



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

Agenda

Council

Date: **Wednesday 4 March 2026**

Time: **6.00 pm**

Place: **Council Chamber**

For any further information please contact:

Democratic Services

committees@gedling.gov.uk

0115 901 3844

Council

Membership

Mayor Councillor Kyle Robinson-Payne

Deputy Mayor Councillor Sandra Barnes

Councillor Michael Adams	Councillor Alison Hunt
Councillor Pauline Allan	Councillor Darren Maltby
Councillor Roy Allan	Councillor Ron McCrossen
Councillor Jane Allen	Councillor Viv McCrossen
Councillor Stuart Bestwick	Councillor Andrew Meads
Councillor David Brocklebank	Councillor Julie Najuk
Councillor John Clarke	Councillor Marje Paling
Councillor Jim Creamer	Councillor Michael Payne
Councillor Andrew Dunkin	Councillor Lynda Pearson
Councillor Boyd Elliott	Councillor Sue Pickering
Councillor David Ellis	Councillor Catherine Pope
Councillor Rachael Ellis	Councillor Grahame Pope
Councillor Roxanne Ellis	Councillor Alex Scroggie
Councillor Andrew Ellwood	Councillor Martin Smith
Councillor Paul Feeney	Councillor Sam Smith
Councillor Kathryn Fox	Councillor Ruth Strong
Councillor Helen Greensmith	Councillor Clive Towsey-Hinton
Councillor Jenny Hollingsworth	Councillor Henry Wheeler
Councillor Paul Hughes	Councillor Russell Whiting
	Councillor Paul Wilkinson

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SUMMONS

A meeting of the Borough Council will be held on Wednesday 4 March 2026 at 6.00 pm to transact the business as set out below.



Mike Hill
Chief Executive

AGENDA

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| 1 | Thought for the day | |
| 2 | Apologies for absence | |
| 3 | Declaration of interests | |
| 4 | To consider, and if approved, adopt the recommendations of Cabinet dated 19 February 2026 and set the Council Tax for the year ending 31 March 2027 | |
| a | Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2026/27
Report of the Principal Finance Business Partner | 5 - 90 |
| b | Capital Programme and Capital Investment Strategy 2026/27 to 2030/31
Report of the Finance Business Partner | 91 - 130 |
| c | General Fund Revenue Budget 2026/27
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Report of the Leader of the Council | 249 - 262 |
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Report to Cabinet

Subject: Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2026/27

Date: 19 February 2026

Author: Chief Finance & S151 Officer

Wards Affected

All

Purpose

To present for Members' approval the Council's Prudential Code Indicators and Treasury Strategy for 2026/27, for referral to Full Council on 4 March 2026.

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) 2026/27, which includes the key elements below, and refer it to Full Council on 4 March 2026 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), including 2.3.8 (a) increasing the Money Market Fund Limits from £4m to £5m
 - d. Capital Affordability Prudential Indicators for 2026/27 through to 2027/28 (Appendix 1).
 - e. Treasury Indicators including affordability limits to borrowing for 2026/27 through to 2028/29 (Appendix 1).
2. Note the indicative Prudential Indicators for 2029/30 and 2030/31 (Appendix 1).
3. Approve the Treasury Management Policy Statement and Treasury Management Practices (Combined Principles & Schedules) as set out in Appendix 5.

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, i.e.. 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 2026/27.

The Ministry of Housing, Communities and Local Government (MHCLG) (formerly the Department for Levelling Up, Housing and Communities) has tightened up regulations around local authorities financing capital expenditure on investments in commercial projects for yield and has closed access to all Public Works Loan Board (PWLB) borrowing if such schemes are included in an authority's capital programme. The 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, i.e 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 periodic Treasury Management progress reports to Members (either three or four monthly), 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, further reports will be reported to Cabinet periodically throughout the year in line with the Revenue budget monitoring reporting cycles.

1.3 Treasury Management Strategy for 2026/27

The treasury management strategy for 2026/27 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*, *MHCLG Investment Guidance*, *MHCLG 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, MUFG Corporate Markets (Formerly

Link Asset Services), also provide more detailed training sessions for Members as appropriate. The latest training session was held during 2025/26 and it is currently intended that a further training session will be arranged during 2026/27.

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 MUFG Corporate Markets (Previously Link Asset Services) 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.

2.1 The Capital Prudential Indicators 2026/27 to 2028/29

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 2026/27 through to 2028/29 are attached at Appendix 1 and these must be referred to Full Council for approval in accordance with the regulations.

Indicative indicators for 2029/30 and 2030/31 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 2026/27 through to 2028/29, including those schemes agreed previously and those forming part of this budget cycle. The Capital Programme includes only “service-related” expenditure.

Capital Expenditure:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Service Investment	10,194.0	4,696.0	4,562.0
Total Capital Expenditure	10,194.0	4,696.0	4,562.0

The table below analyses the capital expenditure plans by portfolio.

Portfolio Capital Expenditure:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Lifestyles, Health & Well-being	2,670.0	380.0	0.0
Public Protection	2,058.4	1,400.0	1,400.0
Environmental Services	2,065.5	343.0	720.0
Climate Change and Natural Habitat	267.0	222.0	222.0
Sustainable Growth and Economy	1,056.2	1,786.0	1,655.0
Corporate Resources and Performance	2,076.9	565.0	565.0
Total Capital Expenditure	10,194.0	4,696.0	4,562.0

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

Financing of Capital Expenditure:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Capital Expenditure (above):	10,194.0	4,696.0	4,562.0
Financed by:			
Capital Receipts	707.5	125.0	125.0
Capital Grants & Contributions	4,159.8	3,336.0	3,205.0
Direct Revenue Financing	1,423.0	22.0	22.0
Net Borrowing Need	3,903.7	1,213.0	1,210.0

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)	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Closing CFR:	22,194.0	21,920.0	21,600.4
Movement in CFR within the year	+2,556.9	-224.0	-269.6
Represented by:			
Net financing need	+3,903.8	+1,213.0	+1,210.0
MRP	-1,346.9	-1,437.0	-1,479.6
Movement in CFR within the year	+2,556.9	-224.0	-269.6

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, MUFG Corporate Markets, 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. The gearing levels are estimated to reduce even closer to the average by 2028/29, as the long term assets increase and CFR reduces.

Gearing:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Estimated closing Long Term Assets: (Property, Plant, Equipment & Investment Assets)	51,887	55,363	58,705
Closing CFR (above)	22,194	21,970	21,700
Gearing Ratio	43%	40%	37%

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:

	2026/27 £	2027/28 £	2028/29 £
Liability Benchmark	6,464,128	5,027,155	3,547,477

The estimated liability benchmark is a positive figure due to the Council’s investments being under 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:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Net revenue stream	16,882.3	18,635.4	18,997.8
Financing costs (net)	920.4	1,310.5	1,354.1
Ratio to net revenue stream	4.66%	2.61%	2.55%

- **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 2026/27 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:	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 Estimate £000s
Opening CFR (ie. closing CFR in preceding year)	19,637.2	22,194.0	21,970.0
Additions (only) in-year + following 2 years	2,556.8	0	0
Maximum Gross Debt	22,194.0	22,194.0	20,649.2
Estimated total GBC debt outstanding at 31 March	10,811.6	10,811.6	10,811.6
Under/(over) borrowing	11,382.4	11,382.4	11,382.4

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

2.2 Minimum Revenue Provision (MRP) Policy Statement

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

(VRP).

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

The Council is recommended to approve the following Statement for 2026/27:

MRP Statement 2026/27

- a. The Council will assess MRP in accordance with the recommendations within the guidance issued under *section 21(1A) of the Local Government Act 2003*.
- b. The CFR method will be used for calculating MRP in respect of all capital expenditure incurred up to and including 31 March 2008. This is the simplest approach available, being calculated as a straightforward 4% of the relevant element of the CFR at the end of the previous year. In the current economic climate, the Chief Financial Officer considers that use of the CFR Method is prudent.
- c. The Asset Life Method will be used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. From 1 April 2019 an annuity approach has been adopted in making this calculation, allowing for a slightly lower MRP charge in the early years than under the previously used equal instalment approach. This is considered prudent because it better reflects the time value of money, whereby £100 paid ten years hence represents less of a burden than paying £100 today.
- d. The Chief Financial Officer will determine estimated asset lives. Where expenditure of different types is involved, it will be grouped together in a manner which best reflects the nature of the main component of expenditure. It will only be divided up in cases where there are two or more major components, with significantly different asset lives.
- e. MHCLG guidance provides that any charge made 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 2026/27, and neither has it done so in previous years.

- f. Based on the above policy, the net MRP charge for 2026/27 has been calculated as **£1,346,872** as detailed below, and this sum has been included in the Council's 2026/27 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

Minimum Revenue Provision (MRP)	2026/27 £s
CFR Method - up to 31 March 2008	166,122
Asset Life Method (annuity approach) - from 1 April 2008	1,180,750
Total MRP	1,346,872

MHCLG conducted a consultation on amending MRP regulations and guidance for England. These changes came into force from April 2025.

2.3 Treasury Strategy 2026/27 - 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	2026/27 Estimate £000s	2027/28 Estimate £000s	2028/29 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	22,194.0	21,970.0	21,700.4
Under/Internal / (Over) borrowing	11,382.4	11,158.4	10,888.8
Internal borrowing as % of estimated closing CFR	45%	45%	40%

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 MUFGB 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 40% and 45% 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 2026/27 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, 2025/26, 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's Treasury Management advisors MUFGB Corporate Markets have assisted the Council to formulate a view on interest rates. The following table and

commentary gives the latest MUFG forecast at December 2025 and reflect PWLB “certainty rates” for which the Council qualifies. Further information on interest rates can be found at Appendix 2.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

MUFG’s forecast for interest rates shows that the Bank Rate will see a further reduction to 3.5% by June 2026 and falling to 3.25% by December 2026 and will remain at that level.

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 2026/27

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 2026/27 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 MUFU, and any decisions will be reported to Cabinet at the next available opportunity. The Council is currently closely reviewing its borrowing requirements for 2026/27 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.

MUFG 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 MUFG.

2.3.8 Annual Investment Strategy 2026/27

a. Investment Policy – management of risk

MHCLG and CIPFA have extended the meaning of “investments” to include both financial (placement of surplus cash) and non-financial (primarily for financial return, i.e.. 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:

- MHCLG’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 MHCLG 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 MUFG 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, i.e.. those with a lower credit quality, for periods in excess of one year (365 days), or more complex instruments, e.g. 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 2026/27 will generally be **£3m** per individual counterparty. A current higher limit of **£4m** per Money Market Fund is in place and was considered prudent since such funds are already by definition highly diversified investment vehicles. It is proposed that the Money Market Fund limits are now increased to **£5m** for 2026-27, this will allow additional flexibility with investments, particularly if a large, expected capital receipt is received from the sale of land.

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 MUFG 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.

Regarding 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 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 was extended to 31 March 2025 and then a further extension was applied to 31 March 2029 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 2029.

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 2029, 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 2025 is £0.895m. 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 £38k 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 MUFG 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 MUFG 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 MUFG 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 MUFG 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, the Council is also alerted to interim changes via its use of the MUFG creditworthiness online service. If a downgrade deems counterparties no longer acceptable, their use for new investments will be withdrawn immediately.

Ratings under the MUFG 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 MUFG 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 MUFG 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 MUFG forecast that the bank rate will remain at 3.75% until June 2026, falling to 3.5% and then a further reduction to 3.25% by December 2026. MUFG consider that it is prudent to assume investment earnings from market-related instruments up to around 3 months will be approximately 3.75% for 2026/27 before falling later in the year. The Council's investment interest estimate for 2026/27 is currently based on the investment income received in 2025/26 and assumptions on the bank rates and projected investment earnings. Any returns are based on 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 3 February 2025 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 2026/27, 2027/28 and 2028/29 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, revision to **£5m** for Money Market Funds) 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. MUFG 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 MUFG 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."

MUFG view is that the most important issue is ensuring that there is a clear understanding of what "environmental, social and governance (ESG)" investment considerations **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, i.e.. 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 MUFG 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 receives 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.

MUFG 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.

MUFG 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. MUFG's advice is therefore that it is not practicable to include ESG into its TMSS template for 2026/27 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*, *MHCLG MRP guidance*, the *CIPFA Treasury Management Code* and the *MHCLG investment guidance*, the Council is required to have a strategy as set out in this report.

6. Equalities Implications

There are no equalities implications arising from this report.

7. Carbon Reduction/Environmental Sustainability Implications

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 2026/27 through to 2028/29 for approval, and Indicative Indicators for 2029/30 and 2030/31.
2. Interest rate forecasts.
3. Specified and non-specified investments.
4. Approved countries for investment.
5. Treasury Management Principles (TMPs)

9. Background Papers

None identified.

10. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 11 February 2026

Approved by: Monitoring Officer

Date: 11 February 2026

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	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate	2029/30 Indicative	2030/31 Indicative
<u>Prudential Indicators</u>					
a) Capital Expenditure:	£ 10,194,000	£ 4,696,000	£ 4,562,000	£ 5,189,700	£ 4,944,200
b) Capital Financing Requirement: (closing)	£ 22,194,000	£ 21,970,000	£ 21,700,400	£ 21,888,791	£ 21,663,258
c) Gearing	43%	40%	37%	37%	35%
d) Liability Benchmark	£ 6,464,128	£ 5,027,155	£ 3,547,477	-£ 5,356,733	-£ 6,486,248
e) <u>Ratio of Financing Costs to Net Revenue Stream</u> Service activity	5.45%	7.03%	7.13%	7.42%	7.97%
f) Maximum Gross Debt	£ 22,194,000	£ 22,194,000	£ 21,970,000	£ 21,888,800	£ 21,888,800
g) Ratio of Internal Borrowing to CFR	45%	45%	40%	35%	29%
<u>Treasury Indicators</u>					
a) Operational Boundary for External Debt:					
Borrowing	£ 23,200,000	£ 23,200,000	£ 23,000,000		
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000		
Total Operational Boundary	£ 24,700,000	£ 24,700,000	£ 24,500,000		
b) Authorised Limit for External Debt:					
Borrowing	£ 24,200,000	£ 24,200,000	£ 24,000,000		
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000		
Total Authorised Limit	£ 25,700,000	£ 25,700,000	£ 25,500,000		
c) Upper limits for the maturity structure of o/s Borrowing during 2026/27 (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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Classification: Confidential

Interest Rate Forecast Update

22 DECEMBER 2025

MUFG CORPORATE MARKETS INTEREST RATE FORECAST

Updating of our forecasts 22 December 2025

Comparison of forecasts for Bank Rate today v. previous forecast

Bank Rate	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
22.12.25	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
11.08.25	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25	-	-
Change	0.00	-0.25	0.00	-0.25	-0.25	-0.25	0.00	0.00	0.00	0.00	0.00	-	-

- Our last interest rate forecast update was undertaken on 11 August. Since then, a combination of tepid growth (0.2% q/q GDP for Q2 and 0.1% q/q GDP for Q3), falling inflation (currently CPI is 3.2%), and a November Budget that will place more pressure on the majority of households' income, has provided an opportunity for the Bank of England's Monetary Policy Committee to further reduce Bank Rate from 4% to 3.75% on 18 December.
- Surprisingly, to most market commentators, the recent steep fall in CPI inflation in one month from 3.6% to 3.2% did not persuade most "dissenters" from the November vote (Lombardelli, Greene, Mann and Pill) to switch to the rate-cutting side of the Committee. Instead, it was left to Bank Governor, Andrew Bailey, to use his deciding vote to force a rate cut through by the slimmest of margins, 5-4.
- Given the wafer-thin majority for a rate cut it was not unexpected to hear that although rates would continue on a "gradual downward path", suggesting a further rate cut or cuts in the offing, MPC members want to assess incoming evidence on labour market activity and wage growth. Indeed, with annual wage growth still over 4.5%, the MPC reiterated that the case for further rate cuts would be "a closer call", and Governor Bailey observed there is "limited space as Bank Rate approaches a neutral level".
- Accordingly, the MUFG Corporate Markets forecast has been revised to price in a rate cut in Q2 2026 to 3.5%, likely to take place in the wake of a significant fall in the CPI inflation reading from 3% in March to 2% in April (as forecast by Capital Economics), followed by a short lull through the summer whilst more data is garnered, and then a further rate cut to 3.25% in Q4.
- As in August, nonetheless, threats to that central scenario abound. What if wage increases remain stubbornly high? There are, after all, several sectors of the domestic economy, including social care provision and the building/construction industries, where staff shortages remain severe. Moreover, by May 2026, following the local elections, we will have a better handle on whether or not the Starmer/Reeves team is going to see out the current Parliament or whether they face a Leadership challenge from within their own party. If so, how will gilt markets react to these variables...and will there be additional geo-political factors to also bake in, particularly the Fed's monetary policy decisions in 2026 and the ongoing battle to lower rates whilst inflation remains close to 3%.
- Accordingly, our updated central forecast is made with several hefty caveats. We are confident, as we have been for some time, that our forecast for Bank Rate and the 5-year PWLB Certainty Rate is robust, and we have marginally brought forward the timing of the next rate cut(s). But for the 10-, 25- and 50-years part of the curve, the level of gilt issuance, and the timing of its placement, will be integral to achieving a benign trading environment. That is not a "given", and additionally, the inflation outlook and political factors domestically and, crucially, in the US, are also likely to hold sway. Matters should be clearer by June in the UK, but the US mid-term elections are scheduled for November.
- Our revised PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please

note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps) and is set to prevail until at least the end of March 2026. Hopefully, there will be a further extension to this discounted rate announced in January.

MUFG Corporate Markets Interest Rate View 22.12.25													
	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28	Dec-28	Mar-29
BANK RATE	3.75	3.50	3.50	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	3.80	3.50	3.50	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	3.80	3.50	3.50	3.40	3.30	3.30	3.30	3.40	3.40	3.40	3.40	3.40	3.40
12 month ave earnings	3.90	3.60	3.60	3.50	3.40	3.50	3.50	3.50	3.50	3.50	3.60	3.60	3.60
5 yr PWLB	4.60	4.50	4.30	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
10 yr PWLB	5.20	5.00	4.90	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60	4.60	4.70
25 yr PWLB	5.80	5.70	5.60	5.50	5.50	5.40	5.30	5.30	5.30	5.20	5.20	5.20	5.20
50 yr PWLB	5.60	5.50	5.40	5.30	5.30	5.20	5.10	5.10	5.10	5.00	5.10	5.00	5.00

- Money market yield forecasts are based on expected average earnings by local authorities for 3 to 12 months.
- The MUFG Corporate Markets forecast for average earnings are averages i.e., rates offered by individual entities may differ significantly from these averages, reflecting their different needs for borrowing short-term cash at any one point in time.

Gilt yields and PWLB rates

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, but the risks to our forecasts are generally to the upsides. Our target borrowing rates are set **two years forward** (as we expect rates to fall back) and the current PWLB (certainty) borrowing rates are set out below: -

PWLB borrowing	Current borrowing rates as at 22.12.25 p.m. %	Target borrowing rate now (end of Q4 2027) %	Target borrowing rate previous (end of Q4 2027) %
5 years	4.81	4.10	4.20
10 years	5.39	4.70	4.70
25 years	6.01	5.30	5.30
50 years	5.78	5.10	5.10

Borrowing advice: Our long-term (beyond 10 years) forecast for the neutral level of Bank Rate remains at 3.5%. As all PWLB certainty rates are still above this level, borrowing strategies will need to be reviewed in that context. Overall, better value can be obtained at the shorter end of the curve (<5 years PWLB maturity/<10 years PWLB EIP) and short-dated fixed LA to LA monies should also be considered. Temporary borrowing rates will, generally, fall in line with Bank Rate cuts.

Our suggested **budgeted earnings rates for investments** up to about three months' duration in each financial year are set out below.

Average earnings in each year	Now %	Previously %
2025/26 (residual)	3.80	3.90
2026/27	3.40	3.60
2027/28	3.30	3.30
2028/29	3.30	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

We will continue to monitor economic and market developments as they unfold. Typically, we formally review our forecasts following the quarterly release of the Bank of England's Monetary Policy Report but will consider our position on an ad-hoc basis as required.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

This report is intended for the use and assistance of customers of MUFG Corporate Markets. It should not be regarded as a substitute for the exercise by the recipient of its own judgement. MUFG Corporate Markets exists to provide its clients with advice primarily on borrowing and investment. We are not legal experts and we have not obtained legal advice in giving our opinions and interpretations in this paper. Clients are advised to seek expert legal advice before taking action because of any advice given in this paper. Whilst MUFG Corporate Markets makes every effort to ensure that all information provided by it is accurate and complete, it does not guarantee the correctness or the due receipt of such information and will not be held responsible for any errors therein or omissions arising there from. Furthermore, MUFG Corporate Markets shall not be held liable in contract, tort or otherwise for any loss or damage (whether direct, or indirect or consequential) resulting from negligence, delay or failure on the part of MUFG Corporate Markets or its officers, employees or agents in procuring, presenting, communicating or otherwise providing information or advice whether sustained by MUFG Corporate Markets' customer or any third party directly or indirectly making use of such information or advice, including but not limited to any loss or damage resulting as a consequence of inaccuracy or errors in such information or advice. All information supplied by MUFG Corporate Markets should only be used as a factor to assist in the making of a business decision and should not be used as a sole basis for any decision.

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For further information, visit <https://eu.mpms.mufg.com/policies>

SPECIFIED INVESTMENTS 2026/27

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 MUFG 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 MUFG creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/advice from Link Asset Services (MUFG)	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 MUFG	365 days

LOCAL GOVERNMENT INVESTMENTS (England) page 2

SPECIFIED INVESTMENTS 2026/27 (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 MUFG</p> <p>New rules strengthen the requirements for portfolio diversification and transparency for all MMFs. Advice will be taken from MUFG 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 MUFG	365 days

LOCAL GOVERNMENT INVESTMENTS (England) page 3

SPECIFIED INVESTMENTS 2026/27 (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 MUFG	365 days

LOCAL GOVERNMENT INVESTMENT (England) page 4

NON-SPECIFIED INVESTMENTS 2026/27

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 46</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 MUFG 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 MUFG creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/ advice from MUFG	£3m	3 years

LOCAL GOVERNMENT INVESTMENT (England) page 5

NON-SPECIFIED INVESTMENTS 2026/27 (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 MUFG creditworthiness methodology to assess usage, and duration of investments	No	To be used in-house after consultation/ advice from MUFG	£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 MUFG	£3m	Maturity limit 5 years

LOCAL GOVERNMENT INVESTMENT (England) page 6

NON-SPECIFIED INVESTMENTS 2026/27 (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/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating</u>	<u>Capital</u> <u>Exp?</u>	<u>Circumstance</u> <u>of use</u>	<u>Maximum</u> <u>Investment</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<p>Sovereign issues ex UK govt gilts - any maturity <i>Custodial arrangement required prior to purchase</i></p> <p>Page 48</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 MUFG	£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 MUFG	£3m	5 years

LOCAL GOVERNMENT INVESTMENT (England) page 7

NON-SPECIFIED INVESTMENTS 2026/27 (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>Page 49</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 MUFG	£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 MUFG 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 2026/27 (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/</u> <u>Loan</u> <u>Capital?</u>	<u>Repayable/</u> <u>Redeemable</u> <u>within 12</u> <u>months?</u>	<u>Security /</u> <u>Minimum credit</u> <u>rating</u>	<u>Capital</u> <u>Exp?</u>	<u>Circumstance</u> <u>of use</u>	<u>Maximum</u> <u>Investment</u>	<u>Maximum</u> <u>maturity of</u> <u>investment</u>
<p>Share capital or loan capital in a body corporate</p> <p>Page 50</p>	<p>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.</p>	Yes	No		Yes	<p>Use of these instruments is deemed to be capital expenditure, ie the application of capital resources.</p> <p>Advice will be sought on the appropriateness and associated risks of any share or loan capital investment.</p>	£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 MUFG Corporate Markets 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
- U.S.A.

AA

- Abu Dhabi (UAE)
- Finland
- Qatar

AA-

- U.K.

A+

- Belgium
- France

This list was provided by MUFG Corporate Markets as at 23 December 2025 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 MUFG Corporate Markets credit worthiness service.

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TREASURY MANAGEMENT POLICY STATEMENT

&

TREASURY MANAGEMENT PRACTICES

(Combined Principles & Schedules)

February 2026

TREASURY MANAGEMENT POLICY STATEMENT

The Council defines its treasury management activities as “the management of the authority’s 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”.

The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.

The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

TREASURY MANAGEMENT PRACTICES (TMPs)
FOR TREASURY INVESTMENTS

Treasury Management Practices (TMPs) set out the manner in which Gedling Borough Council will seek to achieve its treasury management policies and objectives, and how it will manage and control those activities.

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TMP 1 - TREASURY RISK MANAGEMENT

The Council regards a key objective of its treasury management and other investment activities to be the security of the principal sums it invests. Accordingly, it will ensure that robust due diligence procedures covering all external investment, including investment properties, are in place.

The responsible officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy and suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the Council's objectives in this respect, all in accordance with the procedures set out in TMP6 (reporting requirements and management information arrangements).

1.1 Credit and counterparty risk management

1.1.1 This is the risk of failure by counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital project or partnership financing, particularly because of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or revenue resources.

The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparty lists and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in TMP4 (approved instruments, methods and techniques, and listed at Appendix 1. The Council also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.

1.1.2 Policy on the use of credit risk analysis techniques:

- a) The Chief Financial Officer (CFO) will maintain a "counterparty list" and this will be monitored constantly. The CFO has delegated authority to amend the minimum criteria as he/she sees fit and will report any such amendments to Cabinet for information as necessary.
- b) The Council will use the MUFG Corporate Markets creditworthiness methodology, a sophisticated modelling approach combining credit ratings from the three main rating agencies (Fitch, Moody's and Standard & Poors) with overlays for credit watches and outlooks, credit default swaps, and sovereign ratings into a weighted scoring system for the selection of investment counterparties and maturity limits, as per the following colour coded bands:
 - Yellow 5 years (UK government debt or its equivalent);
 - 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.
- c) The Council will use approved UK counterparties subject to their individual credit ratings under the MUFG methodology. The Council may also use approved counterparties from countries with a minimum sovereign credit rating of AA-. Approved countries will be listed annually in an appendix to the Treasury Management Strategy Statement (TMSS) however the CFO has delegated authority to amend the minimum criteria as he/she sees fit and will report any such amendments to Cabinet for information as necessary.
- d) The Council will avoid concentrations of lending and borrowing by adopting a policy of diversification. The maximum amounts to be placed with any one institution or in any one classification of instrument will be listed annually in an appendix to the TMSS, however the CFO has delegated authority to amend limits as he/she sees fit, and will report any such amendments to Cabinet for information as necessary.
- e) Credit ratings for individual counterparties can change at any time. MUFG will provide regular updates of changes to all ratings relevant to the Council and treasury staff will add or delete counterparties to/from the approved counterparty list as appropriate.
- f) Ratings under the MUFG methodology will not necessarily be the sole determinant for the use of a counterparty. Other information sources used will include the quality financial press, market data, information on government support for banks and the credit ratings of that government support, together with any other information pertaining to the banking sector. This aims to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- g) The ultimate decision on what is prudent and manageable for the Council will be taken by the CFO under the approved scheme of delegation.

1.2 Liquidity risk management

- 1.2.1 This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business and service objectives will thereby be compromised.

The Council will ensure it has adequate, though not excessive, cash resources, borrowing arrangements, overdraft or standby facilities to always enable it to have the level of funds available to it which are necessary for the achievement of its business and service objectives. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

1.2.2 Amounts of minimum cash balances and short term investments

Treasury management staff will seek to minimise the net overall balance held in the Council's suite of accounts at the close of each working day. Lending and borrowing will be arranged in order to achieve this aim. Short term investments will be maintained at sufficient levels to meet the Council's needs over a three-month period.

1.2.3 Bank overdraft facilities

An overdraft facility of £50,000 is currently in place as part of the banking contract. Any overdraft is assessed on the overall net position on the Council's suite of bank accounts.

1.2.3 Short term borrowing facilities

The Council accesses temporary loans as needed through approved brokers on the London Money Market.

1.2.4 Insurance/guarantee facilities

There are no specific insurance or guarantee facilities as the above arrangements are regarded as adequate to cover all unforeseen occurrences.

1.2.5 Special payments

Directors and Assistant Directors will be asked to give treasury management staff advance notice of any significant payments that may affect liquidity and therefore lending and borrowing decisions.

1.3 Interest rate risk management

1.3.1 This is the risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the organisation has failed to protect itself adequately.

