	1,000
Capital Interest	166	0	0	0
Revenue Income	(212,283)	(292,000)	(303,500)	(11,500)
Controllable	275,906	278,900	299,400	20,500
Premises Related Recharges	8,630	11,900	12,500	600
Supplies & Services Related Recharges	2,581	2,600	3,000	400
Central Support and Service Admin	77,694	80,400	89,500	9,100
Recharges	88,905	94,900	105,000	10,100
Capital Financing Charges	98,154	101,400	97,500	(3,900)
Capital	98,154	101,400	97,500	(3,900)
Transfer to Reserves	267	0	0	0
Transfer from Reserves	(1,383)	0	0	0
Reserves	(1,117)	0	0	0
Total	461,849	475,200	501,900	26,700

	Actual	Original	Original	Variance to
R765 The Arts & Tourism	2022-2023	Budget	Budget	Original
		2023-2024	2024-2025	Budget 2023-
	£	£	£	2024
				£
Employee Expenses	42,908	44,100	45,800	1,700
Transport Related Expenses	76	100	100	0
Supplies & Services	2,011	2,000	2,000	0
Revenue Income	(400)	0	0	0
Controllable	44,596	46,200	47,900	1,700
Supplies & Services Related Recharges	427	400	500	100
Central Support and Service Admin	10,282	13,000	14,100	1,100
Recharges	10,709	13,400	14,600	1,200
Total	55,304	59,600	62,500	2,900

	Actual	Original	Original	Variance to
R770 Health & Wellbeing	2022-2023	2023-2024	2024-2025	Original
	£	£	£	£
Employee Expenses	73,505	72,700	76,900	4,200
Transport Related Expenses	408	400	400	0
Supplies & Services	61,039	2,000	2,000	0
Revenue Income	(164,588)	(118,500)	(78,500)	40,000
Controllable	(29,636)	(43,400)	800	44,200
Supplies & Services Related Recharges	698	700	800	100
Central Support and Service Admin	7,455	8,800	5,500	(3,300)
Recharges	8,153	9,500	6,300	(3,200)
Transfer to Reserves	34,800	0	0	0
Transfer from Reserves	(4,062)	40,000	0	(40,000)
Reserves	30,738	40,000	0	(40,000)
Total	9,254	6,100	7,100	1,000

Public Protection Portfolio Budget

		Actual	Original	Original	Variance to
		2022-2023	Budget	Budget	Original Budget
		£	2023-2024	2024-2025	2023-2024
		£	£	£	£
Division					
R100	Taxi Licencing	12,216	48,700	(0)	(48,700)
R101	Other Licencing	50,411	76,900	97,800	20,900
R200	Environmental Protection	371,083	379,200	319,500	(59,700)
R205	Food, Health & Safety	304,245	263,000	293,100	30,100
R215	Comm Protection & Dog Control	546,017	647,600	554,500	(93,100)
R220	External Grant Schemes	0	0	0	0
R600	Private Sector Housing	1,016,319	287,800	248,300	(39,500)
R605	Selective Licensing	(129,274)	(137,100)	(194,000)	(56,900)
Total Public Protection Portfolio Budget		2,171,017	1,566,100	1,319,200	(246,900)
Transfer to/from Earmarked Reserves					
R300	Public Protection	184,057	149,600	207,400	57,800
Total Reserves		184,057	149,600	207,400	57,800
TOTAL		2,355,074	1,715,700	1,526,600	(189,100)
Consisting of					
		Actual	Original	Original	Variance to
		2022-2023	Budget	Budget	Original Budget
		£	2023-2024	2024-2025	2023-2024
		£	£	£	£
Consisting of					
	Employee Expenses	1,250,313	1,496,200	1,386,800	(109,400)
	Premises Related Expenses	7,595	11,600	11,600	0
	Transport Related Expenses	6,466	11,400	11,400	0
	Supplies & Services	233,785	191,600	219,200	27,600
	Third Party Payments	34,410	19,000	19,000	0
	Revenue Income	(999,873)	(1,052,600)	(1,193,200)	(140,600)
Controllable		532,697	677,200	454,800	(222,400)
Consisting of					
	Transport Related Recharges	27,135	39,500	45,100	5,600
	Supplies & Services Related Recharges	114,363	128,800	146,100	17,300
	Central Support and Service Admin	688,851	714,000	664,600	(49,400)
	Internal Recharges	0	(5,800)	(5,800)	0
Recharges		830,349	876,500	850,000	(26,500)
Consisting of					
	Capital Financing Charges	2,089,779	1,542,400	1,214,400	(328,000)
	Capital Entries	(1,281,808)	(1,530,000)	(1,200,000)	330,000
Capital		807,971	12,400	14,400	2,000
Total Public Protection		2,171,017	1,566,100	1,319,200	(246,900)
Consisting of					
	Transfer to Reserves	327,285	184,700	256,100	71,400
	Transfer from Reserves	(143,228)	(35,100)	(48,700)	(13,600)
Reserves		184,057	149,600	207,400	57,800
Transfer to/from Earmarked Reserves					
		184,057	149,600	207,400	57,800
TOTAL		2,355,074	1,715,700	1,526,600	(378,200)

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
R100 Taxi Licencing				
Employee Expenses	113,194	127,700	118,300	(9,400)
Premises Related Expenses	1,248	0	0	0
Transport Related Expenses	19	0	0	0
Supplies & Services	27,640	70,400	70,400	0
Revenue Income	(514,775)	(534,500)	(534,500)	0
Controllable	(372,674)	(336,400)	(345,800)	(9,400)
Supplies & Services Related Recharges	100,876	115,200	131,500	16,300
Central Support and Service Admin	284,014	269,900	214,300	(55,600)
Recharges	384,890	385,100	345,800	(39,300)
Transfer to Reserves	150,000	0	0	0
Transfer from Reserves	(12,548)	0	0	0
Reserves	137,452	0	0	0
Total	149,668	48,700	(0)	(48,700)

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
R101 Other Licencing				
Employee Expenses	84,220	93,000	111,300	18,300
Transport Related Expenses	86	0	0	0
Supplies & Services	0	1,900	1,900	0
Revenue Income	(109,995)	(103,000)	(104,800)	(1,800)
Controllable	(25,688)	(8,100)	8,400	16,500
Supplies & Services Related Recharges	857	800	1,000	200
Central Support and Service Admin	75,242	84,200	88,400	4,200
Recharges	76,099	85,000	89,400	4,400
Transfer from Reserves	(382)	0	(19,000)	(19,000)
Reserves	(382)	0	(19,000)	(19,000)
Total	50,029	76,900	78,800	1,900

R200 Environmental Protection	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	259,839	296,900	245,500	(51,400)
Transport Related Expenses	1,345	1,600	1,600	0
Supplies & Services	14,892	18,600	18,600	0
Third Party Payments	0	2,000	2,000	0
Revenue Income	(18,166)	(55,400)	(67,100)	(11,700)
Controllable	257,910	263,700	200,600	(63,100)
Transport Related Recharges	10,259	12,100	13,800	1,700
Supplies & Services Related Recharges	2,390	2,400	3,000	600
Central Support and Service Admin	100,525	106,800	107,900	1,100
Internal Recharges	0	(5,800)	(5,800)	0
Recharges	113,174	115,500	118,900	3,400
Transfer from Reserves	(11,750)	0	0	0
Reserves	(11,750)	0	0	0
Total	359,333	379,200	319,500	(59,700)

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
R205 Food, Health & Safety				
Employee Expenses	243,703	198,500	226,300	27,800
Transport Related Expenses	2,477	3,700	3,700	0
Supplies & Services	569	6,700	6,700	0
Revenue Income	(1,583)	(8,200)	(9,900)	(1,700)
Controllable	245,166	200,700	226,800	26,100
Supplies & Services Related Recharges	1,979	2,000	2,300	300
Central Support and Service Admin	57,100	60,300	64,000	3,700
Recharges	59,079	62,300	66,300	4,000
Transfer from Reserves	(27,600)	0	(19,000)	(19,000)
Reserves	(27,600)	0	(19,000)	(19,000)
Total	276,645	263,000	274,100	11,100

R215 Comm Protection & Dog Control	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	271,492	375,800	314,500	(61,300)
Premises Related Expenses	6,347	11,600	11,600	0
Transport Related Expenses	399	1,600	1,600	0
Supplies & Services	130,641	74,900	44,900	(30,000)
Third Party Payments	19,918	17,000	17,000	0
Revenue Income	(27,576)	(11,200)	(11,200)	0
Controllable	401,221	469,700	378,400	(91,300)
Transport Related Recharges	16,876	27,400	31,300	3,900
Supplies & Services Related Recharges	3,636	3,700	3,700	0
Central Support and Service Admin	118,280	134,400	126,700	(7,700)
Recharges	138,791	165,500	161,700	(3,800)
Capital Financing Charges	6,004	12,400	14,400	2,000
Capital	6,004	12,400	14,400	2,000
Transfer to Reserves	39,359	35,800	55,800	20,000
Transfer from Reserves	(90,563)	(35,100)	(5,100)	30,000
Reserves	(51,204)	700	50,700	50,000
Total	494,813	648,300	605,200	(43,100)

R220 External Grant Schemes	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	4,221	0	0	0
Supplies & Services	44,357	0	54,600	54,600
Third Party Payments	14,493	0	0	0
Revenue Income	(63,070)	0	(54,600)	(54,600)
Controllable	0	0	0	0
Supplies & Services Related Recharges	0	0	0	0
Recharges	0	0	0	0
Total	0	0	0	0

R600 Private Sector Housing	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	188,789	245,000	208,500	(36,500)
Transport Related Expenses	2,060	4,500	4,500	0
Supplies & Services	15,686	5,700	5,700	0
Revenue Income	(39,788)	(18,700)	(20,200)	(1,500)
Controllable	166,747	236,500	198,500	(38,000)
Supplies & Services Related Recharges	2,566	2,600	2,600	0
Central Support and Service Admin	45,038	48,700	47,200	(1,500)
Recharges	47,604	51,300	49,800	(1,500)
Capital Financing Charges	2,083,775	1,530,000	1,200,000	(330,000)
Capital Entries	(1,281,808)	#####	(1,200,000)	330,000
Capital	801,967	0	0	0
Transfer from Reserves	(385)	0	(5,600)	(5,600)
Reserves	(385)	0	(5,600)	(5,600)
Total	1,015,934	287,800	242,700	(45,100)

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
R605 Selective Licensing				
Employee Expenses	84,856	159,300	162,400	3,100
Transport Related Expenses	80	0	0	0
Supplies & Services	0	13,400	16,400	3,000
Revenue Income	(224,920)	(321,600)	(390,900)	(69,300)
Controllable	(139,985)	(148,900)	(212,100)	(63,200)
Supplies & Services Related Recharges	2,059	2,100	2,000	(100)
Central Support and Service Admin	8,652	9,700	16,100	6,400
Recharges	10,711	11,800	18,100	6,300
Transfer to Reserves	137,926	148,900	200,300	51,400
Transfer from Reserves	0	0	(0)	(0)
Reserves	137,926	148,900	200,300	51,400
Total	8,652	11,800	6,300	(5,500)

Life Chances and Vulnerability Portfolio Budget

Division		Actual	Original	Original	Variance to
		2022-2023	Budget	Budget	Original
		£	£	£	Budget 2023-2024
R630	Housing Needs	412,349	548,300	968,200	419,900
R877	Council Tax Benefits	(1,784)	(2,000)	(3,000)	(1,000)
R880	Rent Allowances	(3,377)	129,500	354,200	224,700
R882	Housing Benefit Administration	223,989	456,200	519,400	63,200
R885	Rent Rebates	9,721	8,800	21,300	12,500
Total Life Chances and Vulnerability Portfolio Budget		640,898	1,140,800	1,860,100	719,300
Transfer to/from Earmarked Reserves					
R400	Life Chances and Vulnerability Total Reserves	56,379	(86,500)	(85,900)	600
TOTAL		697,276	1,054,300	1,774,200	719,900
Consisting of		Actual	Original	Original	Variance to
		2022-2023	Budget	Budget	Original
		£	£	£	Budget 2023-2024
	Employee Expenses	741,608	803,900	898,200	94,300
	Premises Related Expenses	78,535	95,600	91,900	(3,700)
	Transport Related Expenses	682	1,100	1,100	0
	Supplies & Services	334,982	269,500	410,200	140,700
	Transfer Payments	17,686,308	16,870,900	16,014,200	(856,700)
	Revenue Income	(18,636,224)	(17,389,500)	(16,284,600)	1,104,900
Controllable		205,892	651,500	1,131,000	479,500
Consisting of					
	Premises Related Recharges	2,153	2,400	2,900	500
	Supplies & Services Related Recharges	7,652	7,800	8,600	800
	Central Support and Service Admin	392,824	436,500	654,500	218,000
Recharges		402,629	446,700	666,000	219,300
Consisting of					
	Capital Financing Charges	32,377	42,600	63,100	20,500
Capital		32,377	42,600	63,100	20,500
Total Life Chances and Vulnerability		640,898	1,140,800	1,860,100	719,300
Consisting of					
	Transfer to Reserves	138,500	0	41,000	41,000
	Transfer from Reserves	(82,121)	(86,500)	(126,900)	(40,400)
Reserves		56,379	(86,500)	(85,900)	600
Transfer to/from Earmarked Reserves		56,379	(86,500)	(85,900)	600
TOTAL		697,276	1,054,300	1,774,200	1,439,800

	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
R630 Housing Needs		2023-	2024-2025	Budget
	£	2024	£	2023-2024
		£		£
Employee Expenses	417,676	452,100	562,700	110,600
Premises Related Expenses	78,535	95,600	91,900	(3,700)
Transport Related Expenses	571	600	600	0
Supplies & Services	383,992	247,400	410,100	162,700
Revenue Income	(634,085)	(443,600)	(448,100)	(4,500)
Controllable	246,689	352,100	617,200	265,100
Premises Related Recharges	2,153	2,400	2,900	500
Supplies & Services Related Recharges	4,335	4,400	4,800	400
Central Support and Service Admin	126,795	146,800	280,200	133,400
Recharges	133,283	153,600	287,900	134,300
Capital Financing Charges	32,377	42,600	63,100	20,500
Capital	32,377	42,600	63,100	20,500
Transfer to Reserves	138,500	0	41,000	41,000
Transfer from Reserves	(63,056)	(86,500)	(126,900)	(40,400)
Reserves	75,444	(86,500)	(85,900)	600
Total	487,792	461,800	882,300	420,500

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023-2024
	£	£	£	£
R877 Council Tax Benefits				
Transfer Payments	310	500	500	0
Revenue Income	(2,244)	(2,500)	(3,500)	(1,000)
Controllable	(1,934)	(2,000)	(3,000)	(1,000)
Central Support and Service Admin	150	0	0	0
Recharges	150	0	0	0
Total	(1,784)	(2,000)	(3,000)	(1,000)

	Actual	Original	Original	Variance to
R880 Rent Allowances	2022-2023	Budget	Budget	Original
	2022-2023	2023-	2024-2025	Budget
	£	2024	£	2023-2024
	£	£	£	£
Supplies & Services	(98,480)	(8,000)	(24,500)	(16,500)
Transfer Payments	17,522,346	#####	15,667,700	(1,007,200)
Revenue Income	#####	#####	(15,289,000)	1,248,400
Controllable	(7,138)	129,500	354,200	224,700
Central Support and Service Admin	3,761	0	0	0
Recharges	3,761	0	0	0
Total	(3,377)	129,500	354,200	224,700

R882 Housing Benefit Administration	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023-2024
	£	£	£	£
Employee Expenses	323,932	351,800	335,500	(16,300)
Transport Related Expenses	111	500	500	0
Supplies & Services	49,440	30,100	24,600	(5,500)
Revenue Income	(410,616)	(219,300)	(219,300)	0
Controllable	(37,133)	163,100	141,300	(21,800)
Supplies & Services Related Recharges	3,317	3,400	3,800	400
Central Support and Service Admin	257,805	289,700	374,300	84,600
Recharges	261,122	293,100	378,100	85,000
Transfer to Reserves	0	0	0	0
Transfer from Reserves	(19,065)	0	0	0
Reserves	(19,065)	0	0	0
Total	204,924	456,200	519,400	63,200

	Actual 2022-2023	Original Budget 2023- 2024	Original Budget 2024-2025	Variance to Original Budget 2023-2024
	£	£	£	£
R885 Rent Rebates				
Supplies & Services	30	0	0	0
Transfer Payments	163,652	195,500	346,000	150,500
Revenue Income	(158,274)	(186,700)	(324,700)	(138,000)
Controllable	5,408	8,800	21,300	12,500
Central Support and Service Admin	4,313	0	0	0
Recharges	4,313	0	0	0
Total	9,721	8,800	21,300	12,500

Environmental Services Portfolio Budget

Division	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023- 2024 £
Waste Other	(89,801)	(138,900)	(19,500)	119,400
Waste Recycling	1,205,418	1,229,200	1,406,100	176,900
Waste Residual	1,329,140	1,297,700	1,467,100	169,400
Waste Services	35,250	300	(0)	(300)
Street Care	1,056,368	967,700	1,160,400	192,700
Environment Service Support	4,507	57,000	0	(57,000)
Fleet Management	1,500	315,300	7,500	(307,800)
Cemeteries	(5,438)	(24,600)	49,700	74,300
Total Environmental Services Portfolio Budget	3,536,944	3,703,700	4,071,300	367,600
Transfer to/from Earmarked Reserves				
Total Reserves	(58,965)	(15,500)	(15,500)	0
TOTAL	3,477,979	3,688,200	4,055,800	367,600
				Variance to
	Actual	Original	Original	Original
	2022-2023	Budget	Budget	Budget 2023-
	£	2023-2024	2024-2025	2024
Consisting of				
Employee Expenses	3,406,976	3,396,900	3,920,400	523,500
Premises Related Expenses	35,462	40,400	38,800	(1,600)
Transport Related Expenses	671,036	693,000	841,800	148,800
Supplies & Services	535,463	446,700	465,700	19,000
Third Party Payments	29,149	18,900	18,900	0
Revenue Income	(2,180,951)	(2,175,000)	(2,197,500)	(22,500)
Controllable	2,497,135	2,420,900	3,088,100	667,200
Consisting of				
Premises Related Recharges	16,343	16,400	18,500	2,100
Transport Related Recharges	1,479,073	1,322,600	1,502,500	179,900
Supplies & Services Related Recharges	28,018	28,600	34,500	5,900
Central Support and Service Admin	961,306	960,700	1,005,000	44,300
Internal Recharges	(2,086,740)	(1,813,400)	(2,115,400)	(302,000)
Recharges	398,000	514,900	445,100	(69,800)
Consisting of				
Capital Financing Charges	641,809	767,900	538,100	(229,800)
Capital	641,809	767,900	538,100	(229,800)
Total Environmental Services	3,536,944	3,703,700	4,071,300	367,600
Consisting of				
Transfer to Reserves	25,000	0	0	0
Transfer from Reserves	(83,965)	(15,500)	(15,500)	0
Reserves	(58,965)	(15,500)	(15,500)	0
Transfer to/from Earmarked Reserves	(58,965)	(15,500)	(15,500)	0
TOTAL	3,477,979	3,688,200	4,055,800	735,200