1.3.2 The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 (reporting requirement and management information arrangements).

1.3.3 The Council will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous, changes in the level or structure of interest rates. This will always be subject to the consideration and, if required, approval of any policy or budgetary implications.

1.3.4 A statement of how interest rate exposure is managed and monitored will be given annually in the TMSS.

1.4 Exchange rate risk management

1.4.1 This is the risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income and expenditure levels.

1.4.2 Approved criteria for managing changes in exchange rate levels

- a) From time to time the Council may have an exposure to exchange rate risk arising from the receipt of income, or the incurring of expenditure, in a currency other than sterling. In general, the Council will adopt a hedging strategy to add certainty to the sterling value of such transactions, ie. it will seek to eliminate the foreign exchange exposure as soon as it is identified.
- b) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this hedging policy.
- c) Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance the currency will be held on deposit to meet this expenditure commitment.
- d) In the event the Council may receive any European grant funding, and making subsequent payments in Euros, the Council will operate an account with its bankers denominated in Euros.

1.5 Refinancing risk management

1.5.1 This is the risk that maturing borrowings, capital, project or partnership financing cannot be refinanced on terms that reflect the provisions made by the Council for that refinancing, both capital and revenue, and/or that the terms are inconsistent with prevailing market conditions at the time.

The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised is managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favorable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.

The Council will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

1.5.2 Debt/other capital financing, maturity profiling, policies and practices

The Council will establish through its Prudential and Treasury indicators the maximum amount of debt maturing in any year.

Debt rescheduling will be considered, in conjunction with the Council's treasury advisers, when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for rescheduling to take place will include:

- a) The generation of cash savings at minimum risk;
- b) To reduce the average interest rate;
- c) To amend the maturity profile and/or the balance of volatility of the debt portfolio.

Rescheduling will be reported to Cabinet at the meeting immediately following its action.

1.5.3 Projected capital investment requirements

The CFO will produce a three year plan for capital expenditure and this will be used to prepare revenue budgets for all forms of financing charges. In addition, the CFO will draw up a capital strategy report which will give a longer term view.

The definition of capital expenditure and long term liabilities will follow recommended accounting practice as per the Code of Practice on Local Authority Accounting.

1.5.4 Policy concerning limits on affordability and the revenue consequences of capital financing

In considering the affordability of its capital plans, the Council will consider all the resources currently available or estimated for the future, together with the totality of its capital plans, revenue income and expenditure forecasts for the forthcoming year and the following two years, and the impact these will have on council tax. It will also take into account affordability in the longer term beyond the three year period.

The Council will use the definitions provided in the Prudential Code for borrowing, capital expenditure, capital financing requirement, debt, financing costs, investments, net borrowing, net revenue stream and other long term liabilities.

1.6 Legal and regulatory risk management

- 1.6.1 This is the risk that the Council itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under TMP1.1 (credit and counterparty risk management), it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

1.6.2 Compliance with statutes and legislation

The treasury management activities of the Council will fully comply with legal statute, guidance, Codes of Practice and the regulations of the Council (ie. its standing orders and financial regulations).

1.6.3 Evidencing the Council's powers and authorities to counterparties

The Council's powers to borrow and invest are contained within legislation:

Investment - Local Government Act 2003 section 12;
Borrowing – Local Government act 2003 section 1.

Lending will only be made to counterparties on the approved list, in accordance with 1.1.1 above.

1.6.4 Statement on the Council's political risks and the management of these

The Chief Executive and the Leader of the Council will respond to and manage appropriately political risks such as a change of majority group, leadership of the Council, or a change of government etc.

Treasury management policies and practices are designed to have maximum delegation to officer level to minimise political impact in such a technical area of finance. Action will always be taken in line with best professional practice and is subject to internal and external scrutiny.

1.6.5 Monitoring Officer

The Monitoring Officer is the Deputy Chief Executive and Monitoring Officer. The duty of this officer is to ensure that the Council's treasury management activities are lawful.

1.6.6 Chief Financial Officer

The CFO is the Chief Finance and Section S151 Officer. The duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if he has concerns as to the financial prudence of its actions or its expected financial position.

1.7 **Fraud, error and corruption, and contingency management**

1.7.1 The Council will ensure that it has identified "operational risk", ie. the circumstances which may expose it to risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures and will maintain effective contingency management arrangements.

The Council will therefore:

- a) Seek to ensure an adequate division of responsibilities and maintenance at all times of an adequate level of internal check, which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of appropriate checks being carried out.

1.7.2 Details of systems and procedures to be followed

Authority:

- The scheme of delegation to officers sets out the delegation of duties to officers.
- All loans and investments are negotiated by an authorised person.
- Loan procedures are defined in the Council's financial regulations.

Procedures:

- The HSBCnet electronic banking system is used for all payments. Access is restricted to specified officers.
- All loan payments are made by CHAPS and are created and authorized by separate officers.

Investment and borrowing transactions:

- A detailed register of all loans and investments is maintained by the use of a spreadsheet. For reconciliation purposes, an extract is taken of this register at the end of each month.
- Written and/or electronic confirmations of all loans arranged are checked, and all discrepancies are immediately reported for resolution.
- Any transactions placed through a broker are confirmed by a broker note showing details of the loan arranged, and all discrepancies are immediately reported for resolution.

Regularity and security:

- Lending is only made to institutions on the approved counterparty list.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution.
- There is separation of duties as far as is reasonably practicable.
- There is adequate insurance cover for officers involved in loans management and accounting.

Calculations and checks:

- Every calculation of interest notified by a lender or borrower will be checked to the dealer's records.
- Full bank reconciliation is carried out monthly.
- Reconciliation of lending and borrowing transactions from the financial management system to the treasury management records is completed at least quarterly.

1.7.3 Emergency and contingency planning arrangements

Business continuity arrangements are as detailed within the Council's Business Continuity Plan, a copy of which will be maintained by the CFO.

1.7.4 Insurance cover details

The Council has Fidelity Guarantee insurance of £5m which provides cover for seven designated treasury management officers for the loss of cash resulting from fraud or dishonesty. There is no excess on this policy.

- Chief Financial Officer.
- Financial service Manager.
- Principal Accountant/Finance Business Partner.
- Senior Assistant Accountant.
- Assistant Accountant.

Official's Indemnity cover of £5m is also in place, which covers the Council for losses arising from the actions of, and advice given by, its officers where no charge is made for that advice. There is no excess on this policy. Professional

Indemnity insurance is in place only for specific services such as Planning, where a charge is made for advice

The Council has Business Interruption cover for the loss of revenue and additional expenses that may be incurred as a result of it not being able to function for a period of time.

1.8 Market risk management

- 1.8.1 The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations.
- 1.8.2 The Council will not engage in stock market and futures transactions in order to minimise the risk to the value of the principal sums it invests.

TMP 2 - PERFORMANCE MEASUREMENT

The Council is committed to the pursuit of value in its treasury management activity, and to the measurement of the value it adds in support of the Council's stated business or service objectives.

2.1 Evaluation and review of treasury management decisions

The Council has several approaches to the evaluation and review of its treasury management decisions to determine their impact on its finances.

2.1.1 Periodic reviews during the financial year

Weekly reviews of actual and forecast activity will be carried out by the treasury management team and the CFO or the designated Financial Services Manager.

2.1.2 Reviews with treasury advisers

All material treasury management decisions will be discussed with the Council's treasury advisers, and a formal review meeting with the advisers will be held at least annually.

2.1.3 Review reports on treasury management

Prior to the commencement of each financial year, a Treasury Management Strategy Statement (TMSS) will be presented to Cabinet and referred to Full Council for approval. This report includes:

- The Council's capital plans (including its Prudential Indicators);
- The minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- The treasury management strategy for the year (how investments and borrowings are to be organised), including treasury indicators;
- The investment strategy (the parameters on how investments are to be managed).

Following the end of the financial year, an Annual Treasury Management report will be presented to Cabinet and referred to Full Council for approval. This report includes:

- Total debt and investment at the beginning and close of the year.
- Average interest rates.
- Borrowing strategy for the year compared to actual strategy.
- Investment strategy compared to actual strategy.
- Explanations for variance between original and actual strategies.
- Debt rescheduling done in the year.
- Actual borrowing and investment rates available through the year.
- Comparison of return on investment to the investment benchmark.
- Compliance with Prudential and Treasury indicators.

- Any other items.

In addition, periodic update reports will be presented to Cabinet each year (which include a mid-year review), and periodic scrutiny and value for money reviews will be undertaken.

2.2 Benchmark and calculation methodology

2.2.1 Debt management

- Average rate on all external debt.
- Average rate on all external debt borrowed in previous financial year.
- Average rate on internal borrowing.
- Average period to maturity of external debt.
- Average period to maturity of new loans in previous year.

2.2.2 Investment

The performance of investment earnings will be measured against the following benchmarks:

- Sterling Overnight Indexed Average (SONIA) 3 Month
- Sterling Overnight Indexed Average (SONIA) 6 month backward looking

2.3 Policy concerning methods for testing value for money in treasury management

2.3.1 Banking services

The Council's banking arrangements will be retendered or renegotiated at least every three years to ensure that the level of prices reflects current market rates. If full tendering is not considered appropriate, soft market testing will be undertaken, or a specialist banking company appointed to ensure that the terms offered represent value for money. The process for advertising and awarding contracts will be in line with the Council's standing orders.

2.3.2 Money broking services

The Council will use money broking services in order to make deposits or to borrow and will establish charges for all services before using them. Such use is generally infrequent and is currently conducted via ICAP Europe Ltd on an ad-hoc basis only.

2.3.3 Consultants'/advisers' services

The Council's policy is to appoint full time professional treasury management advisers.

2.3.4 Policy on external managers

The Council's policy is not to appoint external investment fund managers.

TMP 3 - DECISION-MAKING AND ANALYSIS

The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purpose of learning from the past, and for demonstrating that all issues relevant to those decisions have been taken into account.

3.1 Funding, borrowing lending and new instruments/techniques

3.1.1 Records to be kept

- Daily cash balance forecasts from the electronic banking system (HSBCnet);
- Investment rate notifications including Money Market Funds.
- Investment counterparty confirmations.
- Brokers' confirmations.
- PWLB loan confirmations and portfolio schedules.

3.1.2 Processes to be pursued

- Cashflow analysis.
- Debt and investment maturity analysis.
- Ledger reconciliation to treasury management records.
- Review of opportunities for debt restructuring (with treasury advisers).
- Review of borrowing requirement to finance capital expenditure.
- Performance information (budget against actual for interest paid and earned).

3.1.3 Issues to be addressed

In respect of every treasury management decision made, the Council will:

- Be clear about the nature and extent of the risks to which it may become exposed.
- Be certain about the legality of the decision reached, and the nature of the transaction, and that all authorities to proceed have been obtained.
- Be content that documentation is adequate to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping.
- Ensure that all third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded.
- Be content that the terms of any transaction have been fully checked against the market and have been found to be competitive.

In respect of borrowing and other funding decisions, the Council will:

- Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.

- Evaluate the economic and market factors that might influence the manner and timing of any decision to fund.
- Consider the merits and disadvantages of alternative forms of funding, including funding from revenue, leasing and private partnerships.
- Consider the alternative interest rates available, the most appropriate periods over which to fund.

In respect of investment decisions, the Council will:

- Consider the optimum period in the light of cashflow availability and the prevailing market conditions:
- Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

TMP 4 - APPROVED INSTRUMENTS, METHODS AND TECHNIQUES

The Council will undertake its treasury management activities by using only approved instruments, methods and techniques, and within the limits and parameters defined in TMP1, Risk Management.

4.1 Approved activities of the treasury management operation:

- Borrowing.
- Lending.
- Debt repayment and rescheduling.
- Consideration, approval, and use of new financial instruments and treasury management techniques.
- Managing the underlying risk associated with the Council's capital financing and surplus funds activity.
- Managing cashflow.
- Banking activities.
- Leasing.

4.2 Approved instruments for investment

Full details of all approved instruments for investment are given annually in the Treasury Management Strategy Statement (TMSS).

4.2.1 Implementation of MIFID11 requirements

Since 3 January 2018, UK public sector bodies have defaulted to “retail status” under the requirements of MIFID 11. However, for each counterparty it is looking to transact with there remains the option to opt up to “professional status”, subject to meeting certain requirements and having in place the appropriate levels of knowledge, experience, and decision-making processes in order to use regulated investment products.

MIFID 11 does not cover term deposits so local authorities should not be required to opt up to professional status. However, some non-UK banks do not have the necessary regulatory permissions to deal with retail clients, therefore opting up would be required.

Where necessary the Council will opt up to professional status in order to be able to deal with a particular counterparty.

4.3 Approved techniques (only with guidance from treasury advisers)

- Forward dealing up to 364 days.
- LOBOs – lenders option, borrowers option borrowing instrument.
- Use of callable deposits.

4.4 Approved methods and sources of raising capital finance

4.4.1 Finance will only be raised in accordance with the Local Government Act 2003. Within this limit the Council has a number of approved methods and courses of raising capital finance (F = fixed, V = variable):

On balance sheet:

• PWLB	F	V
• Municipal Bond Agency (but generally only lend to upper tier)	F	V
• European Investment Bank (EIB)	F	V
• Market (long-term)	F	V
• Market (temporary)	F	V
• Market (LOBOs)	F	V
• Stock issues	F	V
• Local (temporary)	F	V
• Local bonds	F	
• Overdraft		V
• Negotiable bonds	F	V
• Internal (capital receipts and revenue balances)	F	V
• Commercial paper	F	
• Medium term notes	F	
• Leasing (not operating leases)	F	V
• Deferred purchase	F	V

Other methods of financing:

- Government and EC capital grants.
- Lottery monies.
- PFI/PPP.
- Operating leases.

4.4.2 All forms of funding will be considered, dependent upon the prevailing economic climate, regulations and local factors. The CFO has delegated powers in accordance with Standing Orders, Financial Regulations, and the Scheme of Delegation to Officers, and the Treasury Management Strategy is to take the most appropriate form of borrowing from the approved sources.

4.4.3 Borrowing will only be done in sterling.

4.5 Investment Limits

The Annual Investment Strategy forms part of the Treasury Management Strategy Statement (TMSS) and this sets out the limits and guidelines for use of each type of investment instrument.

4.6 Borrowing Limits

The annual TMSS sets out borrowing limits.

TMP 5 - ORGANISATION, CLARITY, SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

The Council considers it essential that there is clarity with regard to treasury management responsibilities, and that treasury management activities are managed in a fully integrated manner. This is for the purpose of effective control and monitoring of treasury management activities, for reducing the risk of fraud or error, and for the pursuit of optimum performance.

A clear distinction will be made between those charged with setting treasury management policies and strategies, and those charged with implementing and controlling them, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

If the Council intends, as a result of lack of resources or other circumstances, to depart from its approved treasury management practices, the Chief Financial Officer will ensure that the reasons are properly reported in accordance with TMP6 (reporting requirements and management information arrangements), and the implications properly considered and evaluated.

The Chief Financial Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The Chief Financial Officer will also ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

The Chief Financial Officer will fulfill all responsibilities in accordance with the Council's Treasury Management Policy Statement and its Treasury Management Practices (TMPs).

5.1 Allocation of responsibilities - the Council's scheme of delegation

5.1.1 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.

5.1.2 Cabinet is responsible for:

- Approval of, and amendments to, the Council's adopted clauses, treasury management policy statement and treasury management practices (TMPs)
- 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

5.1.3 Audit Committee is responsible for:

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body through the internal audit process.

5.1.4 The Chief Financial Officer (S151 Officer) is responsible for:

- Recommending clauses, treasury management policy/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.
- The appointment of external service providers.
- Approving the selection of external service providers and agreeing terms of appointment.

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

5.2 **Principles and practices concerning segregation of duties**

The segregation of duties will be determined by the Chief Finance and section 151 Officer. Treasury management duties will be segregated as far as is practicable in a small section. In particular, the posting of bank statement transactions in respect of treasury management to the Financial Management System will, whenever possible, be undertaken by an officer independent of the dealing process, and reconciliation of lending and borrowing transactions to the financial management ledger will be carried out by an officer not routinely involved with daily dealing transactions.

5.3 **Treasury Management organisation chart**

- Chief Finance and S151 Officer – the “responsible officer”;
- Financial Services Manager.
- Principal Finance Business Partners.
- Assistant Accountant.

5.4 **Statement of the treasury management duties and responsibilities**

5.4.1 The Responsible Officer:

The responsible officer is the person charged with professional responsibility for the treasury management function and at Gedling this is the Chief Finance and S151 Officer.

The strategic responsibilities of the responsible officer are:

- a) Recommending clauses, treasury management policies and practices for approval, reviewing these regularly, and monitoring compliance.
- b) Submitting regular treasury management policy reports.
- c) Submitting budgets and budget variations;
- d) Receiving and reviewing management information reports
- e) Reviewing the performance of the treasury management function.
- f) Ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- g) Ensuring the adequacy of internal audit, and liaising with external audit.
- h) Recommending the appointment of external service providers.
- i) The responsible officer has delegated powers through the Treasury Management Policy to take the most effective form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.
- j) The responsible officer may delegate his power to borrow and invest to members of his staff. The Financial Services Manager, Principal Accountant and Assistant Accountant (or staff authorised by the responsible officer to act as temporary cover for leave or sickness) must conduct all dealing transactions. All transactions must be authorised.
- k) The responsible officer will ensure that the Treasury Management Policy is adhered to, and if it is not, will bring the matter to the attention of Elected Members as soon as possible.
- l) Prior to entering into any capital financing, lending or investment transaction it is the responsibility of the responsible officer to be satisfied by reference to the Monitoring Officer, the Council's legal team and external advisers, as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's financial regulations.
- m) It is also the responsibility of the responsible officer to ensure that the Council complies with the Non-Investment Products Code (formerly known as the London Code Of Conduct) for principals and broking firms in the wholesale markets.

The operational responsibilities of the responsible officer are:

- a) Execution of transactions.
- b) Adherence to agreed policies and practices on a day-to-day basis.
- c) Maintaining relationships with counterparties and external service providers.
- d) Supervising treasury management staff.
- e) Monitoring performance on a day-to-day basis.
- f) Submitting management information reports to Cabinet.
- g) Identifying and recommending opportunities for improved practices.

These operational responsibilities may also be delegated to the Financial Services Manager and to other members of the treasury management team.

5.4.2 The Head of the Paid Service:

The responsibilities of this post will be:

- a) Ensuring that the system is specified and implemented.
- b) Ensuring that the responsible officer reports regularly to Cabinet and Full Council on treasury policy, activity and performance.

5.4.3 The Monitoring Officer:

The responsibilities of this post will be:

- a) Ensuring compliance by the responsible officer with the Treasury Management Policy Statement and Treasury Management Practices, and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practices complies with the law and any Code of Practice.
- c) Giving advice to the responsible officer when advice is sought.

5.4.4 Internal Audit:

The responsibilities of Internal Audit will be:

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of the treasury function.

5.5 Dealing limits

Assistant Accountant - up to £1m per counterparty (cumulative);
Financial Services Manager – Deal up to the money market limits (£5m
Aberdeen & Black Rock)
Responsible officer – is the only officer that can authorise dealings of over
£5m.

5.6 Absence cover arrangements

Three officers are trained for day-to-day dealing transactions to ensure cover for leave and sickness. The two Financial Services Managers and the Chief Financial Officer are able to authorize these transactions. Dealing limits apply to cover arrangements as per 5.5 above.

5.7 Direct dealing practices

In general, the Council deals directly with its counterparties for investments. Rates are obtained daily from creditworthy counterparties selected via the

MUFG Corporate Markets methodology (see 1.1.1 above). The most favourable will be selected, following consideration of cashflow requirements and CHAPS transmission fees (Clearing House Automated Payments System).

5.8 Brokers services

Brokers will be used when cost effective compared with direct dealing, and for temporary borrowing. (Also see 11.1.2, external service providers). It is not the Council's policy to record brokers' conversations.

5.9 Settlement transmission procedures

All counterparties are to be given instructions as early as possible on the day of maturity (on occasion it may be possible to give the instruction prior to the date of maturity for planning purposes). All Council investments are to be returned by CHAPS direct to the Council's nominated bank account, and all repayments of borrowing by CHAPS to the lender's nominated bank account.

5.10 Documentation requirements for deals arranged

For each deal arranged, record will be kept, and these should include:

- Counterparty.
- Amount.
- Start date.
- Maturity date.
- Rate.
- Amount of interest due.
- Counterparty confirmation (direct dealing);
- Broker confirmation (where appropriate).

5.11 Arrangements concerning the management of third-party funds

Any third-party funds held will be treated as if they were part of the Council's cash management arrangements, unless specific exceptions are required.

5.12 Variance & Escalation Processes for Dealings

1. Weekly Plan

- A cash-flow projection and recommended actions will be circulated by the Treasury Officer the week prior
- These suggested actions will then be reviewed and approved by the Financial Services Manager.
- Dealers may execute transactions within agreed parameters and the approved plan without further escalation.

- Regular communication throughout the week will be maintained with the dealers and Financial Services Manager

2. Variance Triggers

Further approval from the Financial Services Manager (or delegated senior officer) must be sought if:

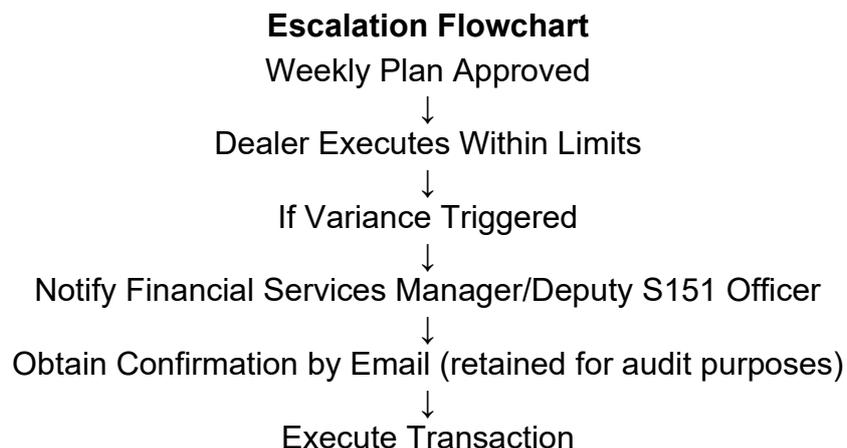
- Cash Balance Variance: actual balance differs by the lower of **£100,000** or **15% of projected balance**.
- Action Change: Switching from placing funds to redeeming funds (or vice versa).
- Instrument or Counterparty Change: Transaction involves a different instrument or counterparty not listed in the approved weekly plan i.e. DMO to Blackrock MMF.

3. Escalation Procedure

- Notify Financial Services Manager immediately via email or Teams, providing:
 - Updated cash-flow/projected balance
 - Rationale for variance
 - Proposed revised action
- **No transaction is to be executed until written approval is received.**

4. Documentation

- All variance notifications and approvals retained
- Any breaches or errors recorded in the Exception Log and reported in the annual Treasury Activity report



TMP 6 - REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

The Council will ensure that regular reports are prepared and considered on the implementation of its treasury management policies, on the effects of decisions taken and the transactions executed in pursuit of those policies, on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities, and on the performance of the treasury management function.

6.1 Annual Programme of reporting

- a) Prior to the start of each financial year:
 - A review of the approved clauses, treasury management policy statement and practices will be undertaken.
 - The Treasury Management Strategy Statement (TMSS) will be prepared for approval by Full Council. This report will include the proposed treasury management activities for the year and will include the Annual Investment Strategy and the Minimum Revenue Provision Policy Statement (see 6.2 below);
 - A Capital Strategy report will be prepared to give a longer-term view of the capital programme and the treasury management implications thereof, beyond the three year time horizon for detailed planning.
- b) Quarterly Treasury Activity reports will be prepared. This exceeds the minimum requirement for a mid-year review (see 6.3 below).
- c) An Annual Review report will be prepared after the year-end (see 6.4 below).

6.2 Treasury Management Strategy Statement (TMSS)

- a) The TMSS sets out the specific expected treasury activities for the forthcoming year. It will be submitted to Cabinet for referral to Full Council for approval before the commencement of the financial year. The formulation of the TMSS involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For example, the Council may postpone borrowing if fixed rate interest rates are expected to fall, or to borrow early if they are expected to rise.

The TMSS will cover the following elements:

- Prudential and Treasury indicators.
- Current treasury portfolio position.
- Borrowing requirement.
- Prospects for interest rates.
- Borrowing strategy.
- Policy on borrowing in advance of need.
- Debt rescheduling.

- Investment strategy.
- Creditworthiness policy.
- Policy on the use of external service providers.
- Any other treasury issues.
- The MRP policy statement.

The TMSS will establish the expected move in interest rates against alternatives and highlight sensitivities to different scenarios.

b) The Annual Investment Strategy, included in the TMSS, will set out the following:

- The Council's risk appetite in respect of security, liquidity and optimum performance.
- The determination of what are specified investments, as distinct from non-specified investments and which specified and non-specified instruments the Council will use.
- Investment limits.
- Creditworthiness policy.
- The investment strategy for the forthcoming year.
- Investments defined as capital expenditure.
- Provision for credit related loss.
- Policy on the use of external service providers.

c) The Minimum Revenue Provision policy statement, included in the TMSS, will set out how the Council will make revenue provision for the repayment of its borrowing using the four options for so doing.

d) A number of treasury limits are set through the Prudential and Treasury Indicators, and these will be incorporated into the TMSS for approval by Full Council.

6.3 Periodic reporting of treasury management activity

Periodic reports of treasury management activity will be considered by Cabinet and referred to Full Council for approval. This exceeds the minimum requirement for a mid-year review, and each report will include:

- Treasury management activity undertaken.
- Variations from agreed policies and practices.
- Performance reporting.
- Monitoring of treasury indicators.

6.4 Annual review of treasury management activity

An Annual Report of treasury management activity will be considered by Cabinet and referred to Full Council for approval at the earliest practicable meeting after the end of the financial year. This report will include:

- Transactions executed and their revenue effects.

- Reporting on the risk implications of decisions taken and transactions executed.
- Reporting on compliance with agreed policies and practices, statutory and regulatory requirements and Codes of Practice.
- Performance reporting.
- Monitoring of treasury indicators.

6.5 Management information reports

In addition to the formal reporting above, management information will be prepared daily and summarised weekly in such format as directed by the Chief Financial Officer.

TMP 7 – BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS

7.1 Statutory and regulatory requirements

The Council's accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain, which is represented by statute as representing proper accounting practices, The Council has also adopted in full the principles set out in CIPFA's Treasury Management in the Public Services- Code of Practice (the CIPFA Code), together with those of its specific recommendations that are relevant to the Council's treasury management activities.

7.2 Budgets, accounts, Prudential and Treasury indicators

The responsible officer will prepare a five-year medium term financial plan which will include the costs of running the treasury management function, together with associated income. Effective control will be exercised, with budget monitoring reports considered by Cabinet on a periodic basis (either 3 monthly or 4 monthly). The responsible officer will also prepare Prudential and Treasury indicators for treasury management for the forthcoming financial year, and provisional estimates for the following two years. The responsible officer will monitor performance against Prudential and Treasury indicators and report upon them, and recommend any changes required, in accordance with TMP6.

7.3 Information requirements of external auditors

Treasury management information required by the external auditors will include:

- Reconciliation of loans outstanding in the financial ledger to treasury management records.
- Maturity analysis of loans outstanding.
- Certificates for new long-term loans taken out in the year.
- Reconciliation of loan interest, discounts received, and premiums paid.
- Calculation of the consolidated interest rate and debt management rate.
- Interest accruals calculation.
- Calculation of loans debtors and creditors.
- Treasury Management Strategy Statement (TMSS).
- Quarterly reviews of treasury management activity and Prudential Code indicators.
- Annual Treasury Report.
- Calculation of the Minimum Revenue Provision.

TMP 8 - CASH AND CASH FLOW MANAGEMENT

Unless statutory or regulatory requirements demand otherwise, all monies in the hands of Gedling Borough Council will be under the control of the responsible officer, and will be aggregated for cash flow and investment management purposes.

8.1 Arrangements for preparing cashflow statements

Cashflow projections are prepared annually, monthly and daily, based on previous years' records adjusted for known changes in levels of income and expenditure and changes in payments and receipts dates. These projections are supplemented on an ongoing basis as additional information is received.

8.2 Bank statement procedures

Bank statements are available daily online and income and expenditure is analysed using source data from creditors and payroll etc. Reconciliation of cheques and BACS outstanding is undertaken daily and formal bank reconciliation is done monthly.

8.3 Payment scheduling and agreed terms of trade with creditors

The Creditors team manages the terms of trade and provides the treasury management team with details of the amount and timing of BACS payments. The value of cheques due to be cleared in the forthcoming two days is available from the Council's electronic banking system.

8.4 Procedures for the banking of funds

All money received by officers on behalf of the Council will be deposited without delay into the Council's bank account. A security carrier is used to collect income from the Civic Centre and the leisure centres, and income is also transferred electronically via direct debits, standing orders, telephone payments and internet payments.

TMP 9 - MONEY LAUNDERING

Money laundering is the term used for a number of offences involving the integration of the proceeds of crime into the mainstream economy. TMP 9 forms the basis of the Council's overall policy on money laundering.

The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.

The purpose of the Money Laundering Policy is to:

- Establish internal procedures to help forestall and prevent money laundering.
- Make those staff most likely to be exposed to, or suspicious of, money laundering situations aware of any requirements and obligations placed on the authority, and on them personally by the Proceeds of Crime Act and the Terrorism Act.
- To give targeted training to those staff considered to be the most likely to encounter money laundering.
- To make arrangements to receive and manage the concerns of staff about money laundering and their suspicion of it, to make enquiries, and to make reports where necessary.

9.1 Proceeds of Crime Act 2002

Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- a) Concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland.
- b) Being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property;
- c) Acquiring, using or possessing criminal property.

These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- a) Failure to disclose money-laundering offences.

- b) Tipping off a suspect, either directly or indirectly.
- c) Doing something that might prejudice an investigation – for example, falsifying a document.

9.2 The Terrorism Act 2000

This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment.

9.3 The Money Laundering Regulations 2007, 2012 and 2015

Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to:

- a) Appoint a nominated officer.
- b) Implement internal reporting procedures.
- c) Train relevant staff in the subject.
- d) Establish internal procedures with respect to money laundering.
- e) Obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken and report their suspicions.

In December 2007 the UK Government published the Money Laundering Regulations 2007, which replaced the Money Laundering Regulations 2003.

9.4 Local authorities

Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and may commit most of the principal offences under POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2007, 2012 and 2015. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, the Council will do the following:

- a) Evaluate the prospect of laundered monies being handled by it;
- b) Determine the appropriate safeguards to be put in place. A flag will be set on cash payments of £1,000 or more will not be receipted without Council staff intervention. A record will be kept of all cash transactions of £1,000 or more,

and procedures will be implemented to ensure that the retention of records is in compliance with the Council's document retention policy.

- c) Require staff engaged in treasury management, and any other staff handling money received by the Council, to make themselves aware of their personal and legal responsibilities for money laundering awareness. Furthermore, all staff will be made aware of the Council's Whistle-Blowing policy, and the provisions within it. Appropriate training will be provided where necessary.
- d) Make all its staff aware of their responsibility under the Proceeds of Crime Act.
- e) Appoint an Officer to whom all staff may report any suspicions. This officer will be the "Money Laundering Reporting Officer" (MRLO), and at Gedling Borough Council is the Chief Finance Officer. If any suspicious transactions are reported to the MLRO, he will request the Financial Services Manager to investigate the case and to make a disclosure to the Serious Organised Crime Agency (SOCA) if appropriate.
- f) Ensure compliance with money laundering regulations is appropriately managed. The Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work or product types, systems for monitoring compliance with procedures, and methods of communicating procedures and other information to personnel.
- g) Appoint an officer to be responsible for the creation and monitoring of the implementation of a corporate anti-money laundering policy and procedures. At Gedling Borough Council, this is the Chief Finance Officer, and it shall be a requirement that all Services and Departments implement these corporate policies and procedures.

9.5 Procedures for Establishing Identity / Authenticity of Lenders

It is not a requirement under POCA for local authorities to require identification from every person or organisation it deals with. However, in respect of treasury management transactions, there is a need for due diligence, and this will be effected by following the procedures below:

- a) It is not the Council's policy to accept loans from individuals.
- b) All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FCA website at www.fca.gov.uk.
- c) When repaying loans, the procedures in 9.6 will be followed to check the bank details of the recipient.

9.6 Methodologies for Identifying Deposit Takers

In the course of its treasury activities, the Council will only lend money to, or invest with, those counterparties that are on its approved lending list. These will be local authorities, the PWLB, Bank of England and authorised deposit takers under the Financial Services and Markets Act 2000. The FCA register can be accessed through their website on www.fca.gov.uk. All transactions for making deposits or repaying loans will be carried out by CHAPS.

TMP 10 - STAFF TRAINING AND QUALIFICATIONS

The Council recognises that treasury management staff, and Members charged with governance of the treasury management function, will need appropriate levels of training in treasury management due to its increasing complexity. Treasury management staff will receive training relevant to the requirements of their duties, at the appropriate time. This may be by way of approved training courses or by on-the-job training. It is the responsibility of the Deputy Chief Executive and the Chief Finance Officer to ensure that all treasury management staff receive the appropriate level of training, and this will also apply to those staff who cover absences of the treasury management team.

10.1 Details of approved training courses

Treasury management staff will attend an Introduction to Treasury Management course provided by the Council's treasury advisers, and will update this, as a minimum, every 5 years.

10.2 Records of training received by treasury staff

Records of the training received by treasury management staff will be kept by the S151 Officer).

10.3 Career development and succession arrangements

Career development will be identified by use of the Council's Personal Development Review (PDR) scheme. Career succession arrangements will follow the Council's recruitment policy.

10.4 Approved qualifications for treasury management staff

CCAB, AAT, or equivalent.

10.5 Statement of professional practice (SOPP)

Where the Chief Financial Officer is a member of CIPFA, there is a professional need for this officer to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

10.6 Member training records

Records will be kept of all training in treasury management provided to Members. Members charged with diligence also have a personal responsibility to ensure that they have the appropriate skills and training for their role.

TMP 11 - USE OF EXTERNAL SERVICE PROVIDERS

The Council will employ the services of other organisations to assist it in the field of treasury management. In particular, external advisers will be used to provide specialist advice in this ever more complex area. The Council will however ensure that it fully understands what services being provided, and that they meet the Council's needs, especially in terms of being objective and free from conflicts of interest. Evaluation of the costs and benefits of services provided will be undertaken, and the terms of appointment and the methods by which value is to be assessed will be agreed and documented and will be subject to regular review. Where services are subject to formal tender or re-tender arrangements, legislative requirements will be observed.

The Council will also ensure that the skills of the in-house treasury management team are maintained to a high enough level whereby they can provide appropriate challenge to external advice and can avoid undue reliance on such advice.

11.1 Banking services

- a) The current supplier is HSBC.
- b) The account is based at the Arnold Branch, 104 Front Street, Arnold Nottingham NG5 7EG.
- c) The regulatory status is a banking institution authorised to undertake banking activities by the Financial Conduct Authority (FCA).
- d) The current contract commenced on 1 April 2025 and runs to 31 March 2028.
- e) The cost of service is based on a schedule of tariffs and is therefore dependent upon on volumes. The estimated cost is £14,200 per annum.
- f) Payments for services are generally due monthly.
- g) The Council may terminate the contract at any time by giving one month's notice.

11.2 Money-broking services

Where necessary the Council will use money brokers for the purpose of arranging temporary borrowing, however such use is infrequent and is currently conducted via ICAP Europe Ltd on an ad-hoc basis only.

11.3 Treasury management consultancy services

- a) The current supplier is MUFG Corporate Markets (previously Link).
- b) The address is 65 Gresham Street, London EC2V 7NQ.
- c) The regulatory status is an investment adviser authorised by the FCA.
- d) The current contract commenced on 5 January 2025 and runs to 4 January 2028.
- e) The estimated cost of the service is £11,500 per annum

11.4 Credit rating agency

The Council receives a credit rating service through its treasury management consultants, the cost of which is included in the consultant's fees (above).

TMP 12 – CORPORATE GOVERNANCE

The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.

The Council has adopted the CIPFA Code of Practice on Treasury Management and has implemented key recommendations on developing Treasury Management Practices (TMPs), formulating a Treasury Management Policy Statement and implementing other principles of the Code.

The following documents available for public inspection:

- a) The Treasury Management Policy Statement.
- b) The Treasury Management Strategy Statement (TMSS) incorporating the Annual Investment Strategy and the Minimum Revenue Provision policy statement.
- c) Periodic treasury management monitoring reports (in excess of the minimum requirement)
- d) Annual treasury outturn report:
- e) Statement of Accounts and financial instruments disclosure notes.
- f) Annual budget
- g) Three-year capital plan and Capital Strategy.
- h) Minutes of Council and Cabinet meetings

TMP 13 - TREASURY MANAGEMENT PRACTICES FOR NON-TREASURY INVESTMENTS

The Prudential Code and the CIPFA Treasury Management Code of Practice, CIPFA indicate that non-treasury investments will not be managed by the treasury management team, but that their function will be to collate summary information to include in the Annual Treasury Management report.

The Council recognises that investments taken for non-treasury management purposes require careful investment management. Such investments include loans supporting service outcomes, investments in subsidiaries, and those in investment property portfolios.

The Council's annual Treasury Management Strategy Statement (TMSS) will cover all its investments, and will set out, where relevant, specific policies and arrangements for non-treasury investments. It will include, where appropriate, a summary of existing material investments, subsidiaries, joint ventures, and liabilities including financial guarantees and contingent liabilities, and the Council's risk exposure. It will be recognised that the risk appetite for non-treasury activities may differ from that for treasury management.

CIPFA suggests that the Council should replicate, for non-treasury investments, TMPs 1-12 above (for treasury investments) under TMP13 "as far as is relevant, practical and applicable", in particular TMPs 1,2,5,6 and 10. TMP13 will accordingly be expanded if exposure to non-treasury investments is planned in the future.

Commercial investment has been deemed unviable following HMT's confirmation that PWLB borrowing cannot be used for debt-for-yield investments.

Should it become appropriate, with regard to TMP1.1, treasury risk management, the Council will be clear as to the nature of each non-treasury investment and will record:

- a) Service investments.
- b) Commercial investments taken for mainly financial reasons, eg.
 - Property inside the borough area
 - Property outside the borough area
 - Investments in subsidiaries
 - Investments local authority owned companies
 - Council owned commercial or industrial estates
- c) Loans to other bodies.
- d) Loan guarantees.

The Council will also be clear as to the powers used for each non-treasury investment and will record the following information:

- a) Name of investment.

- b) Date the investment made.
- c) Any costs associated with the investment.
- d) Expected income.
- e) Approval details.
- f) Legal powers used.
- g) Purpose (eg. Income generation).
- h) Service (where relevant).

The following will also be documented:

- a) The extent to which the capital is placed at risk.
- b) The impact of any potential losses on the financial sustainability of the Council.
- c) Dates for periodic review, to take account of changes in market or other conditions.
- d) The name of the officer responsible for each non-treasury investment and its periodic monitoring.



Report to Cabinet / Council

Subject: Capital Programme and Capital Investment Strategy 2026/27 to 2030/31

Date: 19 February 2026

Author: Senior Leadership Team on behalf of the Leader

Wards Affected

All

Purpose

To present for Members' approval :

- a) The proposed Capital Investment Strategy for 2026/27 to 2030/31.
- b) The proposed Capital Programme for 2026/27 through to 2028/29 for approval, and the indicative Capital Programme for 2029/30 and 2030/31, in light of the Council's priorities and the resources available; and
- c) The Flexible Use of Capital Receipts Strategy 2026/27.

The Capital Investment Strategy, the Capital Programme and the Flexible Use of Capital Receipts Strategy determined by Cabinet at this meeting will be referred to Full Council on 4 March 2026 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. Agree the estimated capital financing available for 2026/27 through to 2030/31.
2. Agree the Capital Investment Strategy 2026/27 through to 2030/31 detailed at Appendix 1 and refer it to Full Council for approval on 4 March 2026.
3. Agree the Capital Programme for 2026/27 through to 2028/29 detailed at Appendix 2 and refer it to Full Council for approval on 4 March 2026.
4. Note the indicative Capital Programme for 2029/30 and 2030/31.
5. Agree the Flexible Use of Capital Receipt Strategy in Appendix 3 and refer to Full

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 The Capital Investment Strategy 2026/27, an appendix to this report complies with the Prudential Code CIPFA issued in 2021.
- 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), 2026/27 through to 2030/31, 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 2026/27 through to 2030/31 is attached at Appendix 1.

3. Proposed Capital Programme

- 3.1 The following table presents the proposed three-year Capital Programme for 2026/27 through to 2028/29 for approval, together with the indicative programme for a further two years to match the period of the MTFP as detailed in paragraph 1.6 above. The full programme of schemes is presented in Appendix 2.

Gedling Borough Council is preparing for Local Government Reorganisation, with Vesting Day expected on 1 April 2028. The creation of a new Unitary Council which Gedling is expected to be a part of will have an impact on any capital investments post vesting day, however for the purpose of the 2026/27 budget Gedling will continue to present a full three-year capital programme with an indicative programme for 2029/30 and 2030/31. Once the Government has announced its decision on the Council structures Gedling will consider its position and how it continues to present the Capital programme going forward. This may involve approval of a new capital programme to align with the dissolution of Gedling Borough Council.

Portfolio	Proposed Programme for Approval			Indicative Programme	
	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
Lifestyles, Health & Well-being	2,670,000	380,000	0	60,000	0
Public Protection	2,058,400	1,400,000	1,400,000	1,400,000	1,400,000
Environment	2,065,500	343,000	720,000	1,287,700	1,102,200
Climate Change & Natural Habitat	267,000	222,000	222,000	222,000	222,000
Sustainable Growth & Economy	1,056,200	1,786,000	1,655,000	1,655,000	1,655,000
Corporate Resources & Performance	2,076,900	565,000	565,000	565,000	565,000
Total Capital Programme	10,194,000	4,696,000	4,562,000	5,189,700	4,944,200

3.2 The proposed capital programme includes the following:

a) **Schemes re-profiled from 2025/26**

Up to 30 November 2025 Schemes totalling **£2,969,000** have been approved for deferral in year by Cabinet to 2026/27, the deferred amounts are set out in the table below and are included in the capital programme set out in Appendix 2.

Schemes Re-profiled from 2025/26	2026/27 £
Vehicle Replacement Programme	(650,000)
Purchase of Temporary Accommodation	(646,200)
Disabled Facilities Grant	(600,000)
Ambition Arnold Front Street Properties	(395,000)
Redhill Replacement Gym Equipment	(270,000)
Play area refurbishments	(222,000)
Bentwell Lagoon flood alleviation	(51,400)
Depot Works	(50,000)
Flood Alleviation Works	(42,000)
CCTV Developments	(27,400)
Carlton Cemetery works	(15,000)
Total	(2,969,000)

b) **Rolling Capital Programmes**

The table below shows the rolling programmes for replacement assets and maintenance to ensure continuation of existing service.

This report requests the approval of indicative year 30/31 for existing rolling programmes schemes which are:

- IT Microsoft licenses
- Asset Management Fund
- Flood Alleviation
- Gym equipment replacement
- Play Area refurbishments

In addition this includes two new schemes to the rolling programme:

- Temporary accommodation stock maintenance
- Car Park maintenance

Programme	Proposed Programme			Indicative Programme	
	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
Vehicle replacement programme	1,903,000	293,000	670,000	1,237,700	1,052,200
IT Microsoft licences	125,000	125,000	125,000	125,000	125,000
Asset Management Fund	300,000	220,000	220,000	220,000	220,000
Flood alleviation programme	50,000	50,000	50,000	50,000	50,000
Gym equipment replacement	280,000	380,000	0	60,000	0
Play area refurbishments	222,000	222,000	222,000	222,000	222,000
Temporary accommodation stock maintenance	50,000	50,000	50,000	50,000	50,000
Car park maintenance	120,000	120,000	120,000	120,000	120,000
Total	3,050,000	1,460,000	1,457,000	2,084,700	1,839,200

Further details on the new schemes or scheme revisions are as follows:

- The proposed vehicle replacement programme for 2026/27 is shown in appendix 2 and this includes 2025/26 deferrals approved as part of budget monitoring reports of £650,000. Changes to Waste regulations and current service delivery may result in the replacement programme changing, a full review will be carried out in year and reported to Cabinet as part of the budget monitoring process.
- The Asset Management Fund has been increased to £300,000 for 2026-27 only, due to an increased council owned property repairs schedule.
- Temporary accommodation stock maintenance programme £50,000. A provision to ensure temporary accommodation housing stock is maintained, addressing any issues identified by the condition surveys. This is to be funded through prudential borrowing.

- An annual allocation of £120,000 for car park maintenance programme has been proposed to ensure our car parks are sufficiently maintained, and re-surfaced. The programme will start with the resurfacing of Blatherwicks car park in 2026/27. This is to be funded through prudential borrowing.
- This will be allocated to individual projects depending on priorities and workload. This increase will be funded through prudential borrowing.

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

The table below show Schemes totalling **£344,400**. Resource development bids which score 30 points and above using the Council’s approved methodology as detailed in the Capital Investment Strategy 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	2026/27 £
Jubilee House refurbishment	90,000
Replacement of Car Park ticket machines & signage	90,000
Boundary repairs at Haywood Road, North car park	60,000
Carlton Cemetery wall repairs	45,000
Noise nuisance recorders & sound meters	31,000
Payroll/ HR system upgrade	18,400
Public convenience - access control	10,000
Total	344,400

Further details of these schemes can be found as follows:

- Jubilee House refurbishment £90,000, new legislative requirements for food waste result in additional space being needed in the depot for parking additional waste vehicles. The most cost effective and health & safety compliant option is to remove the cube structure and relocate staff into Jubilee House. This is to be funded by prudential borrowing.
- Car Park ticket machine & signage replacement £90,000, financed via prudential borrowing.
- Boundary repairs at Haywood Road North car park £60,000, financed by prudential borrowing.
- Carlton Cemetery wall repairs £45,000, a significant section of walls need rebuilding and repointing, financed by prudential borrowing.
- Noise nuisance recorders and sound meters £31,000, financed from earmarked reserves.
- Payroll/ HR System upgrade £18,400, for project management costs for migration to a cloud-based service. This is to be funded through the flexible use of capital receipts.

- Public convenience access control £10,000, to introduce access control at King George V toilets to help reduce anti-social behaviour, funded by prudential borrowing.

d) **Leisure Transformation – Carlton Active**

Following the completion of the Royal Institute of British Architects (RIBA) stage 2 which completed concept design works and site surveys for the Carlton Active project, the Leisure Transformation Team proposes to move on to the next stage of design works of RIBA stages 3 & 4.

These stages involve much more in-depth work around spatial coordination and technical design, finalising specifications for the construction phase, and cost certainty.

Indicative costs for the proposed new leisure centre have been received, and high-level financial modelling on cashflows and income achievable from the new facility indicate that the project is financially viable, given a construction funding mix of 50% Council resources (which includes capital receipts and reserves) and 50% borrowing.

The cost of RIBA 3 & 4 and demolition of the existing building the new leisure centre will occupy will cost £2.12m this reports requests approval of this amount to progress the project. This stage of work will be funded by a contribution from the strategic portion of Community Infrastructure Levy (CIL) and revenue earmarked reserves.

Should the scheme not go ahead the pre-construction costs incurred to date will be abortive costs.

A full Business case will be undertaken as part of this next stage once costs certainty is known to ensure that the project is financially viable and the income generation is sufficient to cover the required costs of borrowing.

The recommendations set out in this report include approval to establish £2.12m of budget from earmarked reserves to progress the next stage of Carlton Active project.

e) **Carlton Town Centre Plan for Neighbourhoods**

The Council will be acting as the Accountable Body for £20,000,000 of grant funding over a 10-year period awarded to the Greater Nottingham Town Board as part of the Governments Plan for Neighbourhoods Programme. This funding includes both revenue and capital grant allocations. The capital element of this is expected to in the region of £14,936,000, with £6,911,000 of projects to be delivered over the next five years. The table below shows how much capital grant we can expect across the next 5 years.

The Greater Carlton Town Board decides how this funding is spent and will allocate to specific schemes, in line with its investment plan. As the Board is not a legal entity the Council will act as accountable body, to ensure adequate governance, therefore the funding will go through the Councils capital programme and will be allocated to specific projects in-year in line with the investment plan.

Scheme	2026/27 £	2027/28 £	2028/29 £	2029/30 £	2030/31 £
Plan for Neighbourhoods (Capital funding)	360,000	1,736,000	1,605,000	1,605,000	1,605,000

f) **Digital Data & Technology Strategy**

Work has been on-going through 2025/26 on programmes in the digital strategy with a Customer Relationships Management, a Waste Management system and a new internet being introduced. Work will be ongoing in 2026/27 to enhance these systems for optimal service delivery in the next two years and to realise any efficiency savings that can be generated prior to LGR. The Transformation Programme will be reviewed in 2026/27 to ensure only work that can deliver tangible benefits in the years running up to LGR will be undertaken. However, it is likely that a proportion of Transformation teams work will be re-directed to the work required for LGR. Cabinet will be updated through regular budget monitoring reports during 2026/27.

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 Council is expected to receive a large capital receipt of around £10,837,400, some of which will be used to fund the proposed Capital Programme, however the remainder will be earmarked for the Leisure Transformation - Carlton Active project pending a financially viable business case.

The estimated annual capital receipt usage for 2026/27 to 2030/31 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	
	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
Land Sales	657,500	105,000	105,000	105,000	105,000
General Capital Receipts	50,000	20,000	20,000	20,000	20,000
Total Capital Receipt Estimate	707,500	125,000	125,000	125,000	125,000

4.2 Direct Revenue Financing

The use of earmarked revenue reserves and revenue equipment budgets as contributions to specific capital schemes totalling **£1,423,000** in 2026/27 are proposed as follows:

- a) £1,370,000 contribution from the NNDR Pool reserve to fund the RIBA 3 & 4 and demolition costs for Carlton Active project.
- b) £31,000 contribution from the equipment earmarked reserve to meet the costs of Noise nuisance recorders and sound meters.
- c) £22,000 contribution from the Asset Management Reserve to meet the cost of Play area refurbishment rolling programme.

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:

Capital Grants and Contribution	2026/27
	£
Disabled Facilities/Better Care Fund Grant (assumed £1.4m per annum ongoing 2027/28-2030/31)	2,000,000
Community Infrastructure Levy (CIL) for Leisure Transformation – Carlton Active	750,000
DEFRA Simpler Recycling grant for Vehicle Replacement Programme	613,800
MHCLG Plan for Neighbourhoods Grant	360,000
Community Infrastructure Levy (CIL) for improvements to Pavilion's	236,000
FCC Community Foundation for play park investment	200,000
Total Grants and Contributions	4,159,800

Disabled Facilities/ Better Care Fund grant funding is paid by the Government to Nottinghamshire County Council for distribution. The actual allocations to each District/Borough Council are agreed by the Nottinghamshire Health and Wellbeing Board. The budget in the table above is based on last year's allocations and will be updated to reflect actual grant once funding confirmation has been received.

4.4 Prudential Borrowing

The total borrowing that is required to finance the proposed 2026/27 - 2028/29 capital programme is £6,326,700. It is currently estimated that a further £3,429,900 of borrowing will be required to finance the indicative capital programme for 2029/30 – 2030/31. The proposed borrowing amounts are detailed in paragraph 4.5 below.

The Council's Prudential Indicators in respect of both the proposed programme 2026/27 through to 2028/29 and the indicative programme for 2029/30 and 2030/31 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 2026/27 through to 2028/29 programme is summarised below:

Capital Resources	Proposed Programme			Indicative Programme	
	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
Use of Capital Receipts	707,500	125,000	125,000	125,000	125,000
Direct Revenue Financing	1,423,000	22,000	22,000	22,000	22,000
Grants and Contributions	4,159,800	3,336,000	3,205,000	3,205,000	3,205,000
Total Cash Resource	6,290,300	3,483,000	3,352,000	3,352,000	3,352,000
Prudential Borrowing	3,903,700	1,213,000	1,210,000	1,837,700	1,592,200
Total Financing	10,194,000	4,696,000	4,562,000	5,189,700	4,944,200

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 2026/27 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 Councils 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 2026/27 – 2030/31

Appendix 2 - Proposed Capital Programme 2026/27 – 2028/29 (including Indicative Programme 2029/30 and 2030/31)

Appendix 3 – Flexible Use of Capital Receipts Strategy 2026/27

10. Background Papers

- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2026/27
- Gedling Legacy Plan 2026-2028

11. Reasons for Recommendations

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

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 9 February 2026

Approved by: Monitoring Officer

Date: 9 February 2026

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**CAPITAL INVESTMENT
STRATEGY
2026/27 to 2030/31**

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

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 2026/27 to 2030/31

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

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

	Proposed Programme for Approval			Indicative Programme	
	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
Expenditure:					
Gedling Assets	8,194,000	3,296,000	3,162,000	3,789,700	3,544,200
Disabled Facilities Grant	2,000,000	1,400,000	1,400,000	1,400,000	1,400,000
Total Programme	10,194,000	4,696,000	4,562,000	5,189,700	4,944,200
Financed by:					
Capital Receipts	707,500	125,000	125,000	125,000	125,000
Direct Revenue Financing	1,423,000	22,000	22,000	22,000	22,000
Grants and Contributions	4,159,800	3,336,000	3,205,000	3,205,000	3,205,000
Borrowing Requirement	3,903,700	1,213,000	1,210,000	1,837,700	1,592,200
Total Financing	10,194,000	4,696,000	4,562,000	5,189,700	4,944,200

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.

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

The principles that underpin the Capital Investment Strategy include:

Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;
- The use of a rational process for assessing the relative importance of potential schemes.

Financial Principles:

- The overarching commitment to affordability of investments over the longer term, considering the actual impact, and potential impact, on overall fiscal sustainability;
- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;
- A commitment to developing partnerships, including the pursuit of joint venture and community arrangements where appropriate, to achieve the Council's investment aspirations;
- To pursue all available external funding where there is a direct compatibility with the Council priorities;
- Value for money of investments in assets over their full life cycle.

Asset Management Principles:

- The development of Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets.
- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the Capital Programme.
- Recognition of the value of surplus properties that are gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals.

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

- A process of declaring property assets as surplus will be led by the Director of Operations in consultation with the holding department, who will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements.
- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans, in line with the Localism Act 2011.
- Management of assets to take full account of the Council's wider priorities including its environmental priorities.
- The continuation of financial support to schemes that involve site assembly, which will potentially generate significant capital receipts in the medium term;
- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.
- An assessment of asset condition to determine investment required over the life of the asset to ensure they continue to be fit for purpose in service delivery.

Implementation and Management Principle

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

Links to Other Financial Documents

Medium Term Financial Plan

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

Prudential Code

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

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

- local strategic planning, asset management planning and proper option appraisal are supported.
- The capital investment plans of local authorities are affordable, prudent and sustainable having regard to the long term implications for external borrowing considering the impact, and potential impact, on overall fiscal sustainability.
- Treasury management and other investment decisions are taken in accordance with good professional practice and in the full understanding of risks involved.
- The authority is accountable, by providing a clear and transparent framework.

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

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

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

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.

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

Statement of Accounts

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

Procurement Strategy

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

3. CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Gedling Plan 2024- 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.

The Cabinet agenda sees the introduction of a Gedling Legacy Plan 2026-2028 which will remain in place until Local Government Reorganisation takes place in April 2028. The Legacy Plan has four themes :

- Ensuring healthier, safer, connected communities.
- Shopping places to be proud of.

CAPITAL INVESTMENT STRATEGY 2026/27 to 2030/31

- Providing responsive, reliable and value for money services.
- Ensuring safe transition to a new authority.

All new capital bids from 2026/27 will be scored against these new criteria.

4. **FINANCIAL CONTEXT**

In light of the significant pressures, local authorities must now explore alternative sources of funding capital expenditure over the new few years. These various options can be summarised as follows:

- External partners – Traditionally Section 106 monies have been levied on private contractors where funds have been required to deliver (amongst other things) capital projects necessary to make a planning application acceptable e.g. to upgrade highways infrastructure, within the district. These opportunities are now extended to include the Community Infrastructure Levy (CIL), which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed to deliver new development. The infrastructure to be funded by CIL must be clearly set out and can include transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres.
- Grants – Capital grants are made available by the central government and other public sector bodies that could be used to fund capital expenditure. Unfortunately capital grants are now diminishing in number as further cuts are enforced on Local Government. For example, as detailed above, changes to the New Homes Bonus, which is an established non-ringfenced grant is not expected to be a source of capital funding going forward.
- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment.
- Local Asset Backed Vehicles (LABVs) – This is a form of public and private sector partnership that allows public sector bodies to use their assets (usually land and buildings) to attract long term investment from the private sector in order to deliver socio-economic development and regeneration. They are designed to encourage parties to pool resources, such as finance, planning powers, land and expertise, in order to deliver regeneration with an acceptable balance of risk and return for all those involved. They are increasingly being looked at as a potential model to help local authorities meet their regeneration aspirations.
- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced

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re-offending, and CCTV based on reduced anti-social behaviour and crime levels.