	Actual	Original	Original	Variance to
R500 Waste Other	2022-2023	Budget	Budget	Original
	2022-2023	2023-2024	2024-2025	Budget 2023-
	£	£	£	2024
				£
Employee Expenses	420,782	388,500	470,300	81,800
Transport Related Expenses	(329)	0	0	0
Supplies & Services	30,746	28,600	28,600	0
Third Party Payments	11,200	11,200	11,200	0
Revenue Income	(807,427)	(787,400)	(802,300)	(14,900)
Controllable	(345,029)	(359,100)	(292,200)	66,900
Transport Related Recharges	211,467	188,500	214,800	26,300
Supplies & Services Related Recharges	3,055	3,100	3,700	600
Central Support and Service Admin	40,706	28,600	54,200	25,600
Recharges	255,228	220,200	272,700	52,500
Transfer from Reserves	(2,104)	0	0	0
Reserves	(2,104)	0	0	0
Total	(91,904)	(138,900)	(19,500)	119,400

				Variance to
	Actual	Original	Original	Original
R501 Waste Recycling	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	790,610	875,500	990,900	115,400
Transport Related Expenses	0	0	0	0
Supplies & Services	35,437	27,100	27,100	0
Revenue Income	(192,512)	(174,600)	(192,700)	(18,100)
Controllable	633,535	728,000	825,300	97,300
Transport Related Recharges	452,474	406,500	463,800	57,300
Supplies & Services Related Recharges	6,907	7,100	8,700	1,600
Central Support and Service Admin	112,502	87,600	108,300	20,700
Internal Recharges	0	0	0	(0)
Recharges	571,883	501,200	580,800	79,600
Transfer to Reserves	0	0	0	0
Transfer from Reserves	(5,723)	0	0	0
Reserves	(5,723)	0	0	0
Total	1,199,695	1,229,200	1,406,100	176,900

				Variance to
	Actual	Original	Original	Original
R502 Waste Residual	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	821,408	820,500	969,600	149,100
Transport Related Expenses	0	0	0	0
Supplies & Services	274,673	261,000	261,000	0
Third Party Payments	240	0	0	0
Revenue Income	(634,754)	(621,400)	(641,400)	(20,000)
Controllable	461,567	460,100	589,200	129,100
Transport Related Recharges	425,870	365,400	417,000	51,600
Supplies & Services Related Recharges	6,353	6,500	8,600	2,100
Central Support and Service Admin	489,707	519,000	505,600	(13,400)
Internal Recharges	(54,357)	(53,300)	(53,300)	0
Recharges	867,573	837,600	877,900	40,300
Capital Financing Charges	0	0	0	0
Capital	0	0	0	0
Transfer from Reserves	(13,423)	0	0	0
Reserves	(13,423)	0	0	0
Total	1,315,718	1,297,700	1,467,100	169,400

				Variance to
	Actual	Original	Original	Original
R503 Waste Services	2022-2023	Budget	Budget	Budget 2023-
		2023-2024	2024-2025	2024
	£	£	£	£
Employee Expenses	21,054	(0)	0	0
Transport Related Expenses	95	400	400	0
Supplies & Services	26,494	5,400	5,400	0
Third Party Payments	0	1,500	1,500	0
Revenue Income	0	0	0	0
Controllable	47,642	7,300	7,300	0
Supplies & Services Related Recharges	(523)	0	0	0
Central Support and Service Admin	220	300	600	300
Internal Recharges	(12,089)	(7,300)	(7,900)	(600)
Recharges	(12,392)	(7,000)	(7,300)	(300)
Transfer from Reserves	(35,250)	0	0	0
Reserves	(35,250)	0	0	0
Total	0	300	0	(300)

R505 Street Care	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2022-2023	2023-2024	2024-2025	Budget 2023-
	£	£	£	2024
				£
Employee Expenses	658,993	612,700	724,000	111,300
Premises Related Expenses	6,088	6,000	6,000	0
Transport Related Expenses	51	400	400	0
Supplies & Services	112,326	79,500	98,500	19,000
Third Party Payments	6,575	2,200	2,200	0
Revenue Income	(75,840)	(29,500)	(11,100)	18,400
Controllable	708,192	671,300	820,000	148,700
Transport Related Recharges	274,715	227,200	259,100	31,900
Supplies & Services Related Recharges	5,433	5,500	6,200	700
Central Support and Service Admin	68,028	63,700	75,100	11,400
Recharges	348,176	296,400	340,400	44,000
Transfer to Reserves	25,000	0	0	0
Transfer from Reserves	(20,471)	(8,000)	(8,000)	0
Reserves	4,529	(8,000)	(8,000)	0
Total	1,060,896	959,700	1,152,400	192,700

R514 Environment Service Support	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	£	£	2024	£
Employee Expenses	140,157	73,900	100,300	26,400
Transport Related Expenses	385	100	100	0
Supplies & Services	904	1,000	1,000	0
Controllable	141,446	75,000	101,400	26,400
Supplies & Services Related Recharges	1,118	1,100	1,400	300
Central Support and Service Admin	61,888	57,000	38,200	(18,800)
Internal Recharges	(199,945)	(76,100)	(141,000)	(64,900)
Recharges	(136,939)	(18,000)	(101,400)	(83,400)
Transfer from Reserves	(4,507)	0	0	0
Reserves	(4,507)	0	0	0
Total	(0)	57,000	(0)	(57,000)

R555 Fleet Management	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	£	£	2024	2024
			£	£
Employee Expenses	326,210	343,300	346,100	2,800
Transport Related Expenses	669,964	690,900	839,700	148,800
Supplies & Services	47,165	30,600	30,600	0
Third Party Payments	5,225	0	0	0
Revenue Income	(48,116)	(46,400)	(46,400)	0
Controllable	1,000,448	1,018,400	1,170,000	151,600
Premises Related Recharges	3,036	3,000	5,000	2,000
Transport Related Recharges	69,496	73,000	77,100	4,100
Supplies & Services Related Recharges	3,438	3,000	3,200	200
Central Support and Service Admin	140,730	161,300	164,300	3,000
Internal Recharges	(1,820,350)	(1,676,700)	(1,913,200)	(236,500)
Recharges	(1,603,650)	(1,436,400)	(1,663,600)	(227,200)
Capital Financing Charges	604,702	733,300	501,100	(232,200)
Capital	604,702	733,300	501,100	(232,200)
Transfer from Reserves	(1,500)	(7,500)	(7,500)	0
Reserves	(1,500)	(7,500)	(7,500)	0
Total	(0)	307,800	0	(307,800)

R720 Cemeteries	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	227,763	282,500	319,200	36,700
Premises Related Expenses	29,374	34,400	32,800	(1,600)
Transport Related Expenses	871	1,200	1,200	0
Supplies & Services	7,719	13,500	13,500	0
Third Party Payments	5,909	4,000	4,000	0
Revenue Income	(422,302)	(515,700)	(503,600)	12,100
Controllable	(150,665)	(180,100)	(132,900)	47,200
Premises Related Recharges	13,307	13,400	13,500	100
Transport Related Recharges	45,051	62,000	70,700	8,700
Supplies & Services Related Recharges	2,237	2,300	2,700	400
Central Support and Service Admin	47,525	43,200	58,700	15,500
Recharges	108,120	120,900	145,600	24,700
Capital Financing Charges	37,107	34,600	37,000	2,400
Capital	37,107	34,600	37,000	2,400
Transfer from Reserves	(988)	0	0	0
Reserves	(988)	0	0	0
Total	(6,426)	(24,600)	49,700	74,300

Climate Change and Natural Habitat Portfolio Budget

Division	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023- 2024 £
Climate Control & Sustainability	8,157	0	62,600	62,600
Parks	1,910,828	1,934,700	2,092,700	158,000
Parks - External Works	125,070	(34,900)	(29,100)	5,800
Total Climate Change and Natural Habitat Portfolio Budget	2,044,055	1,899,800	2,126,200	226,400
Transfer to/from Earmarked Reserves				
Total Reserves	(53,810)	(60,400)	(67,000)	(6,600)
TOTAL	1,990,245	1,839,400	2,059,200	219,800
Consisting of	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023- 2024 £
Employee Expenses	1,016,271	985,800	976,700	(9,100)
Premises Related Expenses	204,039	207,300	158,600	(48,700)
Transport Related Expenses	97	1,100	1,100	0
Supplies & Services	191,344	147,400	135,600	(11,800)
Third Party Payments	19,853	53,000	25,000	(28,000)
Revenue Income	(499,042)	(535,300)	(269,400)	265,900
Controllable	932,562	859,300	1,027,600	168,300
Consisting of				
Premises Related Recharges	12,766	12,700	11,600	(1,100)
Transport Related Recharges	283,493	273,200	312,000	38,800
Supplies & Services Related Recharges	9,183	9,400	11,000	1,600
Central Support and Service Admin	391,759	337,800	357,700	19,900
Internal Recharges	(15,734)	(28,000)	(28,000)	0
Recharges	681,467	605,100	664,300	59,200
Consisting of				
Capital Financing Charges	631,930	435,400	434,300	(1,100)
Capital Entries	(201,904)	0	0	0
Capital	430,026	435,400	434,300	(1,100)
Total Climate Change and Natural Habitat	2,044,055	1,899,800	2,126,200	226,400
Consisting of				
Transfer to Reserves	13,971	8,100	8,100	0
Transfer from Reserves	(67,780)	(68,500)	(75,100)	(6,600)
Reserves	(53,810)	(60,400)	(67,000)	(6,600)
Transfer to/from Earmarked Reserves	(53,810)	(60,400)	(67,000)	(6,600)
TOTAL	1,990,245	1,839,400	2,059,200	439,600

R117 Climate Control & Sustainability	Actual	Original	Original	Variance to
	2022-2023	2023-2024	2024-2025	Original
	£	£	£	£
Employee Expenses	1,111	0	53,700	53,700
Transport Related Expenses	0	0	0	0
Supplies & Services	7,045	0	5,000	5,000
Controllable	8,157	0	58,700	58,700
Central Support and Service Admin	0	0	3,900	3,900
Recharges	0	0	3,900	3,900
Transfer from Reserves	(8,100)	0	0	0
Reserves	(8,100)	0	0	0
Total	57	0	62,600	62,600

R715 Parks	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	727,069	774,600	855,200	80,600
Premises Related Expenses	139,263	156,500	146,000	(10,500)
Transport Related Expenses	97	1,100	1,100	0
Supplies & Services	147,931	119,300	119,300	0
Third Party Payments	18,581	49,500	25,000	(24,500)
Revenue Income	(150,545)	(158,800)	(136,100)	22,700
Controllable	882,397	942,200	1,010,500	68,300
Premises Related Recharges	11,367	12,000	10,900	(1,100)
Transport Related Recharges	237,271	244,900	306,200	61,300
Supplies & Services Related Recharges	5,930	7,500	8,800	1,300
Central Support and Service Admin	351,128	300,000	329,300	29,300
Recharges	605,696	564,400	655,200	90,800
Capital Financing Charges	624,640	428,100	427,000	(1,100)
Capital Entries	(201,904)	0	0	0
Capital	422,736	428,100	427,000	(1,100)
Transfer to Reserves	13,971	8,100	8,100	0
Transfer from Reserves	(56,892)	(68,500)	(75,100)	(6,600)
Reserves	(42,922)	(60,400)	(67,000)	(6,600)
Total	1,867,907	1,874,300	2,025,700	151,400

R717 Parks - External Works	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	£	£	£	£
Employee Expenses	288,091	211,200	67,800	(143,400)
Premises Related Expenses	64,776	50,800	12,600	(38,200)
Transport Related Expenses	0	0	0	0
Supplies & Services	36,367	28,100	11,300	(16,800)
Third Party Payments	1,271	3,500	0	(3,500)
Revenue Income	(348,498)	(376,500)	(133,300)	243,200
Controllable	42,008	(82,900)	(41,600)	41,300
Premises Related Recharges	1,399	700	700	0
Transport Related Recharges	46,222	28,300	5,800	(22,500)
Supplies & Services Related Recharges	3,254	1,900	2,200	300
Central Support and Service Admin	40,631	37,800	24,500	(13,300)
Internal Recharges	(15,734)	(28,000)	(28,000)	0
Recharges	75,771	40,700	5,200	(35,500)
Capital Financing Charges	7,290	7,300	7,300	0
Capital	7,290	7,300	7,300	0
Transfer from Reserves	(2,788)	0	0	0
Reserves	(2,788)	0	0	0
Total	122,282	(34,900)	(29,100)	5,800

Sustainable Growth and Economy Portfolio Budget

Division	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Development Service Support	249	26,100	0	(26,100)
Development Management	366,351	196,100	148,200	(47,900)
Planning Policy	366,300	445,400	465,400	20,000
Building Control Account	59,767	67,300	58,700	(8,600)
Building Control Fee Earning Account	(1,165)	0	(4,300)	(4,300)
Land Charges	(14,998)	(100)	800	900
Economic Development	441,646	651,200	425,100	(226,100)
Housing Strategy	62,938	85,100	88,100	3,000
Total Sustainable Growth and Economy Portfolio Budget	1,281,089	1,471,100	1,182,000	(289,100)
Transfer to/from Earmarked Reserves				
Total Reserves	36,946	(278,100)	(82,400)	195,700
TOTAL	1,318,036	1,193,000	1,099,600	(93,400)
	Actual 2022-2023 £	Original Budget 2023-2024 £	Original Budget 2024-2025 £	Variance to Original Budget 2023-2024 £
Consisting of				
Employee Expenses	1,431,241	1,522,800	1,613,600	90,800
Premises Related Expenses	837	0	0	0
Transport Related Expenses	13,256	16,200	16,200	0
Supplies & Services	222,749	710,400	1,014,100	303,700
Third Party Payments	11,736	13,600	13,600	0
Revenue Income	(859,135)	(1,315,000)	(1,952,300)	(637,300)
Controllable	820,684	948,000	705,200	(242,800)
Consisting of				
Supplies & Services Related Recharges	14,331	20,300	22,300	2,000
Central Support and Service Admin	549,580	586,700	567,100	(19,600)
Internal Recharges	(104,505)	(84,900)	(113,600)	(28,700)
Recharges	459,406	522,100	475,800	(46,300)
Consisting of				
Capital Financing Charges	1,000	1,000	1,000	0
Capital	1,000	1,000	1,000	0
Total Sustainable Growth and Economy	1,281,089	1,471,100	1,182,000	(289,100)
Consisting of				
Transfer to Reserves	93,500	10,000	10,000	0
Transfer from Reserves	(56,554)	(288,100)	(92,400)	195,700
Reserves	36,946	(278,100)	(82,400)	195,700
Transfer to/from Earmarked Reserves	36,946	(278,100)	(82,400)	195,700
TOTAL	1,318,036	1,193,000	1,099,600	(186,800)

	Actual	Original	Original	Variance to
R105 Development Service Support	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	77,705	80,400	86,300	5,900
Supplies & Services	1,055	3,700	3,700	0
Controllable	78,761	84,100	90,000	5,900
Supplies & Services Related Recharges	756	800	900	100
Central Support and Service Admin	25,237	26,100	22,700	(3,400)
Internal Recharges	(104,505)	(84,900)	(113,600)	(28,700)
Recharges	(78,512)	(58,000)	(90,000)	(32,000)
Transfer from Reserves	(249)	0	0	0
Reserves	(249)	0	0	0
Total	0	26,100	(0)	(26,100)

R110 Development Management	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	519,442	533,700	625,500	91,800
Transport Related Expenses	2,320	3,500	3,500	0
Supplies & Services	32,214	17,400	17,400	0
Revenue Income	(426,146)	(610,500)	(743,100)	(132,600)
Controllable	127,829	(55,900)	(96,700)	(40,800)
Supplies & Services Related Recharges	4,984	5,100	5,800	700
Central Support and Service Admin	233,538	246,900	239,100	(7,800)
Recharges	238,522	252,000	244,900	(7,100)
Transfer to Reserves	30,000	0	0	0
Transfer from Reserves	(8,000)	(8,200)	(8,200)	0
Reserves	22,000	(8,200)	(8,200)	0
Total	388,351	187,900	140,000	(47,900)

R115 Planning Policy	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	283,702	299,200	302,600	3,400
Transport Related Expenses	101	600	600	0
Supplies & Services	10,507	39,700	39,700	0
Third Party Payments	11,736	13,600	13,600	0
Revenue Income	(23,363)	(600)	(600)	0
Controllable	282,683	352,500	355,900	3,400
Supplies & Services Related Recharges	2,864	2,900	3,300	400
Central Support and Service Admin	79,753	89,000	105,200	16,200
Recharges	82,617	91,900	108,500	16,600
Capital Financing Charges	1,000	1,000	1,000	0
Capital	1,000	1,000	1,000	0
Transfer from Reserves	(25,247)	(82,500)	(84,200)	(1,700)
Reserves	(25,247)	(82,500)	(84,200)	(1,700)
Total	341,053	362,900	381,200	18,300

R120 Building Control Account	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	51,613	53,800	56,800	3,000
Transport Related Expenses	3,019	3,000	3,000	0
Supplies & Services	1,950	2,100	2,100	0
Revenue Income	(12,763)	(11,600)	(11,600)	0
Controllable	43,819	47,300	50,300	3,000
Supplies & Services Related Recharges	504	500	500	0
Central Support and Service Admin	15,444	19,500	7,900	(11,600)
Recharges	15,948	20,000	8,400	(11,600)
Transfer from Reserves	(50)	0	0	0
Reserves	(50)	0	0	0
Total	59,717	67,300	58,700	(8,600)

R121 Building Control Fee Earning Account	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	£	£	£	Budget
				2023-2024
				£
Employee Expenses	167,164	173,100	182,900	9,800
Transport Related Expenses	7,537	7,000	7,000	0
Supplies & Services	2,801	4,000	4,000	0
Revenue Income	(245,803)	(250,700)	(250,700)	0
Controllable	(68,300)	(66,600)	(56,800)	9,800
Supplies & Services Related Recharges	1,619	1,600	1,900	300
Central Support and Service Admin	65,516	65,000	50,600	(14,400)
Recharges	67,135	66,600	52,500	(14,100)
Transfer from Reserves	(350)	0	0	0
Reserves	(350)	0	0	0
Total	(1,515)	0	(4,300)	(4,300)

	Actual	Original	Original	Variance to
R172 Land Charges	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	3,011	3,100	3,200	100
Transport Related Expenses	3	0	0	0
Supplies & Services	25,374	24,400	24,400	0
Revenue Income	(81,402)	(68,900)	(69,200)	(300)
Controllable	(53,015)	(41,400)	(41,600)	(200)
Supplies & Services Related Recharges	30	5,800	5,800	0
Central Support and Service Admin	37,988	35,500	36,600	1,100
Recharges	38,018	41,300	42,400	1,100
Transfer to Reserves	0	0	0	0
Reserves	0	0	0	0
Total	(14,998)	(100)	800	900

				Variance to
	Actual	Original	Original	Original
R175 Economic Development	2022-2023	Budget	Budget	Budget
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	284,032	316,200	290,100	(26,100)
Premises Related Expenses	837	0	0	0
Transport Related Expenses	276	1,500	1,500	0
Supplies & Services	148,213	618,500	922,200	303,700
Revenue Income	(69,657)	(372,700)	(877,100)	(504,400)
Controllable	363,701	563,500	336,700	(226,800)
Supplies & Services Related Recharges	3,001	3,000	3,400	400
Central Support and Service Admin	74,945	84,700	85,000	300
Recharges	77,946	87,700	88,400	700
Transfer to Reserves	63,500	10,000	10,000	0
Transfer from Reserves	(22,658)	(197,400)	0	197,400
Reserves	40,842	(187,400)	10,000	197,400
Total	482,489	463,800	435,100	(28,700)