- Community Involvement – The Localism Act 2011 introduced the concept of “community asset transfer”, “community right to challenge” and “community right to bid” for services. These changes in legislation have opened up the whole spectrum of opportunities of private sector investment in community-led capital projects, where deemed appropriate.
- Collaborative Working – a move away from the traditional development agreement structure and towards a more collaborative approach, either to enhance marketing prospects for a site or to enhance its redevelopment value by addressing planning issues. This type of approach encourages interest from expert developers to promote a site or work together on the planning and infrastructure process, to enhance the attractiveness of the site to end users.

Financial Process

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

The funding of capital schemes is via the following hierarchy:

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

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

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

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

The most significant grants that the Council is now likely to receive are from Section 106 monies and the Community Infrastructure Levies from development sites. Section 106 agreements are contributions from developers tied into new construction projects, such as funding a new play area when building a housing

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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. Ring-fencing of any capital receipt will be determined by the Chief Finance Officer as part of financial modelling of specific schemes and assessment of affordability, allowing capital receipts to be used when they are most needed and to reduce pressure on the revenue budget arising from the cost of borrowing.

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.

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.

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Leasing

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

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

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

5. **CAPITAL BUDGET PREPARATION**

The capital programme is derived from the following:

(a) Rolling Programme Items

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

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

Capital Investment Prioritisation

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

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

The vehicle replacement programme identifies vehicles reaching the end of their useful life for which replacement vehicles need to be purchased.

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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.

- Assistant Directors and Budget Holders 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.

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

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

The bid process also asks Assistant Directors and Budget Holders 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 Chief Finance Officer.

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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 2026/27 to 2030/31 programme;
- Asset management priorities – this section is used to prioritise Asset Management Fund items if bids to the fund exceed the budget allocation;
- the measure of the financial impact of the scheme, where points are awarded for external funding, income generation, value for money, impact of risk, and generation of capital receipts.

The maximum score possible (excluding Asset Management Fund items) is 71 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 2026/27 to 2030/31 capital budget, the following score parameters have determined the schemes to be proposed for inclusion in the capital programme based on contribution to priorities:

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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 Budget & Performance Board, which meets monthly. This Board is attended by Assistant Directors and Budget Managers providing a supportive environment in which problem areas are identified and corrective actions agreed and implemented at an early stage to avoid slippage. Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

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

- Project Managers identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery.
- Project Managers feed information on scheme progress to the Finance Business Partner to produce the monthly budget monitoring statement.
- Quarterly capital monitoring meetings will form part of the “Making Meetings Matter” agenda and will be part of the Budget & Performance Board meeting. The Board will 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.
- Assistant Directors and Budget Holders 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.

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- Capital budget monitoring is reported to Cabinet on a periodic basis (either every three or four months), for consideration of deferrals and budget amendments.
- At year end, Financial Services collate the outturn position for capital schemes, and report under and overspends and propose budget carry forwards. The Asset Register and Statement of Accounts are updated with new assets acquired within the year.
- A post-implementation review of capital projects after completion is important to assess to what extent the financial and non-financial aims of the project were met. Where they were not, lessons can be learned, which can inform future projects and may lead to revisions in either the budgeting or monitoring processes.

6. CONCLUSION

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

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

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

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

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

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

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

Capital Resource Development Bid – Scoring Methodology

	Scoring system	Bid Name	Bid Name
1. Priorities			
a. 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
Weighting due to performance indicator:		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
Weighting due to performance indicator:		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
Weighting due to performance indicator:		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
Weighting due to performance indicator:		1	1

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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 =	71	
		0	0

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Proposed Capital Programme 2026/27 - 2028/29 and Indicative Programme 2029/30 to 2030/31

	Capital Programme for Approval			Indicative programme	
	2026/27	2027/28	2028/29	2029/30	2030/31
<u>Lifestyles, Health & Well-being</u>					
Carlton Active	2,120,000	0	0	0	0
Gym Equipment Replacement	550,000	380,000	0	60,000	0
Lifestyles, Health & Well-being Total	2,670,000	380,000	-	60,000	-
<u>Public Protection</u>					
Disabled Facilities Grant	2,000,000	1,400,000	1,400,000	1,400,000	1,400,000
CCTV Developments	27,400	0	0	0	0
Noise nuisance recorders & sound meters	31,000	0	0	0	0
Public Protection Total	2,058,400	1,400,000	1,400,000	1,400,000	1,400,000
<u>Environmental Services</u>					
Vehicle Replacement Programme	1,903,800	293,000	670,000	1,237,700	1,052,200
Waste Management System - Replacement Devices	18,300	0	0	0	0
Flood alleviation works - Rolling Programme	92,000	50,000	50,000	50,000	50,000
Bentwell Lagoon Flood Alleviation	51,400	0	0	0	0
Environmental Services Total	2,065,500	343,000	720,000	1,287,700	1,102,200
<u>Climate Change and Natural Habitat</u>					
Play Area refurbishment - Rolling Programme	222,000	222,000	222,000	222,000	222,000
Carlton Cemetery Wall repairs	45,000	0	0	0	0
Climate Change and Natural Habitat Total	267,000	222,000	222,000	222,000	222,000
<u>Sustainable Growth and Economy</u>					
Temporary Accommodation	646,200	0	0	0	0
Temporary Accommodation Maintenance Programme	50,000	50,000	50,000	50,000	50,000
Carlton Town Centre Plan for Neighbourhoods	360,000	1,736,000	1,605,000	1,605,000	1,605,000
Sustainable Growth and Economy Total	1,056,200	1,786,000	1,655,000	1,655,000	1,655,000
<u>Corporate Resources & Performance</u>					
Digital Transformation	582,500	0	0	0	0
Asset Management Fund	300,000	220,000	220,000	220,000	220,000
IT Licences	125,000	125,000	125,000	125,000	125,000
Future Resource Development Bids	0	100,000	100,000	100,000	100,000
Depot Works	50,000	0	0	0	0
Ambition Arnold Improvements to Public Realm	395,000	0	0	0	0
KGV - Public Convenience - Access Control	10,000	0	0	0	0
Arnold Pavillion - Extend perimeter fence	10,000	0	0	0	0
Renovation and Improvements of Pavillions	226,000	0	0	0	0
Boundary repairs at Haywood Road North Car Park	60,000	0	0	0	0
Car Park Signage & Machine replacement	90,000	0	0	0	0
Car Park Maintenance - Rolling programme	120,000	120,000	120,000	120,000	120,000
Jubilee House Refurbishment	90,000	0	0	0	0
Payroll/ HR system upgrade	18,400	0	0	0	0
Corporate Resources & Performance Total	2,076,900	565,000	565,000	565,000	565,000
Total Capital Budget	10,194,000	4,696,000	4,562,000	5,189,700	4,944,200

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Flexible Use of Capital Receipts Strategy 2026/27

February 2026



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1. Introduction

To support local authorities to deliver more efficient and sustainable services, a time limited flexibility is currently available to use capital receipts from the disposal of property, plant and equipment assets to fund the revenue cost of service reform.

Under normal rules, capital receipts can only be used to fund capital expenditure such as the purchase of capital assets or improvements to existing assets.

The former Department for Levelling Up, Housing & Communities have issued an extension to a Direction and published guidance that enables Councils to use income from the sale of certain assets to fund the short-term revenue costs that support Transformation, Invest-to-save and efficiency projects in order to provide revenue savings in the future.

This strategy sets out the intended use of this flexibility and applies to the financial year 2026/27. The Strategy will be updated as part of the annual budget process in subsequent years.

The flexibilities fit well with the Council's Medium Term Financial Plan for achieving financial sustainability through transformation projects, including efficiency measures and invest-to-save projects. Given the level of savings required over the medium-term and the number and scope of projects within the plan, it will be important to provide funding for these projects. The use of capital receipts means that these essential projects can be progressed without putting additional pressure on revenue resources.

2. Background

Capital receipts can only be used for specific purposes, and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure, and the use of capital receipts to support revenue expenditure is not allowed by the regulations. The Secretary of State is empowered to issue Directions allowing revenue expenditure incurred by local authorities to be treated as capital expenditure and therefore funded by capital receipts.

In the Spending Review 2015, the Chancellor of the Exchequer announced the Government would allow local authorities to spend up to 100% of their capital receipts on the revenue costs of transformation projects, to support local authorities to deliver more efficient and sustainable services.

The Secretary of State for Communities and Local Government issued a Direction in March 2016, giving local authorities greater freedoms to use capital receipts to finance expenditure, up until 2018/19. Allowing local authorities to treat qualifying expenditure on transformation projects as capital expenditure and to fund it from capital receipts received after April 2016. Qualifying expenditure was defined as: “Expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

This was extended in 2018/19 as part of the Local Government Finance Settlement for a further three years until 2021/22. Then, in the 2022/23 Provisional Local Government Finance Settlement it was announced “a 3-year extension from 2022/23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery”. On 4 April 2022, the then Department of Levelling Up, Housing, and Communities confirmed this extension to 2024/25 and published Guidance and a Direction.

It was announced by Government alongside the Provisional Settlement on 18 December 2023 that the current scheme, which currently applies to expenditure and receipts incurred between 1 April 2022 and 31 March 2025, is extended to 31 March 2030. Therefore, to make eligible use of the scheme the capital receipts, and any qualifying revenue expenditure, need to be incurred between 1 April 2022 and 31 March 2030.

3. Proposed Investments

The Revenue and Capital Budget reports for 2026/27 will be presented for approval by Full Council on 4th March 2026 and includes the Council's proposed investment including investment in its Digital, Data & Technology Strategy.

This 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 two 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 on how we deliver our services.

The strategy is a significant investment which would have enabled the Council to deliver long term financial efficiencies which have started to be realised in 2025/26 and will increase over the next few years. However, the introduction of Local Government Reorganisation does mean that efficiencies are likely to be capped in 2028 as Gedling will cease to exist and systems that the Council has introduced over the past few years may be superseded with those of a new authority.

The Council has scaled back its investment, however those schemes that had already commenced will be completed as the Council will gain benefit over the remaining two years it will continue to exist.

As the strategy and associated roadmap progresses, the initial costs of implementation will be a mixture of both revenue costs and capital costs, which are eligible for flexible use of capital receipts. Any on-going revenue costs have been factored into the Medium-Term Financial Plan and will be funded by future efficiencies arising from this transformation or the general fund revenue budget.

Digital Data & Technology Strategy

The Digital, Data and Technology Strategy was part of an overall two to three-year transformation programme. 2026/27 is expected to be the final year but some expenditure may slip into 2027/28.

This transformation programme is supported by a staffing restructure which put additional resource into the Council in order to deliver transformation projects (particularly around Digital Transformation). It is currently envisaged

that between 60-80% of these posts will be delivering one-off transformation projects to the Council, therefore only this element will be subject to funding by flexible use of capital receipts over a two-year period, the remainder of the posts will be delivering business as usual activities and funded through the general fund revenue account.

At its meeting on 6 March 2024 Full Council approved the authority to use the powers under the Government's Statutory Guidance to the flexible use of capital receipts to fund **£1.987m** of qualifying between transformation expenditure in order to support projects over the course of 2024/25 to 2026/27.

Subsequently during 2024/25 the Waste Management System was included in the delivery of the Digital Roadmap following the removal of the previous system. The system was purchased in 2024/25 table 1a below sets out the project implementation costs over 2025/26 and 2026/27. The total revised estimate for flexible use of Capital Receipts was changed to **£2.122m**, and approved by Full Council on 5 March 2025. Current expectations for the use of capital receipts is **£1.766m** for 2025/26 – 2026/27, as set out in the tables 2 and 3 below.

There may be some deferral of expenditure from 2025/26 into 2026/27 due to onboarding of staff, these will be considered as part of the outturn report and the annual Flexible Capital Receipts return which is made to the Government, any revision to this strategy will then be made and brought forward for approval as part of the budget monitoring process (including outturn). In addition, due to LGR and the impact this places on long term efficiencies. The remaining efficiency programmes will be reviewed in 2026/27 to assess what benefits can still be derived from any further investment in the short term and the financial impact of this.

Revised tables showing the amount of capitalisation in 2024/25 and expectations for 2025/26 and 2026/27 are set out below.

Leisure Transformation

Currently leisure services operate 5 Leisure Centres at a total subsidy of £1.5m each year. The Leisure Transformation Programme aims to rationalise its leisure provision with an overall, aim of reducing its subsidy year on year to obtain a break-even position in the future.

A Leisure Strategy has been completed which supports investment in 2 new leisure facilities, the first phase of this is to proceed with a new leisure centre in Carlton which will combine 2 current facilities into one new efficient space, which will maximise income generation and start to reduce the annual subsidy.

The service area has an Assistant Director whose main priority is to progress the leisure transformation work. It is anticipated that an element of this role will be capitalised under this project. This is set out below

Table 1: Actual Expenditure Capitalised in 2024/25	
Project	£
ICT Staffing Implementation (2-year fixed term)	112,600
Senior Management Transformation Costs	142,300
Total Capitalised	254,900

Table 2: Digital Data & Technology Project and Implementation Costs			
Project	Lead Officer	Value £	Use of Capital Receipts
Customer Relationship Management System and Software	Director of Transformation	150,000	2025/26
		20,000	2026/27
Waste Management System Costs	Director of Transformation	82,200	2025/26
		18,300	2026/27
Integration Capability-Web service enablement/orchestration layer	Director of Transformation	75,000	2026/27
ICT Staffing Implementation Costs (2 years fixed term Contracts)	Director of Transformation	594,600	2025/26
		469,200	2026/27
Total		1,409,300	

Table 3: Management Transformation Programme			
Position	Lead officer	Value £	Use of Capital Receipts
Director of Transformation (80%)	Deputy Chief Executive	94,600	2025/26
		10,000	2026/27
Assistant Director Digital Data & Technology (80%)	Director of Transformation	71,400	2025/26
		74,000	2026/27
Assistant Director of Customer Engagement (60%)	Deputy Chief Executive	46,600	2025/26
Assistant Director of Leisure, Heath & Wellbeing (30%)	Deputy Chief Executive	30,300	2025/26
		30,300	2026/27
Total		357,200	

4. Historic use of Capital receipts up to 2024/25

The Council first exercised its option to use the capital receipts flexibility direction in 2024/25. **Table 1** above sets out the expenditure that was capitalised in this year.

Each year the option will be exercised a revised strategy and will be presented to Full Council as part of the annual budget reports and submitted to the Secretary of State following approval by Full Council.

5. Impact on Prudential Indicators

The Council has due regard to the requirements of the Prudential Code and the impact on its prudential indicators from the application of this Flexible Use of Capital Receipts Strategy.

Any capital receipts which are received and not allocated will be used to fund revenue costs incurred to support the Council's Transformation Programme and delivery of savings and efficiencies. These receipts have not been earmarked as funding for any other proposed capital expenditure and therefore there is no anticipated additional impact on the Council's prudential indicators as set out in the Council's Treasury Management Strategy.

The prudential indicators show that this strategy is affordable and will not affect the Council's operational boundary and authorised borrowing limit.

The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding this scheme within the 2025/26 Statement of Accounts.

6. Monitoring the Strategy

Implementation of this Strategy will be monitored as part of regular financial reporting arrangements.



Report to Cabinet/ Council

Subject: General Fund Revenue Budget 2026/27

Date: 19 February 2026

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 recommend to Council on 4 March 2026:

- i. That the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2026/27.
- ii. A provisional Council Tax increase of 2.998% (£5.82) which balances the financing of a Net Council Tax Requirement of £8,007,600 in 2026/27.
- iii. That the detailed budget for 2026/27, 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 2026/27 budget proposals together with the Gedling Legacy Plan 2026-2028 will be presented to Budget Council on 4 March 2026. The 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 2026/27 budget process.

2. Proposed General Fund Budget 2026/27

- 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 Gedling's Legacy Plan 2026-2028 (which is also presented to Cabinet on today's Agenda) supported by the Annual Delivery Plan 2026/27, which sets out the workplan for 2026/27. This is currently being finalised and will be presented to Cabinet in March 2026.
- Income is only included in the budget when 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 Legacy Plan 2026-2028 and the Annual Delivery Plan for 2026/27.

2.3 Local Government Reorganisation

The English Devolution White Paper was published on 16 December 2024. It placed great emphasis on creating blanket coverage of mayoral authorities across England, supplemented by Local Government Reorganisation to create new single-tier councils. For Nottinghamshire, this means that the seven District and Borough councils and Nottinghamshire County Council will be merged into two new unitary councils, as will Nottingham City as it is deemed too small to continue as is.

The Minister of State for Local Government and English Devolution formally invited all affected councils to work together to submit plans for reorganisation. For the Nottinghamshire area, three plans were submitted in November 2025 and are currently being considered by Government officials.

It is likely that Nottinghamshire will be working to a date of 1 April 2028 for the new authorities to come into operation.

2.4 The Gedling Legacy Plan

In 2023, the Council approved a new Council Plan for 2023–2027. While significant outcomes have been achieved against the plan and reported on in regular, publicly available performance updates, the external environment has shifted considerably since the plan was created, with increasing pressure on Council resources, new national priorities emerging such as Simpler Recycling, and the largest change to local government in more than 50 years in Local Government Reorganisation

It is both timely, and necessary, to revisit the Council Plan for the last two years of Gedling Borough Council's lifetime, to take these factors into account. The new Council Plan, referred to as Gedling's Legacy Plan 2026-2028, responds to local priorities and is designed to ensure that a positive lasting legacy is left for the people of Gedling and that transition to a new unitary authority is as smooth as possible.

The Council Plan sets the overarching outcomes that the Council seeks to influence or achieve during the lifetime of the Plan. It is supported by a separate, Annual Delivery Plan, setting out clearly the timescales for the delivery of related activity over the next twelve months. This is currently being finalised and will be

presented to Cabinet in March 2026. This, approach has been taken to ensure that planned actions align to budget provision and to ensure that financial and service delivery performance are monitored in tandem.

2.5 Local Government Finance Settlement (LGFS) 2026/27

2.5.1 Overview of the 2026/27 Settlement

The 2026/27 Local Government Finance Settlement marks the start of the first multi-year settlement (2026/27–2028/29) in a decade, providing councils with greater planning certainty compared to previous single-year settlements. It introduces significant reforms to the funding system, including a new Fair Funding Review, needs-based formula and a comprehensive reset of the business rates retention system.

2.5.2 Key Changes from Previous Years

2026/27 introduces a three-year settlement, replacing previous one-year allocations such as the 2025/26 settlement published in December 2024.

This change provides local authorities with improved financial certainty for strategic planning. The settlement includes the first full update to relative need and resource assessments since 2013.

Funding is now more closely aligned with deprivation and service demand, benefiting more deprived and urban councils and reducing relative allocations for areas with historically higher tax bases.

Grant Simplification:

18 grants are consolidated into the Revenue Support Grant (RSG) under the new Fair Funding Allocation (FFA).

Separate grants continue only where needed for ring-fenced duties, such as homelessness prevention. Previously, for example in the 2025/26 settlement, multiple stand-alone grants such as the New Homes Bonus featured - this represents a major structural simplification.

2.5.3 The Business Rates Reset

The 2026/27 settlement includes the first major reset of the business rates retention system since 2013/14. This is one of the most significant changes affecting District and Borough councils. The reset redistributes 50% of estimated 2026/27 business rates nationally, including growth that was previously retained by local authorities. Future local growth may again be retained, but from a new reset baseline, and subject to revised levy and safety-net arrangements.

District and Borough councils are more affected by the reset as they are often more reliant on locally retained business rates and therefore face some of the most direct consequences of the reset.

Under the old system, councils such as Gedling achieved business rates growth, whereas under the new system, we will lose that accumulated benefit as it is now redistributed nationally.

Districts with strong commercial growth over the last decade (e.g. logistics hubs, town center redevelopment areas) may see reduced baseline funding compared with 2025/26. Gedling has seen a reduction in taxbase.

Transitional measures that have been introduced will smooth the funding impact over several years, but District councils may still experience notable short-term pressure as their retained income is recalculated.

2.5.4 The Provisional Settlement

The Government announced its provisional finance settlement on 17 December 2025 based on the long-awaited Fair Funding Review. This provided a three-year funding allocation, giving certainty to funding levels until 2028/29.

At the time of setting the budget the government had already indicated that a business rates reset would happen, The financial impact of this is offset by a package of transition arrangements including an income funding floor which protects income for councils.

The changes in the funding settlement are significant and tracking the movement from 2025/26 to 2026/27 has not been easy, as the formula to calculate the Core Spending Power (CSP) is different, and a number of previous grants have been rolled in. It was necessary to remodel the 2025/26 funding allocation into the new methodology to show the movement, set out in the table below:

Core Spending Power	£m
2025/26 Actual	12.585
2025/26 Re-calculated for FFR	15.841
2026/27	16.178

The CSP for 2025/26 was £12.585m, however there were also a number of other grants outside of the CSP, now rolled into the new calculation. In addition, the Council also retained some business rates income above the baseline as part of being in the Nottinghamshire Business Rates Pool. As a result of the reset Nottinghamshire Councils have determined that there is no longer any benefit to being part of a pool, and the Nottinghamshire Pool has now been dissolved for 2026/27.

CSP includes the Governments Council Tax assumptions which are the maximum increase of 3% or £5. Overall, the increase in CSP in 2026/27 compared to the revised calculation is **£0.349m** or **4.53%**. However, as stated above the CSP now includes a number of grants which have been rolled in including temporary accommodation, food waste, and the homelessness prevention and rough sleeping (the latter is ring-fenced and therefore cannot

be used in core budget).

In real terms the provisional settlement cash grants reduced by **£0.012m (0.15%)** in 2026/27 and expected to fall further in 2026/27 and 2027/28.

2.5.5 The Final Settlement

On 5 February 2026, a report by the Institute for Fiscal Studies suggested there may be a material change in funding allocation in the Government's Final Settlement figures.

On 9 February 2026, the Government published its final settlement, which confirmed a material change to funding allocations published as part of the Provisional Settlement.

The issue related to the baseline that was to be used to determine the level of income that is protected by the minimum funding floors. These are part of the proposed package of transitional arrangements resulting from the Fair Funding review.

This specifically relates to the levels of business rates pooling income that is to be included in the baseline allocations. The Provisional Settlement proposed that 100% of the gains from business rates pooling be added into the baseline for councils that have to pay a levy on their business rates growth, such as Gedling. However, pooling benefits are shared with all councils in the pool, and this error by government officials artificially increased the baseline and thus increased the funding protection for these Councils (predominantly Borough and District Councils).

The final settlement saw this being corrected, and pooling gains are now split 50/50 between tariff and top/up authorities, rather than the provisional proposal to allocate 100% of gains to tariff authorities.

The impact to Gedling is a reduction of funding in 2026/27 of £399,800. However, to compensate for this change, the Government have introduced a one-off Adjustment Support Grant of the same amount to mitigate the impact of this change in 2026/27. Currently this is expected to be a one-off mitigation, and losses for 2027/28 and 2028/29 between Provisional and Final Settlement total **£533,000** for Gedling.

In addition, the final settlement confirmed another £72,900 for Homelessness Prevention, Renters Rights and Domestic Abuse Grants resulting in a Core Spending Power for 2026/27 of **£16.251m**.

Core Spending Power	£m
2025/26 Actual	12.585
2025/26 Re-calculated for FFR	15.274
2026/27	16.251

This represents an increase in Core Spending Power from the adjusted 2025/26 of **£977,432** or **6.40%**, however as stated above, this includes the new ringfenced grants for Homelessness Prevention, Renters Rights and Domestic Abuse, and the new Adjustment Support Grant.

In real terms the cash grants have increased by **£628,023** or **8.31%**.

2.5.6 Council Tax and Referendum triggers

In the final settlement the Government confirmed the referendum principles for 2026/27. 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 2026/27. For Gedling the 3% limit equates to £5.84. 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.

2.5.7 Settlement Comparison with Previous Years

In previous budget reports Gedling has been able to show the ranking of the worst affected councils when compared back to 2015/16, and comparisons between CSP and negative CSP. Due to the significant changes in the funding formulas these comparisons are no longer possible. The Finance Settlement for 2026/27 sets a new baseline which can be used in future years for comparison purposes.

2.6 General Fund Budget 2026/27 Summary

2.6.1 The following table summarises the proposed General Fund Budget for 2026/27. 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 2026/27

Portfolio	Original Budget 2025/26 £	Base Budget 2026/27 £	Variance £
Communities and Place	326,800	0	(326,800)
Lifestyles, Health and Wellbeing	1,748,300	1,963,000	214,700
Public Protection	1,352,000	1,900,200	548,200
Environmental Services	4,514,900	5,593,800	1,078,900
Climate Change and Natural Habitat	1,923,000	1,993,100	70,100
Sustainable Growth and Economy	1,748,900	1,616,000	(132,900)
Corporate Resources and Performance	4,778,500	6,067,400	1,288,900
Net Portfolio Budget	16,392,400	19,133,500	2,741,100
Transfer to/(from) Earmarked Reserves	(808,200)	(2,251,200)	(1,443,000)
Net Council Budget	15,584,200	16,882,300	1,298,100

2.6.2 Major Budget Pressures

Since the approval of the original budget 2025/26, the Council is continuing on its Digital Transformation journey and subsequently completed several restructures. Inflation has started to stabilise but short of the Government's target and energy prices remain high. Salary increases of 3% and the increase in employers' national insurance contributions continue to have a significant impact on the Councils budget 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:

Corporate Resources and Performance

Adverse variances

- An estimated 2026/27 pay award of 3% across all posts is an anticipated cost of £563,400 however this is partially offset by the 2025/26 pay award which overall cost lower than budgeted, which resulted in a saving of (£150,000). This results in a net cost of £413,400. The pay award sits centrally for budget setting purposes and will be spread over each directorate as appropriate.
- Investment interest has been reduced by £300,000 due to falling interest rates and a fall in investment amounts.
- Increase in insurance premiums of £119,000 due to inflationary increases.
- Increase in payroll costs of £105,800 following the renewal of Zellis contract and migration to a cloud-based service along with loss of income due to a contract for the provision of payroll services not being renewed.
- Increase in External Audit provision of £105,000 in line with PSAA fees.
- A provision of £100,000 has been added for Local Government Reorganisation.
- Service review provision of £92,800 has been included in the budget to cover pension strain & redundancy costs, which have arisen out of restructures and efficiency savings.
- IT Software increase of £90,000 to cover inflationary increases on software licences.
- An increase of £84,400 in the Revenues & Welfare service following a service review in 2025/26.
- Civic Centre rental income reduction of £62,000 following cessation of a lease at the Civic Centre.

Favourable variances

- A reduction of (£133,500) in superannuation costs following the Nottingham Pension Fund triennial valuation.
- Fees & Charges income increase of (£130,100).
- Removal of (£100,000) the in-year contribution to the IT replacement fund following a review of this reserve showing sufficient funds available.

- Efficiencies of £374,000 was removed from the 2025/26 budgets however these are to be replaced by new efficiencies totalling (£449,300), of which (£324,100) of savings are planned for 2026/27. The net impact is (£77,100).

Environmental Services

- An allocation of £250,000 has been added for a Food Waste collection pilot utilising the Extended Producer Responsibility (EPR) funding.
- Additional staffing costs of £100,000 following the service restructure.
- Cemeteries income adjustment of £30,000 following undeliverable income target due to a lower number of burials in the Borough.

Sustainable Growth & Economy

- Reduction of (£202,500) in bed & breakfast cost due to additional properties being purchased to use for temporary accommodation, which is a more cost-effective solution.

2.6.3 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 several 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 Proposals – New Proposals 2026/27

Despite receiving a 3-year funding settlement, pressures arising from pay awards, inflation and increased demand for services mean additional efficiencies will be required to ensure a balanced budget in the medium term.

As part of the budget set for 2025/26 on 6 March 2025, efficiencies totalling **£4,467,300** 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 **£3,669,330** are required.

During 2025/26 the Senior Leadership Team reviewed the current efficiency programme considering current service pressures, outcomes from Digital Transformation related work and other service provision changes. Subsequently a report was approved by Cabinet to remove £374,000 of approved efficiencies from the total programme as they were deemed undeliverable. These efficiencies are to be replaced by a **new efficiency programme totalling £449,300 as set out in the table below.**

This leaves £50,000 remaining to be delivered in 2026/27. With digital efficiencies already approved of £631,200 totalling £1,130,500 out of the £3,669,300 that are needed by 2030/31, leaving **£2,538,800** remaining to be identified in the next few years. A risk provision of £142,200 is included in the budget to manage the inherent risks of efficiency programme delivery.