R640 Housing Strategy	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	2023-2024	
	£	£	£	£
Employee Expenses	44,572	63,300	66,200	2,900
Transport Related Expenses	0	600	600	0
Supplies & Services	635	600	600	0
Controllable	45,206	64,500	67,400	2,900
Supplies & Services Related Recharges	574	600	700	100
Central Support and Service Admin	17,158	20,000	20,000	0
Recharges	17,732	20,600	20,700	100
Total	62,938	85,100	88,100	3,000

Corporate Resources and Performance Portfolio Budget

Division	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2022-2023	2023-2024	2024-2025	Budget
	£	£	£	2023-2024
	£	£	£	£
Division				
HR, Performance and Service Planning	505	4,700	0	(4,700)
Democratic Mgt & Representation	605,769	696,000	778,000	82,000
Corporate Management	807,737	765,200	867,700	102,500
Health & Safety and Emergency Planning	33,308	75,100	38,200	(36,900)
Committee Services	264	0	0	0
Legal Services	162	2,000	(0)	(2,000)
Central Print Room	(2,935)	(3,000)	(3,000)	0
Postages	0	0	0	0
Registration Of Electors	196,949	211,000	220,300	9,300
Elections	12,157	127,900	55,400	(72,500)
Estates & Valuation	3,650	(5,000)	33,400	38,400
Public Land & Buildings	277,768	338,800	367,700	28,900
Information Technology	(133,762)	(24,000)	(24,000)	0
Communications & Publicity	625	0	(0)	(0)
Corporate Officers	11,563	0	0	(0)
Business Units	(8,969)	(3,000)	3,100	6,100
Public Conveniences	27,004	23,300	30,600	7,300
Building Services	(22,500)	108,400	3,300	(105,100)
Car Parks	143,933	122,200	84,900	(37,300)
Public Offices	16,728	(40,800)	38,900	79,700
Community Centres	177,013	198,300	201,400	3,100
Corporate Administration	0	0	0	0
Financial Services	66,669	(0)	(0)	0
Customer Services	3,890	9,300	(0)	(9,300)
Insurance Premiums	17,479	0	8,100	8,100
Revenues-Local Taxation	6,818	802,300	774,300	(28,000)
Central Provisions Account	(48,961)	(92,400)	208,300	300,700
Non Distributed Costs	130,153	117,600	117,600	0
Corporate Income & Expenditure	(171,158)	215,100	(643,100)	(858,200)
Movement in Reserves (MiRs)	(1,995,672)	(1,281,100)	(758,900)	522,200
Total Corporate Resources and Performance				
Portfolio Budget	156,188	2,367,900	2,402,200	34,300
Transfer to/from Earmarked Reserves				
Total Reserves	320,592	(72,100)	(467,100)	(395,000)
TOTAL	476,780	2,295,800	1,935,100	(360,700)
				Variance to
	Actual	Original	Original	Original
	2022-2023	Budget	Budget	Budget
	£	£	£	2023-2024
	£	£	£	£
Consisting of				
Employee Expenses	4,593,505	4,790,300	5,217,200	426,900
Premises Related Expenses	892,899	1,055,200	1,117,900	62,700
Transport Related Expenses	7,897	14,100	14,100	0
Supplies & Services	3,229,599	2,600,200	2,540,400	(59,800)
Third Party Payments	133,983	253,500	253,500	0
Capital Interest	1,110,108	1,234,000	1,495,000	261,000
Revenue Income	(4,168,256)	(2,367,500)	(3,096,000)	(728,500)
Controllable	5,799,733	7,579,800	7,542,100	(37,700)
Consisting of				
Premises Related Recharges	54,156	73,100	77,100	4,000
Transport Related Recharges	432	400	500	100
Supplies & Services Related Recharges	43,688	47,500	56,800	9,300
Central Support and Service Admin	2,280,754	2,484,000	2,697,400	213,400
Internal Recharges	(5,830,274)	(6,276,100)	(6,685,800)	(409,700)
Recharges	(3,451,244)	(3,671,100)	(3,854,000)	(182,900)
Consisting of				
Capital Financing Charges	601,620	555,300	549,000	(6,300)
Capital Entries	(2,793,921)	(2,096,100)	(1,834,900)	261,200
Capital	(2,192,301)	(1,540,800)	(1,285,900)	254,900
Total Corporate Resources and Performance	156,188	2,367,900	2,402,200	34,300
Consisting of				
Transfer to Reserves	1,228,075	190,000	190,000	0
Transfer from Reserves	(907,484)	(262,100)	(657,100)	(395,000)
Reserves	320,592	(72,100)	(467,100)	(395,000)
Transfer to/from Earmarked Reserves				
TOTAL	476,780	2,295,800	1,935,100	(721,400)

R130 HR, Performance and Service Planning	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to
				Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	248,663	260,100	275,200	15,100
Transport Related Expenses	25	700	700	0
Supplies & Services	16,155	40,000	36,000	(4,000)
Revenue Income	(7,369)	(10,800)	(11,300)	(500)
Controllable	257,475	290,000	300,600	10,600
Supplies & Services Related Recharges	2,406	2,500	2,800	300
Central Support and Service Admin	62,830	64,000	63,100	(900)
Internal Recharges	(322,205)	(351,800)	(366,500)	(14,700)
Recharges	(256,969)	(285,300)	(300,600)	(15,300)
Transfer from Reserves	(505)	(4,700)	0	4,700
Reserves	(505)	(4,700)	0	4,700
Total	(0)	0	(0)	(0)

R140 Democratic Mgt & Representation	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to
				Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	137,836	150,300	161,100	10,800
Transport Related Expenses	2,171	5,500	5,500	0
Supplies & Services	335,852	360,800	379,100	18,300
Revenue Income	(1,296)	(10,700)	(10,700)	0
Controllable	474,563	505,900	535,000	29,100
Supplies & Services Related Recharges	1,388	1,400	1,500	100
Central Support and Service Admin	129,818	188,700	241,500	52,800
Recharges	131,206	190,100	243,000	52,900
Transfer from Reserves	(589)	0	0	0
Reserves	(589)	0	0	0
Total	605,180	696,000	778,000	82,000

				Variance to
	Actual	Original	Original	Original
R145 Corporate Management	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	512,529	500,600	490,100	(10,500)
Transport Related Expenses	2,611	3,200	3,200	0
Supplies & Services	212,268	194,600	194,600	0
Revenue Income	(13,277)	(7,000)	(7,000)	0
Controllable	714,130	691,400	680,900	(10,500)
Supplies & Services Related Recharges	5,074	5,200	5,700	500
Central Support and Service Admin	359,271	388,100	489,300	101,200
Internal Recharges	(270,738)	(319,500)	(308,200)	11,300
Recharges	93,606	73,800	186,800	113,000
Transfer to Reserves	12,967	0	0	0
Transfer from Reserves	(47,385)	0	0	0
Reserves	(34,418)	0	0	0
Total	773,319	765,200	867,700	102,500

R150 Health & Safety and Emergency Planning	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	104,385	135,900	142,600	6,700
Transport Related Expenses	132	300	300	0
Supplies & Services	16,142	18,000	18,000	0
Third Party Payments	7,400	29,600	29,600	0
Revenue Income	10,769	0	0	0
Controllable	138,828	183,800	190,500	6,700
Supplies & Services Related Recharges	765	800	1,400	600
Central Support and Service Admin	32,599	32,200	37,800	5,600
Internal Recharges	(138,885)	(141,700)	(191,500)	(49,800)
Recharges	(105,520)	(108,700)	(152,300)	(43,600)
Transfer from Reserves	(25,196)	(66,700)	(29,300)	37,400
Reserves	(25,196)	(66,700)	(29,300)	37,400
Total	8,112	8,400	8,900	500

R157 Committee Services	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	198	0	0	0
Supplies & Services	66	0	0	0
Controllable	264	0	0	0
Total	264	0	0	0

	Actual	Original	Original	Variance to
R160 Legal Services	2022-2023	Budget	Budget	Original
	£	£	£	Budget 2023-2024
				£
Employee Expenses	288,566	375,600	383,400	7,800
Transport Related Expenses	756	800	800	0
Supplies & Services	38,335	29,700	29,700	0
Revenue Income	(60,162)	(101,900)	(103,300)	(1,400)
Controllable	267,495	304,200	310,600	6,400
Supplies & Services Related Recharges	2,650	2,700	4,000	1,300
Central Support and Service Admin	60,145	65,200	66,600	1,400
Internal Recharges	(330,128)	(370,100)	(381,200)	(11,100)
Recharges	(267,332)	(302,200)	(310,600)	(8,400)
Transfer from Reserves	(162)	(2,000)	0	2,000
Reserves	(162)	(2,000)	0	2,000
Total	(0)	(0)	0	0

				Variance to
	Actual	Original	Original	Original
R165 Central Print Room	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	7,212	7,600	8,500	900
Transport Related Expenses	12	0	0	0
Supplies & Services	11,904	15,100	15,100	0
Controllable	19,128	22,700	23,600	900
Supplies & Services Related Recharges	70	100	100	0
Central Support and Service Admin	2,504	3,000	3,000	0
Internal Recharges	(24,637)	(28,800)	(29,700)	(900)
Recharges	(22,063)	(25,700)	(26,600)	(900)
Transfer to Reserves	3,000	3,000	3,000	0
Transfer from Reserves	(65)	0	0	0
Reserves	2,935	3,000	3,000	0
Total	(0)	(0)	(0)	0

	Actual	Original	Original	Variance to
R170 Postages	2022-2023	Budget	Budget	Original
		2023-2024	2024-2025	Budget 2023-
	£	£	£	2024
				£
Supplies & Services	56,668	44,500	44,500	0
Revenue Income	0	(700)	(700)	0
Controllable	56,668	43,800	43,800	0
Central Support and Service Admin	875	900	2,000	1,100
Internal Recharges	(57,543)	(44,700)	(45,800)	(1,100)
Recharges	(56,668)	(43,800)	(43,800)	0
Total	0	0	0	0

				Variance to
	Actual	Original	Original	Original
R177 Registration Of Electors	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	95,833	106,500	99,300	(7,200)
Transport Related Expenses	126	200	200	0
Supplies & Services	51,025	51,000	51,000	0
Revenue Income	(1,680)	(1,900)	(1,900)	0
Controllable	145,304	155,800	148,600	(7,200)
Supplies & Services Related Recharges	815	800	1,000	200
Central Support and Service Admin	50,830	54,400	70,700	16,300
Recharges	51,646	55,200	71,700	16,500
Transfer from Reserves	(336)	0	0	0
Reserves	(336)	0	0	0
Total	196,613	211,000	220,300	9,300

				Variance to
	Actual	Original	Original	Original
R180 Elections	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	2,999	73,500	0	(73,500)
Premises Related Expenses	0	14,500	14,500	0
Supplies & Services	7,666	65,500	65,500	0
Revenue Income	(1,516)	(32,000)	(32,000)	0
Controllable	9,149	121,500	48,000	(73,500)
Supplies & Services Related Recharges	522	3,500	3,500	0
Central Support and Service Admin	897	1,300	3,900	2,600
Recharges	1,419	4,800	7,400	2,600
Capital Financing Charges	1,589	1,600	0	(1,600)
Capital	1,589	1,600	0	(1,600)
Total	12,157	127,900	55,400	(72,500)

R182 Estates & Valuation	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	167,180	171,200	169,500	(1,700)
Transport Related Expenses	0	300	300	0
Supplies & Services	31,439	17,700	47,700	30,000
Controllable	198,619	189,200	217,500	28,300
Supplies & Services Related Recharges	1,630	1,700	1,800	100
Central Support and Service Admin	48,240	51,800	56,100	4,300
Internal Recharges	(244,839)	(247,700)	(242,000)	5,700
Recharges	(194,969)	(194,200)	(184,100)	10,100
Transfer from Reserves	(3,650)	(3,400)	(33,400)	(30,000)
Reserves	(3,650)	(3,400)	(33,400)	(30,000)
Total	0	(8,400)	0	8,400

R185 Public Land & Buildings	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	£	£	£	£
Employee Expenses	34,073	33,700	49,800	16,100
Premises Related Expenses	119,371	122,600	164,900	42,300
Supplies & Services	22,749	30,000	27,300	(2,700)
Third Party Payments	101	0	0	0
Revenue Income	(188,158)	(265,300)	(272,200)	(6,900)
Controllable	(11,864)	(79,000)	(30,200)	48,800
Premises Related Recharges	11,979	18,200	20,400	2,200
Transport Related Recharges	432	400	500	100
Supplies & Services Related Recharges	313	300	400	100
Central Support and Service Admin	240,736	242,100	252,200	10,100
Recharges	253,460	261,000	273,500	12,500
Capital Financing Charges	36,172	156,800	124,400	(32,400)
Capital	36,172	156,800	124,400	(32,400)
Transfer to Reserves	0	3,300	3,300	0
Transfer from Reserves	(35,063)	0	0	0
Reserves	(35,063)	3,300	3,300	0
Total	242,706	342,100	371,000	28,900

R300 Information Technology	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	368,913	381,000	425,200	44,200
Transport Related Expenses	307	500	500	0
Supplies & Services	615,305	834,400	825,400	(9,000)
Revenue Income	(9,428)	(11,100)	(11,100)	0
Controllable	975,097	1,204,800	1,240,000	35,200
Premises Related Recharges	1,667	2,000	500	(1,500)
Supplies & Services Related Recharges	3,613	3,700	4,000	300
Central Support and Service Admin	67,368	71,400	83,300	11,900
Internal Recharges	(1,377,649)	(1,434,100)	(1,476,400)	(42,300)
Recharges	(1,305,002)	(1,357,000)	(1,388,600)	(31,600)
Capital Financing Charges	196,142	128,200	124,600	(3,600)
Capital	196,142	128,200	124,600	(3,600)
Transfer to Reserves	157,000	113,700	113,700	0
Transfer from Reserves	(23,238)	(89,700)	(89,700)	0
Reserves	133,762	24,000	24,000	0
Total	(0)	0	0	(0)

R340 Communications & Publicity	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	161,446	213,900	233,700	19,800
Transport Related Expenses	219	200	200	0
Supplies & Services	46,840	42,200	52,200	10,000
Revenue Income	(4,925)	(19,700)	(44,700)	(25,000)
Controllable	203,580	236,600	241,400	4,800
Supplies & Services Related Recharges	1,624	1,700	2,900	1,200
Central Support and Service Admin	59,072	64,700	80,500	15,800
Internal Recharges	(263,651)	(303,000)	(324,800)	(21,800)
Recharges	(202,955)	(236,600)	(241,400)	(4,800)
Transfer from Reserves	(625)	0	0	0
Reserves	(625)	0	0	0
Total	0	0	0	0

R350 Corporate Officers	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	61,447	51,300	0	(51,300)
Supplies & Services	362	5,000	0	(5,000)
Revenue Income	0	(20,000)	0	20,000
Controllable	61,809	36,300	0	(36,300)
Supplies & Services Related Recharges	487	500	0	(500)
Central Support and Service Admin	2,900	3,500	0	(3,500)
Internal Recharges	(53,633)	(40,300)	0	40,300
Recharges	(50,246)	(36,300)	0	36,300
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	11,563	0	0	(0)

R410 Business Units	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Premises Related Expenses	110,203	109,900	132,200	22,300
Supplies & Services	0	1,000	1,000	0
Revenue Income	(212,992)	(207,200)	(248,500)	(41,300)
Controllable	(102,789)	(96,300)	(115,300)	(19,000)
Premises Related Recharges	3,752	4,300	4,700	400
Central Support and Service Admin	52,990	54,500	58,100	3,600
Recharges	56,742	58,800	62,800	4,000
Capital Financing Charges	37,077	34,500	55,600	21,100
Capital	37,077	34,500	55,600	21,100
Total	(8,969)	(3,000)	3,100	6,100

				Variance to
	Actual	Original	Original	Original
R510 Public Conveniences	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	0	0	0	0
Premises Related Expenses	5,102	10,600	9,500	(1,100)
Supplies & Services	0	0	0	0
Controllable	5,102	10,600	9,500	(1,100)
Premises Related Recharges	261	400	300	(100)
Central Support and Service Admin	17,693	8,400	11,300	2,900
Recharges	17,953	8,800	11,600	2,800
Capital Financing Charges	3,949	3,900	9,500	5,600
Capital	3,949	3,900	9,500	5,600
Total	27,004	23,300	30,600	7,300

				Variance to
	Actual	Original	Original	Original
R520 Building Services	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	103,317	138,500	150,200	11,700
Transport Related Expenses	142	100	100	0
Supplies & Services	232	3,200	3,200	0
Controllable	103,691	141,800	153,500	11,700
Supplies & Services Related Recharges	1,268	1,300	1,500	200
Central Support and Service Admin	18,632	19,800	17,900	(1,900)
Internal Recharges	(146,091)	(54,500)	(169,600)	(115,100)
Recharges	(126,191)	(33,400)	(150,200)	(116,800)
Transfer to Reserves	23,000	0	0	0
Transfer from Reserves	(500)	(3,300)	(3,300)	0
Reserves	22,500	(3,300)	(3,300)	0
Total	(0)	105,100	0	(105,100)

	Actual	Original	Original	Variance to
R540 Car Parks	2022-2023	Budget	Budget	Original
	£	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	20,875	21,200	22,700	1,500
Premises Related Expenses	135,647	136,000	136,000	0
Transport Related Expenses	258	800	800	0
Supplies & Services	2,142	5,700	5,700	0
Third Party Payments	126,481	223,900	223,900	0
Revenue Income	(199,559)	(331,200)	(381,200)	(50,000)
Controllable	85,844	56,400	7,900	(48,500)
Premises Related Recharges	1,243	3,700	3,700	0
Supplies & Services Related Recharges	201	200	200	0
Central Support and Service Admin	49,117	51,700	61,600	9,900
Recharges	50,561	55,600	65,500	9,900
Capital Financing Charges	7,528	10,200	11,500	1,300
Capital	7,528	10,200	11,500	1,300
Transfer to Reserves	29,282	35,000	35,000	0
Transfer from Reserves	(125)	0	0	0
Reserves	29,157	35,000	35,000	0
Total	173,090	157,200	119,900	(37,300)

				Variance to
	Actual	Original	Original	Original
R560 Public Offices	2022-2023	2023-2024	2024-2025	Budget 2023-2024
	£	£	£	£
Employee Expenses	165,236	180,800	202,600	21,800
Premises Related Expenses	445,117	550,700	538,200	(12,500)
Supplies & Services	19,771	26,700	26,700	0
Revenue Income	(402,575)	(450,800)	(344,500)	106,300
Controllable	227,548	307,400	423,000	115,600
Premises Related Recharges	26,071	33,000	35,200	2,200
Supplies & Services Related Recharges	1,744	1,800	2,100	300
Central Support and Service Admin	156,424	167,900	207,300	39,400
Internal Recharges	(541,005)	(718,200)	(800,200)	(82,000)
Recharges	(356,767)	(515,500)	(555,600)	(40,100)
Capital Financing Charges	145,947	167,300	171,500	4,200
Capital	145,947	167,300	171,500	4,200
Transfer from Reserves	(6,188)	0	0	0
Reserves	(6,188)	0	0	0
Total	10,540	(40,800)	38,900	79,700

R775 Community Centres	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	£	£	2024	2024
			£	£
Employee Expenses	140,544	129,200	128,600	(600)
Premises Related Expenses	49,962	83,400	84,300	900
Transport Related Expenses	246	200	200	0
Supplies & Services	5,837	7,400	7,400	0
Revenue Income	(105,993)	(113,200)	(116,500)	(3,300)
Controllable	90,597	107,000	104,000	(3,000)
Premises Related Recharges	9,184	11,500	12,300	800
Supplies & Services Related Recharges	1,095	1,100	1,100	0
Central Support and Service Admin	23,314	25,900	32,100	6,200
Recharges	33,593	38,500	45,500	7,000
Capital Financing Charges	52,823	52,800	51,900	(900)
Capital	52,823	52,800	51,900	(900)
Transfer from Reserves	(32,303)	0	(5,700)	(5,700)
Reserves	(32,303)	0	(5,700)	(5,700)
Total	144,710	198,300	195,700	(2,600)

R800 Corporate Administration	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Supplies & Services	0	0	0	0
Controllable	0	0	0	0
Total	0	0	0	0

	Actual	Original	Original	Variance to
R805 Financial Services	2022-2023	2023-2024	2024-2025	Original
	£	£	£	Budget 2023-2024
Employee Expenses	648,041	644,400	679,300	34,900
Transport Related Expenses	65	100	100	0
Supplies & Services	142,188	89,400	89,400	0
Revenue Income	(49,631)	(45,000)	(45,000)	0
Controllable	740,663	688,900	723,800	34,900
Supplies & Services Related Recharges	6,083	6,100	7,100	1,000
Central Support and Service Admin	136,569	148,600	184,200	35,600
Internal Recharges	(816,646)	(843,600)	(915,100)	(71,500)
Recharges	(673,994)	(688,900)	(723,800)	(34,900)
Transfer from Reserves	(66,669)	0	0	0
Reserves	(66,669)	0	0	0
Total	(0)	(0)	(0)	0

	Actual	Original	Original	Variance to
R820 Customer Services	2022-2023	2023-2024	2024-2025	Original
	£	£	£	Budget 2023-2024
				£
Employee Expenses	722,852	829,900	820,300	(9,600)
Transport Related Expenses	0	700	700	0
Supplies & Services	6,301	8,100	8,100	0
Revenue Income	0	0	0	0
Controllable	729,153	838,700	829,100	(9,600)
Supplies & Services Related Recharges	7,196	7,300	10,300	3,000
Central Support and Service Admin	183,524	201,500	210,900	9,400
Internal Recharges	(915,983)	(1,038,200)	(1,050,300)	(12,100)
Recharges	(725,263)	(829,400)	(829,100)	300
Transfer from Reserves	(3,890)	(9,300)	0	9,300
Reserves	(3,890)	(9,300)	0	9,300
Total	0	(0)	0	0

	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
R825 Insurance Premiums				
Supplies & Services	306,372	276,000	316,200	40,200
Revenue Income	(26,056)	0	0	0
Controllable	280,316	276,000	316,200	40,200
Central Support and Service Admin	328	0	8,100	8,100
Internal Recharges	(263,165)	(276,000)	(316,200)	(40,200)
Recharges	(262,837)	(276,000)	(308,100)	(32,100)
Transfer to Reserves	35,099	35,000	35,000	0
Transfer from Reserves	(17,250)	0	0	0
Reserves	17,849	35,000	35,000	0
Total	35,328	35,000	43,100	8,100

R835 Revenues-Local Taxation	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	495,727	489,500	528,800	39,300
Transport Related Expenses	827	500	500	0
Supplies & Services	513,219	304,600	217,000	(87,600)
Revenue Income	(1,463,969)	(507,600)	(365,000)	142,600
Controllable	(454,196)	287,000	381,300	94,300
Transport Related Recharges	0	0	0	0
Supplies & Services Related Recharges	4,743	4,800	5,400	600
Central Support and Service Admin	519,745	574,400	455,900	(118,500)
Internal Recharges	(63,474)	(63,900)	(68,300)	(4,400)
Recharges	461,014	515,300	393,000	(122,300)
Transfer to Reserves	850,382	0	0	0
Transfer from Reserves	(118,436)	(62,000)	(147,000)	(85,000)
Reserves	731,946	(62,000)	(147,000)	(85,000)
Total	738,764	740,300	627,300	(113,000)

R872 Central Provisions Account	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	137	(222,000)	128,700	350,700
Supplies & Services	(36,177)	129,600	79,600	(50,000)
Revenue Income	(14,045)	0	0	0
Controllable	(50,085)	(92,400)	208,300	300,700
Central Support and Service Admin	1,124	0	0	0
Recharges	1,124	0	0	0
Transfer to Reserves	117,345	0	0	0
Transfer from Reserves	(426,200)	0	(200,700)	(200,700)
Reserves	(308,855)	0	(200,700)	(200,700)
Total	(357,816)	(92,400)	7,600	100,000

	Actual	Original	Original	Variance to
R875 Non Distributed Costs	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	2024
	£	£	£	£
Employee Expenses	105,495	117,600	117,600	0
Supplies & Services	21,886	0	0	0
Controllable	127,381	117,600	117,600	0
Central Support and Service Admin	2,772	0	0	0
Recharges	2,772	0	0	0
Total	130,153	117,600	117,600	0

R890 Corporate Income & Expenditure	Actual 2022-2023	Original Budget 2023-2024	Original Budget 2024-2025	Variance to Original Budget 2023- 2024
	£	£	£	£
Employee Expenses	0	0	0	0
Premises Related Expenses	27,497	27,500	38,300	10,800
Supplies & Services	965,213	0	0	0
Capital Interest	372,484	419,000	419,000	0
Revenue Income	(1,416,396)	(231,400)	(1,100,400)	(869,000)
Controllable	(51,201)	215,100	(643,100)	(858,200)
Central Support and Service Admin	436	0	0	0
Recharges	436	0	0	0
Capital Financing Charges	0	0	0	0
Capital Entries	(120,393)	0	0	0
Capital	(120,393)	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	(171,158)	215,100	(643,100)	(858,200)

R891 Movement in Reserves (MiRs)	Actual	Original	Original	Variance to
	2022-2023	Budget	Budget	Original
	2023-2024	2024-2025	Budget 2023-	Original
	£	£	2024	2024
			£	£
Employee Expenses	0	0	0	0
Supplies & Services	(180,160)	0	0	0
Capital Interest	737,624	815,000	1,076,000	261,000
Controllable	557,464	815,000	1,076,000	261,000
Capital Financing Charges	120,393	0	0	0
Capital Entries	(2,673,528)	(2,096,100)	(1,834,900)	261,200
Capital	(2,553,136)	(2,096,100)	(1,834,900)	261,200
Transfer to Reserves	0	0	0	0
Transfer from Reserves	(99,109)	(21,000)	(148,000)	(127,000)
Reserves	(99,109)	(21,000)	(148,000)	(127,000)
Total	(2,094,781)	(1,302,100)	(906,900)	395,200

Communities and Place Portfolio
Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Community Grants & Events

Variance mainly due to UKSPF project, fully funded by grant.

Lifestyles, Health & Well-Being Portfolio

Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Leisure Centres

Variances mainly due to changes in NNDR charges plus increases in income from inflation and efficiencies. The BigWave Swim programme has increased the cost of instructors and casual staff but this is fully offset by additional income due to growth of programme. Also increased costs due the rise in the price of chemicals and cleaning products. DNA memberships have increased and are now over the pre-covid level.

Arnold Theatre

No other major variances

Richard Herrod Centre

No other major variances

Arts & Tourism

No major variances

Health & Wellbeing

No major variances

Public Protection Portfolio
Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Taxi Licensing

Variances are due to increased vehicle inspection costs.

Other Licensing

No major variances

Environmental Protection

Variance due to transfer of Climate Change Officer to new cost centre and portfolio.

Food, Health & Safety

Variance mainly due to additional temporary staff fully funded by reserve.

Comm Protection & Dog Control

Variance mainly due to efficiency to reduce the number of Neighbourhood Wardens.

External Grant Schemes

No major variances

Private Sector Housing

Variance mainly due to reallocation of salaries to DFG budget.

Selective Licensing

Variance mainly due to continuation of Phase 2 of the programme, fully offset by contributions to the reserve.

Life Chances and Vulnerability Portfolio
Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Housing Needs

Variances due to new posts, Housing Options Officer & Resettlement Officer. Repairs & Maintenance provision being established due to the increase in temporary accommodation properties. Also demand on Bed & Breakfast accommodation is still increasing.

Council Tax Benefits

No major variances

Rent Allowances

Variance mainly due to reduced subsidies on allowances.

Housing Benefit Administration

No other major variances

Rent Rebates

No major variances

Environmental Services Portfolio **Revenue Budget Summary 2024-25**

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Environmental Services

Variance mainly on Agency budgets due to increased costs and usage to cover sickness, leave and bank holidays. Also increased cost of regrading frontline staff within the service to a higher band.

Waste Other

Variance due to increase in bulky waste income.

Waste Recycling

Variance due to increase in recycling credit income.

Waste Residual

Variance due to additional income from an increase in Trade customers.

Waste Services

No major variances

Street Care

Variance mainly due to an increase in the protective clothing budget to comply with H&S, funded by resource development bid. Also reduction in income from the cessation of the sweeping contract following the closure of the Wilkinsons store.

Environment Service Support

No other major variances

Fleet Management

Variances mainly due to price of HVO fuel and increase in workshop costs for repairing and maintaining the fleet. Additional income from full cost recovery for vehicle inspection charges on taxis.

Cemeteries

Variance mainly due to a reduction in income at Carlton Cemetery.

Climate Change and Natural Habitat Portfolio
Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Climate Control & Sustainability

Variance due to transfer of Climate Change Officer from Environmental Protection.

Parks

Variances mainly due to the transfer of sports facilities and associated expenditure and income to pavilions cost centre.

Parks - External Works

Variance mainly due to Bestwood Country park transferring back to Nottinghamshire County Council. Additional income on Pet Cremations due to increase in customers.

Sustainable Growth and Economy Portfolio

Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

Development Service Support

No major variances

Development Management

Variance mainly due to increase in Planning Application fees and major applications expected.

Planning Policy

No major variances

Building Control Account

No major variances

Building Control Fee Earning Account

No major variances

Land Charges

No major variances

Economic Development

Variances mainly due to one off projects from 2023-24 being removed, these include UKSPF and masterplan project.

Housing Strategy

No major variances

Corporate Resources and Performance Portfolio

Revenue Budget Summary 2024-25

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of £1925 (pro-rata) to all staff and service restructures.

The main variances in premises expenses are due to expected decreases in the Espo contract on electricity (25%) and gas (10%).

The other major variances are detailed below.

HR, Performance and Service Planning

No major variances

Democratic Management & Representation

Variance mainly due to additional Portfolio Holder Special Responsibility Allowance and additional Co-opted member. Also Members pay award.

Corporate Management

Variance mainly due to 2024-25 efficiency programme on service review

Health & Safety and Emergency Planning

Variance mainly due to removal of one off funding from 2023-24 reserve for H&S provision

Legal Services

No major variances

Central Print Room

No major variances

Postages

No major variances

Registration of Electors

No major variances

Elections

Variance due to no Local Elections due to take place in 2024-25

Estates & Valuation

Variance due to resource bid for property condition surveys.

Public Land & Buildings

Variances mainly due to the transfer of sports facilities and associated expenditure and income from Parks to Pavilions cost centre.

Information Technology

Variance mainly due to additional temporary post to assist with Digital Transformation project.

Communications & Publicity

Variance mainly due to amalgamation of Communications and Marketing services from Corporate Officers. Also 2024-25 efficiency programme on service review to deliver.

Corporate Officers

Variance mainly due to amalgamation of Communications and Marketing services from Corporate Officers

Business Units

No major variances

Public Conveniences

No major variances

Building Services

No major variances

Car Parks

Variance due to 2024-25 efficiency programme on service review to deliver.

Public Offices

Variance mainly due to reduced rent from Civic Centre partners following rent review.

Community Centres

No other major variances

Financial Services

No other major variances

Customer Services

No major variances

Insurance Premiums

Variance due to increased cost of premiums

Revenues-Local Taxation

Variance due to Council Tax hardship fund grant no longer available, to be funded from reserves. Also 2024-25 efficiency programme on service review of empty homes and 2nd homes premiums.

Central Provisions Account

Variance due to 2024-25 efficiency programme, including Senior Management review and Digital Transformation project.

Non Distributed Costs

No major variances

Corporate Income & Expenditure

Variance due to increase in interest rates leading to additional income. Also increase in cost of Drainage Board Levy.

Movement in Reserves (MiRS)

Variances due to recalculation of CFR & MRP and depreciation of vehicles, plant & equipment.

Movement in Earmarked Reserves

Reserve:-	Original Estimate 2023/24				Revised Estimate 2023-24				Original Estimate 2024/25			
	Opening Balance 01/04/23	Base Budget reserves		Balance 31/03/24	Opening Balance 01/04/23	Transfer to Reserve	Transfer from Reserve	Balance 31/03/24	Opening Balance 01/04/24	Base Budget reserves		Balance 31/03/25
	£	£	£	£	£	£	£	£	£	£	£	£
Joint Use & Base Maintenance Reserve	(159,866)			(159,866)	(159,866)			(159,866)	(159,866)			(159,866)
Pub Watch/Shop Radio Replacement Reserve	(37,461)	(3,500)		(40,961)	(37,461)	(3,500)	0	(40,961)	(40,961)	(3,500)		(44,461)
IT Replacement Reserve	(667,110)	(116,700)	87,700	(696,110)	(667,110)	(116,700)	87,700	(696,110)	(696,110)	(116,700)	87,700	(725,110)
Community & Crime Reserves	(142,148)		40,400	(101,748)	(142,148)	0	40,400	(101,748)	(101,748)		41,000	(60,748)
Risk Mgmt Reserve	(37,058)		29,300	(7,758)	(37,058)	0	36,800	(258)	(258)		0	(258)
S106 Revenue Reserve	(170,694)		53,500	(117,194)	(170,694)	0	60,100	(110,594)	(110,594)		60,100	(50,494)
Housing & Housing Benefits Reserve	(196,662)		101,500	(95,162)	(196,662)	0	101,500	(95,162)	(95,162)		95,100	(62)
Insurance Reserve	(273,667)	(35,000)		(308,667)	(273,667)	(35,000)		(308,667)	(308,667)	(35,000)		(343,667)
Efficiency & Innovation Reserve	(346,495)		21,700	(324,795)	(346,495)	(117,500)		(463,995)	(463,995)		17,000	(446,995)
Asset Management Reserve	(488,921)	(74,400)	29,000	(534,321)	(488,921)	(74,400)	261,700	(301,621)	(301,621)	(74,400)	53,700	(322,321)
Local Development Framework Reserve	(242,747)		82,500	(160,247)	(242,747)	0	225,400	(17,347)	(17,347)		17,300	(47)
Earmarked Grants Reserve	(1,364,015)	0	8,200	(1,355,815)	(1,364,015)	(110,600)	430,600	(1,044,015)	(1,044,015)	(41,000)	236,200	(848,815)
CCTV Reserve	(95,386)	(32,300)	30,000	(97,686)	(95,386)	(32,300)	30,000	(97,686)	(97,686)	(52,300)		(149,986)
Apprentice Reserve	(43,019)		16,800	(26,219)	(43,019)	0	16,800	(26,219)	(26,219)		7,500	(18,719)
NNDR Pool Reserve	(1,081,854)		62,000	(1,019,854)	(1,081,854)	0	262,000	(819,854)	(819,854)		400,700	(419,154)
Transformation Fund Reserve	(178,449)		7,100	(171,349)	(178,449)	0	52,100	(126,349)	(126,349)		5,100	(121,249)
Economic Development Fund Reserve	(83,718)		6,700	(77,018)	(83,718)	0	31,700	(52,018)	(52,018)		6,700	(45,318)
Leisure Strategy Reserve	(181,758)			(181,758)	(181,758)	0	36,500	(145,258)	(145,258)			(145,258)
Property Management Fund	(64,000)			(64,000)	(64,000)	0	0	(64,000)	(64,000)			(64,000)
Selective Licensing	(330,962)	(148,900)		(479,862)	(330,962)	(148,900)	0	(479,862)	(479,862)	(200,300)	5,600	(674,562)
ARC Reserve	(14,045)			(14,045)	(14,045)	0	0	(14,045)	(14,045)			(14,045)
				0	0		0	0				0
Total Reserves	(6,200,034)	(410,800)	576,400	(6,034,434)	(6,200,034)	(638,900)	1,673,300	(5,165,634)	(5,165,634)	(523,200)	1,033,700	(4,655,134)

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COUNCIL TAX COLLECTION FUND ESTIMATE OF OUTTURN 2023/24(Estimate of position at 31 March 2024 for distribution in 2024/25)

	<u>£000</u>	<u>£000</u>
Taxpayer Accounts Due	(108,378)	
LESS		
Council Tax Support	7,778	
Disabled Relief	103	
Exemptions	2,160	
Discounts	8,957	
Disregard	496	
Annexe Discount	4	
Transitional Relief	0	
Council Tax Receivable		(88,880)
Payment / (Receipt) of Previous Year Surpluses / (Deficits)		987
Precepts Paid		88,094
Anticipated Write-Offs	446	
Increase/(Decrease) in bad debt provision	601	
		1,047
Movement in the Collection Fund in 2023/24		1,248
(Surplus) / Deficit Brought Forward		(963)
(Surplus) / Deficit Declared - 15 January 2024		285

<u>Allocation of Council Tax (Surplus) / Deficit</u>	£000
Gedling Borough Council	26
Nottinghamshire County Council	215
Nottinghamshire Police and Crime Commissioner	33
Combined Fire Authority	11
TOTAL	285

<u>Summary:</u>	£000
Opening (Surplus) / Deficit 1/4/23	(963)
Previously declared (distributed 23/24)	987
Cumulative (Surplus) / Deficit 31/3/24	24
In year (Surplus) / Deficit for 2023/24	261
Estimated (Surplus) / Deficit 31/3/24	285

NON DOMESTIC RATES COLLECTION FUND ESTIMATE 2023/24

(Estimate of position at 31 March 2024 for distribution in 2024/25)

	<u>£000</u>	<u>£000</u>
Actual Opening NDR (Surplus) / Deficit at 1 April 2023		(4,254)
Collectible Rates	(24,363)	
Estimated Surplus declared January 2023	<u>3,439</u>	
		(20,924)
Net transitional relief payable/(receivable)		(1,375)
Central Government share		12,218
Nottinghamshire County Council and Fire Authority shares		2,444
Gedling share		9,774
Cost of Collection Allowance		99
Renewables		263
Net (Surplus)/Deficit - per NNDR1 24/25 Part 4		<u>(1,755)</u>

Allocation of NDR (Surplus) / Deficit					
	<u>Central Govt</u>	<u>Gedling</u>	<u>Notts CC</u>	<u>Notts Fire</u>	<u>Total</u>
	£000s	£000s	£000s	£000s	£000s
Prior Year Surplus/(Deficit)	(408)	(326)	(74)	(8)	(816)
In Year Surplus/(Deficit)	(469)	(376)	(84)	(10)	(939)
Total per NNDR1 24/25 Pt4	(877)	(702)	(158)	(18)	(1,755)

Appendix 4 - Budget Reduction Proposals 2024/25

Portfolio	Service Area	Description	Efficiency Type		Ongoing
			Efficiency and Effectiveness	Income Generation	2024/25
			£	£	£
Public Protection	Community Protection	Service Review	32,300		32,300
	Private Sector Housing	Charging for Immigration inspections		1,500	1,500
	Food, Health & Safety	Charge Food Hygiene Revisits		1,500	1,500
	Rodent & Pest Control	Review of Pest Control (Income & Service)		9,800	9,800
Portfolio Total			32,300	12,800	45,100
Life Chances and Vulnerability	Housing Benefit Admin-General	Service Review	35,500		35,500
	Housing Benefit Admin-General	Reduce printing - Welfare Services	500		500
	Housing Benefit Admin-General	Reduce Postage - Welfare Services	2,000		2,000
	Housing Benefit Admin-General	Reduce professional subscriptions (welfare)	3,000		3,000
Portfolio Total			41,000	0	41,000
Environmental Services	Bulky Household Items	Increase charges		10,000	10,000
	Trade Residual	Increase charges		20,000	20,000
	Carlton Cemetery	Increase charges		5,000	5,000
	Redhill Cemetery	Increase charges		5,000	5,000
Portfolio Total			0	40,000	40,000
Sustainable Growth and Economy	Economic Development	Service Review	37,800		37,800
Portfolio Total			37,800	0	37,800
Corporate Resources and Performance	Burton Road Community Centre	Service Review	9,500		9,500
	Pond Hills Lane Community Centre	Service Review	9,500		9,500
	Public Land & Bldgs-General	Rent Reviews	10,000		10,000
	Customer Services	Service Review	66,000		66,000
	Corporate Management	Service Review	18,900		18,900
	Civic Centre Telephones	Digital Phone Migration - IT	7,000		7,000
	I.T Network Costs	Cancellation of PSTN Lines - IT	2,000		2,000
	Communications & Publicity	Service Review	39,400		39,400
	Car Parks	Car Parking - Review of charging		50,000	50,000
	Council Tax	Increase premium on Empty Homes & 2nd homes		30,000	30,000
Portfolio Total			162,300	80,000	242,300
Grand Total			273,400	132,800	406,200

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Report to Cabinet

Subject: Hill Crest Business Park Extension, Calverton

Date: 21 February 2024

Author: Head of Regeneration and Welfare

Wards Affected

Calverton

Purpose

To seek approval to proceed with the design and development of 4 additional small business units for SMEs at the Hill Crest Business Park in Calverton (the Site).