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

Summary of Budget Reduction Proposals

Inclusion in 2026/27 Budgets and MTFP			
Portfolio	2026/27 £	2027/28 £	Total £
Public Protection	26,500	0	26,500
Environmental Services	45,500	0	45,500
Climate Change and Natural Habitat	36,000	45,000	81,000
Sustainable Growth and Economy	155,100	0	155,100
Corporate Resources and Performance	61,000	80,200	141,200
Total	324,100	125,200	449,300

Gedling will continue to identify efficiencies for the whole of the five-year Medium-Term Financial Plan, despite current expectations that Local Government Reorganisation will mean that Gedling will no longer exist after 1 April 2028. Most of the efficiencies needed to be delivered up to 1 April 2028 are included in the £1,130,500 that have already been identified, leaving the £2,538,800 to be delivered between 2029/30 – 2030/31. Further updates of proposed efficiencies will be brought to Cabinet during 2026/27.

2.6.4 Proposed Revenue Resource Developments

The Revenue Resource Developments detailed in the paragraph 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 2026/27

For 2026/27 there are three revenue resource bids:

- Domestic Waste Round redesign of £30,000. The service is continuing in its transformation journey and requires some project management to utilise the new whitespace system to review the waste collection rounds for optimisation and improved service delivery. These is a one-off bid which is to be funded by earmarked reserves and is expected to realise efficiencies over the next few years.
- Gedling County Park Ecological Surveys £12,600, the park is due a full wildlife review to inform the Ecological Management Plan. This is a one-off bid and is to be funded from earmarked reserves.
- The Workforce training budget has been increased by £21,000 for Enhanced DBS checks for staff along with Digital Training and Mental Health awareness training for Managers. This is an increased budget to ensure all colleagues are up to date with training. There will be an ongoing budget commitment to ensure continuing training standards are met.

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) Revision of the Councils Digital, Data & Technology Strategy and Management Restructure

The budget for the Digital, Data & Technology Strategy and the Management Restructure approved in previous years was to be part funded by the NNDR Pool Earmarked Reserve. The Business Rates Reset outlined above set out a different funding model for pooling gains and the impact of this is that the Pool will no longer be viable and has been dissolved for 2026/27 onwards. Whilst there are still sufficient funds in the reserve to fund the 2026/27 programme of £319,200, the funding will revert to the general fund in subsequent years.

The transformation programme will be reviewed in 2026/27 to ensure that in the context of Local Government Reorganisation, the expenditure still realises tangible benefits in the remaining two years that Gedling will operate.

2.6.5 **Discretionary Income Inflation**

The Medium-Term Financial Plan includes income inflation on discretionary income at 3.5% for 2026/27, 2027/28, 2028/29, 2029/30 and 2030/31 (excluding leisure DNA memberships, garden waste, trade waste, building control, town centre car parking, taxi licencing), which equates to £130,100 in

2026/27 and the increase per Portfolio is shown in the table below. Each additional 1% increase will raise a further £37,200. This 3.5% is an average increase required for balancing the budget, however actual increases will be determined at service level and be dependent on the costs of service and legal powers to recover costs.

The Fees & Charges report and schedule for 2026/27 were approved at Cabinet on 29 January 2026.

2.6.6 **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 2025/26 and 2026/27 are detailed at Appendix 2 and show expected balances of £4.66m as at 31 March 2027. 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 2026/27 budget however, the classification of earmarked reserves will be kept under review and considered in the light of the outturn position for 2025/26 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 2026/27 the required minimum General Fund balance estimated at 31 March 2027 is £1,266,200 compared to the current projected closing balance of £5,669,600.

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. Despite the Fair Funding Review and the three year settlement for 2026/27-2028/29, significant pressures including the introduction of food waste collections (circa £1m) have not been adequately funded in the settlement, meaning the Council will have to rely on the use of the general fund reserve to fund these pressures and balance the budget. Other significant pressures including Homelessness and temporary accommodation costs, demand for other services, and high pay awards factor into the need for this minimum balance. For these reasons the Chief Finance Officer will not recommend a reduction in the minimum balance for 2026/27.

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.

2.6.7 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 2026/27 through to 2030/31 due to an expected large capital receipt. 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.

2.6.8 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 as 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 surplus of £0.571m was declared on 15 January 2026 for the estimated position at 31 March 2026. The surplus of £0.571m will be shared by the preceptors with the sum of **£0.050m** being added to Gedling's General Fund in 2026/27.

Business Rates

The estimated Business Rates Collection Fund deficit at 31 March 2026 of £1.334m was declared in January 2026, of which Gedling's share is £0.534m (40%) and will be charged to the General Fund in 2026/27.

2.6.9 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 five-year horizon. Although the Government announcement on reorganisation has been made and expected timelines for delivery are within the five-year plan, the Council has decided that it will still prepare a five-year forecast in the absence of a full and final decision.
- 3.2 The MTFP 2026/27 to 2030/31 is presented against a backdrop of economic uncertainty from previous years the impact, inflation, energy prices and problems in the global supply chain, are still having an impact also significant increase in homelessness and shortage of available housing. In addition, Local Government Reorganisation throws another unknown equation into the matrix. Other factors contributing to uncertainty associated with the MTFP include:
- The Insufficient funding in the three-year financial settlement to address legislative changes in food waste.
 - Continued upward pressure on pay awards in response to skills shortages in key service areas.
 - The removal of 50% pooling gains between the provisional and final financial settlement.
 - Potential costs of Local Government Reorganisation and what is expected to be the Council's responsibility to meet that cost out of its own resources.
- 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 2.6.3).
 - The incremental increase in base revenue expenditure from 2026/27 and budget growth items (paragraph 2.6.4).
 - Pay Award of 3% for 2026/27 and 2% per annum from 2029/30 onwards. The April 2027 pay award for local government staff will not be known for some time, it is not currently anticipated to be the same as that awarded in 2025/26. 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. In addition, staff retention is expected to be a concern in the run up to Local Government Reorganisation.
 - Anticipated cost of borrowing to finance the capital programme for 2026-2031.

- A 2.99% Band D Council Tax has been assumed for 2026/27. Beyond that a 2.99% 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, the achievement of efficiency savings and Local Government Reorganisation.
- 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, efficiencies are required as set out in section 2.6.3:

The following table demonstrates a balanced Medium Term Financial Plan, maintaining minimum balances at the end of year 5 (2030/31) subject to identifying and delivery of significant efficiencies. The current forecast expects a contribution to the General Fund Reserve in 2026/27, however from 2027/28 onwards requires significant drawdowns from the General Fund in order to maintain service delivery at current operational levels. From 31 March 2029 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.

The income from the Extended Producer Responsibility has been included in the MTFP as it is a non-ringfenced grant. Despite DEFRA only confirming allocations for 2026/27 it is envisaged that this grant will continue over the course of the Medium-Term Financial Plan. The funding does assume a decrease over the next few years to ensure prudence, however it should be noted that if this grant does not continue the Council would face a significant challenge to balance its budgets requiring an additional £2m of efficiencies to be delivered by the end of 2028/29.

Further consideration of the Adjustment Support Grant for 2027/28 onwards have not been included in the MTFP for prudence, however it is expected that these will be forthcoming as part of future financial settlements.

MEDIUM TERM FINANCIAL PLAN 2026/27 TO 2030/31 - HIGH LEVEL SUMMARY

	2026/27	2027/28	2028/29	2029/30	2030/31
	£	£	£	£	£
Net Council Budget	16,882,300	18,433,100	18,815,600	17,719,400	17,341,100
Financed by					
NNDR Including baseline Funding	(3,156,200)	(3,224,200)	(3,285,400)	(3,347,200)	(3,410,300)
SFA – Revenue Support Grant	(4,094,900)	(3,755,700)	(3,391,300)	(3,391,300)	(3,391,300)
Recovery Grant (New)	(49,100)	(49,100)	(49,100)	(49,100)	(49,100)
Adjustment Support Grant	(399,800)	0	0	0	0
Extended Producer Responsibility Funding (New)	(1,304,800)	(1,203,700)	(1,233,800)	(1,264,600)	(1,296,200)
Council Tax Collection Fund Surplus	(50,000)	0	0	0	0
Less:					
Amount from General Fund to Balance Core Budget	(180,100)	1,771,300	2,045,300	524,000	28,500
Council Tax Requirement	8,007,600	8,429,100	8,810,700	9,143,200	9,165,700
Council Tax increase	2.99%	2.99%	2.99%	2.99%	2.99%
Tax Base	39,975	39,975	40,575	41,174	41,783
Expected balances at year end	(5,669,600)	(3,898,300)	(1,852,900)	(1,328,900)	(1,300,600)
)Required balance	1,266,200	1,382,500	1,411,100	1,328,900	1,300,600
(Surplus)/Deficit on required balances	(4,403,400)	(2,515,800)	(441,800)	0	0

The MTFP above assumes that a 2.99% increase will be applied between 2026/27 and 2030/31, but the actual increase will be determined on an annual basis by Council.

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 2026/27.

- 4.2 Gedling’s share of the council tax for a band D property for 2026/27 is £200.32. The level of council tax for 2026/27 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 £77,751. In the above MTFP a 2.99% (equivalent to £5.82) increase has been assumed for 2026/27. **The MTFP at paragraph 3.2 assumes that a 2.99% 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 more than £5. To illustrate the impact of the proposed 2.99% 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	£3.86	£4.51	£5.15	£5.82	£7.08	£8.37	£9.65	£11.58
Week	7p	9p	10p	11p	14p	16p	19p	22p

- 4.3 At its meeting on 21 January 2026, 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 Chartered Institute of Public Finance and Accountancy (CIPFA) Financial Management Code reinforces this requirement stating that the statement in relation to the proposed financial reserves should consider whether the level of general reserves is appropriate for the risks (both internal and external) to which the Council is exposed and give reassurance that the authority’s financial management processes and procedures are able to manage those risks.

The key strategic risks in considering the 2026/27 revenue budget proposals and Capital Programme in the context of the Medium-Term Financial Plan are set out in below.

- Whilst the economy has growth during 2026/27, and interest rates have fallen they have not decreased as much as was initially expected.
- The Fair Funding review has not provided sufficient funding for ongoing pressures including legislative changes around food waste, resulting in the Council needing to fund this from its own resources.
- A number of previously separate grants have been rolled into the Revenue Support Grant, and other grants being ring-fenced meaning that in real terms the Council has had a cash increase in grants for 2026/27 but faces a decrease from 2027/28 onwards.
- The Business Rates Reset has resulted in a 50% loss of pooling gains usually received by Gedling, and whilst the Government have put transitional protection in for 2026/27, there is currently no such protection for subsequent years representing a real loss to Council funding.
- The Extended Producer Responsibility grant has been included in the MTFP to balance the budget and fund food waste collections, however there is only a one-year allocation from DEFRA and a loss of this grant would cause a significant pressure on the MTFP.
- The Government's Core Spending Power figures are based on assumptions that 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 balance of the MTFP relies on significant efficiencies being delivered over the five-year term. Currently the Council has sufficient reserves to continue as a viable council until 2028/29, however significant efficiencies will be required in the remaining two years. Whilst Local Government Reorganisation expects new unitary authorities to take over on 1 April 2028, any deferment of these dates will put additional pressure on Gedling to balance the budget.

5.2 The MTFP is based on a forecast of the best available information we have at this time; there are a number of assumptions built in around the continuation of future funding streams which creates a risk arising from these assumptions. 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 in later years could be a significant challenge to deliver.

- 5.9 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 the expected dates for Local Government Reorganisation change.

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 2029 and efficiency plans to meet the approved targets will continue to be implemented and developed over the next 2 years to help balance the MTFP, and ensure that Gedling enters LGR as a viable Council.</p>
Viability	High	<p>The three-year financial settlement did not alleviate the challenges and pressures faced by the Council in delivering its statutory services. Increase in service demand led by the cost-of-living crisis 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	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. However, restrictions placed on surplus generating fees results in income not being able to be used to fund other core services. The cost-of-living crisis presents an additional risk to income levels for discretionary services.
Profile	High	The achievement of a balanced and sustainable MTFP is reliant upon the effective delivery of the efficiency programme, with £676,000 due for delivery in 2026/27. In the absence of additional funding in the next Local Government Financial Settlement, or reduced inflationary pressures, further budget reductions totalling £2,993,300 over 2027-31 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.

Service leads 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 2026/27.

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 2026/27. 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 Legacy Plan 2026-2028, the Annual Delivery Plan 2026/27 which sets out the priorities and Council objectives for the coming year, as well as due regard to statutory requirements.

12. **Carbon Reduction/Environmental Sustainability Implications**

The Council has committed through the Gedling Legacy Plan 2026-2028 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 2026/27
- Appendix 2 - Movement in Earmarked Reserves
- Appendix 3 - Council Tax Collection Fund Estimate 2026/27
- Appendix 4 - Summary of Budget Reduction Proposals 2026/27
- Appendix 5 - Annual Delivery Plan 2026/27

14. Background Papers

- Central Government Report – Local Government Finance Report 2026/27
- Prudential and Treasury Indicators and Treasury Management Strategy Statement 2026/27
- Capital Programme and Capital Investment Strategy 2026/27 to 2030/31
- Gedling Plan 2023-27
- Gedling Legacy Plan 2026-2028

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: 12 February 2026

Approved by: Monitoring Officer

Date: 12 February 2026

Portfolio Summary - Revenue Budget 2026-2027

Portfolio	Actual 2024-2025	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Communities and Place	362,156	326,800	(0)	(326,800)
Lifestyles, Health & Wellbeing	1,591,911	1,748,300	1,963,000	214,700
Public Protection	1,593,820	1,352,000	1,900,200	548,200
Environmental Services	4,481,117	4,514,900	5,593,800	1,078,900
Climate Change and Natural Habitat	2,119,917	1,923,000	1,993,100	70,100
Sustainable Growth and Economy	2,642,814	1,748,900	1,616,000	(132,900)
Corporate Resources and Performance	2,156,066	4,778,500	6,067,400	1,288,900
Net Portfolio Budget	14,947,801	16,392,400	19,133,500	2,741,100
Transfer to/from Earmarked Reserves	(9,901)	(808,200)	(2,251,200)	(1,443,000)
Net Council Budget	14,937,900	15,584,200	16,882,300	1,298,100
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	17,663,504	18,887,800	19,511,800	624,000
Premises Related Expenses	2,854,310	2,780,200	2,740,500	(39,700)
Transport Related Expenses	770,311	843,200	760,000	(83,200)
Supplies & Services	8,448,187	5,785,300	6,194,000	408,700
Third Party Payments	259,829	308,200	223,100	(85,100)
Transfer Payments	18,890,571	16,936,900	16,936,900	0
Capital Interest	1,571,489	1,676,600	2,990,600	1,314,000
Revenue Income	(35,510,495)	(30,825,800)	(30,223,400)	602,400
Controllable	14,947,705	16,392,400	19,133,500	2,741,100
Consisting of				
Premises Related Recharges	155,672	160,800	172,500	11,700
Transport Related Recharges	2,129,009	2,173,000	1,920,300	(252,700)
Supplies & Services Related Recharges	301,156	367,900	432,700	64,800
Central Support and Service Admin	7,035,110	7,666,200	9,416,400	1,750,200
Internal Recharges	(9,620,850)	(10,367,900)	(11,941,900)	(1,574,000)
Recharges	96	0	0	0
Consisting of				
Capital Financing Charges	7,323,317	3,407,400	3,301,000	(106,400)
Capital Entries	(7,323,317)	(3,407,400)	(3,301,000)	106,400
Capital	0	0	0	0
Net Portfolio Revenue Budget	14,947,801	16,392,400	19,133,500	2,741,100
Consisting of				
Transfer to Reserves	2,077,030	439,100	293,900	(145,200)
Transfer from Reserves	(2,086,931)	(1,247,300)	(2,545,100)	(1,297,800)
Reserves	(9,901)	(808,200)	(2,251,200)	(1,443,000)
Transfer to/from Earmarked Reserves	(9,901)	(808,200)	(2,251,200)	(1,443,000)
Net Council Budget	14,937,900	15,584,200	16,882,300	1,298,100

Communities and Place

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Community Grants	313,092	262,000	0	(262,000)
Events	49,064	64,800	0	(64,800)
Total Communities and Place Portfolio Budget	362,156	326,800	0	(326,800)
Transfer to/from Earmarked Reserves				
Total Reserves	(54,487)	(18,000)	0	18,000
TOTAL	307,669	308,800	0	(308,800)
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	113,627	120,900	0	(120,900)
Supplies & Services	377,031	136,400	0	(136,400)
Revenue Income	(191,799)	0	0	0
Controllable	298,859	257,300	0	(257,300)
Consisting of				
Supplies & Services Related Recharges	1,445	1,700	(0)	(1,700)
Central Support and Service Admin	61,851	65,800	0	(65,800)
Recharges	63,296	67,500	(0)	(67,500)
Consisting of				
Capital Financing Charges	0	2,000	0	(2,000)
Capital	0	2,000	0	(2,000)
Total Communities and Place	362,156	326,800	(0)	(326,800)
Consisting of				
Transfer from Reserves	(54,487)	(18,000)	0	18,000
Reserves	(54,487)	(18,000)	0	18,000
Transfer to/from Earmarked Reserves	(54,487)	(18,000)	0	18,000
TOTAL	307,669	308,800	(0)	(308,800)

	Actual	Original	Original	Variance to
R420 Community Grants	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	102,962	106,200	0	(106,200)
Supplies & Services	272,256	99,700	0	(99,700)
Revenue Income	(113,471)	0	0	0
Controllable	261,748	205,900	0	(205,900)
Supplies & Services Related Recharges	1,274	1,500	0	(1,500)
Central Support and Service Admin	50,071	54,600	0	(54,600)
Recharges	51,345	56,100	0	(56,100)
Transfer from Reserves	(54,487)	(15,000)	0	15,000
Reserves	(54,487)	(15,000)	0	15,000
Total	258,606	247,000	0	(247,000)

	Actual	Original	Original	Variance to
R780 Events	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	10,665	14,700	0	(14,700)
Supplies & Services	104,775	36,700	0	(36,700)
Revenue Income	(78,328)	0	0	0
Controllable	37,112	51,400	0	(51,400)
Supplies & Services Related Recharges	172	200	(0)	(200)
Central Support and Service Admin	11,780	11,200	0	(11,200)
Recharges	11,952	11,400	(0)	(11,400)
Capital Financing Charges	0	2,000	0	(2,000)
Capital	0	2,000	0	(2,000)
Transfer from Reserves	0	(3,000)	0	3,000
Reserves	0	(3,000)	0	3,000
Total	49,064	61,800	0	(61,800)

Lifestyles, Health & Wellbeing

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Leisure Services Division	19,683	10,400	71,700	61,300
Calverton Leisure Centre	176,712	302,200	346,000	43,800
Carlton Forum Leisure Centre	25,047	23,400	94,900	71,500
Redhill Leisure Centre	229,473	288,600	324,500	35,900
Arnold Theatre	177,807	182,400	222,700	40,300
Arnold Leisure Centre	393,807	390,900	407,600	16,700
Richard Herrod Centre	515,147	476,900	495,600	18,700
The Arts & Tourism	45,908	58,300	(0)	(58,300)
Health & Wellbeing	8,328	15,200	(0)	(15,200)
Total Lifestyles, Health & Wellbeing Portfolio Budget	1,591,911	1,748,300	1,963,000	214,700
Transfer to/from Earmarked Reserves				
Total Reserves	(8,928)	18,000	(33,900)	(51,900)
TOTAL	1,582,984	1,766,300	1,929,100	162,800
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	3,227,044	3,446,400	3,596,700	150,300
Premises Related Expenses	1,233,463	1,315,100	1,325,800	10,700
Transport Related Expenses	2,419	3,700	3,200	(500)
Supplies & Services	716,516	574,200	574,200	0
Capital Interest	1,849	0	0	0
Revenue Income	(4,589,996)	(4,674,100)	(4,730,800)	(56,700)
Controllable	591,296	665,300	769,100	103,800
Consisting of				
Premises Related Recharges	54,265	47,100	46,400	(700)
Supplies & Services Related Recharges	33,683	38,900	48,600	9,700
Central Support and Service Admin	652,832	747,200	847,200	100,000
Recharges	740,781	833,200	942,200	109,000
Consisting of				
Capital Financing Charges	259,835	249,800	251,700	1,900
Capital	259,835	249,800	251,700	1,900
Total Lifestyles, Health & Wellbeing	1,591,911	1,748,300	1,963,000	214,700
Consisting of				
Transfer to Reserves	36,179	18,000	18,000	0
Transfer from Reserves	(45,106)	0	(51,900)	(51,900)
Reserves	(8,928)	18,000	(33,900)	(51,900)
Transfer to/from Earmarked Reserves	(8,928)	18,000	(33,900)	(51,900)
TOTAL	1,582,984	1,766,300	1,929,100	162,800

	Actual	Original	Original	Variance to
R700 Leisure Services Division	2024-2025	Budget	Budget	Original
	£	£	£	Budget
				2025-2026
				£
Employee Expenses	15,068	0	51,300	51,300
Transport Related Expenses	0	0	0	0
Supplies & Services	1,027	0	2,000	2,000
Controllable	16,095	0	53,300	53,300
Central Support and Service Admin	3,588	4,900	11,500	6,600
Recharges	3,588	4,900	11,500	6,600
Capital Financing Charges	0	5,500	6,900	1,400
Capital	0	5,500	6,900	1,400
Transfer from Reserves	(16,095)	0	(51,900)	(51,900)
Reserves	(16,095)	0	(51,900)	(51,900)
Total	3,588	10,400	19,800	9,400

R725 Calverton Leisure Centre	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	390,996	475,600	523,200	47,600
Premises Related Expenses	166,277	198,900	201,800	2,900
Transport Related Expenses	330	600	600	0
Supplies & Services	78,637	72,100	72,100	0
Capital Interest	157	0	0	0
Revenue Income	(565,444)	(556,200)	(569,500)	(13,300)
Controllable	70,952	191,000	228,200	37,200
Premises Related Recharges	5,641	5,000	4,800	(200)
Supplies & Services Related Recharges	4,624	5,300	7,000	1,700
Central Support and Service Admin	91,196	100,900	106,000	5,100
Recharges	101,461	111,200	117,800	6,600
Capital Financing Charges	4,299	0	0	0
Capital	4,299	0	0	0
Transfer to Reserves	1,051	0	0	0
Reserves	1,051	0	0	0
Total	177,763	302,200	346,000	43,800

	Actual	Original	Original	Variance to
R730 Carlton Forum Leisure Centre	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
				£
Employee Expenses	1,063,780	1,122,200	1,196,000	73,800
Premises Related Expenses	358,299	417,400	420,300	2,900
Transport Related Expenses	465	800	800	0
Supplies & Services	246,572	198,500	198,500	0
Capital Interest	785	0	0	0
Revenue Income	(1,854,346)	(1,945,800)	(2,007,800)	(62,000)
Controllable	(184,445)	(206,900)	(192,200)	14,700
Premises Related Recharges	17,038	11,400	11,300	(100)
Supplies & Services Related Recharges	10,772	12,400	16,400	4,000
Central Support and Service Admin	177,609	205,100	259,400	54,300
Recharges	205,420	228,900	287,100	58,200
Capital Financing Charges	4,072	1,400	0	(1,400)
Capital	4,072	1,400	0	(1,400)
Transfer to Reserves	10,128	0	0	0
Transfer from Reserves	(10,000)	0	0	0
Reserves	128	0	0	0
Total	25,175	23,400	94,900	71,500

R735 Redhill Leisure Centre	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	
	£	£	£	£
Employee Expenses	440,076	491,400	521,400	30,000
Premises Related Expenses	141,938	159,800	162,000	2,200
Transport Related Expenses	391	200	200	0
Supplies & Services	109,573	85,200	85,200	0
Capital Interest	9	0	0	0
Revenue Income	(592,792)	(588,400)	(600,200)	(11,800)
Controllable	99,195	148,200	168,600	20,400
Premises Related Recharges	6,545	5,000	5,000	0
Supplies & Services Related Recharges	4,503	5,200	6,800	1,600
Central Support and Service Admin	102,838	116,500	130,400	13,900
Recharges	113,886	126,700	142,200	15,500
Capital Financing Charges	16,392	13,700	13,700	0
Capital	16,392	13,700	13,700	0
Transfer to Reserves	18,000	18,000	18,000	0
Transfer from Reserves	(17,509)	0	0	0
Reserves	491	18,000	18,000	0
Total	229,964	306,600	342,500	35,900

	Actual	Original	Original	Variance to
R740 Arnold Theatre	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	185,076	204,700	215,500	10,800
Premises Related Expenses	67,775	59,600	61,100	1,500
Transport Related Expenses	360	100	100	0
Supplies & Services	134,151	100,200	100,200	0
Capital Interest	63	0	0	0
Revenue Income	(265,470)	(246,300)	(243,200)	3,100
Controllable	121,956	118,300	133,700	15,400
Premises Related Recharges	0	300	300	0
Supplies & Services Related Recharges	1,847	2,200	3,000	800
Central Support and Service Admin	54,005	61,600	85,700	24,100
Recharges	55,852	64,100	89,000	24,900
Transfer from Reserves	(658)	0	0	0
Reserves	(658)	0	0	0
Total	177,150	182,400	222,700	40,300

R745 Arnold Leisure Centre	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	
	£	£	£	£
Employee Expenses	678,282	680,200	714,300	34,100
Premises Related Expenses	301,902	303,300	303,100	(200)
Transport Related Expenses	404	900	900	0
Supplies & Services	57,761	59,700	61,700	2,000
Capital Interest	318	0	0	0
Revenue Income	(919,189)	(941,800)	(989,700)	(47,900)
Controllable	119,477	102,300	90,300	(12,000)
Premises Related Recharges	12,392	12,600	12,400	(200)
Supplies & Services Related Recharges	6,789	7,800	10,200	2,400
Central Support and Service Admin	124,681	139,000	163,100	24,100
Recharges	143,862	159,400	185,700	26,300
Capital Financing Charges	130,467	129,200	131,600	2,400
Capital	130,467	129,200	131,600	2,400
Transfer from Reserves	(845)	0	0	0
Reserves	(845)	0	0	0
Total	392,962	390,900	407,600	16,700

	Actual	Original	Original	Variance to
R750 Richard Herrod Centre	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	336,603	349,200	375,000	25,800
Premises Related Expenses	197,273	176,100	177,500	1,400
Transport Related Expenses	340	600	600	0
Supplies & Services	83,993	54,500	54,500	0
Capital Interest	517	0	0	0
Revenue Income	(308,030)	(317,100)	(320,400)	(3,300)
Controllable	310,696	263,300	287,200	23,900
Premises Related Recharges	12,649	12,800	12,600	(200)
Supplies & Services Related Recharges	3,660	4,300	5,200	900
Central Support and Service Admin	83,537	96,500	91,100	(5,400)
Recharges	99,846	113,600	108,900	(4,700)
Capital Financing Charges	104,605	100,000	99,500	(500)
Capital	104,605	100,000	99,500	(500)
Total	515,147	476,900	495,600	18,700

	Actual	Original	Original	Variance to
R765 The Arts & Tourism	2024-2025	Budget	Budget	Original
	£	£	£	Budget
				2025-2026
				£
Employee Expenses	43,300	46,000	0	(46,000)
Transport Related Expenses	89	100	0	(100)
Supplies & Services	2,743	2,000	0	(2,000)
Revenue Income	(8,506)	0	0	0
Controllable	37,626	48,100	0	(48,100)
Supplies & Services Related Recharges	555	700	0	(700)
Central Support and Service Admin	7,727	9,500	0	(9,500)
Recharges	8,282	10,200	0	(10,200)
Transfer to Reserves	7,000	0	0	0
Reserves	7,000	0	0	0
Total	52,908	58,300	0	(58,300)

	Actual	Original	Original	Variance to
R770 Health & Wellbeing	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	73,862	77,100	0	(77,100)
Transport Related Expenses	41	400	0	(400)
Supplies & Services	2,059	2,000	0	(2,000)
Revenue Income	(76,218)	(78,500)	0	78,500
Controllable	(256)	1,000	0	(1,000)
Supplies & Services Related Recharges	933	1,000	0	(1,000)
Central Support and Service Admin	7,651	13,200	0	(13,200)
Recharges	8,584	14,200	0	(14,200)
Total	8,328	15,200	0	(15,200)