Key decision

This is a key decision as it is likely to incur expenditure in excess of £500,000.

Recommendations:

THAT Cabinet:

1. Notes the D2N2 decision to include the Hill Crest Business Park extension onto the LEP Capital Programme.
2. Approves an increase in the Hill Crest Business Park project budget of £146,000 to be funded from the UK SPF grant which creates an overall budget of £1,534,000.
3. Approves Officers to continue with the completion of the D2N2 Final Business Case submission and therefore proceed with the design development to RIBA 4 at a cost of £78,000 and Employer Agents costs of £18,000 both of which are included in the proposed new budget envelope.
4. Delegates authority to the Chief Executive in consultation with the Legal Services Manager to sign off the final business case submission and enter into a legal agreement with the D2N2 LEP to deliver the scheme should the business case be successful.

1 Background

- 1.1 On 30 June 2023 the Council submitted a funding application to D2N2 to support the extension of the existing Hill Crest Business Park. The overall project value was anticipated to be £1.388m project and included the development of 4 additional industrial units, PV panels on the new and existing 8 units and electrical charging points.
- 1.2 The funding application built on previous unsuccessful ERDF/LEP bids where planning approval had been secured (but subsequently expired) and a high-level cost plan had been developed. The Council prior to submitting a new funding application undertook a desk top exercise to test the business case assumptions to ensure that the scheme continued to support the Council's priorities. This desk top exercise reviewed the local commercial market using the CoStar system, which evidenced a continued lack of suitable industrial/business space to support SMEs and Start Up businesses within the Borough.
- 1.3 The Council also appointed independent consultants who reviewed the earlier cost plan and Value for Money assessment prior to the Council submitting its application in June 2023. The assessment concluded that based upon the additional floor space to be delivered and the evidence of existing units, 18 jobs could be created generating over £800,000 GVA pa.
- 1.4 The Council were notified on 30 July 2023 that the funding application had been shortlisted for approval and would be submitted to the Investment Board on 7 September 2023. The D2N2 funding conditions required works to commence prior to 31 March 2024. Therefore, the Council proceeded to secure Planning approval for the scheme and to prepare a business case that was approved by Cabinet on 7 September 2023 in readiness for confirmation of D2N2 decision.
- 1.5 In December 2023 the Council received confirmation that the Hill Crest Business Park extension had been formally adopted onto its Capital Programme with an allocation of £642,457. This award being subject to the Council submitting a compliant Final Business Case (Appendix A Final Business Case requirements). This includes the requirement to undertake pre-construction work, including technical design to RIBA stage 4.
- 1.6 Although the previous D2N2 grant funding conditions stipulated that construction works must commence within the current financial year, this requirement has now been relaxed and works can commence in 2024/25.

2. Proposal

- 2.1 The September 2023 Cabinet Report recommended a procurement approach via compliant framework due to the funding constraints that required a scheme to commence prior to 31 March 2024. Although the delivery timescales have been relaxed there remains an urgency for this project to proceed at pace in view of the future of

D2N2. Therefore, the Council has proceeded to select a preferred contractor via a compliant framework who has been working at risk.

2.2 In order to assess the next stage of the project the Council has appointed independent advisors (Employer Agents) through SCAPE, a compliant framework. The advisors have supported the Council in the review of the latest cost plan and the scoping of pre-construction services contract. Subject to the agreement to proceed with the project, the advisors will provide contract and technical support up to RIBA 4 (technical design) and through to construction RIBA 5 and 6.

2.3 The independent advisors have been working with the preferred contractor and have advised that the overall project value should be revised from £1.388m to £1.534m This increase includes an uplift in the Risk Allowance, as well as additional ground works and fixtures and fittings that had been previously omitted. The additional project costs also include an allowance for NEC contract/supervisor, technical and project management fees.

Feasibility Report (03/11/2023) Review	
Pre-Construction Services (PSSC) – Design Work	£78,000
Main Contract Works estimate	£1,277,000
Client-Side Costs	
Project Risk Allowance (10% of main contractors cost)	£128,000
Fees, Contract Management, Project Management and Quantity Surveyor (includes £17,000 Pre- Construction Fees)	£41,000
NEC Supervisor	£10,000
Total	£1,534,000

2.4 The pre-construction services value to develop the scheme to RIBA 4 has been confirmed to be £78,000. This cost and the Employer Agent fees of £18,000 are included in the overall project value of £1.534m. Although there is a risk in proceeding with the pre-construction works, the project has been formally adopted onto the D2N2 Investment Programme. The Council’s responsibility is to ensure compliance with the funding conditions (Appendix A) including the submission of a compliant Treasury Green Book Full Business Case.

2.5 The revised timeline for the Project is as follows and is based on a Pre-Construction Service Agreement being entered into week commencing 5th February:

June 2023	Submit proposal to D2N2 LEP
July 2023	Re-submit planning application
September 2023	Cabinet approval of Hill Crest Business Case
September 2023	Planning approval secured
December 2023	Approval from D2N2 LEP Investment Board to move to full business case

February 2024	Approval to proceed with developing Full Business Case
February 2024	Pre-Construction Services Agreement with Preferred Contractor
April - May 2024	RIBA 4 technical designs completed and costed
April - May 2024	Full Final Business Case submitted to D2N2 LEP
April – May 2024	Final Business Case approved
June 2024	Construction Contract (RIBA 5)
June 2024	Contractor mobilisation 4 week
22 July 2024	Construction Commences (28 week)
27 January 2025	Completion and Handover
Feb/March 2025	Occupation

2.6 The Council's UK SPF Investment Plan includes provision for initiatives to support enterprise infrastructure and employment and innovation sites. The UK SPF also includes provision for feasibility studies. Therefore, it is proposed that the additional budget requirement of £146,000 is funded from this grant. The table below illustrates the interventions, measures and targets the funding and project will contribute to.

Intervention	Measure	Target	Financial Contribution
E22: Enterprise infrastructure and employment/innovation sites	Amount of commercial buildings developed or improved m2	462	£50,000
E14 Relevant Feasibility Studies	Feasibility Study	1	£18,000
E24: Training hubs, business support offers, incubators and accelerators.	Number of potential entrepreneurs provided assistance to be business ready	4	£78,000
Total Contribution			£146,000

3 Alternative Options

3.1 The options available to the Council includes:

Option 1: Decide not to go ahead with the funding or the build:

The conditions of the D2N2 funding require the Council to proceed with design development up to RIBA 4 prior to submitting a full business case. Therefore, there is a risk to the Council of aborted fees if the D2N2 Investment Board reject the Council's submission. The Council can decide that this is too great and to withdraw from the approval process. This would result in the continued under-provision of smaller units to

support Gedling businesses with the danger that they locate outside of the area. Although this would reduce the financial burden on the Council, it would result in the Council foregoing the potential grant of £642,457.

Option 2: Build the project without funding:

This option would require the Council to provide the full capital funding to develop the site either through Council resources or through borrowing. The approved business case demonstrated that the scheme was not viable without grant funding.

Option 3: Shelve the project and develop at a later date:

The Council has the option to shelve the scheme and revisit it when alternative potential funding becomes available in the future. However, the timescales and constraints/conditions and certainty of such funding are unknown and may not materialise.

Option 4 (Recommended) Continue with the D2N2 LEP funding approval process:

The Council has the option to continue to move through the D2N2 funding approval process, entering into a Pre-Construction Services Agreement with a preferred contractor to develop RIBA 4 technical designs and to complete a Full Business Case submission to the D2N2 Investment Board.

4 Financial Implications

4.1 The revised project cost is now estimated to be £1.534m. This is an estimated increase of £146,000 from the original estimate submitted as part of the D2N2 bid. This increase in cost is to be funded from the UKSPF provided the works meet the funders eligibility and are completed by 31 March 2025, any delays to the project will put this funding at risk.

4.2 Entering into a Pre-Construction contract would be at risk to the Council, the project having been entered onto the D2N2 Investment Plan but not yet formally approved. However, the costs are required to develop designs to RIBA 4, a design requirement of the D2N2 funding. The costs at risk would be £78,000.

4.3 The D2N2 award, subject to an approved Final Business Case is £642,457 which equates to 44.5% of the estimated project costs. Council intends to fund the entire project as follows:

D2N2 Grant Funding (Bid submitted)	£642,500
Earmarked Reserves NNDR Pool	£160,000
UK Shared Prosperity Fund	£146,000
Prudential Borrowing (PWLb)	£585,500
Estimated project cost	£1,534,000

4.4 The increase in cost has resulted in a reduced Net Present Value (NPV) of the project from £140,200 to £42,700 over the 40 estimated life of the asset. A positive NPV

indicates a project is a viable investment. However, this is only on the basis of a successful funding bid for the amount above.

- 4.5 A 5-year cash flow has been produced and this indicates there will be a small annual subsidy averaging £2,400 however by year 6 this will become a net surplus and will have a payback on investment by year 29. The cashflow analysis is based on current interest rates which are at a current high level, but as the interest rates are expected to fall, the units will pay back quicker.

5. **Legal Implications**

- 5.1 The project is already included in the Capital Programme but this increase to the cost of the project is not currently reflected. As the increase is funded from external funding sources, approval of the Cabinet is required to amend the Capital Programme. In addition, as the project is in excess of £500,000 overall, this is a key decision which should be taken by the Cabinet, or the Leader on behalf of the Cabinet, if a decision is urgently required.
- 5.2 The project must be delivered at pace, the Council will need to ensure appropriate procurement routes are followed in terms of the appointment of a contractor, a potential framework has been identified but ongoing procurement and legal advice will be provided.
- 5.3 In order to ensure no funds are clawed back from UKSPF or D2N2, the Council must ensure that the project delivery, and any associated procurement is compliant with any funding requirements.

6. **Equality Implications**

There are no specific equality impact implications. However, Gedling Borough's business community is predominantly SME's, and, more importantly, micro businesses (those employing between 0-9 employees), and there is low availability of smaller, more affordable units, which impacts on the growth potential of those organisations. The development of these smaller, affordable units will support new businesses and existing businesses looking to grow.

7 **Carbon Reduction/Environmental Sustainability Implications**

The new units will be installed with Photo Voltaic (PV) panels on the roof; in addition, the existing units will also have PV panels installed (subject to survey). Electric car charging points will also be installed. Refer to Appendix B Hill Crest Business Park Extension Carbon Impact Assessment.

8. **Appendices**

- 8.1 Appendix A D2N2 Final Business Case Requirements
- 8.2 Appendix B Hill Crest Business Park Extension Carbon Impact Assessment

9 Background Papers

9.1 Cabinet Report: Hill Crest Business Park Extension 7 September 2023

10 Reasons for Recommendations

10.1 To meet the requirements of D2N2 LEP funding conditions, the Council must develop designs to RIBA 4 (technical design). Although D2N2 have confirmed that the Hill Crest Business Park extension has been included on their capital programme the Council will need to develop these designs at risk and ensure that a compliant Treasury Green Book Full Business Case is submitted to the funders. The Council also needs to ensure that there is sufficient technical, management and contractual resources available to support the project.

10.2 There continues to be a lack of funding to develop capital projects such as the one proposed at Hill Crest Business Park. Therefore, the funding, and level of funding, offered by the D2N2 LEP alongside the opportunity to allocate UKSPF grant to the scheme will ensure the project is viable for the Council.

Statutory Officer approval

Approved by the Chief Financial Officer

Date:

Approved by the Monitoring Officer

Date:

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Hill Crest Business Park

Appendix A D2N2 Final Business Case Requirement

The final submission requires a full business case to be submitted by the Section 151 officer or equivalent (CEO, MD, FD) of the promoter. The business case needs to be submitted to the LEP and the Accountable Body. The final stage of the approval process is submitted when the project has met the following milestones:

1. A detailed 'Green Book' compliant business case has been completed detailing the project and its alignment to the 5-case model. 'The Checklist1' published by HM Treasury is a useful one-page guidance paper.
2. A VFM assessment must be completed. This VFM assessment will be independently assessed by D2N2 and must show an overall score of 'High'.
3. Details confirming that all planning consents have been granted and that all pre-start conditions have been met.
4. Confirmation that any 'Section 106' or other agreements have been entered.
5. Confirmation of the results of the procurement exercise detailing: - The tenders received (along with the detailed costs) - The tender accepted (along with timescales/ conditions)
6. Details of the construction contract to be entered into by the promoter detailing: - Start date - Completion date - Liquidated damages/ cost over runs
7. Confirmation that the promoter will be responsible for any variations to the contract price and that once entered, the contract will be completed in line with the details submitted. The promoter should submit a separate letter appended to the Business Case which confirms this from their Financial Director or equivalent.
8. Confirmation that the project has been designed to RIBA Stage 4 or its equivalent.
9. Details of any outstanding points preventing/ delaying the start-up of the construction contract.
10. Details of any changes for the project from the initial EOI and OBC submissions with reasoning behind these changes. Including an updated viability report as submitted in point 5 of the OBC.
11. Confirmation that all funding is now in place with details of the sources of funding, please include letters from third party funders confirming any conditions and timescales. (To be annexed to the business case) 1
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/19

12. Confirmation that all land/ legal agreements have been completed and are in the control of the promoter to deliver the entire project.

13. A phasing plan identifying the start and completion elements of the project along with costs associated with each phase and the outputs/outcomes that will be delivered on a quarterly basis.

14. An updated risk register identifying the key risks and the project manager responsible. The risk register needs to be scored and include a mitigation plan.

15. The project sponsor must provide details of how this intervention will deliver on sustainability and inclusion outcomes, including through the procurement and construction of the project. For example, projects are requested to provide details on impacts to local communities, levels of affordable housing, low carbon and environmental impacts and levels of skills and training. The promoter is required to address all the points above, failure to supply this information may delay any recommendation being put forward to the Investment Board.

Name of project, policy, function, service or proposal being assessed:	Hill Crest Business Park			
The main objective of (please insert the name of accessed document stated above):	To build 4 additional industrial units at the Hill Crest Business Park to support start up and SMEs in the Borough and create employment opportunities.			
What impact will this (please insert the name) have on the following Please read guidance before completing.				
Category	Negative	Positive	No impact/ Negligible change	Mitigation/ Comments
Behaviour & Culture Change		The development includes energy meters to enable tenants to monitor and control energy consumption.		The Council will promote the Council's Environment Policy with all of the tenants.
Built Environment	The production and transportation of building materials, impact negatively upon the environment	The industrial units have been designed to meet the current building regulations that include insulation measures to minimise heat loss. The window openings and trickle vents provide natural ventilation. LED lighting and low water use fittings will be installed. PV		The Council will promote the Council's Environment Policy with tenants.

		panels will be installed both on the existing units improving the energy efficiency and carbon emissions. The project will also include EV charging points on the site.		
Transport	There is a likelihood of increase traffic during the construction and operation of the building	The Business Park is located in an established industrial area of area in Calverton with close proximity of local public transport and other services		The Council will promote the Council's Environment Policy with tenants.

Energy, Natural Resources & Climate Change	Energy demand during the construction and operation of the building will increase.	The building includes PV panels and EV charging points. Meters are to be installed to enable monitoring and management of energy.		The Council will promote the Council's Environment Policy with tenants.
Waste Reduction & Recycling	The building operation will create more waste.	Recycling bins are to be made available on site during the operation of the building.		The Council will promote the Council's environment Policy with tenants.
Blue-Green Infrastructure/Biodiversity			The Business Park is located on an existing brown-field site and will provide 4 additional industrial units which will have minimal impact on the green infrastructure and biodiversity	.
Procurement & Purchasing		Procurement of works have complied with the Council's standing orders and Council Policies. Energy efficiency measures were and are included in the procurement specifications.		

In response to the information provided above please provide if there is any proposed action including any consultation that is going to be carried out

Planned Actions	Timeframe	Potential Outcome	Responsible Officer
Communicate Council's Environment Policy to prospective tenants and signpost to Energy Saving information.	Project Completion	Tenants' awareness of Climate Change increased. Tenants undertake actions as per the Council's Environment Policy	Property Services Manager

Authorisation and Review

Completing Officer	Emma Wimble
Authorising Head of Service/Director	Tanya Najuk Head of Regeneration and Welfare
Date	2nd February 2024
Review date (if applicable)	April 2025 (6-month post completion/occupation)

**Notice to the Chairman of the Overview and Scrutiny Committee under the
Local Authorities (Executive Arrangements) (Access to Information) (England)
Regulations 2012 – Regulation 10**

Notice is hereby given that the following Key Decision, which has not been published 28 clear days in advance in accordance with regulation 9 of the above Regulations, will be considered at the Cabinet meeting scheduled for 21 February 2024.

- To seek approval to proceed with the design and development of 4 additional small business units for SMEs at the Hill Crest Business Park in Calverton (the Site).

Reasons why compliance with regulation 9 is impracticable:

The Council is unable to publish details of the key decision 28 clear days in advance because a proportion of the funding is dependent upon practical completion by March 2025 and any delays in the delivery of a compliant final business case and subsequent construction would place this deadline at risk.

Mike Hill

Chief Executive

9 February 2024

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Report to Cabinet

Subject: Community Infrastructure Levy (CIL) Non-Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations

Date: 21 February 2024

Author: Community Infrastructure Levy Officer

Wards Affected

Calverton (part), Carlton, Carlton Hill, Cavendish, Colwick (part), Coppice, Daybrook, Ernehale, Gedling, Netherfield, Phoenix, Plains, Porchester, Redhill, Trent Valley (part) and Woodthorpe

Purpose

To seek approval for the commencement of a four-week public consultation on the projects shortlisted to receive CIL Neighbourhood Funding in the 'CIL Non-Parish Funding - Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations document.

Key Decision

This is a Key Decision as it is likely to be significant in terms of its effect on the communities living or working in an area comprising of two or more wards in the Borough.

Recommendation

THAT:

Cabinet approves the commencement of consultation on Monday 18th March 2024 for a period of 4 weeks on the projects nominated for CIL Non-Parish Funding.

1 Background

- 1.1. The Planning Act 2008 introduced the Community Infrastructure Levy (“CIL”) as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. CIL came into force on 6th April 2010 through the Community Infrastructure Levy Regulations 2010.
- 1.2. Following an independent examination in March 2015 and approval at full Council on 15th July that year, the Gedling Borough Council Community Infrastructure Levy Charging Schedule was adopted on 16th October 2015. Gedling Borough Council is the charging authority for the borough of Gedling.
- 1.3. Regulation 59A of the Community Infrastructure Levy Regulations 2010 (as amended) (“the 2010 Regulations”) places a duty on charging authorities to allocate at least 15% (up to a cap of £100 per existing council tax dwelling) of CIL receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This is known as the ‘neighbourhood portion’.
- 1.4. Where the chargeable development takes place in an area where there is no parish council, the charging authority retains the levy receipts but must spend the neighbourhood portion on, or to support, infrastructure in the area where the chargeable development takes places. This should be done in consultation with the local neighbourhood.
- 1.5. The extent of the parishes however does not cover the majority of the urban area of Gedling Borough (with the exception of Colwick). This creates a gap in the coverage for the neighbourhood portion in the Borough where there are no parishes or town councils to oversee its expenditure.

1.6. The non-parish areas of Gedling Borough as shown in Figure 1 cover the following Wards:

- Calverton (part)
- Carlton Hill
- Colwick (part)
- Daybrook
- Gedling
- Phoenix
- Porchester
- Trent Valley (part)
- Carlton
- Cavendish
- Coppice
- Ernehale
- Netherfield
- Plains
- Redhill
- Woodthorpe

1.7. Regulation 59F of the 2010 Regulations states that where no parish or town council exists the charging authority may use the neighbourhood portion of CIL, or cause it to be used, to support the development of the relevant area by funding:-

- The provision, improvement, replacement, operation or maintenance of infrastructure; or
- Anything else that is concerned with addressing the demands that development places on an area.

1.8. The 'relevant area' is defined by Regulation 59F (1)(4) as that part of the charging authorities area that is not within the area of a parish or town council.

1.9. The Community Infrastructure Levy Guidance ("the Guidance") published on 12th June 2014 makes it clear that the charging authority should engage with the local communities where the development has taken place and agree with them how best to spend the neighbourhood funding. The Guidance also emphasises the importance of the neighbourhood portion being used to

deliver the infrastructure needs of the area in which the chargeable development has taken place.

- 1.10. The Guidance states that “charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods”.
- 1.11. A guidance note dated March 2015 prepared by the Council titled ‘CIL and the Neighbourhood Portion in Non-Parish Areas detailed how the Council would:-
 1. Consult with the local community over how the neighbourhood portion of CIL receipts will be spent in non-parish areas.
 2. Decide which infrastructure projects will benefit from funding from the neighbourhood portion of CIL receipts in non-parish areas.
- 1.12. The Guidance Note creates a process that invites the local community, groups and organisations to identify and have their say on appropriate projects for expenditure of the neighbourhood portion of CIL receipts. Groups, organisations and individuals can nominate potential infrastructure projects throughout the year using our online form; nominations can be submitted throughout the year.
- 1.13. The guidance note also outlines the approach to be taken during the allocations process. It confirms that officers will prepare a Project Assessment and Funding report that recommends a shortlist of projects which will either be considered by Portfolio Holder or Cabinet for approval.
- 1.14. In accordance with the guidance note, the assessment document prepared, the CIL Non- Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations (**Appendix 1**), has been prepared by the Council’s CIL Officer and includes the following information:
 - CIL Receipts (What Non-Parish Neighbourhood Funding has been collected)

- Local Infrastructure Schedule (A List of potential infrastructure projects that have been submitted for consideration)
- Project Assessment (An assessment of all projects submitted detailing their suitability for funding)
- Project Recommendations (Recommendation of which infrastructure projects (if any) should be funded via the CIL Neighbourhood Funding)
- Further Projects (Opportunity for projects to submitted for consideration next year)
- Consultation (Details of the process)

1.15. The purpose of the CIL Non-Parish Funding - Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations report is to identify and shortlist appropriate infrastructure projects for CIL Neighbourhood Funding. In order to make appropriate awards of CIL Neighbourhood Funding in non-parish areas of the Borough there is a need to project potential payments until the end of the financial year.

1.16. 2017/2018 was the first financial year in that CIL Neighbourhood Funding in the non-parish area of Gedling was awarded. Following public consultation an award of £3,500 granted to the deliver new lighting as part of the Cinder Path scheme in Netherfield, led by Council's Netherfield Locality Officer.

1.17. In 2018/2019 awards of £100,000 and £40,000 were awarded to a Car Park Extension at Gedling Country Park and Changing Facilities at Lambley Lane Recreation Ground respectively.

1.18. In 2019/2020 no projects were nominated for consideration of the CIL Non-Parish Neighbourhood Awards.

- 1.19. In 2020/2021 awards of £50,000 and £43,000 were awarded to the Green Lung Corridor at Mapperley / Gedling and the Arnold Marketplace development in Arnold Town Centre respectively.
- 1.20. In 2021/2022 awards of £25,000 and £55,760 were awarded to a Footpath Extension at Willow Park and Internal works and alterations at Netherfield Forum Children, Young People and Families Hub respectively. Construction works for both projects have now been completed.
- 1.21. In 2022/2023 no CIL No-Parish Neighbourhood Awards were made due to a lack of suitable projects. Two projects LIS1 and LIS2 were retained on the Local Infrastructure Schedule.
- 1.22. At the end of the last financial year 2022/23 (31st March 2023) the amount of unallocated CIL Receipts for the Non-Parish Neighbourhood proportion stood at £276,411.
- 1.23. Since this time, additional CIL receipts have been collected throughout 2023/24 and, as of the 31st December 2023, the amount available for expenditure through the Non-Parish Neighbourhood portion stands at £578,815.
- 1.24. The table below sets out the amounts collected across the Non-Parish area as of the 31st December 2023.

Table 1. Breakdown of total CIL Non-Parish Portion Receipts collected by Ward as of 31st December 2023 (to the nearest £)

Area (Ward)	Collected
Coppice	£129,672
Daybrook	£4,503
Ernehale	£9,980
Gedling	£610,690
Mapperley Plains	£2,703
Netherfield	£7,260

Phoenix	£952
Porchester	£15,643
Trent Valley	£110,160
Woodthorpe	£4,512
Total Non-Parish Collection	£896,075
2017/2018 Allocations	£3,500
2018/2019 Allocations	£140,000
2020/2021 Allocations	£93,000
2021/2022 Allocations	£80,760
Remaining Non-Parish Neighbourhood Holdings	£578,815

1.25. In accordance with the previously produced guidance note, the Council will prioritise expenditure of the neighbourhood portion of CIL receipts in non-parish areas as set out in the following table:

Table 2. Approach to Expenditure of CIL Neighbourhood Portion in Non-Parish Areas

Priority	Type of Infrastructure Project and Location
1	Infrastructure projects in the ward where the chargeable development has occurred.
2	Infrastructure projects in the non-parish area of Gedling which meet or support the development needs of the area where the chargeable development has occurred.
3	Pool the neighbourhood portion of the CIL receipt for the following year where no suitable infrastructure projects 1 and 2 above have been identified.

2. Local Infrastructure Schedule

- 2.1. In order to identify appropriate infrastructure projects for part funding/funding via CIL Neighbourhood Funding a nomination process was opened and continues to be open.
- 2.2. A list of nominated projects has been created that forms a Local Infrastructure Schedule for the non-parish area of Gedling. A summarised list of potential projects is highlighted below in Table 3.

Table 3: Local Infrastructure Schedule (Summary Table)

Project	Nominator/Proposer	CIL Monies Required
Cinder Path Extension (Netherfield)	Gedling Borough Council (Economic Growth & Regeneration)	£200,000
Gedling Youth & Community Hub Regeneration Project at Former Railway Station (Gedling)	Gedling Youth & Community Hub	£75,000
Lambley Village Cricket Pavillion (Gedling)	Lambley Village Cricket Club	£75,000
MAS Community Sports Development (Gedling)	The Mapperley AllStars (MAS) Community	£540,000
1 st Gedling Scouts Group HQ Refurbishment	1 st Gedling Scouts Group	£60,000

- 2.3 All projects submitted have been formally assessed and a recommendation has been made as to each project's current suitability for funding. The assessment is based upon information submitted as part of the nomination

process. The focus of projects should be that they accord with Regulation 59F of the 2010 Regulations. Other factors considered included:-

- How does the project meet a need created by new development?
- Timeframe for delivery?
- Is match funding available?
- How infrastructure project will be maintained once completed?

2.4 All of the projects submitted for consideration have all been assessed; the full assessments and recommendations can be found in **Sections 4 and 5 of Appendix 1.**

2.5 Of the projects submitted as part of the nomination process this financial year which is considered most suitable for CIL Non-Parish Neighbourhood Funding is LIS0005 "1st Gedling Scout Group HQ Refurbishment", however, it is considered that this project, and the others which have been nominated, need to be more clearly defined and detailed in terms of the scope of the proposed works. As such the recommendations in relation to each project is to retain these on the LIS until next years awards to allow the CIL Officer time to liaise with the applicants and resolve any outstanding issues where possible.

3 Proposals

3.1 The assessments undertaken on the submitted infrastructure projects propose the following actions in relation to the projects nominated for CIL Non-Parish Neighbourhood Funding:-

- 1) **LIS1 "Cinder Path Extension (Netherfield)"** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule. The proposal is still in its early infancy, in terms of deliverability,

with further works required to investigate site ownership and identify and liaise with other relevant partners/stakeholders.

- 2) **LIS2 “Gedling Youth & Community Hub Regeneration Project”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule. The Gedling Youth and Community Hub are in the process of re-submitting a bid to the National Heritage Lottery Fund for match funding in order to deliver the project. A decision date for the outcome of the match funding bid is not yet known.
- 3) **LIS3 “Lambley Village Cricket Club”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule. The applicant has been approached to seek more comprehensive and detailed plans which will better allow the Council to understand the scope of the project and determine if Planning Permission is or is not required. Should it be determined that Planning Permission is not required, it is envisaged that this could form a potentially suitable project for the awarding of CIL Non-Parish Neighbourhood Funding.
- 4) **LIS4 “MAS Community Sports Development”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule. Similarly to LIS1, the proposal is still in its early infancy with further works required to investigate outstanding issues such as site ownership, land use and identify and relevant stakeholders.
- 5) **LIS5 “1st Gedling Scout Group HQ Refurbishment”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule. The applicant has been approached to seek more comprehensive and detailed plans which will better allow the Council to understand the scope of the project and determine if Planning Permission is or is not required. Should it be determined that Planning Permission is

not required, it is envisaged that this could form a potentially suitable project for the awarding of CIL Non-Parish Neighbourhood Funding.

- 3.2 It is proposed that approval is given for the recommendations above to be subject to a four-week consultation that will be held with the public, stakeholders and Ward Councillors in areas where CIL receipts are collected from chargeable developments within the non-parish area. The public consultation will commence in March 2024 to obtain views on the shortlisted projects eligible for the funding from the neighbourhood portion of CIL receipts as well as promoting the opportunity for further potential local infrastructure projects to be identified and to afford the opportunity for further information to be submitted in relation to the above projects.
- 3.3 The consultation will include a posting on the Keep Me Posted newsletter, the Community Initiatives page on Gedling's Community and Voluntary E-Newsletter, as well as direct consultation with Residential Organisation Groups throughout the borough and a dedicated article in the Spring edition of the Gedling Contacts magazine. A link to the consultation will also be publicised on the Council's dedicated CIL Neighbourhood Funding webpage where interested parties can submit comments or representations.
- 3.4 Following the consultation period, all comments and representations received will be considered by Council's officers who will then prepare a final report, identifying any schemes selected for funding, which will come back to Cabinet in late Spring / early Summer.
- 3.5 It is proposed that the four week consultation will commence on Monday 18th March 2024 to Monday 15th April 2024.

4 Alternative Options

- 4.1 The Council is required to formally consult with relevant stakeholders and its residents in relation to the expenditure of the Neighbourhood Non-Parish portion of its CIL Receipts. Failure to undertake the necessary consultation as set out in The Community Infrastructure Levy Guidance (“the Guidance”) published on 12th June 2014 would be contrary to the Community Infrastructure Levy Regulations 2010 (As Amended).
- 4.2 The projects which have been nominated could be recommended for the awarding of CIL Non-Parish Funding, however, at present each project has some outstanding issues such as the need to obtain planning permission, site ownership, or progress with match funding which means that the deliverability of these projects cannot be reasonably guaranteed. This could therefore result in a funding award being granted for projects which cannot be delivered.

5 Financial Implications

- 5.1 The CIL monies that form part of the Non-Parish Neighbourhood Funding element are monies that must be used in accordance with the CIL Regulations. The Neighbourhood Funding element of CIL is only used once funds have been collected, forward funding is not permitted at this time.
- 5.2 There is no financial impact as the administration of this process can be met within existing resources and no additional budgets are required at this time.

6 Legal Implications

- 6.1 To comply with the requirements of The Community Infrastructure Levy Regulations 2010 a Charging Authority should engage appropriately with

Local Communities regarding expenditure of the Neighbourhood Non-Parish portion where CIL liable development has taken place.

7 Equalities Implications

7.1 A proportionate level of publicity will be undertaken to publicise the consultation and the Local Infrastructure Schedule to ensure that the process remains accessible to all.

7.2 All nominated projects are assessed equally based on the criteria set out in the CIL and the Neighbourhood Portion in Non-Parish Areas: Guidance Note adopted March 2017.

8 Carbon Reduction/Environmental Sustainability Implications

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

9 Appendices

9.1 Appendix 1: Community Infrastructure Levy (CIL) Non- Parish Funding – Local Infrastructure Schedule, Project Assessments and Proposed Funding Allocations

10 Background Papers

10.1 CIL and the Neighbourhood Portion in Non-Parish Areas: Guidance Note - <http://www.gedling.gov.uk/media/Guidance%20note%20-%20CIL%20neighbourhood%20Portion.pdf>

10.2 Gedling Borough Council CIL Charging Schedule -
[http://www.gedling.gov.uk/media/Charging%20Schedule%20\(Adoption%20July%202015\).pdf](http://www.gedling.gov.uk/media/Charging%20Schedule%20(Adoption%20July%202015).pdf)

11 Reason for Recommendations

- 11.1 To provide information and make Cabinet aware of projects nominated for the CIL Neighbourhood Non-Parish portion.
- 11.2 To seek authorisation to undertake a 4-week public consultation to seek the views of local stakeholders and residents regarding the recommendations for each nominated projects.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer

**Community Infrastructure Levy (CIL) Non-Parish Funding
Local Infrastructure Schedule, Project Assessment and Proposed
Funding Allocations**

February 2024

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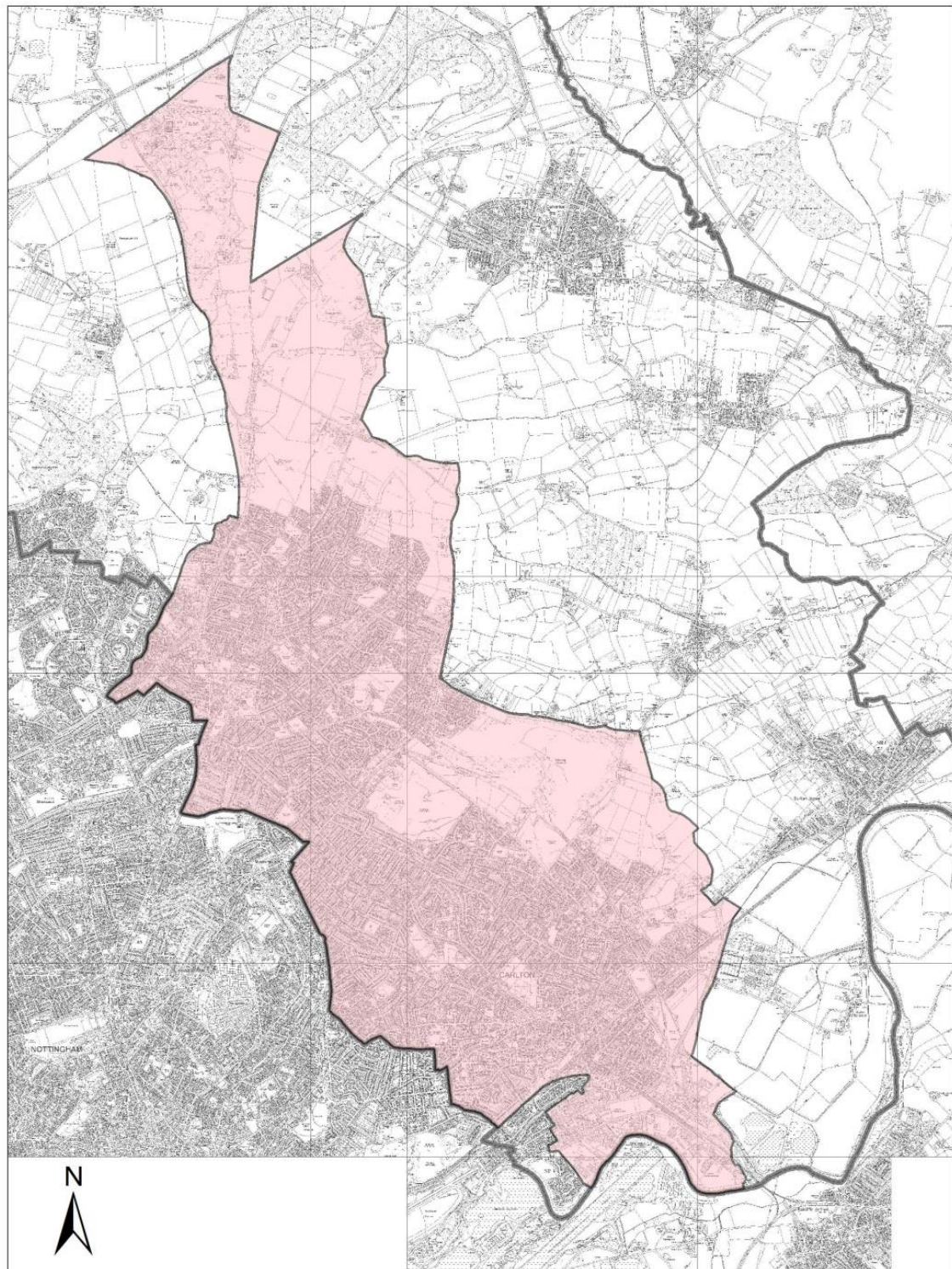
1. Background

- 1.1. The Planning Act 2008 introduced the Community Infrastructure Levy (“CIL”) as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. CIL came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010.
- 1.2. Gedling Borough Council introduced CIL in October 2015. Following an independent examination in March 2015 and approval at full council on 15 July that year, the Gedling Borough Council Community Infrastructure Levy Charging Schedule was adopted on the 16th October 2015. Gedling Borough Council is the charging authority for the borough of Gedling.
- 1.3. Regulation 59A of the Community Infrastructure Levy Regulations 2010 (as amended) (“the 2010 Regulations”) places a duty on charging authorities to allocate at least 15% (up to a cap of £100 per existing council tax dwelling) of CIL receipts to spend on priorities that should be agreed with the local community in areas where development is taking place. This is known as the neighbourhood portion.
- 1.4. Where the chargeable development takes place in an area where there is no parish council, the charging authority retains the levy receipts but must spend the neighbourhood portion on, or to support, infrastructure in the area where the chargeable development takes places. This should be done in consultation with the local neighbourhood.
- 1.5. The extent of the parishes however does not cover the majority of the urban area of Gedling Borough (with the exception of Colwick). This creates a gap in the coverage for the neighbourhood portion in the Borough where there are no parishes or town councils to oversee its expenditure.