Public Protection

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Taxi Licencing	1,221	0	(9,900)	(9,900)
Other Licencing	69,572	94,200	100,200	6,000
Environmental Protection	339,106	290,300	250,600	(39,700)
Food, Health & Safety	302,403	299,800	311,200	11,400
Comm Protection & Dog Control	494,997	514,100	536,300	22,200
External Grant Schemes	(1,101)	0	4,900	4,900
Private Sector Housing	523,296	260,300	576,000	315,700
Selective Licensing	(135,675)	(106,700)	130,900	237,600
Total Public Protection Portfolio Budget	1,593,820	1,352,000	1,900,200	548,200
Transfer to/from Earmarked Reserves				
Total Reserves	155,654	162,500	(91,300)	(253,800)
TOTAL	1,749,474	1,514,500	1,808,900	294,400
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	1,270,486	1,279,900	1,282,900	3,000
Premises Related Expenses	3,702	11,600	12,200	600
Transport Related Expenses	5,481	11,900	11,900	0
Supplies & Services	228,164	250,100	224,600	(25,500)
Third Party Payments	22,927	19,000	17,000	(2,000)
Revenue Income	(1,012,132)	(1,129,800)	(830,100)	299,700
Controllable	518,627	442,700	718,500	275,800
Consisting of				
Transport Related Recharges	25,328	23,800	14,000	(9,800)
Supplies & Services Related Recharges	108,192	150,200	125,900	(24,300)
Central Support and Service Admin	611,696	722,900	703,000	(19,900)
Internal Recharges	0	(5,800)	(5,800)	0
Recharges	745,217	891,100	837,100	(54,000)
Consisting of				
Capital Financing Charges	2,047,568	1,218,200	1,414,600	196,400
Capital Entries	(1,717,592)	(1,200,000)	(1,070,000)	130,000
Capital	329,976	18,200	344,600	326,400
Total Public Protection	1,593,820	1,352,000	1,900,200	548,200
Consisting of				
Transfer to Reserves	167,975	162,500	35,800	(126,700)
Transfer from Reserves	(12,321)	0	(127,100)	(127,100)
Reserves	155,654	162,500	(91,300)	(253,800)
Transfer to/from Earmarked Reserves	155,654	162,500	(91,300)	(253,800)
TOTAL	1,749,474	1,514,500	1,808,900	294,400

	Actual	Original	Original	Variance to
R100 Taxi Licencing	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	99,112	109,800	111,500	1,700
Premises Related Expenses	1,292	0	0	0
Transport Related Expenses	2	0	0	0
Supplies & Services	25,076	70,400	50,400	(20,000)
Revenue Income	(431,097)	(523,600)	(475,700)	47,900
Controllable	(305,615)	(343,400)	(313,800)	29,600
Supplies & Services Related Recharges	92,537	131,800	101,900	(29,900)
Central Support and Service Admin	214,300	211,600	202,000	(9,600)
Recharges	306,837	343,400	303,900	(39,500)
Transfer from Reserves	(12,321)	0	0	0
Reserves	(12,321)	0	0	0
Total	(11,100)	(0)	(9,900)	(9,900)

	Actual	Original	Original	Variance to
R101 Other Licencing	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	106,904	121,600	130,600	9,000
Transport Related Expenses	403	0	0	0
Supplies & Services	1,035	1,900	1,900	0
Revenue Income	(111,439)	(104,800)	(104,800)	0
Controllable	(3,097)	18,700	27,700	9,000
Supplies & Services Related Recharges	1,333	1,600	2,000	400
Central Support and Service Admin	71,336	73,900	70,500	(3,400)
Recharges	72,669	75,500	72,500	(3,000)
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	69,572	94,200	100,200	6,000

	Actual	Original	Original	Variance to
R200 Environmental Protection	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	
	£	£	£	£
Employee Expenses	227,495	240,600	175,700	(64,900)
Transport Related Expenses	978	1,600	1,600	0
Supplies & Services	30,440	18,600	16,700	(1,900)
Third Party Payments	0	2,000	0	(2,000)
Revenue Income	(20,429)	(89,800)	(42,100)	47,700
Controllable	238,485	173,000	151,900	(21,100)
Transport Related Recharges	11,277	10,400	2,200	(8,200)
Supplies & Services Related Recharges	2,895	3,500	4,100	600
Central Support and Service Admin	86,448	109,200	98,200	(11,000)
Internal Recharges	0	(5,800)	(5,800)	0
Recharges	100,621	117,300	98,700	(18,600)
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	339,106	290,300	250,600	(39,700)

	Actual	Original	Original	Variance to
R205 Food, Health & Safety	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	£
Employee Expenses	236,760	224,600	233,100	8,500
Transport Related Expenses	1,967	3,700	3,700	0
Supplies & Services	5,686	6,700	6,700	0
Revenue Income	(1,844)	(11,800)	(8,900)	2,900
Controllable	242,570	223,200	234,600	11,400
Supplies & Services Related Recharges	2,595	3,000	3,700	700
Central Support and Service Admin	57,238	73,600	72,900	(700)
Recharges	59,833	76,600	76,600	0
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	302,403	299,800	311,200	11,400

R215 Comm Protection & Dog Control	Actual	Original Budget	Original Budget	Variance to Original Budget
	2024-2025	2025-2026	2026-2027	2025-2026
	£	£	£	£
Employee Expenses	264,885	217,400	240,000	22,600
Premises Related Expenses	2,410	11,600	12,200	600
Transport Related Expenses	198	1,600	1,600	0
Supplies & Services	94,865	81,300	77,700	(3,600)
Third Party Payments	22,927	17,000	17,000	0
Revenue Income	(42,494)	(26,200)	(26,200)	0
Controllable	342,791	302,700	322,300	19,600
Transport Related Recharges	14,051	13,400	11,800	(1,600)
Supplies & Services Related Recharges	4,483	5,200	5,500	300
Central Support and Service Admin	120,667	174,600	182,100	7,500
Recharges	139,201	193,200	199,400	6,200
Capital Financing Charges	13,005	18,200	14,600	(3,600)
Capital	13,005	18,200	14,600	(3,600)
Transfer to Reserves	32,300	55,800	35,800	(20,000)
Transfer from Reserves	0	0	0	0
Reserves	32,300	55,800	35,800	(20,000)
Total	527,297	569,900	572,100	2,200

	Actual	Original	Original	Variance to
R220 External Grant Schemes	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Supplies & Services	53,135	54,600	54,600	0
Revenue Income	(54,235)	(54,600)	(54,600)	0
Controllable	(1,101)	0	0	0
Central Support and Service Admin	0	0	4,900	4,900
Recharges	0	0	4,900	4,900
Total	(1,101)	0	4,900	4,900

	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
R600 Private Sector Housing	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	£
Employee Expenses	176,228	201,300	192,600	(8,700)
Transport Related Expenses	1,342	4,500	4,500	0
Supplies & Services	7,954	5,700	5,700	0
Revenue Income	(30,697)	(21,700)	(18,700)	3,000
Controllable	154,828	189,800	184,100	(5,700)
Supplies & Services Related Recharges	2,391	2,800	5,800	3,000
Central Support and Service Admin	49,107	67,700	56,100	(11,600)
Recharges	51,498	70,500	61,900	(8,600)
Capital Financing Charges	2,034,563	1,200,000	1,400,000	200,000
Capital Entries	(1,717,592)	(1,200,000)	(1,070,000)	130,000
Capital	316,971	0	330,000	330,000
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	523,296	260,300	576,000	315,700

	Actual	Original	Original	Variance to
R605 Selective Licensing	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	159,101	164,600	199,400	34,800
Transport Related Expenses	591	500	500	0
Supplies & Services	9,972	10,900	10,900	0
Revenue Income	(319,898)	(297,300)	(99,100)	198,200
Controllable	(150,233)	(121,300)	111,700	233,000
Supplies & Services Related Recharges	1,958	2,300	2,900	600
Central Support and Service Admin	12,600	12,300	16,300	4,000
Recharges	14,558	14,600	19,200	4,600
Transfer to Reserves	135,675	106,700	0	(106,700)
Transfer from Reserves	0	0	(127,100)	(127,100)
Reserves	135,675	106,700	(127,100)	(233,800)
Total	0	(0)	3,800	3,800

Environmental Services

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Waste Other	(23,102)	(6,000)	26,400	32,400
Waste Recycling	1,891,347	1,775,400	251,500	(1,523,900)
Waste Residual	1,339,936	1,566,700	4,113,000	2,546,300
Waste Services	0	0	0	0
Street Care	1,266,229	1,178,800	1,202,900	24,100
Environment Service Support	(0)	0	0	0
Fleet Management	6,706	0	0	(0)
Total Environmental Services Portfolio Budget	4,481,117	4,514,900	5,593,800	1,078,900
Transfer to/from Earmarked Reserves				
Total Reserves	174,884	0	(30,000)	(30,000)
TOTAL	4,656,001	4,514,900	5,563,800	1,048,900
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	4,000,654	3,905,000	4,608,600	703,600
Premises Related Expenses	4,208	6,200	6,200	0
Transport Related Expenses	744,314	794,700	714,400	(80,300)
Supplies & Services	710,827	555,100	831,100	276,000
Third Party Payments	49,667	14,900	24,900	10,000
Revenue Income	(2,093,578)	(2,021,400)	(2,183,400)	(162,000)
Controllable	3,416,091	3,254,500	4,001,800	747,300
Consisting of				
Premises Related Recharges	5,012	5,700	3,700	(2,000)
Transport Related Recharges	1,691,303	1,722,800	1,531,800	(191,000)
Supplies & Services Related Recharges	40,207	46,200	67,300	21,100
Central Support and Service Admin	1,165,488	1,185,200	1,806,500	621,300
Internal Recharges	(2,481,803)	(2,479,200)	(2,289,000)	190,200
Recharges	420,207	480,700	1,120,300	639,600
Consisting of				
Capital Financing Charges	644,819	779,700	471,700	(308,000)
Capital	644,819	779,700	471,700	(308,000)
Total Environmental Services	4,481,117	4,514,900	5,593,800	1,078,900
Consisting of				
Transfer to Reserves	233,708	0	0	0
Transfer from Reserves	(58,824)	0	(30,000)	(30,000)
Reserves	174,884	0	(30,000)	(30,000)
Transfer to/from Earmarked Reserves	174,884	0	(30,000)	(30,000)
TOTAL	4,656,001	4,514,900	5,563,800	1,048,900

	Actual	Original	Original	Variance to
R500 Waste Other	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	429,660	478,600	555,800	77,200
Supplies & Services	67,812	66,500	66,500	0
Third Party Payments	11,200	11,200	0	(11,200)
Revenue Income	(956,863)	(964,200)	(1,047,500)	(83,300)
Controllable	(448,191)	(407,900)	(425,200)	(17,300)
Transport Related Recharges	238,790	227,200	199,500	(27,700)
Supplies & Services Related Recharges	4,836	5,600	7,800	2,200
Central Support and Service Admin	181,463	169,100	244,300	75,200
Recharges	425,089	401,900	451,600	49,700
Total	(23,102)	(6,000)	26,400	32,400

	Actual	Original	Original	Variance to
R501 Waste Recycling	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget 2025-
	£	£	£	2026
				£
Employee Expenses	1,131,285	1,031,900	258,500	(773,400)
Supplies & Services	54,607	27,100	8,200	(18,900)
Revenue Income	(186,651)	(180,000)	(180,000)	0
Controllable	999,241	879,000	86,700	(792,300)
Transport Related Recharges	593,639	594,600	117,100	(477,500)
Supplies & Services Related Recharges	10,997	12,600	7,200	(5,400)
Central Support and Service Admin	287,470	289,200	40,500	(248,700)
Recharges	892,107	896,400	164,800	(731,600)
Total	1,891,347	1,775,400	251,500	(1,523,900)

	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025- 2026 £
R502 Waste Residual				
Employee Expenses	1,085,385	1,203,300	2,539,100	1,335,800
Premises Related Expenses	0	0	0	0
Transport Related Expenses	0	400	400	0
Supplies & Services	371,859	336,400	635,300	298,900
Third Party Payments	2,356	1,500	12,700	11,200
Revenue Income	(914,382)	(831,100)	(909,800)	(78,700)
Controllable	545,219	710,500	2,277,700	1,567,200
Transport Related Recharges	500,097	538,100	877,700	339,600
Supplies & Services Related Recharges	10,441	12,000	32,700	20,700
Central Support and Service Admin	357,170	359,400	978,200	618,800
Internal Recharges	(72,991)	(53,300)	(53,300)	0
Recharges	794,717	856,200	1,835,300	979,100
Transfer to Reserves	233,708	0	0	0
Transfer from Reserves	(33,911)	0	(30,000)	(30,000)
Reserves	199,797	0	(30,000)	(30,000)
Total	1,539,734	1,566,700	4,083,000	2,516,300

	Actual	Original	Original	Variance to
R503 Waste Services	2024-2025	Budget	Budget	Original
		2025-2026	2026-2027	Budget 2025-
	£	£	£	2026
				£
Employee Expenses	(0)	0	0	0
Transport Related Expenses	0	0	0	0
Supplies & Services	0	0	0	0
Third Party Payments	0	0	0	0
Controllable	(0)	0	0	0
Central Support and Service Admin	0	0	400	400
Internal Recharges	0	0	(400)	(400)
Recharges	0	0	0	0
Total	0	0	0	0

	Actual	Original	Original	Variance to
R505 Street Care	2024-2025	Budget	Budget	Original
	£	2025-2026	2026-2027	Budget 2025-
	£	£	£	2026
Employee Expenses	745,700	698,200	724,800	26,600
Premises Related Expenses	4,208	6,200	6,200	0
Transport Related Expenses	0	400	400	0
Supplies & Services	138,147	90,500	85,500	(5,000)
Third Party Payments	0	2,200	2,200	0
Revenue Income	(7,513)	(11,100)	(11,100)	0
Controllable	880,542	786,400	808,000	21,600
Transport Related Recharges	278,118	270,100	237,300	(32,800)
Supplies & Services Related Recharges	8,200	9,400	11,500	2,100
Central Support and Service Admin	99,369	112,900	146,100	33,200
Recharges	385,687	392,400	394,900	2,500
Transfer from Reserves	(18,207)	0	0	0
Reserves	(18,207)	0	0	0
Total	1,248,022	1,178,800	1,202,900	24,100

	Actual	Original	Original	Variance to
R514 Environment Service Support	2024-2025	Budget	Budget	Original
		2025-2026	2026-2027	Budget 2025-
	£	£	£	2026
				£
Employee Expenses	179,359	109,300	132,800	23,500
Transport Related Expenses	164	100	100	0
Supplies & Services	873	1,000	1,000	0
Controllable	180,396	110,400	133,900	23,500
Supplies & Services Related Recharges	1,722	2,000	2,500	500
Central Support and Service Admin	87,220	103,100	178,800	75,700
Internal Recharges	(269,338)	(215,500)	(315,200)	(99,700)
Recharges	(180,396)	(110,400)	(133,900)	(23,500)
Total	(0)	0	0	0

	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025- 2026
	£	£	£	£
R555 Fleet Management				
Employee Expenses	429,265	383,700	397,600	13,900
Transport Related Expenses	744,150	793,800	713,500	(80,300)
Supplies & Services	77,529	33,600	34,600	1,000
Third Party Payments	36,110	0	10,000	10,000
Revenue Income	(28,170)	(35,000)	(35,000)	0
Controllable	1,258,884	1,176,100	1,120,700	(55,400)
Premises Related Recharges	5,012	5,700	3,700	(2,000)
Transport Related Recharges	80,659	92,800	100,200	7,400
Supplies & Services Related Recharges	4,010	4,600	5,600	1,000
Central Support and Service Admin	152,796	151,500	218,200	66,700
Internal Recharges	(2,139,474)	(2,210,400)	(1,920,100)	290,300
Recharges	(1,896,997)	(1,955,800)	(1,592,400)	363,400
Capital Financing Charges	644,819	779,700	471,700	(308,000)
Capital	644,819	779,700	471,700	(308,000)
Transfer from Reserves	(6,706)	0	0	0
Reserves	(6,706)	0	0	0
Total	0	0	0	0

Climate Change and Natural Habitat

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Climate Control & Sustainability	65,668	73,600	80,700	7,100
Parks	1,972,044	1,894,200	1,881,200	(13,000)
Parks - External Works	(22,367)	(37,800)	6,200	44,000
Cemeteries	104,571	(7,000)	25,000	32,000
Total Climate Change and Natural Habitat Portfolio				
Budget	2,119,917	1,923,000	1,993,100	70,100
Transfer to/from Earmarked Reserves				
Total Reserves	2,747	(28,700)	(44,400)	(15,700)
TOTAL	2,122,664	1,894,300	1,948,700	54,400
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	1,334,368	1,327,700	1,261,800	(65,900)
Premises Related Expenses	209,755	189,300	159,900	(29,400)
Transport Related Expenses	1,129	2,300	1,300	(1,000)
Supplies & Services	227,375	137,000	144,400	7,400
Third Party Payments	34,191	29,000	29,000	0
Revenue Income	(964,427)	(1,055,700)	(884,200)	171,500
Controllable	842,392	629,600	712,200	82,600
Consisting of				
Premises Related Recharges	38,416	26,200	27,000	800
Transport Related Recharges	411,118	425,100	373,400	(51,700)
Supplies & Services Related Recharges	14,220	16,300	19,700	3,400
Central Support and Service Admin	380,814	402,600	468,000	65,400
Internal Recharges	(13,465)	(28,000)	(28,000)	0
Recharges	831,102	842,200	860,100	17,900
Consisting of				
Capital Financing Charges	614,823	451,200	420,800	(30,400)
Capital Entries	(168,400)	0	0	0
Capital	446,423	451,200	420,800	(30,400)
Total Climate Change and Natural Habitat	2,119,917	1,923,000	1,993,100	70,100
Consisting of				
Transfer to Reserves	140,026	31,400	31,400	0
Transfer from Reserves	(137,279)	(60,100)	(75,800)	(15,700)
Reserves	2,747	(28,700)	(44,400)	(15,700)
Transfer to/from Earmarked Reserves	2,747	(28,700)	(44,400)	(15,700)
TOTAL	2,122,664	1,894,300	1,948,700	54,400

R117 Climate Control & Sustainability	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	£	£	£	Budget
				2025-2026
				£
Employee Expenses	57,671	60,700	65,200	4,500
Transport Related Expenses	370	0	0	0
Supplies & Services	3,627	7,900	7,900	0
Controllable	61,668	68,600	73,100	4,500
Supplies & Services Related Recharges	642	700	1,000	300
Central Support and Service Admin	3,358	4,300	6,600	2,300
Recharges	4,000	5,000	7,600	2,600
Total	65,668	73,600	80,700	7,100

	Actual	Original	Original	Variance to
R715 Parks	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	885,143	914,400	824,500	(89,900)
Premises Related Expenses	158,140	139,000	110,400	(28,600)
Transport Related Expenses	0	1,100	1,100	0
Supplies & Services	197,417	104,300	111,900	7,600
Third Party Payments	30,656	25,000	25,000	0
Revenue Income	(349,311)	(378,800)	(269,300)	109,500
Controllable	922,045	805,000	803,600	(1,400)
Premises Related Recharges	10,252	11,900	12,200	300
Transport Related Recharges	339,667	358,400	314,800	(43,600)
Supplies & Services Related Recharges	9,586	11,000	13,500	2,500
Central Support and Service Admin	260,260	274,400	330,200	55,800
Recharges	619,766	655,700	670,700	15,000
Capital Financing Charges	598,634	433,500	406,900	(26,600)
Capital Entries	(168,400)	0	0	0
Capital	430,234	433,500	406,900	(26,600)
Transfer to Reserves	140,026	31,400	31,400	0
Transfer from Reserves	(127,172)	(60,100)	(75,800)	(15,700)
Reserves	12,854	(28,700)	(44,400)	(15,700)
Total	1,984,899	1,865,500	1,836,800	(28,700)

	Actual	Original	Original	Variance to
R717 Parks - External Works	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	53,735	37,200	68,500	31,300
Premises Related Expenses	6,926	18,200	17,300	(900)
Supplies & Services	12,896	11,300	11,300	0
Third Party Payments	0	0	0	0
Revenue Income	(143,686)	(138,300)	(121,300)	17,000
Controllable	(70,129)	(71,600)	(24,200)	47,400
Premises Related Recharges	1,695	700	700	0
Transport Related Recharges	7,560	8,900	7,800	(1,100)
Supplies & Services Related Recharges	805	900	600	(300)
Central Support and Service Admin	43,877	44,000	44,200	200
Internal Recharges	(13,465)	(28,000)	(28,000)	0
Recharges	40,472	26,500	25,300	(1,200)
Capital Financing Charges	7,290	7,300	5,100	(2,200)
Capital	7,290	7,300	5,100	(2,200)
Total	(22,367)	(37,800)	6,200	44,000

	Actual	Original	Original	Variance to
R720 Cemeteries	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	337,820	315,400	303,600	(11,800)
Premises Related Expenses	44,690	32,100	32,200	100
Transport Related Expenses	759	1,200	200	(1,000)
Supplies & Services	13,434	13,500	13,300	(200)
Third Party Payments	3,535	4,000	4,000	0
Revenue Income	(471,430)	(538,600)	(493,600)	45,000
Controllable	(71,192)	(172,400)	(140,300)	32,100
Premises Related Recharges	26,468	13,600	14,100	500
Transport Related Recharges	63,890	57,800	50,800	(7,000)
Supplies & Services Related Recharges	3,186	3,700	4,600	900
Central Support and Service Admin	73,319	79,900	87,000	7,100
Recharges	166,864	155,000	156,500	1,500
Capital Financing Charges	8,899	10,400	8,800	(1,600)
Capital	8,899	10,400	8,800	(1,600)
Transfer from Reserves	(10,107)	0	0	0
Reserves	(10,107)	0	0	0
Total	94,464	(7,000)	25,000	32,000

Sustainable Growth and Economy

	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Division				
Development Service Support	0	0	(0)	(0)
Development Management	346,793	138,600	142,900	4,300
Planning Policy	488,517	445,600	466,200	20,600
Building Control Account	40,181	55,900	58,400	2,500
Building Control Fee Earning Account	42,785	0	(14,700)	(14,700)
Land Charges	(63,007)	(800)	(6,700)	(5,900)
Economic Development	755,738	376,500	383,600	7,100
Housing Needs	961,245	647,900	572,600	(75,300)
Housing Strategy	70,562	85,200	13,700	(71,500)
Total Sustainable Growth and Economy Portfolio Budget	2,642,814	1,748,900	1,616,000	(132,900)
Transfer to/from Earmarked Reserves				
Total Reserves	(557,984)	(81,000)	(30,400)	50,600
TOTAL	2,084,830	1,667,900	1,585,600	(82,300)
	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	2,216,833	2,052,100	2,001,600	(50,500)
Premises Related Expenses	112,801	91,900	91,900	0
Transport Related Expenses	6,105	16,800	16,800	0
Supplies & Services	2,180,206	812,400	773,400	(39,000)
Third Party Payments	9,600	13,600	13,600	0
Revenue Income	(2,684,643)	(2,179,100)	(2,380,900)	(201,800)
Controllable	1,840,903	807,700	516,400	(291,300)
Consisting of				
Premises Related Recharges	2,141	3,400	4,500	1,100
Supplies & Services Related Recharges	26,551	36,300	41,200	4,900
Central Support and Service Admin	821,317	901,100	1,075,400	174,300
Internal Recharges	(120,752)	(113,300)	(122,500)	(9,200)
Recharges	729,257	827,500	998,600	171,100
Consisting of				
Capital Financing Charges	72,654	113,700	101,000	(12,700)
Capital	72,654	113,700	101,000	(12,700)
Total Sustainable Growth and Economy	2,642,814	1,748,900	1,616,000	(132,900)
Consisting of				
Transfer to Reserves	261,459	51,000	124,200	73,200
Transfer from Reserves	(819,443)	(132,000)	(154,600)	(22,600)
Reserves	(557,984)	(81,000)	(30,400)	50,600
Transfer to/from Earmarked Reserves	(557,984)	(81,000)	(30,400)	50,600
TOTAL	2,084,830	1,667,900	1,585,600	(82,300)

	Actual	Original	Original	Variance to
R105 Development Service Support	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	£
Employee Expenses	97,476	86,100	88,000	1,900
Supplies & Services	546	3,700	3,700	0
Revenue Income	0	0	0	0
Controllable	98,023	89,800	91,700	1,900
Supplies & Services Related Recharges	1,038	1,200	1,500	300
Central Support and Service Admin	21,692	22,300	29,300	7,000
Internal Recharges	(120,752)	(113,300)	(122,500)	(9,200)
Recharges	(98,023)	(89,800)	(91,700)	(1,900)
Total	(0)	(0)	(0)	0

	Actual	Original	Original	Variance to
R110 Development Management	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	580,965	619,700	616,200	(3,500)
Transport Related Expenses	2,004	3,500	3,500	0
Supplies & Services	40,503	17,400	17,400	0
Revenue Income	(522,617)	(743,100)	(793,100)	(50,000)
Controllable	100,856	(102,500)	(156,000)	(53,500)
Supplies & Services Related Recharges	7,632	8,700	10,700	2,000
Central Support and Service Admin	238,306	232,400	288,200	55,800
Recharges	245,938	241,100	298,900	57,800
Transfer from Reserves	(37,656)	0	0	0
Reserves	(37,656)	0	0	0
Total	309,137	138,600	142,900	4,300

	Actual	Original	Original	Variance to
R115 Planning Policy	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	309,575	306,900	308,000	1,100
Transport Related Expenses	222	600	600	0
Supplies & Services	111,683	39,700	39,700	0
Third Party Payments	9,600	13,600	13,600	0
Revenue Income	(13,257)	(700)	(700)	0
Controllable	417,823	360,100	361,200	1,100
Supplies & Services Related Recharges	3,722	4,300	5,400	1,100
Central Support and Service Admin	65,971	80,200	98,600	18,400
Recharges	69,693	84,500	104,000	19,500
Capital Financing Charges	1,000	1,000	1,000	0
Capital	1,000	1,000	1,000	0
Transfer from Reserves	(168,328)	(80,800)	(83,400)	(2,600)
Reserves	(168,328)	(80,800)	(83,400)	(2,600)
Total	320,189	364,800	382,800	18,000

R120 Building Control Account	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	£	£	£	Budget
				2025-2026
				£
Employee Expenses	44,801	54,500	55,800	1,300
Transport Related Expenses	972	3,000	3,000	0
Supplies & Services	6,254	2,100	2,100	0
Revenue Income	(18,834)	(11,600)	(11,600)	0
Controllable	33,193	48,000	49,300	1,300
Supplies & Services Related Recharges	672	800	900	100
Central Support and Service Admin	6,317	7,100	8,200	1,100
Recharges	6,989	7,900	9,100	1,200
Total	40,181	55,900	58,400	2,500

R121 Building Control Fee Earning Account	Actual	Original Budget	Original Budget	Variance to Original Budget
	2024-2025	2025-2026	2026-2027	2025-2026
	£	£	£	£
Employee Expenses	179,822	177,300	179,500	2,200
Transport Related Expenses	2,426	7,000	7,000	0
Supplies & Services	2,882	4,000	4,000	0
Revenue Income	(175,609)	(250,700)	(250,700)	0
Controllable	9,522	(62,400)	(60,200)	2,200
Supplies & Services Related Recharges	2,174	2,500	3,000	500
Central Support and Service Admin	31,089	59,900	42,500	(17,400)
Recharges	33,263	62,400	45,500	(16,900)
Total	42,785	0	(14,700)	(14,700)

	Actual	Original	Original	Variance to
R172 Land Charges	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	£
Employee Expenses	7,712	3,400	2,700	(700)
Supplies & Services	47,917	24,400	24,400	0
Revenue Income	(155,267)	(69,200)	(69,200)	0
Controllable	(99,637)	(41,400)	(42,100)	(700)
Supplies & Services Related Recharges	38	5,800	5,900	100
Central Support and Service Admin	36,593	34,800	29,500	(5,300)
Recharges	36,631	40,600	35,400	(5,200)
Transfer to Reserves	39,567	0	0	0
Reserves	39,567	0	0	0
Total	(23,440)	(800)	(6,700)	(5,900)

	Actual	Original	Original	Variance to
R175 Economic Development	2024-2025	Budget	Budget	Original
	£	£	£	Budget
				2025-2026
				£
Employee Expenses	374,623	180,100	183,300	3,200
Premises Related Expenses	115	0	0	0
Transport Related Expenses	201	1,500	1,500	0
Supplies & Services	1,267,630	245,100	406,800	161,700
Revenue Income	(1,018,224)	(200,000)	(382,000)	(182,000)
Controllable	624,345	226,700	209,600	(17,100)
Supplies & Services Related Recharges	3,917	4,500	3,100	(1,400)
Central Support and Service Admin	127,475	145,300	170,900	25,600
Recharges	131,393	149,800	174,000	24,200
Transfer to Reserves	85,692	10,000	10,000	0
Transfer from Reserves	(428,015)	(51,200)	(51,200)	0
Reserves	(342,323)	(41,200)	(41,200)	0
Total	413,415	335,300	342,400	7,100

	Actual	Original	Original	Variance to
R630 Housing Needs	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	564,444	557,600	567,500	9,900
Premises Related Expenses	112,686	91,900	91,900	0
Transport Related Expenses	280	600	600	0
Supplies & Services	702,587	475,400	274,700	(200,700)
Revenue Income	(780,835)	(903,800)	(873,600)	30,200
Controllable	599,162	221,700	61,100	(160,600)
Premises Related Recharges	2,141	3,400	4,500	1,100
Supplies & Services Related Recharges	6,603	7,600	9,600	2,000
Central Support and Service Admin	281,685	302,500	397,400	94,900
Recharges	290,429	313,500	411,500	98,000
Capital Financing Charges	71,654	112,700	100,000	(12,700)
Capital	71,654	112,700	100,000	(12,700)
Transfer to Reserves	136,200	41,000	114,200	73,200
Transfer from Reserves	(185,443)	0	(20,000)	(20,000)
Reserves	(49,243)	41,000	94,200	53,200
Total	912,002	688,900	666,800	(22,100)

	Actual	Original	Original	Variance to
R640 Housing Strategy	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	57,414	66,500	600	(65,900)
Transport Related Expenses	0	600	600	0
Supplies & Services	203	600	600	0
Controllable	57,617	67,700	1,800	(65,900)
Supplies & Services Related Recharges	756	900	1,100	200
Central Support and Service Admin	12,189	16,600	10,800	(5,800)
Recharges	12,945	17,500	11,900	(5,600)
Total	70,562	85,200	13,700	(71,500)

Corporate Resources and Performance

Appendix 1

Division	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
HR, Performance and Service Planning	0	0	0	0
Democratic Mgt & Representation	894,850	963,800	998,500	34,700
Corporate Management	1,093,948	795,800	1,103,100	307,300
Health & Safety and Emergency Planning	17,050	11,900	20,500	8,600
Legal Services	0	0	0	0
Central Print Room	0	0	0	0
Postages	0	0	(0)	(0)
Registration Of Electors	270,163	277,900	275,300	(2,600)
Elections	27,994	86,300	8,800	(77,500)
Estates & Valuation	0	0	0	0
Public Land & Buildings	382,252	327,900	290,400	(37,500)
Information Technology	(0)	0	(0)	(0)
Communications & Engagement	0	(0)	69,500	69,500
Corporate Officers	53,619	538,300	(178,700)	(717,000)
Business Units	(5,229)	29,300	(10,600)	(39,900)
Public Conveniences	42,812	24,900	33,000	8,100
Building Services	(0)	0	(0)	(0)
Car Parks	176,468	118,900	128,800	9,900
Public Offices	24,423	53,500	44,000	(9,500)
Community Centres	209,959	210,400	204,200	(6,200)
Corporate Administration	0	0	0	0
Financial Services	(0)	(3,500)	(0)	3,500
Customer Services	0	0	0	(0)
Insurance Premiums	8,810	4,800	33,000	28,200
Revenues-Local Taxation	(146,759)	854,900	915,800	60,900
Central Provisions Account	(72,411)	843,700	803,200	(40,500)
Non Distributed Costs	141,471	117,600	168,400	50,800
Council Tax Benefits	(130)	(3,000)	(3,000)	0
Rent Allowances	345,920	605,700	605,700	0
Housing Benefit Administration	333,684	497,400	545,000	47,600
Rent Rebates	9,008	14,900	14,900	0
Corporate Income & Expenditure	(3,906,852)	(702,100)	(402,000)	300,100
Movement in Reserves (MiRs)	2,255,018	(890,800)	399,600	1,290,400
Total Corporate Resources and Performance	2,156,066	4,778,500	6,067,400	1,288,900
Transfer to/from Earmarked Reserves				
Total Reserves	278,212	(861,000)	(2,021,200)	(1,160,200)
TOTAL	2,434,278	3,917,500	4,046,200	128,700

	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Consisting of				
Employee Expenses	5,500,492	6,755,800	6,760,200	4,400
Premises Related Expenses	1,290,380	1,166,100	1,144,500	(21,600)
Transport Related Expenses	10,862	13,800	12,400	(1,400)
Supplies & Services	4,008,068	3,320,100	3,646,300	326,200
Third Party Payments	143,444	231,700	138,600	(93,100)
Transfer Payments	18,890,571	16,936,900	16,936,900	0
Capital Interest	1,569,640	1,676,600	2,990,600	1,314,000
Revenue Income	(23,973,920)	(19,765,700)	(19,214,000)	551,700
Controllable	7,439,536	10,335,300	12,415,500	2,080,200
Consisting of				
Premises Related Recharges	55,838	78,400	90,900	12,500
Transport Related Recharges	1,260	1,300	1,100	(200)
Supplies & Services Related Recharges	76,857	78,300	130,000	51,700
Central Support and Service Admin	3,341,110	3,641,400	4,516,300	874,900
Internal Recharges	(7,004,830)	(7,741,600)	(9,496,600)	(1,755,000)
Recharges	(3,529,764)	(3,942,200)	(4,758,300)	(816,100)
Consisting of				
Capital Financing Charges	3,683,618	592,800	641,200	48,400
Capital Entries	(5,437,325)	(2,207,400)	(2,231,000)	(23,600)
Capital	(1,753,707)	(1,614,600)	(1,589,800)	24,800
Total Corporate Resources and Performance	2,156,066	4,778,500	6,067,400	1,288,900
Consisting of				
Transfer to Reserves	1,237,684	176,200	84,500	(91,700)
Transfer from Reserves	(959,471)	(1,037,200)	(2,105,700)	(1,068,500)
Reserves	278,212	(861,000)	(2,021,200)	(1,160,200)
Transfer to/from Earmarked Reserves	278,212	(861,000)	(2,021,200)	(1,160,200)
TOTAL	2,434,278	3,917,500	4,046,200	128,700

R130 HR, Performance and Service Planning	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
Employee Expenses	295,164	306,100	360,300	54,200
Transport Related Expenses	118	700	700	0
Supplies & Services	14,472	36,000	59,500	23,500
Revenue Income	(3,930)	(11,300)	(11,300)	0
Controllable	305,823	331,500	409,200	77,700
Supplies & Services Related Recharges	3,175	3,700	5,100	1,400
Central Support and Service Admin	65,880	75,200	120,500	45,300
Internal Recharges	(374,879)	(410,400)	(534,800)	(124,400)
Recharges	(305,823)	(331,500)	(409,200)	(77,700)
Transfer from Reserves	(16,737)	0	0	0
Reserves	(16,737)	0	0	0
Total	(16,737)	(0)	(0)	(0)

R140 Democratic Mgt & Representation	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
Employee Expenses	159,738	154,400	201,600	47,200
Transport Related Expenses	2,293	5,500	2,600	(2,900)
Supplies & Services	347,528	377,900	372,300	(5,600)
Revenue Income	(4,219)	(9,500)	(9,500)	0
Controllable	505,341	528,300	567,000	38,700
Supplies & Services Related Recharges	1,831	2,000	2,400	400
Central Support and Service Admin	387,679	433,500	429,100	(4,400)
Recharges	389,510	435,500	431,500	(4,000)
Transfer to Reserves	3,963	0	0	0
Reserves	3,963	0	0	0
Total	898,813	963,800	998,500	34,700

	Actual	Original	Original	Variance to
R145 Corporate Management	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
	£	£	£	£
Employee Expenses	584,154	755,100	827,100	72,000
Transport Related Expenses	2,083	3,300	3,300	0
Supplies & Services	537,705	201,600	321,600	120,000
Revenue Income	(9,339)	(7,000)	(74,000)	(67,000)
Controllable	1,114,603	953,000	1,078,000	125,000
Supplies & Services Related Recharges	6,121	7,000	15,000	8,000
Central Support and Service Admin	649,022	657,500	912,800	255,300
Internal Recharges	(675,798)	(821,700)	(902,700)	(81,000)
Recharges	(20,656)	(157,200)	25,100	182,300
Transfer to Reserves	6,747	0	0	0
Transfer from Reserves	(320,746)	0	0	0
Reserves	(313,999)	0	0	0
Total	779,949	795,800	1,103,100	307,300

R150 Health & Safety and Emergency Planning	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	141,137	144,100	145,500	1,400
Transport Related Expenses	106	300	300	0
Supplies & Services	15,086	18,000	18,000	0
Third Party Payments	13,961	7,800	14,700	6,900
Revenue Income	0	0	0	0
Controllable	170,289	170,200	178,500	8,300
Supplies & Services Related Recharges	1,592	1,800	2,300	500
Central Support and Service Admin	39,611	44,700	51,600	6,900
Internal Recharges	(194,443)	(204,800)	(211,900)	(7,100)
Recharges	(153,240)	(158,300)	(158,000)	300
Transfer to Reserves	762	0	0	0
Transfer from Reserves	(12,082)	0	0	0
Reserves	(11,319)	0	0	0
Total	5,731	11,900	20,500	8,600

	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
R160 Legal Services				
Employee Expenses	351,301	426,800	436,200	9,400
Transport Related Expenses	1,222	800	800	0
Supplies & Services	19,445	29,700	20,700	(9,000)
Revenue Income	(65,415)	(104,700)	(98,900)	5,800
Controllable	306,553	352,600	358,800	6,200
Supplies & Services Related Recharges	4,532	5,200	7,200	2,000
Central Support and Service Admin	35,198	44,200	66,200	22,000
Internal Recharges	(346,283)	(402,000)	(432,200)	(30,200)
Recharges	(306,553)	(352,600)	(358,800)	(6,200)
Transfer to Reserves	7,705	0	8,300	8,300
Reserves	7,705	0	8,300	8,300
Total	7,705	0	8,300	8,300

	Actual	Original	Original	Variance to
R165 Central Print Room	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	8,105	8,400	8,500	100
Transport Related Expenses	14	0	0	0
Supplies & Services	10,583	15,100	15,100	0
Controllable	18,702	23,500	23,600	100
Supplies & Services Related Recharges	103	100	100	0
Central Support and Service Admin	1,222	1,400	3,200	1,800
Internal Recharges	(20,027)	(25,000)	(26,900)	(1,900)
Recharges	(18,702)	(23,500)	(23,600)	(100)
Transfer to Reserves	3,000	0	0	0
Reserves	3,000	0	0	0
Total	3,000	(0)	(0)	0

	Actual	Original	Original	Variance to
R170 Postages	2024-2025	Budget	Budget	Original
	£	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
Supplies & Services	41,653	40,000	40,000	0
Revenue Income	0	0	0	0
Controllable	41,653	40,000	40,000	0
Central Support and Service Admin	291	200	1,000	800
Internal Recharges	(41,944)	(40,200)	(41,000)	(800)
Recharges	(41,653)	(40,000)	(40,000)	0
Total	0	0	(0)	(0)

	Actual	Original	Original	Variance to
R177 Registration Of Electors	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	97,662	109,600	120,100	10,500
Transport Related Expenses	110	200	200	0
Supplies & Services	83,175	51,000	51,000	0
Revenue Income	(20,897)	(1,900)	(1,900)	0
Controllable	160,050	158,900	169,400	10,500
Supplies & Services Related Recharges	1,181	1,400	1,800	400
Central Support and Service Admin	108,932	117,600	104,100	(13,500)
Recharges	110,113	119,000	105,900	(13,100)
Total	270,163	277,900	275,300	(2,600)

	Actual	Original	Original	Variance to
R180 Elections	2024-2025	Budget	Budget	Original
	£	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Employee Expenses	180,015	90,000	0	(90,000)
Premises Related Expenses	36,986	29,500	0	(29,500)
Supplies & Services	270,939	160,500	0	(160,500)
Revenue Income	(478,168)	(212,000)	0	212,000
Controllable	9,773	68,000	0	(68,000)
Supplies & Services Related Recharges	6,118	3,500	0	(3,500)
Central Support and Service Admin	12,103	14,800	8,800	(6,000)
Recharges	18,221	18,300	8,800	(9,500)
Total	27,994	86,300	8,800	(77,500)

	Actual	Original	Original	Variance to
R182 Estates & Valuation	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
	£	£	£	£
Employee Expenses	212,209	157,000	156,800	(200)
Transport Related Expenses	26	300	300	0
Supplies & Services	22,871	57,700	12,500	(45,200)
Controllable	235,106	215,000	169,600	(45,400)
Supplies & Services Related Recharges	2,006	2,300	2,700	400
Central Support and Service Admin	97,785	106,600	219,900	113,300
Internal Recharges	(334,898)	(325,700)	(394,000)	(68,300)
Recharges	(235,106)	(216,800)	(171,400)	45,400
Capital Financing Charges	0	1,800	1,800	0
Capital	0	1,800	1,800	0
Transfer from Reserves	0	(40,000)	0	40,000
Reserves	0	(40,000)	0	40,000
Total	0	(40,000)	(0)	40,000

R185 Public Land & Buildings	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	
	£	£	£	£
Employee Expenses	42,541	53,700	51,100	(2,600)
Premises Related Expenses	218,819	187,200	191,900	4,700
Supplies & Services	114,974	27,300	22,800	(4,500)
Revenue Income	(303,606)	(318,100)	(405,600)	(87,500)
Controllable	72,728	(49,900)	(139,800)	(89,900)
Premises Related Recharges	9,204	20,700	21,200	500
Transport Related Recharges	1,260	1,300	1,100	(200)
Supplies & Services Related Recharges	478	600	700	100
Central Support and Service Admin	215,341	234,300	266,200	31,900
Recharges	226,283	256,900	289,200	32,300
Capital Financing Charges	83,241	120,900	141,000	20,100
Capital	83,241	120,900	141,000	20,100
Transfer to Reserves	3,300	4,000	4,000	0
Transfer from Reserves	(60,283)	0	(3,500)	(3,500)
Reserves	(56,983)	4,000	500	(3,500)
Total	325,268	331,900	290,900	(41,000)

R300 Information Technology	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	382,762	387,700	691,200	303,500
Transport Related Expenses	399	300	300	0
Supplies & Services	846,265	1,089,500	1,362,400	272,900
Revenue Income	(27,677)	(10,500)	(10,500)	0
Controllable	1,201,749	1,467,000	2,043,400	576,400
Premises Related Recharges	324	300	300	0
Supplies & Services Related Recharges	10,492	6,000	25,700	19,700
Central Support and Service Admin	71,130	72,200	100,600	28,400
Internal Recharges	(1,398,762)	(1,675,900)	(2,310,900)	(635,000)
Recharges	(1,316,816)	(1,597,400)	(2,184,300)	(586,900)
Capital Financing Charges	115,067	130,400	140,900	10,500
Capital	115,067	130,400	140,900	10,500
Transfer to Reserves	113,700	100,000	0	(100,000)
Transfer from Reserves	(89,700)	(300,000)	(619,200)	(319,200)
Reserves	24,000	(200,000)	(619,200)	(419,200)
Total	24,000	(200,000)	(619,200)	(419,200)

R340 Communications & Engagement	Actual	Original Budget	Original Budget	Variance to Original Budget
	2024-2025	2025-2026	2026-2027	2025-2026
	£	£	£	£
Employee Expenses	227,833	212,900	319,300	106,400
Transport Related Expenses	467	200	700	500
Supplies & Services	50,285	49,000	163,400	114,400
Revenue Income	(12,750)	(15,000)	(5,000)	10,000
Controllable	265,836	247,100	478,400	231,300
Supplies & Services Related Recharges	3,419	3,900	8,700	4,800
Central Support and Service Admin	55,588	63,400	153,900	90,500
Internal Recharges	(324,842)	(314,400)	(571,500)	(257,100)
Recharges	(265,836)	(247,100)	(408,900)	(161,800)
Capital Financing Charges	0	0	0	0
Capital	0	0	0	0
Transfer to Reserves	2,126	0	0	0
Transfer from Reserves	0	0	(3,000)	(3,000)
Reserves	2,126	0	(3,000)	(3,000)
Total	2,126	(0)	66,500	66,500

	Actual	Original	Original	Variance to
R350 Corporate Officers	2024-2025	Budget	Budget	Original
	£	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
Employee Expenses	2,000	243,700	(281,500)	(525,200)
Transport Related Expenses	200	0	0	0
Supplies & Services	27,489	270,300	0	(270,300)
Controllable	29,690	514,000	(281,500)	(795,500)
Supplies & Services Related Recharges	0	0	6,200	6,200
Central Support and Service Admin	23,929	24,300	96,600	72,300
Internal Recharges	0	0	0	0
Recharges	23,929	24,300	102,800	78,500
Transfer from Reserves	(29,700)	(508,200)	0	508,200
Reserves	(29,700)	(508,200)	0	508,200
Total	23,919	30,100	(178,700)	(208,800)

	Actual	Original	Original	Variance to
R410 Business Units	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Premises Related Expenses	126,282	134,300	134,300	0
Supplies & Services	0	1,000	1,000	0
Revenue Income	(247,065)	(271,200)	(310,400)	(39,200)
Controllable	(120,783)	(135,900)	(175,100)	(39,200)
Premises Related Recharges	4,079	4,900	6,400	1,500
Central Support and Service Admin	64,236	65,300	76,400	11,100
Recharges	68,315	70,200	82,800	12,600
Capital Financing Charges	47,239	95,000	81,700	(13,300)
Capital	47,239	95,000	81,700	(13,300)
Transfer to Reserves	0	2,200	2,200	0
Reserves	0	2,200	2,200	0
Total	(5,229)	31,500	(8,400)	(39,900)

	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
R510 Public Conveniences				
Employee Expenses	0	0	0	0
Premises Related Expenses	23,947	6,700	6,800	100
Supplies & Services	0	0	0	0
Controllable	23,947	6,700	6,800	100
Premises Related Recharges	319	300	200	(100)
Central Support and Service Admin	12,662	12,000	13,600	1,600
Recharges	12,981	12,300	13,800	1,500
Capital Financing Charges	5,884	5,900	12,400	6,500
Capital	5,884	5,900	12,400	6,500
Transfer from Reserves	(5,500)	0	0	0
Reserves	(5,500)	0	0	0
Total	37,312	24,900	33,000	8,100

	Actual	Original	Original	Variance to
R520 Building Services	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	173,615	144,400	153,100	8,700
Transport Related Expenses	278	100	100	0
Supplies & Services	150	3,200	3,200	0
Controllable	174,042	147,700	156,400	8,700
Supplies & Services Related Recharges	1,799	2,100	2,500	400
Central Support and Service Admin	25,843	28,200	31,100	2,900
Internal Recharges	(201,684)	(178,000)	(190,000)	(12,000)
Recharges	(174,042)	(147,700)	(156,400)	(8,700)
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	0	0	0	0

	Actual	Original	Original	Variance to
R540 Car Parks	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	22,575	22,400	23,100	700
Premises Related Expenses	128,968	138,100	139,500	1,400
Transport Related Expenses	0	800	800	0
Supplies & Services	3,744	5,700	5,700	0
Third Party Payments	129,483	223,900	123,900	(100,000)
Revenue Income	(203,263)	(381,200)	(289,500)	91,700
Controllable	81,507	9,700	3,500	(6,200)
Premises Related Recharges	1,178	3,700	3,700	0
Supplies & Services Related Recharges	273	300	400	100
Central Support and Service Admin	87,395	93,800	107,600	13,800
Recharges	88,846	97,800	111,700	13,900
Capital Financing Charges	6,115	11,400	13,600	2,200
Capital	6,115	11,400	13,600	2,200
Transfer to Reserves	26,720	35,000	35,000	0
Reserves	26,720	35,000	35,000	0
Total	203,188	153,900	163,800	9,900

	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
R560 Public Offices				
Employee Expenses	178,995	216,800	236,700	19,900
Premises Related Expenses	637,674	559,000	561,800	2,800
Supplies & Services	49,929	26,700	26,700	0
Revenue Income	(348,980)	(315,100)	(253,500)	61,600
Controllable	517,618	487,400	571,700	84,300
Premises Related Recharges	32,119	36,400	41,600	5,200
Supplies & Services Related Recharges	2,639	3,000	3,900	900
Central Support and Service Admin	191,693	198,200	260,600	62,400
Internal Recharges	(845,136)	(828,600)	(1,006,300)	(177,700)
Recharges	(618,685)	(591,000)	(700,200)	(109,200)
Capital Financing Charges	125,489	157,100	172,500	15,400
Capital	125,489	157,100	172,500	15,400
Transfer from Reserves	(35,000)	0	0	0
Reserves	(35,000)	0	0	0
Total	(10,577)	53,500	44,000	(9,500)

	Actual	Original	Original	Variance to
R775 Community Centres	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
		£	£	£
Employee Expenses	117,640	120,300	117,700	(2,600)
Premises Related Expenses	79,426	73,000	71,900	(1,100)
Transport Related Expenses	1,372	200	200	0
Supplies & Services	4,480	7,400	7,400	0
Revenue Income	(106,895)	(118,300)	(120,900)	(2,600)
Controllable	96,024	82,600	76,300	(6,300)
Premises Related Recharges	8,615	12,100	17,500	5,400
Supplies & Services Related Recharges	1,572	1,500	2,200	700
Central Support and Service Admin	35,749	43,900	30,900	(13,000)
Recharges	45,936	57,500	50,600	(6,900)
Capital Financing Charges	67,999	70,300	77,300	7,000
Capital	67,999	70,300	77,300	7,000
Transfer from Reserves	(5,700)	0	0	0
Reserves	(5,700)	0	0	0
Total	204,259	210,400	204,200	(6,200)

R800 Corporate Administration	Actual 2024-2025 £	Original Budget 2025-2026 £	Original Budget 2026-2027 £	Variance to Original Budget 2025-2026 £
Supplies & Services	0	0	0	0
Controllable	0	0	0	0
Total	0	0	0	0

	Actual	Original	Original	Variance to
R805 Financial Services	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	617,537	729,500	723,500	(6,000)
Transport Related Expenses	1,115	100	100	0
Supplies & Services	112,150	136,900	136,900	0
Revenue Income	(56,863)	(67,400)	(500)	66,900
Controllable	673,939	799,100	860,000	60,900
Supplies & Services Related Recharges	8,152	9,200	12,500	3,300
Central Support and Service Admin	185,483	209,100	229,300	20,200
Internal Recharges	(867,574)	(1,020,900)	(1,101,800)	(80,900)
Recharges	(673,939)	(802,600)	(860,000)	(57,400)
Transfer to Reserves	4,821	0	0	0
Reserves	4,821	0	0	0
Total	4,821	(3,500)	(0)	3,500

	Actual	Original	Original	Variance to
R820 Customer Services	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	806,300	754,500	729,900	(24,600)
Transport Related Expenses	541	0	1,000	1,000
Supplies & Services	2,914	6,400	6,600	200
Revenue Income	(19,704)	0	0	0
Controllable	790,051	760,900	737,500	(23,400)
Supplies & Services Related Recharges	10,447	12,100	14,400	2,300
Central Support and Service Admin	139,260	173,900	320,000	146,100
Internal Recharges	(939,758)	(946,900)	(1,071,900)	(125,000)
Recharges	(790,051)	(760,900)	(737,500)	23,400
Transfer from Reserves	0	0	0	0
Reserves	0	0	0	0
Total	0	0	(0)	(0)

	Actual	Original	Original	Variance to
R825 Insurance Premiums	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Supplies & Services	407,633	400,700	519,000	118,300
Revenue Income	(48,885)	0	0	0
Controllable	358,747	400,700	519,000	118,300
Central Support and Service Admin	3,755	4,800	32,300	27,500
Internal Recharges	(353,693)	(400,700)	(518,300)	(117,600)
Recharges	(349,938)	(395,900)	(486,000)	(90,100)
Transfer to Reserves	35,093	35,000	35,000	0
Transfer from Reserves	(37,148)	0	0	0
Reserves	(2,055)	35,000	35,000	0
Total	6,755	39,800	68,000	28,200

	Actual	Original	Original	Variance to
R835 Revenues-Local Taxation	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	Budget
	£	£	£	£
Employee Expenses	486,713	535,800	600,300	64,500
Transport Related Expenses	402	500	500	0
Supplies & Services	267,711	208,700	282,700	74,000
Revenue Income	(1,341,688)	(335,000)	(335,000)	0
Controllable	(586,863)	410,000	548,500	138,500
Supplies & Services Related Recharges	6,460	7,400	9,300	1,900
Central Support and Service Admin	518,753	583,900	540,400	(43,500)
Internal Recharges	(85,110)	(146,400)	(182,400)	(36,000)
Recharges	440,104	444,900	367,300	(77,600)
Transfer to Reserves	967,244	0	0	0
Transfer from Reserves	(152,278)	(57,000)	(57,000)	0
Reserves	814,966	(57,000)	(57,000)	0
Total	668,207	797,900	858,800	60,900

R872 Central Provisions Account	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	£	£	£	Budget
		2025-2026	2026-2027	2025-2026
				£
Employee Expenses	0	701,500	561,000	(140,500)
Supplies & Services	(65,727)	142,200	242,200	100,000
Revenue Income	(6,683)	0	0	0
Controllable	(72,411)	843,700	803,200	(40,500)
Transfer to Reserves	8,103	0	0	0
Transfer from Reserves	0	0	0	0
Reserves	8,103	0	0	0
Total	(64,308)	843,700	803,200	(40,500)

	Actual	Original	Original	Variance to
R875 Non Distributed Costs	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	£
Employee Expenses	133,225	117,600	168,400	50,800
Supplies & Services	8,246	0	0	0
Controllable	141,471	117,600	168,400	50,800
Total	141,471	117,600	168,400	50,800

R877 Council Tax Benefits	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Transfer Payments	310	500	500	0
Revenue Income	(440)	(3,500)	(3,500)	0
Controllable	(130)	(3,000)	(3,000)	0
Total	(130)	(3,000)	(3,000)	0

	Actual	Original	Original	Variance to
R880 Rent Allowances	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Supplies & Services	(139,869)	(65,000)	(65,000)	0
Transfer Payments	18,612,403	16,590,400	16,590,400	0
Revenue Income	(18,126,615)	(15,919,700)	(15,919,700)	0
Controllable	345,920	605,700	605,700	0
Total	345,920	605,700	605,700	0

R882 Housing Benefit Administration	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
Employee Expenses	279,271	363,500	410,300	46,800
Transport Related Expenses	116	500	500	0
Supplies & Services	33,397	22,600	20,600	(2,000)
Revenue Income	(296,137)	(232,800)	(232,800)	0
Controllable	16,647	153,800	198,600	44,800
Supplies & Services Related Recharges	4,466	5,200	6,900	1,700
Central Support and Service Admin	312,571	338,400	339,500	1,100
Recharges	317,037	343,600	346,400	2,800
Transfer to Reserves	54,400	0	0	0
Reserves	54,400	0	0	0
Total	388,084	497,400	545,000	47,600

R885 Rent Rebates	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2024-2025	2025-2026	2026-2027	Budget
	£	£	£	2025-2026
				£
Transfer Payments	277,857	346,000	346,000	0
Revenue Income	(268,849)	(331,100)	(331,100)	0
Controllable	9,008	14,900	14,900	0
Total	9,008	14,900	14,900	0

R890 Corporate Income & Expenditure	Actual 2024-2025	Original Budget 2025-2026	Original Budget 2026-2027	Variance to Original Budget 2025-2026
	£	£	£	£
Employee Expenses	0	0	0	0
Premises Related Expenses	38,278	38,300	38,300	0
Supplies & Services	903,964	0	0	0
Capital Interest	359,342	360,000	360,000	0
Revenue Income	(1,975,852)	(1,100,400)	(800,400)	300,000
Controllable	(674,268)	(702,100)	(402,100)	300,000
Central Support and Service Admin	0	0	100	100
Recharges	0	0	100	100
Capital Entries	(3,232,584)	0	0	0
Capital	(3,232,584)	0	0	0
Total	(3,906,852)	(702,100)	(402,000)	300,100

R891 Movement in Reserves (MiRs)	Actual	Original	Original	Variance to
	2024-2025	Budget	Budget	Original
	2025-2026	2026-2027	2025-2026	
	£	£	£	£
Employee Expenses	0	0	0	0
Supplies & Services	16,876	0	0	0
Capital Interest	1,210,298	1,316,600	2,630,600	1,314,000
Controllable	1,227,174	1,316,600	2,630,600	1,314,000
Capital Financing Charges	3,232,584	0	0	0
Capital Entries	(2,204,741)	(2,207,400)	(2,231,000)	(23,600)
Capital	1,027,843	(2,207,400)	(2,231,000)	(23,600)
Transfer from Reserves	(194,598)	(132,000)	(1,423,000)	(1,291,000)
Reserves	(194,598)	(132,000)	(1,423,000)	(1,291,000)
Total	2,060,420	(1,022,800)	(1,023,400)	(600)

Communities and Place Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Following the merger of the Communities and Communications departments these budgets are now combined and are in Communications & Engagement

Lifestyles, Health & Well-Being Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Leisure Centres

Variances mainly due to income inflation and increased income on the swim scheme. Slight increases in utilities based on the current contract

Arnold Theatre

No major variances

Richard Herrod Centre

No major variances

Arts & Tourism & Health & Wellbeing

No longer in this portfolio, merged with Communications & Engagement

Public Protection Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Taxi Licensing

No major variances

Other Licensing

No major variances

Environmental Protection

Variance due to a service restructure.