1.6. The non-parish areas of Gedling Borough as shown in Figure 1 cover the following Wards:

- Calverton (part)
- Carlton Hill
- Colwick (part)
- Daybrook
- Gedling
- Phoenix
- Porchester
- Trent Valley (part)
- Carlton
- Cavendish
- Coppice
- Ernehale
- Netherfield
- Plains
- Redhill
- Woodthorpe

Figure 1. The Non-Parish Area of Gedling Borough



Gedling Borough Council
Civic Centre, Amot Hill Park, Arnold,
Nottinghamshire, NG5 8LU

Non-Parish Area

Non-Parish Area
Borough Boundary

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- 1.7. Regulation 59F of the 2010 Regulations states that where no parish or town council exists the charging authority may use the neighbourhood portion of CIL, or cause it to be used, to support the development of the relevant area by funding:-
- a) The provision, improvement, replacement, operation or maintenance of infrastructure; or
 - b) Anything else that is concerned with addressing the demands that development places on an area.
- 1.8. The 'relevant area' is defined by Regulation 59F (1)(4) as that part of the charging authorities area that is not within the area of a parish or town council.
- 1.9. The Community Infrastructure Levy Guidance ("the Guidance") published on 12 June 2014 makes it clear that the charging authority should engage with the local communities where the development has taken place and agree with them how best to spend the neighbourhood funding. The Guidance also emphasises the importance of the neighbourhood portion being used to deliver the infrastructure needs of the area in which the chargeable development has taken place.
- 1.10. The Guidance states that "charging authorities should set out clearly and transparently their approach to engaging with neighbourhoods".
- 1.11. A guidance note dated March 2015 prepared by the Council titled 'CIL and the Neighbourhood Portion in Non-Parish Areas detailed how the Council would:-
1. Consult with the local community over how the neighbourhood portion of CIL receipts will be spent in non-parish areas.
 2. Decide which infrastructure projects will benefit from funding from the neighbourhood portion of CIL receipts in non-parish areas.

- 1.12. The Guidance Note creates a process that invites the local community, groups and organisations to identify and have their say on appropriate projects for expenditure of the neighbourhood portion of CIL receipts. Groups, organisations and individuals can nominate potential infrastructure projects throughout the year using our online form; nominations can be submitted throughout the year.
- 1.13. This Assessment Document has been prepared and is structured to present the following information in accordance with the Councils CIL Guidance Note:
- CIL Receipts (What Non-Parish Neighbourhood Funding has been collected)
 - Local Infrastructure Schedule (A List of potential infrastructure projects that have been submitted for consideration)
 - Project Assessment (An assessment of all projects submitted detailing their suitability for funding)
 - Project Recommendations (Recommendation of which infrastructure projects (if any) should be funded via the CIL Neighbourhood Funding)
 - Further Projects (Opportunity for projects to submitted for consideration next year)
 - Information on how the public consultation will be undertaken.

2. CIL Non-Parish Neighbourhood Portion Receipts

- 2.1. In order to make appropriate awards of CIL Neighbourhood Funding in Non-Parish areas of the Borough there is a need to accurately report on Non-Parish CIL Receipts which are currently held by Gedling Borough Council.
- 2.2. 2017/2018 was the first financial year in which CIL Neighbourhood Funding in the non-parish area of Gedling was awarded. Since this time, a total of £317,260 has been awarded to suitable infrastructure projects within the Non Parish Area of Gedling.

- £3,500 award to Lighting at Cinderpath scheme in Netherfield,
- £100,000 award to Car Park Extension at Gedling Country Park,
- £40,000 award to Changing Room Facilities at Lambley Lane Recreation Ground,
- £50,000 award to Green Lung Corridor at Mapperley / Gedling,
- £43,000 award to Arnold Marketplace development in Arnold Town Centre,
- £25,000 award to Footpath Extension at Willow Park, and
- £55,760 award to Internal works and alterations at Netherfield Forum Children, Young People and Families Hub.

2.3. At the end of the last financial year 2022/23 (31st March 2023) the amount of unallocated CIL Receipts for the Non-Parish Neighbourhood proportion stood at £276,411.

2.4. Since this time, additional CIL receipts have been collected throughout 2023/24 and, as of the 31st December 2023, the amount available for expenditure through the Non-Parish Neighbourhood portion stands at £578,815.

2.5. It should also be noted that additional CIL receipts may be collected from other CIL liable planning permissions further increasing the Non-Parish Neighbourhood portion before a final decision on which projects, if any, are successful.

2.6. The table below sets out the portion of CIL Receipts for the Non-Parish Neighbourhood Funding which have been collected across the Non-Parish area to date.

Table 1. Breakdown of total CIL Non-Parish Portion Receipts collected by Ward as of 31st December 2023 (to the nearest £)

Area (Ward)	Collected
Coppice	£129,672
Daybrook	£4,503
Ernehale	£9,980
Gedling	£610,690
Mapperley Plains	£2,703
Netherfield	£7,260
Phoenix	£952
Porchester	£15,643
Trent Valley	£110,160
Woodthorpe	£4,512
Total Non-Parish Collection	£896,075
2017/2018 Allocations	£3,500
2018/2019 Allocations	£140,000
2020/2021 Allocations	£93,000
2021/2022 Allocations	£80,760
Remaining Non-Parish Neighbourhood Holdings	£578,815

- 2.7. In accordance with the produced guidance note, the Council will prioritise expenditure of the neighbourhood portion of CIL receipts in non-parish areas as set out in the following table:

Table 2: Approach to Expenditure of CIL Neighbourhood Portion in Non-Parish Areas

Priority	Type of Infrastructure Project and Location
1	Infrastructure projects (including Infrastructure Funding Statement projects) in the ward where the chargeable development has occurred.
2	Infrastructure projects (including Infrastructure Funding Statement projects) in the non-parish area of Gedling which meet or support the development needs of the area where the chargeable development has occurred.
3	Pool the neighbourhood portion of the CIL receipt for the following year where no suitable infrastructure projects 1 and 2 above have been identified.

3. Local Infrastructure Schedule

- 3.1. In order to identify appropriate infrastructure projects for part funding/funding via CIL Non-Parish Neighbourhood Funding a nomination process was opened and continues to be open.
- 3.2. A list of nominated projects has been created that forms a Local Infrastructure Schedule for the non-parish area of Gedling. A summarised list of nominated projects is highlighted below in Table 3.

Table 3: Local Infrastructure Schedule (Summary Table)

Project	Nominator/Proposer	CIL Monies Required
Cinder Path Extension (Netherfield)	Gedling Borough Council (Economic Growth & Regeneration)	£200,000
Gedling Youth & Community Hub Regeneration Project at Former Railway Station (Gedling)	Gedling Youth & Community Hub	£75,000
Lambley Village Cricket Pavillion (Gedling)	Lambley Village Cricket Club	£75,000
MAS Community Sports Development (Gedling)	The MAS Community	£540,000
1 st Gedling Scouts Group HQ Refurbishment	1 st Gedling Scouts Group	£60,000

3.3. All projects submitted have been formally assessed and a recommendation has been made as to each project's current suitability for funding. The assessment is based upon information submitted as part of the nomination process. The focus of projects should be that they accord with Regulation 59F of the 2010 Regulations. Other determining factors which shall be considered included:-

- How does the project meet a need created by new development?
- Timeframe for delivery?
- Is match funding available?
- How infrastructure project will be maintained once completed?

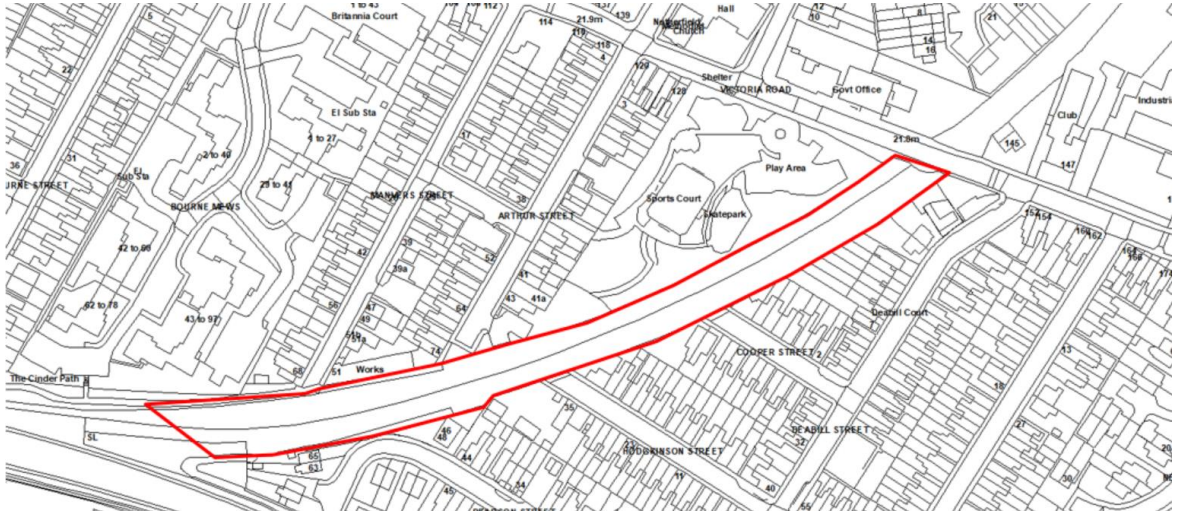
4. Project Assessments

4.1. An assessment of each submitted project has been prepared, each assessment must be accompanied with the following information;-

- Reference Number;
- Description of the project;
- Location;
- Lead agency;
- How it meets the need created by new development,;
- Whether CIL Funding is required to deliver the projects;
- Total cost of projects;
- How much CIL monies are required;
- Is match funding available;
- Timeframe for delivery;
- How the project will be maintained once completed; and
- An assessment of the project suitability for CIL Neighbourhood Funding.

4.2. A total of five projects are on the Local Infrastructure Schedule this year. LIS1 and LIS2 were retained on the schedule from last year's consideration whilst three new projects were submitted this year. The initial assessment for each project and whether they are suitable for CIL Non-parish Neighbourhood Funding can be found below.

Project Assessments

<p>Project Reference: LIS1</p>	<p>Project Name: Cinder Path Extension (Netherfield)</p>
<p>Project Description: This proposal seeks to extend the existing section of the Cinder Path to incorporate a section of the disused railway line, which runs between Ashwell Street to Manvers Street, to its junction with the old level crossing on Victoria Road.</p> <p>An initial site investigation has been carried out to identify any constrains and inform the development of the consultation design options. A public consultation has been undertaken and the results from the consultation have determined that the preferred option for the design of the project is Design 1.</p> <p>The CIL monies would be utilised to cover the costs of refurbishing the existing route including, ground works, re-surfacing, the planting of new trees and vegetation to improve biodiversity, lighting columns, fencing and seating.</p>	
<p>Location: Cinder Path at Manvers Stree and Victoria Road, Netherfield</p> 	
<p>Lead Agency: Gedling Borough Council – Economic Growth and Regeneration</p>	
<p>How does the project meet a need created by new development: The disused railway line lies entirely within the built up areas of Gedling and Netherfield on the eastern edge of the Greater Nottingham conurbation. The former railway line ends at Gedling Country Park which, as well as being a popular green space, also acts as a gateway into the countryside and beyond. The route bisects residential areas and runs adjacent to established industrial and employment land use. In addition, the former railway line runs adjacent to two significant mixed use residential and employment development sites at Teal Close, Teal Park and on the former Gedling Colliery yard site (also known as Chase farm Development site). The former railway line also inter links with 12 green open</p>	

spaces allotments and lies adjacent or very near to 2 primary and one secondary school.

The creation of the linear green park/cycleway would:

- Create a valuable additional green space
- As the line is extended it will connect 6 existing recreation areas and parks creating a green space network, between Gedling Country Park and Netherfield.
- The route will provide sustainable transport links between housing, employment and recreation routes.
- The linear route will be safeguarded for possible future tram development.

The benefits will therefore include:

- Opportunity for free and healthy recreation
- Enhanced biodiversity
- Access to natural green space for residents and visitors
- Opportunity for community engagement in creative arts and environmental projects
- Improved image and potentially increased business for Netherfield town centre

Total cost of project:

£598,000

How much CIL Neighbourhood Funding is required:

£200,000

Is match funding available:

Potential opportunity to bid to Severn Trent Water Foundations Trust for £250,000 to support delivery of the project.

Timeframe for delivery of project:

N/A

How will the project be maintained once completed:

Gedling Borough Council – Parks and Street Care Maintenance Programme.

Assessment of project:

This nominated project would be compliant with Regulation 59F of the 2010 Regulations as it is located in a ward which has contributed CIL Receipts from local development.

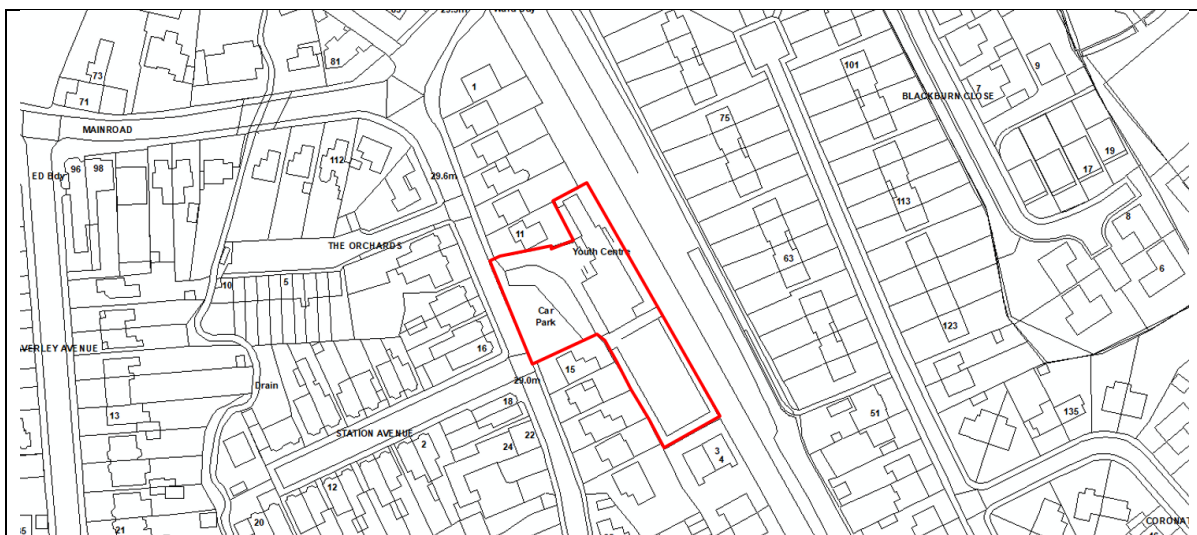
The project would redevelop a disused path creating improved recreational facilities within a Ward where there is a need for useable green spaces which can be used for both walking and cycling, improving the health of local residents. The proposal will link two existing green spaces, namely the previously redeveloped part of the Cinder path and Jackie Bells Field, and improve biodiversity and wildlife in the locality through the planting and management suitable trees and plants.

Whilst it is considered that the project would be a good fit for the Non-Parish Neighbourhood Funding Awards, Gedling Borough Council are not currently looking to progress this project. The proposal is still in the early stages of development and it would not therefore be appropriate to recommend this project for CIL Non-Parish Neighbourhood funding at this stage.

Taking the above into consideration, it is my recommendation that the project LIS1 should not be awarded Non-Parish Neighbourhood Funding at this time. I would however recommend that the project is retained on the Local Infrastructure Schedule.

Recommendation: No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule.

<p>Project Reference: LIS2</p>	<p>Project Name: Gedling Youth & Community Hub Regeneration Project</p>
<p>Project Description: The Gedling Youth & Community Hub is a registered charity (522200) previously known as Gedling & District Youth Club. The charity is seeking CIL awards to undertake a regeneration project to carry out refurbishments to the former railway station off Shearing Hill, Gedling. The aims of the Charity are to restore & enhance (partly already completed) the former Victorian railway station (1876) embracing the building's rich history & heritage. It sits alongside the proposed Gedling Heritage Way. The project will create a vibrant young persons & community facility. It will improve the health & wellbeing of local people by developing a stronger & more resilient community.</p> <p>The proposal would see substantial works be undertaken, including new kitchen facilities, a new entrance hall, restoration of sash Windows, re-tile & securing of loose roof tiles and new guttering. There is also a gym attached to the old station is due to be demolished as part of the project.</p> <p>The future plans can be viewed at the community hub or on the website. www.gedlingyouth.co.uk</p> <p>The Gedling Youth & Community Hub would focus the bid for £75k on those items that will help unlock the Heritage Fund application of circa £250k, whilst also delivering a package of work that enables the building to become functional and accessible again (as it is currently constrained to use as a construction skills training facility, due to water ingress).</p> <p>Specifically these works would include:</p> <ul style="list-style-type: none"> - demolition of the unsafe structure of the gym extension - provision of scaffolding to the single storey section of the building - repairs to the roof, including re-instatement of slates to the single storey section. 	
<p>Location: Gedling Youth Club Youth Centre, 13 Shearing Hill, Gedling, Nottinghamshire, NG4 3GY</p>	



Lead Agency:

Gedling Youth & Community Hub

How does the project meet a need created by new development:

The commencement of major housing developments at Chase Farm in Gedling, Rivendell in Netherfield and other sites within the locality, means that the area needs a community hub that all local residents can access for community events or simply to meet and greet for a chat.

The proposed Heritage Way runs past the former Gedling railway station, now the Gedling Youth & Community Hub. This cycle/walkway green lung is much needed in the area of benefit for the wellbeing and improvement of mental health for residents. There are other significant benefits to be gained, particularly from decongestion on the local highway network and increased physical activity amongst existing and thousands of new residents.

The Gedling Youth & Community Hub will be a stopping off point along the Heritage Way for walkers and cyclists. The history and heritage of the mining and railway in our area will be celebrated in the cafe and community rooms. The footfall from the Mott MacDonald report in 2016 approximated 275,000 walkers and 155,000 cycle trips per annum.

Total cost of project:

£250,000

How much CIL Neighbourhood Funding is required:

£75,000

Is match funding available:

Potential match funding through the National Heritage Lottery Fund. A bid is currently being drafted and is expected to be submitted to the NHLF in early 2024 for consideration.

Timeframe for delivery of project:

2024/25

How will the project be maintained once completed:

Once completed the Trustees & Management Committee of Gedling Youth & Community Hub will employ a caretaker to manage the facility.

Assessment of project:

This nominated project is compliant with Regulation 59F of the 2010 Regulations and is located in a ward which has contributed significant CIL Receipts from local development, namely the new housing development at Chase Farm, Gedling.

The property, 13 Shearing Hill, formally the railway station, is a Locally Designated Heritage Asset and in accordance within Policy 31 of the Local Planning Document, its retention is strongly encouraged where possible. The building has been left to fall into disrepair and this project would see the building restored so that it can be safely used the Gedling Youth & Community Hub.

The building is situated approx. 1.4km from the large housing development at Chase Farm which has generated significant CIL Receipts specifically for Non-Parish Neighbourhood funding.

With a strong focus on community the proposed redevelopment of the Gedling Youth & Community Hub would create numerous opportunities for local residents including recreational activities and classes, a tea room and links to potential future green spaces via the redevelopment of the historic railway line. The Gedling Youth & Community Hub have committed to providing opportunities for youthful residents in the locality and as such would ensure that the building once redeveloped is also retained for use as a Young Peoples Centre.

Notwithstanding the above, it is not considered that the project is currently suitably progressed to recommend for shortlisting for CIL Non-Parish Neighbourhood funding at this stage. The match funding bid to the NLHF is due to be submitted in early 2024 with a decision on the success of this bid expected later in the same year. As such I would recommend that the project is retained on the Local Infrastructure Schedule so that it can be reconsidered as part of next years awards when it is known whether the match funding bid has been successful or not.

Recommendation: No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule for next round of awards.

Project Reference:

LIS3

Project Name:

Lambley Village Cricket Club

Project Description:

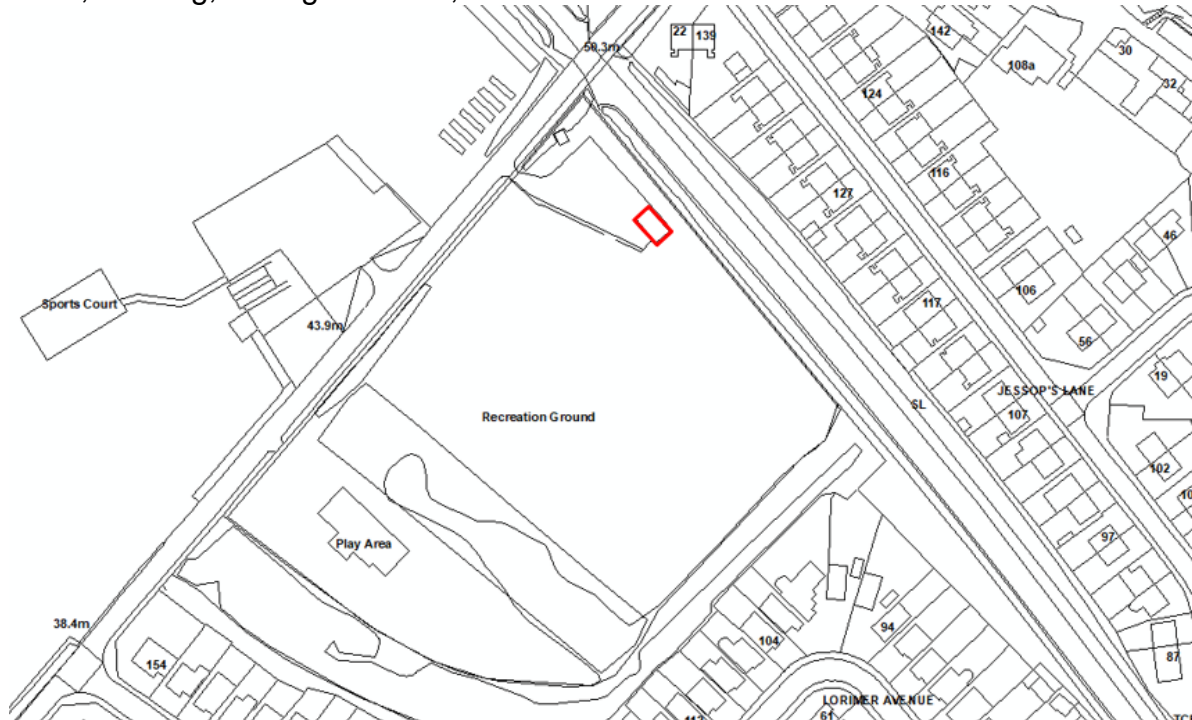
The Lambley Village Cricket Club were established in 1949 and have been playing at Lambley Lane Recreation Ground in Gedling since the early 1980s. At the time the Cricket Club paid for and installed a temporary concrete structure to be used in association with the Cricket Club.

This structure is now unfit for purpose and the proposed project would look to utilise CIL Non-Parish Neighbourhood Funding to replace the existing structure with a small brick-built structure.

The new structure would include two new changing rooms, an officials/private/non-gender changing space, small kitchen area, equipment storage room and a minimum of 3 toilets and 2 showers.

Location:

Lambley Village Cricket Club, Lambley Lane Recreation Ground (South), Lambley Lane, Gedling, Nottinghamshire, NG4 4PA.



Lead Agency:

Lambley Village Cricket Club

How does the project meet a need created by new development:

CIL liable development has commenced and generated substantial CIL receipts adjacent to the Lambley Lane Recreation Ground. Approval has been granted, as part of the Chase Farm Development, for 970 dwellings and a local centre. This will increase the population of Gedling; mainly with young families who require access to sports and recreation.

This project would see an existing sporting facility redeveloped so that it is fit for purpose and can provide sport and leisure activities for new and existing residents of the borough alike.

Total cost of project:

£90,000

How much CIL Neighbourhood Funding is required:

£75,000

Is match funding available:

Match funding of £800 from Cllr Grant Funds and £2,500 from private sponsorships secured to date.

Timeframe for delivery of project:

2024-2028

How will the project be maintained once completed:

Once completed Lambley Village Cricket Club will continue to maintain the building through club funds, sponsorship and additional fundraising if required.

Assessment of project:

Whilst the nominated project is located within a ward which has contributed significant CIL Receipts from local development, namely the new housing development at Chase Farm, Gedling, it is currently unclear how the project would benefit residents outside of members of the Lambley Village Cricket Club. As such, other nominated projects may be considered to have greater public benefit when assessing which projects to award CIL Non-Parish Neighbourhood Funding.

The site is situated approx. 500m from the centre of the large housing development at Chase Farm which has generated significant CIL Receipts for Non-Parish Neighbourhood funding.

The project would enable the replacement and modernisation of the existing pavilion at the Lambley Lane Recreation Ground (south). The pavilion is used by Lambley Village Cricket Club and would ensure the protection and continued use of this area of open space for sport and leisure activities for the future in accordance with the objectives of the Gedling Plan specifically Community and Place.

Notwithstanding the opportunities to improve health and wellbeing within the Borough, the proposed project is still considered to be in its early infancy and, as of yet, detailed plans have not been provided. It is considered that the project may require Planning Permission and as such I would recommend that this project is held on the Local Infrastructure Schedule until it has been established if planning permission is required and if so an application has been submitted to, and determined by, the Local Planning Authority. If planning permission is obtained then a review of the suitability of CIL Non-Parish Neighbourhood Funding could be undertaken.

Recommendation: No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule for next round of awards.

Project Reference:

LIS4

Project Name:

MAS Community Sports Development

Project Description:

To build a community sports hub along with 4G pitches, changing rooms and a community room on Lambley lane in Gedling.

There is currently a huge lack of sports provision in Gedling. With so many new houses the desperate need for a facility has grown. MAS coaching have over 400

children on waiting lists. We currently coach over 800 children and adults each week. Our sessions are vital to the mental health of our community.

The Community Hub would be a venue offering a range of services and community-based activities. This could include toddler sessions for families, a dementia café, health and fitness offerings like Yoga/Pilates, and support sessions on a range of issues determined by the community.

Access to the sessions is likely to incur small charges, and costs would be variable depending on how the session is funded – for example for some health & well-being sessions, the CIC or a provider may be able to access funds that would subsidise attendance.

It is envisaged to have a configuration in the Hub where it is possible to have at least 2 rooms that can be rented out for functions and activities – birthday parties, meetings, and general community gatherings, such as social eating. Outside of the busier times in the evenings and weekends we would want to utilise the space during weekdays for potential Alternative School Provision.

Aside from Football being the focus for the 3G facility it is hoped the surface can be used for Netball, outdoor fitness training and perhaps touch rugby sessions. MAS would also look to partner with local primary & secondary schools to provide access to the pitch.

Location:

Lambley Lane, Gedling, Nottinghamshire, NG4 4PA



Lead Agency:

The MAS Community

How does the project meet a need created by new development:

The project will meet the health and mental-wellbeing needs of the local community. We have a petition signed of over 2000 people who are desperate for a sports facility in Gedling. Since the former Gedling school site was knocked down and a gym and two pitches lost, there has been nothing to replace these facilities. This is adding to an already huge demand for a sports facility in Gedling. We have children and adults who cannot access sport due to a lack of facilities.

The additional housing creating by the Chase Farm development immediately adjacent to Lambley Lane has further increased the need to provide more sporting facilities in the locality.

Total cost of project:

£1.8million

How much CIL Neighbourhood Funding is required:

£540,000

Is match funding available:

The Football Foundation are willing to fund 70% of the project. Other funding sources being explored include include:

- Nottinghamshire County Council (Local Communities Fund - £20,000)
- The Coalfield Regeneration Trust
- Big Lottery – Awards for All & Reaching Communities
- Cash 4 Clubs
- FCC Community Foundation – Landfill
- Sports England

Timeframe for delivery of project:

18 months

How will the project be maintained once completed:

MAS would utilise the money generated by coaching and classes to self-fund the future maintenance of the site.

In addition to coaching and classes the 3G pitches could function 3hrs per night Mon-Fri developing further potential revenue.

In addition to these revenue streams, we hope that catering on matchdays and training nights would also generate a surplus that would be used for the maintenance costs of the facilities.

A more comprehensive business case/plan will be developed with support from the Football Foundation if the project is supported.

We are confident we have both the commercial revenue generation through Mapperley All Stars Coaching and the community revenue through Mapperley All Stars Football club and wider users to make this a more than sustainable facility.

Assessment of project:

Whilst the nominated project would be compliant with Regulation 59F of the 2010 Regulations and is located in a ward which has contributed significant CIL Receipts from local development, namely the new housing development at Chase Farm, Gedling there are questions regarding the business model and commercial aspect of the project and how this would generate public benefit to local residents within the borough.

This project seeks to create a comprehensive sporting facility on Lambley Lane complete with 3G pitches and indoor sports area. The development would be situated approx. 200m from the centre of the large housing development at Chase Farm which has generated significant CIL Receipts for Non-Parish Neighbourhood funding.

The proposal would create a high quality sporting facility and associated infrastructure to provide access to greater sports and leisure facilities thus improving Health and Wellbeing in the community and developing a strong sense of place in accordance with the objections of the Gedling Plan.

At the present time the site has not been secured, though it is acknowledged that the applicant has stated that talks are currently ongoing with various stakeholders, furthermore, given the size and scale of the project, an application for planning permission would need to be submitted and determined by the Local Planning Authority before any decision could be made on the suitability of CIL Non-Parish Neighbourhood Funding.

It should be noted that in 2019 £40,000 of CIL Non-Parish Neighbourhood Funding was awarded to Changing Facilities at Lambley Lane Recreation Ground. This funding enabled the renovation of the community changing facilities at the Lambley Lane Recreation Group to help support the local community teams who play in this location.

Taking all of the above into consideration I would recommend that this project is not yet at a stage where Gedling Borough Council could agree to the committing of funds and as such it is recommended that the project is retained on the Local Infrastructure Schedule until further work has been progressed to address the above issues. If planning permission is obtained then a further review of the suitability of CIL Non-Parish Neighbourhood Funding could be undertaken.

Recommendation: No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule for next round of awards.

Project Reference: LIS5	Project Name: 1 st Gedling Scout Group HQ Refurbishment
Project Description: 1st Gedling Scout Group has over 80 local young people with different sections age 4 to 18 yrs. and is run by volunteer adults' leaders / parents local to the	

Gedling area. The group is supported by an executive committee who maintain, and fund raise to keep our building, but the 1st Gedling Scouts Group lease the land it is built on. the 1st Gedling Scouts Group, the Trustees, are about to renew our lease with Southwell diocese. The Old lease was for 60 years granted by the then rector of Gedling All Hollows Church finishing in 2023. The new lease is for 30years.

As stated, the building belongs to the scout group and is in much disrepair with a leaky roof (an asbestos roof) we have been forced to replace this roof and with extra cost due to the need to employ special contractors to remove the Asbestos. Once the works to repair the roof have been complete the 1st Gedling Scouts Group will need to repair the ceiling and walls at further cost, repaint the outside walls and replace the concrete drive and play area if enough funds allow to create an undercover canopy attached to the building with open sides, so the scouts can play & train outside but undercover.

Location:

3 Willow Lane, Gedling, Nottingham, NG4 4BJ



Lead Agency:

1st Gedling Scout Group

How does the project meet a need created by new development:

The Scout group supports the young people of Gedling and surrounding area. The group offers Skills for Life to young people through training and adventurous activities and is solely run by Volunteers. The Scouts Group have a long waiting list due to the surrounding new houses being built.

The project is located almost equidistance between the housing developments at Chase Farm and Land South of Burton Road, Gedling, both of which have generated significant CIL Non-Parish Neighbourhood Funding Receipts.

Total cost of project:

£76,500

How much CIL Neighbourhood Funding is required:

£60,000

Is match funding available:

Approx. £25,000 self-funded. No additional match funding secured to date.

Timeframe for delivery of project:

12-18 months

How will the project be maintained once completed:

1st Gedling Scout Group are self-funded and have not at present applied for any other funding from grants or donations etc.

The membership of the group pays subs monthly that pays the electric and water bills etc, but these subs pay for outings, camps and camping equipment and badges etc for the Young People.

The hall will be maintained by the trustees once up to a standard, it has not been repaired nor painted since 2012 when a small refurb took place. 1st Gedling Scout Group do hold fundraising events to keep the hall in good and safe condition and offer the hall to other youth groups for donations to the upkeep of the building.

Assessment of project:

This nominated project is compliant with Regulation 59F of the 2010 Regulations and is located in a ward which has contributed significant CIL Receipts from local development, namely the new housing development at Chase Farm, Gedling.

The Scouts Group are a nationwide charity which provides opportunities to young people in the local area to socialise and improve health and wellbeing in accordance with the objectives of the Gedling Plan specifically Community and Place.

The project to renovate the existing facilities at the 1st Gedling Scouts Group would ensure that the Charity can continue to offer existing opportunities but also allow the group to expand their activities throughout the year through the use of improved outdoor space.

Notwithstanding the above, detailed plans have not been provided regarding the scale of the outdoor structure and the scope of the proposed works, as such it is unclear at this time whether Planning Permission would be required. I would therefore recommend that this project is held on the Local Infrastructure Schedule until it has been established if planning permission is required and if so an application has been submitted to, and determined by, the Local Planning Authority.

Recommendation: No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule for next round of awards.

- 4.3. Having assessed each project on the Local Infrastructure Schedule it is my recommendations that the projects LIS1, LIS2, and LIS5, whilst suitable for CIL Non-Parish Neighbourhood Funding, are not yet suitably progressed to a point

where it would be appropriate for Gedling Borough Council to commit to the allocation of funds. I therefore recommend that these projects are retained on the on Local Infrastructure Schedule for assessment during the next round of awards at the end of 23/24 when further progress regarding their deliverability may have been made. Projects LIS3 and LIS4 could potentially meet the requirements of Regulation 59F of the Community Infrastructure Levy Regulations 2010 (as amended), however, there are some concerns regarding the more commercialised nature of these projects and how these would be used for the wider benefit of the general public. The CIL Officer will continue to liaise with each Lead Agency to better progress plans and better understand the projects and a re-assessment during the next consideration of awards in 24/25.

5. Recommendations

5.1. Following the assessments of the submitted infrastructure projects it is my recommendation that:

- 1) **LIS1 “Cinder Path Extension (Netherfield)”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule.
- 2) **LIS2 “Gedling Youth & Community Hub Regeneration Project”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule.
- 3) **LIS3 “Lambley Village Cricket Club”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule.
- 4) **LIS4 “MAS Community Sports Development”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule.

5) **LIS5 “1st Gedling Scout Group HQ Refurbishment”** No allocation for CIL Non-Parish Neighbourhood Funding at this time. Retain on Local Infrastructure Schedule for next round of awards.

5.2. The recommendations proposed for CIL Neighbourhood Funding will be subject to a four week public consultation. Any representations received during this consultation will be taken into account and a final recommendation as to which projects should be awarded CIL Non-Parish Neighbourhood Funding will be presented back to Cabinet in Spring 2024.

6. Further Projects

6.1. The opportunity to submit a potential infrastructure project in the Non-Parish area of Gedling is continually open. Councillors, officers, organisations, individuals and groups can nominate infrastructure projects for funding throughout the year by visiting the Gedling Borough Council website at <http://www.gedling.gov.uk/noparishcilneighbourhoodfunding/>. The submitted projects will form a Local Infrastructure Schedule which will be available to view publically on the Council’s website at the same link.

6.2. As part of the nomination process the nominating person or group will need to supply the following information along with any other supporting information.

<ul style="list-style-type: none"> • Project Name 	<ul style="list-style-type: none"> • Project Description
<ul style="list-style-type: none"> • Location (Plan) 	<ul style="list-style-type: none"> • Ward
<ul style="list-style-type: none"> • Individual/Group submitting the nomination 	<ul style="list-style-type: none"> • Lead Agency
<ul style="list-style-type: none"> • How does the project meet a need created by new development? 	<ul style="list-style-type: none"> • Is funding through CIL required to deliver project?
<ul style="list-style-type: none"> • Total cost of the project? How much funding through CIL is required? 	<ul style="list-style-type: none"> • Is match funding available?
<ul style="list-style-type: none"> • Timeframe for delivery of the project? 	<ul style="list-style-type: none"> • How will the infrastructure project be maintained once completed?

7. Consultation

- 7.1. A four week consultation will be held with the public, stakeholders and Ward Councillors in areas where CIL receipts are collected from chargeable developments within the non-parish area. The public consultation will commence in March 2024 to obtain views on the shortlisted projects eligible for the funding from the neighbourhood portion of CIL receipts.
- 7.2. It is proposed that the four-week consultation will be from Monday 18th March 2024 to Monday 15th April 2024.
- 7.3. The consultation will include a posting on the Keep Me Posted newsletter, the Community Initiatives page on Gedling's Community and Voluntary E-Newsletter, an article in the Gedling Contacts magazine and direct consultation with Residential Organisation Groups throughout the borough. A link to the consultation will also be publicised on the Council's dedicated CIL Neighbourhood Funding webpage <http://www.gedling.gov.uk/noparishcilneighbourhoodfunding/> where interested parties can submit comments or representations.
- 7.4. The consultation will seek the following views:
- 1. Do you agree with the projects identified for CIL Neighbourhood Funding in the Non-Parish Areas of Gedling?** *(Consider justification provided in assessments and how project meets the criteria in Regulation 59F of the CIL Regulations 2010, as amended)*
 - 2. Are there any other projects on the Local Infrastructure Schedule that have been considered that you think should have been allocated funding?** *(Consider justification provided in assessments and how project meets the criteria in Regulation 59F of the CIL Regulations 2010, as amended)*

If you can suggest any other infrastructure schemes that you consider could be included on the Infrastructure Delivery Schedule for assessment for 2022/23, please submit a nomination via <http://www.gedling.gov.uk/noparishcilneighbourhoodfunding/>

- 7.5. Following the consultation period all comments and representations received will be considered by Council's officers who will prepare a final report identifying the schemes selected for funding. The report will then seek final approval from Cabinet to allocate the CIL Neighbourhood Funding awards to the relevant projects.

8. Contact

- 8.1. If you require any further information regarding the CIL or Non-Parish Neighbourhood Fund please contact the CIL Officer on 0115 901 3731 or e-mail CIL@gedling.gov.uk.