Food, Health & Safety

No major variances

Comm Protection & Dog Control

Variance due to a service restructure

External Grant Schemes

No major variances

Private Sector Housing

Variances mainly due to increased capital financing charges due to additional DFG income resulting in a larger scheme

Selective Licensing

No major variances

Environmental Services Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Waste Other

Variances mainly due to increase in garden waste and bulky waste income.

Waste Recycling

This division has now been amalgamated with Waste Residual.

Waste Residual

Variance due to additional resource approved, increase in cost following restructure and additional agency costs, partially offset by an increase in income. Also introduction of a food waste collection pilot, funded from Extended Producer Responsibility (EPR) funding.

Waste Services

This division has now been amalgamated with Waste Residual.

Street Care

No major variances

Environment Service Support

Variance mainly due to increase in staffing cost following a restructure.

Fleet Management

Variance mainly due to efficiency on transport costs from waste round reviews.

Climate Change and Natural Habitat Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Climate Control & Sustainability

No major variances

Parks

Variances mainly due to service review efficiency, revision of car parking income at Gedling CP and new contract at Gedling CP café.

Parks - External Works

No major variances

Cemeteries

Variance mainly due to a reduction in income, due to a lower number of burials in the Borough.

Sustainable Growth and Economy Portfolio
Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

Development Service Support

No major variances

Development Management

No major variances

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

No major variances

Housing Needs

Variances due to a reduction in the bed & breakfast being used for temporary accommodation. This is a direct result of the Council's strategy to purchase more properties to be used as temporary accommodation.

Housing Strategy

Variances mainly due to a service review efficiency.

Corporate Resources and Performance Portfolio

Revenue Budget Summary 2026-27

Major Variances in Net Controllable Expenditure

The major variances within employee expenses are mainly due to the estimated pay award of 3% to all staff, changes in the Superannuation rates and fixed recharges and service restructures.

The other major variances are detailed below.

HR, Performance and Service Planning

Variance due to a staffing restructure and introduction of enhanced DBS (Disclosure & Barring Service) scheme.

Democratic Management & Representation

Variances due to the reapportionment of Assistant Director post into other areas within their responsibility.

Corporate Management

Variance mainly due increases in banking charges and audit fees.

Health & Safety and Emergency Planning

No major variances.

Legal Services

No major variances.

Central Print Room

No major variances.

Postages

No major variances.

Registration of Electors

No major variances.

Elections

This variance has arisen as local election due in 2027 will no longer be held due to Local Government Reorganisation.

Estates & Valuation

No major variances.

Public Land & Buildings

Variance due to shop rents review other rents transferring to this division as part of the corporate landlord approach.

Information Technology

Variances mainly due to additional posts offset by contribution from reserves. Software licence costs have increased, some as a result of migrations to cloud based services and transfer of digital IT costs from transformation.

Communications & Engagement

Variances due to the merger of Community Relations to this division.

Corporate Officers

Variance due to the transfer of digital IT costs to ICT.

Business Units

Variance due to 4 new units at Hill Crest Business Park.

Public Conveniences

No major variances

Building Services

No major variances

Car Parks

No major variances

Public Offices

Variance mainly due to reduced rental income following the loss of a lease at the Civic Centre.

Community Centres

No major variances

Financial Services

Variance mainly due to a loss in payroll income, as a contract for the provision for payroll services has not been renewed.

Customer Services

Variance due to a staffing restructure.

Insurance Premiums

Variance due to an increase in insurance premiums.

Revenues-Local Taxation

Variances due to an increase in postage costs.

Central Provisions Account

No major variances

Non-Distributed Costs

No major variances

Corporate Income & Expenditure

Variance due to a reduction in investment interest due to falling interest rates.

Movement in Reserves (MiRS)

No major variances

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Appendix 2. Movement on Earmarked Reserves

Reserve	Original Budget 2025-26 (as per Outturn report)			
	Opening Balance 01/04/25	Transfer to Reserve	Transfer from Reserve	Balance 31/03/26
	£	£	£	£
Financial Transparency Reserve	(24,309)			(24,309)
Joint Use & Base Maintenance Reserve	(126,572)			(126,572)
Pub Watch/Shop Radio Replacement Reserve	(40,961)	(3,500)		(44,461)
IT Replacement Reserve	(822,923)	(100,000)	300,000	(622,923)
Community & Crime Reserves	(220,341)		3,000	(217,341)
Risk Mgmt Reserve	(18,271)			(18,271)
S106 Revenue Reserve	(310,643)		60,100	(250,543)
Housing & Housing Benefits Reserve	(84,870)			(84,870)
Insurance Reserve	(154,984)	(35,000)		(189,984)
Efficiency & Innovation Reserve	(414,666)			(414,666)
Asset Management Reserve	(175,647)	(74,400)	132,000	(83,047)
Local Development Framework Reserve	(30,089)		80,800	50,711
Earmarked Grants Reserve	(1,237,641)	(41,000)	15,000	(1,223,641)
CCTV Reserve	(135,049)	(52,300)		(187,349)
Apprentice Reserve	(35,519)			(35,519)
NNDR Pool Reserve	(2,199,935)		616,400	(1,803,535)
Transformation Fund Reserve	(1,323,647)			(1,220,647)
Economic Development Fund Reserve	(80,418)			(80,418)
Leisure Strategy Reserve	(247,621)			(247,621)
Property Management Fund	(64,000)		40,000	(24,000)
Selective Licensing	(466,986)	(106,700)		(573,686)
ARG Reserve	0			0
Sinking Fund Reserve	(378,502)	(26,200)		(404,702)
Total Reserves	(8,593,594)	(439,100)	1,247,300	(7,827,394)

Revised Budget 2025-26			
Opening Balance 01/04/25	Transfer to Reserve	Transfer from Reserve	Balance 31/03/26
£	£	£	£
(24,309)	0	0	(24,309)
(126,572)	0	0	(126,572)
(40,961)	(3,500)	0	(44,461)
(822,923)	(50,000)	300,000	(572,923)
(220,341)	0	3,000	(217,341)
(18,271)	0	0	(18,271)
(310,643)	0	60,100	(250,543)
(84,870)	0	0	(84,870)
(154,984)	(35,000)	0	(189,984)
(414,666)	0	38,000	(376,666)
(175,647)	(74,400)	125,000	(125,047)
(30,089)	0	30,089	0
(1,237,641)	(135,400)	115,911	(1,257,130)
(135,049)	(52,300)	0	(187,349)
(35,519)	0	0	(35,519)
(2,199,935)	0	396,400	(1,803,535)
(1,323,647)	0	1,029,300	(294,347)
(80,418)	0	0	(80,418)
(247,621)	0	0	(247,621)
(64,000)	0	40,000	(24,000)
(466,986)	(106,700)	0	(573,686)
0	0	0	(0)
(378,502)	(2,900)	0	(381,402)
(8,593,594)	(460,200)	2,137,800	(6,915,994)

Original Estimate 2026-27			
Opening Balance 01/04/26	Transfer to Reserve	Transfer from Reserve	Balance 31/03/27
£	£	£	£
(24,309)	0	0	(24,309)
(126,572)	0	0	(126,572)
(44,461)	(3,500)	31,000	(16,961)
(572,923)	0	300,000	(272,923)
(217,341)	0	15,600	(201,741)
(18,271)	0	0	(18,271)
(250,543)	0	60,100	(190,443)
(84,870)	0	0	(84,870)
(189,984)	(35,000)	0	(224,984)
(376,666)	0	30,000	(346,666)
(125,047)	(35,000)	25,500	(134,547)
0	0	0	0
(1,257,130)	(122,500)	155,300	(1,224,330)
(187,349)	(32,300)	0	(219,649)
(35,519)	0	0	(35,519)
(1,803,535)	0	1,797,400	(6,135)
(294,347)	0	0	(294,347)
(80,418)	0	0	(80,418)
(247,621)	0	0	(247,621)
(24,000)	0	0	(24,000)
(573,686)	0	127,100	(446,586)
(0)	0	0	(0)
(381,402)	(65,600)	3,100	(443,902)
(6,915,994)	(293,900)	2,545,100	(4,664,794)

Net Transfer (to) / from reserves

808,200

1,677,600

2,251,200

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COUNCIL TAX COLLECTION FUND ESTIMATE OF OUTTURN 2025/26(Estimate of position at 31 March 2026 for distribution in 2026/27)

	<u>£000</u>	<u>£000</u>
Taxpayer Accounts Due	(121,157)	
LESS		
Council Tax Support	7,802	
Disabled Relief	112	
Exemptions	2,344	
Discounts	9,277	
Disregard	544	
Annexe Discount	2	
Transitional Relief	0	
Council Tax Receivable		(101,076)
Payment / (Receipt) of Previous Year Surpluses / (Deficits)		624
Precepts Paid		99,442
Anticipated Write-Offs	753	
Increase/(Decrease) in bad debt provision	<u>579</u>	
		1,332
Movement in the Collection Fund in 2025/26		<u>322</u>
(Surplus) / Deficit Brought Forward		(893)
(Surplus) / Deficit Declared - 15 January 2026		<u>(571)</u>

<u>Allocation of Council Tax (Surplus) / Deficit</u>	£000
Gedling Borough Council	50
Nottinghamshire County Council	432
Nottinghamshire Police and Crime Commissioner	67
Combined Fire Authority	<u>22</u>
TOTAL	<u>571</u>

<u>Summary:</u>	£000
Opening (Surplus) / Deficit 1/4/25	(893)
Previously declared (distributed 25/26)	<u>624</u>
Cumulative (Surplus) / Deficit 31/3/26	(269)
In year (Surplus) / Deficit for 2025/26	<u>(302)</u>
Estimated (Surplus) / Deficit 31/3/26	<u>(571)</u>

NON DOMESTIC RATES COLLECTION FUND ESTIMATE 2025/26

(Estimate of position at 31 March 2026 for distribution in 2026/27)

	<u>£000</u>	<u>£000</u>
Actual Opening NDR (Surplus) / Deficit at 1 April 2025		398
Collectible Rates	(26,325)	
Estimated Surplus/(Deficit) declared January 2025	<u>82</u>	
		(26,243)
Net transitional relief payable/(receivable)		(133)
Central Government share		13,432
Nottinghamshire County Council and Fire Authority shares		2,686
Gedling share		10,746
Cost of Collection Allowance		102
Renewables		346
Net (Surplus)/Deficit - per NNDR1 26/27 Part 4		<u>1,334</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)	(158)	(127)	(29)	(3)	(317)
In Year Surplus/(Deficit)	(508)	(407)	(92)	(10)	(1,017)
Total per NNDR1 26/27 Pt4	(666)	(534)	(121)	(13)	(1,334)

Appendix 4 - Budget Reduction Proposals 2026/27 to 2027/28

Portfolio	Service Area	Description	Efficiency & Effectiveness	Income Generation
Public Protection	Public Protection	Review of Sanctuary Scheme	7,500	
		Wise Enforcement Income		19,000
Public Protection Total			7,500	19,000
Enviornmental Services	Waste & Street Care	Review of Power Tools	2,500	
		Litter Bins route review	5,000	
		Street Care service review	13,000	
		Waste round review	25,000	
Enviornmental Services Total			45,500	-
Climate Change and Natural Habitat	Parks	Increase memorial options		1,000
		Parks service review	40,000	
		Review of Hanging Baskets provision	5,000	
		Transition to permanent planters	5,000	
		Review of Christmas Lighting provision	10,000	
		Disposal of dead animals		20,000
Climate Change and Natural Habitat Total			60,000	21,000
Sustainable Growth and Economy	Development Management	Biodiversity Net Gain Income toward Eco Officer		50,000
		Planning service review	16,800	
	Economic Regeneration	Econ Dev service review	20,600	
	Housing & Resettlement	Service review	67,700	
Sustainable Growth and Economy Total			105,100	50,000
Corporate Resources and Performance	Communities	Reduction of grants	28,000	
	Corporate Resources	Subscriptions removal APSE, LGIU	5,000	
	Property Services	Estates service review	5,000	5,000
		Increase room bookings		
		Remove provision	4,200	
		Review contract arrangements		5,000
		Review of internal NDR charges	15,000	
		Review of Council's assets	20,000	
	Transformation	Service review	54,000	
Corporate Resources and Performance Total			131,200	10,000
Grand Total			349,300	100,000

Ongoing		
2026/27 (£)	2027/28 (£)	Total
7,500		7,500
19,000		19,000
26,500	-	26,500
2,500		2,500
5,000		5,000
13,000		13,000
25,000		25,000
45,500	-	45,500
1,000		1,000
20,000	20,000	40,000
5,000		5,000
5,000		5,000
5,000	5,000	10,000
	20,000	20,000
36,000	45,000	81,000
50,000		50,000
16,800		16,800
20,600		20,600
67,700		67,700
155,100	-	155,100
14,000	14,000	28,000
5,000		5,000
5,000		5,000
5,000		5,000
	4,200	4,200
5,000		5,000
	15,000	15,000
	20,000	20,000
27,000	27,000	54,000
61,000	80,200	141,200
324,100	125,200	449,300

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Report to Council

Subject: Council Tax 2026/27
Date: 4 March 2026
Author: Leader of the Council

Wards Affected

Borough wide

Purpose

This report summarises the Council's General Fund Revenue Budget for 2026/27. The report also includes information about the Council's external funding support and sets out the basis from which decisions can be made regarding the Council Tax level for 2026/27.

Key Decision

This is a key decision.

Recommendations:

That:

- (1) Members determine the application of fund balances, or the level of contributions to balances.
- (2) Members approve the calculations for 2026/27 required by sections 31 to 36 of the Local Government Finance Act 1992 and the amounts set as Council Tax for each category of dwelling. (The detailed calculations will be published separately, but before the meeting, once all final notifications from preceptors have been received).

1. Background

The Council Tax Process

1.1 The Council Tax is a tax on property, with personal elements in the form of discounts for dwellings with fewer than two relevant residents, and reductions awarded under the approved Council Tax Reduction Scheme. All dwellings are listed in one of eight valuation Bands. The headline Council Tax is calculated for a Band D property and the tax for each of the remaining bands is calculated as a proportion of this amount. The lowest, Band A, is two thirds of Band D and the highest, Band H, is twice Band D and three times Band A. The proportions are therefore:

Band A 6/9	Band E 11/9
Band B 7/9	Band F 13/9
Band C 8/9	Band G 15/9
Band D 9/9	Band H 18/9

1.2 The Council and its Members have several legal duties when making decisions in relation to the revenue budget and the Council Tax. The Council must:

- Act in accordance with its statutory duties and responsibilities;
- Act reasonably;
- Not act in breach of its fiduciary duty to its Ratepayers and Council Taxpayers.

1.3 As part of the Budget and the Council Tax setting process, the Council is required by the Localism Act 2011 to calculate its Council Tax Requirement for the year. These calculations must be made before 11 March (ie. by midnight on 10 March) although they are not invalid merely because they are made on or after this date. However, until the calculations are made, any attempt to set the Council Tax will be treated as null and void. The Council has a clear legal duty to set a Council Tax and a resolution not to do so would be unlawful, being in breach of Section 30 of the Local Government Finance Act 1992. Similarly, a resolution to set a Council Tax that deliberately did not balance the various calculations would also be unlawful.

1.4 The final stage of the Council Tax setting process is for the Council as billing authority to set the overall Council Tax for each Band. Whereas the billing authority and major preceptors each calculate their own budget requirements, basic amounts and the amounts of each Band, the setting of the Council Tax is solely the responsibility of Gedling Borough Council as billing authority.

1.5 Formal notification of the precept requirements from all of the major precepting authorities (Fire, Poice & County) have been received. Details of these precepts

are provided below at paragraph 3.5.5 – 3.5.7 below. Amounts in respect of parish precepts are below at paragraph 3.5.8.

2. Local Government Finance Settlement (LGFS) 2026/27

2.1 Overview of the 2026/27 Settlement

The 2026/27 Local Government Finance Settlement marks the start of the first multi-year settlement (2026/27–2028/29) in a decade, providing councils with greater planning certainty compared to previous single-year settlements. It introduces significant reforms to the funding system, including a new Fair Funding Review, needs-based formula and a comprehensive reset of the business rates retention system.

2.2 Key Changes from Previous Years

2026/27 introduces a three-year settlement, replacing previous one-year allocations such as the 2025/26 settlement published in December 2024.

This change provides local authorities with improved financial certainty for strategic planning. The settlement includes the first full update to relative need and resource assessments since 2013.

Funding is now more closely aligned with deprivation and service demand, benefiting more deprived and urban councils and reducing relative allocations for areas with historically higher tax bases.

Grant Simplification:

18 grants are consolidated into the Revenue Support Grant (RSG) under the new Fair Funding Allocation (FFA).

Separate grants continue only where needed for ring-fenced duties, such as homelessness prevention, compared with 2025/26, where multiple stand-alone grants such as the Recovery Grant and New Homes Bonus remained in place, this represents a major structural simplification.

2.3 The Business Rates Reset

The 2026/27 settlement includes the first major reset of the business rates retention system since 2013/14. This is one of the most significant changes affecting district and borough councils. The reset redistributes 50% of estimated 2026/27 business rates nationally, including growth that was previously retained by local authorities. Future local growth may again be retained, but from a new reset baseline, and subject to revised levy and safety-net arrangements.

District and borough councils are more affected by the reset as they are often more reliant on locally retained business rates and therefore face some of the most direct consequences of the reset.

Councils such as Gedling achieved business rates growth under the old system lose that accumulated benefit, as it is now redistributed nationally.

Districts with strong commercial growth over the last decade (e.g., logistics hubs, town center redevelopment areas) may see reduced baseline funding compared with 2025/26. Gedling has seen a reduction in taxbase.

Transitional measures that have been introduced will smooth the funding impact over several years, but district councils may still experience notable short-term pressure as their retained income is recalculated.

2.4 The Provisional Settlement

The Government announced its provisional finance settlement on 17 December 2025 Fair Funding review and three-year funding allocation, giving certainty to funding levels until 2028/29.

At the time of setting the budget the government had already indicated that a business rates reset would happen, The financial impact of this is offset by a package of transition arrangements including an income funding floor which protects income for councils.

The changes in the funding settlement are significant and tracking the movement from 2025/26 to 2026/27 has not been easy, as the formula to calculate the core spending power is different, and a number of previous grants have been rolled in. It was necessary to remodel the 2025/26 funding allocation into the new methodology to show the movement, set out in the table below:

Core Spending Power	£m
2025/26 Actual	12.585
2025/26 Re-calculated for FFR	15.841
2026/27	16.178

The CSP for 25/26 was £12.585m, however there were also a number of other grants outside of the CSP, now rolled into the new calculation. In addition, the Council also retained some business rates income above the baseline as part of being in the Nottinghamshire Business Rates Pool. As a result of the reset Nottinghamshire Councils have determined that there is no longer any benefit to being part of a pool. The Nottinghamshire pool has now been dissolved.

CSP includes the Governments Council Tax assumptions which are the maximum increase of 3% or £5. Overall, the increase in CSP in 2026/27

compared to the revised calculation is **£0.349m** or **2.13%**. However, as stated above the CSO now includes a number of grants which have been rolled in including temporary accommodation, food waste, and the homelessness prevention and rough sleeping (the latter is ring-fenced and therefore cannot be used in core budget).

In real terms the provisional settlement cash grants have reduced by **£0.012m (0.15%)** in 2026/27 and fall further in 2026/27 and 2027/28.

2.5 The Final Settlement

On 5th February 2026 A report by the Institute for Fiscal Studies suggested there may be a material change in funding allocation in the Governments Financial Settlement.

On Monday 9th February 2026, the Government published its final settlement, which confirmed a material change to funding allocations published as part of the provisional Settlement.

The issue related to the baseline that will be used to determine the level of income that is protected by the minimum funding floors. These are part of the proposed package of transitional arrangements resulting from the Fair Finding review.

This specifically relates to the levels of business rates pooling income that is to be included in the baseline allocations. The provisional settlement proposed that 100% of the gains from business rates pooling in the baseline for councils (such as Gedling) that would have to pay a levy on their business rates growth. However, pooling benefits are shared with all councils in the pool. The result of this increased the baseline and thus increased the funding protection for these Councils (predominantly Borough and District Councils).

The final settlement sees pooling gains split 50/50 between tariff and top/up authorities, rather than the provisional proposal to allocate 100% of gains to tariff authorities.

The impact to Gedling would have been a reduction of funding in 26/27 in Revenue Settlement Grant and Income Floor Protection Grant of £399,000. However, the Government have introduced a one-off grant to mitigate the impact of this change in 26/27 of an equal amount to ensure Councils do not suffer a financial loss in 2026/27. Currently this is expected to be a one-off mitigation and losses for 2027/28 and 2028/29 total **£533,000** for Gedling.

In addition, the final settlement confirmed another £72,000 for Homelessness prevention resulting in a Core Spending Power for 2026/27 of **£16.251m**. This represents an increase from 2025/26 of **£410,052** or **2.59%**, however as stated in 2.5.3 this includes ringfenced grants, and the majority of the growth is from

locally collected income arising from an assumed maximum growth in Council, Tax.

In real terms the cash grants have reduced by by **£339,247** or **4.17%**.

Referendum Limit

- 2.6 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 an increase above the Government's set limit this will trigger a referendum so that local voters can either support or reject the proposed rise. The referendum limit for 2026/27 for all shire districts has been set at a 3% increase (or more than 3%) and more than a £5 increase on the amount for 2026/27. Any council which sets an increase greater than the referendum limit, and does not get support from the electorate via the referendum, will have to revert to a council tax level that is compliant, and bear the cost of re-billing its residents.
- 2.7 For Gedling in 2026/27, the maximum increase must be below 3% (equivalent to £5.84). A £5 increase equates to 2.57%.

3. Proposal

3.1 Proposed Portfolio Budget 2026/27

The proposed budgets for 2026/27, as recommended by Cabinet on 19 February 2026, are summarised in the following table:

Portfolio	Base Budget 2026/27 £
Communities and Place	0
Lifestyles, Health and Wellbeing	1,963,000
Public Protection	1,900,200
Environmental Services	5,593,800
Climate Change and Natural Habitat	1,993,100
Sustainable Growth and Economy	1,616,000
Corporate Resources and Performance	6,067,400
Net Portfolio Budget 2026/27	19,133,500
Transfer to/(from) Earmarked Reserves	(2,251,200)
Net Council Budget 2026/27	16,882,300

3.2 Consultation with Non-Domestic Ratepayers

In accordance with Section 65 of the Local Government Finance Act 1992, consultation with representatives of Non-Domestic Ratepayers has been undertaken. No responses had been received at the time of writing, but any received subsequently will be reported at the meeting.

3.3 **The General Fund Balance**

The General Fund balance at 1 April 2027 is estimated to be in the region of £5,669,600.

If a Council Tax increase of £5.82 (2.998%) is approved there will be surplus of £180,100 in 2026/27 which will increase the the General Fund balance in order to ensure the MTFP is balanced over the medium term. Members will need to consider the use of balances when determining the Council Tax for 2026/27.

3.4 **Robustness of Estimates**

- 3.4.1 Sections 25 and 26 of the Local Government Act 2003 place a personal duty on the Chief Financial 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 2026/27 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan were reported to Cabinet on 19 February 2026, and are also detailed in paragraphs 3.4.2 to 3.4.8 below.

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 2.998% increase will be applied between 2026/27 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 2.998% will require an increase in the efficiency/budget reduction targets to ensure that a balanced MTFP is secured.

Economic Growth & Inflation:

- 3.4.2 Brexit, Covid-19, the war in Ukraine have all had a major adverse impact on the economy in recent years and the impact of this has had a cumulative effect on budgets. Ongoing uncertainty continues to create major challenges for economic forecasting. The UK economy is forecasted to grow albeit slower than previous expectations. Significant risks relating to labour supply shortages proving more enduring and depressing economic activity; however, inflationary pressures have been somewhat relieved. Inflation assumptions have been incorporated in the MTFP, including pay award of 3.2% for 2026/27 3% per annum to 2028/29 and 2% 2029/30 onwards.
- 3.4.3 A minimum balance of £1m on the General Fund, or 7.5% of net operating expenditure whichever is the 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.
- 3.4.4 The surplus or deficit on balances in the MTFP shows amounts (above) or below the recommended minimum General Fund balance in any one year. Current spending plans show a surplus of £5,669,600 in 2026/27, declining to £1,300,600 by the end of 2030/31. 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. 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 regard to projects that require more innovative and transformational 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 new efficiency proposals are 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 as 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.

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

Reduced maintenance budgets: these 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: reserves for specific purposes and risk management have been reviewed and will be managed at minimum requirement levels providing less scope for managing emerging risks.

- 3.4.6 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.
- 3.4.7 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.
- 3.4.8 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 further funding reductions following the implementation of the Fair Funding Review.

3.5 **Council Tax 2026/27**

3.5.1 **Tax Base**

The Council's overall tax-base was determined by the Portfolio-holder for Corporate Resources and Performance on 29 December 2025 as 39,974.31. The tax-base for each parish is given below at paragraph 2.5.8.

3.5.2 **Local Government Finance Settlement**

Final Settlement Funding Assessment (SFA) figures are summarised below. This level of support is not dependent on a particular level of expenditure.

Fair funding settlement (FFA)

Funding Stream:	£
Revenue Support Grant (including Rolled-in grants)	4,094,900
Business Rates - Baseline Funding Level	2,963,800
Fair Funding Assessment (FFA)	7,058,700

3.5.3 **The Collection Fund**

The Collection Fund continues to operate for Council Tax requirements, and following the introduction of the Business Rates Retention regime on 1 April 2013, also for Non Domestic Rates (NDR).

A Council Tax **surplus** of £571,305 was declared on 15 January 2026 for the estimated position at 31 March 2026, of which Gedling's share is £49,960 and will be added to the General Fund in 2026/27.

Proportionate Share – Council Tax:	£
Gedling Borough Council	50,000
Nottinghamshire County Council	431,700
Nottinghamshire Police & Crime Commissioner	67,500
Combined Fire & Rescue Authority	22,200
Total declared SURPLUS 15 January 2026	571,300

An NDR **deficit** of £1,333,805 was declared on 31 January 2026 for the estimated position at 31 March 2026, of which Gedling's share is £533,522 and will be charged to the General Fund in 2026/27.

Proportionate Share - NDR:	£
Central Government 50%	(666,900)
Gedling Borough Council 40%	(533,500)
Nottinghamshire County Council 9%	(120,000)
Combined Fire & Rescue Authority 1%	(13,400)
Total declared DEFICIT 31 January 2026	(1,333,800)

The impact of collection fund surpluses and deficits are included in the Medium Term Financial Plan.

3.5.4 Gedling Borough Council – Council Tax 2026/27

Cabinet have recommended a net budget of £16,882,300 and a Council Tax increase of £5.82 (2.998%) for 2026/27. The summary of the proposed budget and the amount to be raised by Council Tax of £8,007,600 is detailed in the table below, together with the estimated position on the General Fund Balances:

Budget 2026/27:	£
Total Portfolio Budget:	16,882,300
Less:	
NNDR – Baseline Funding	(3,156,200)
SFA – Revenue Support Grant	(4,094,900)
Recovery Grant (New)	(49,100)
Adjustment - Revenue Support Grant	(399,800)
Extended Producer Responsibility Funding (New)	(1,304,800)
Plus:	
Council Tax collection fund surplus	(50,000)
Less:	
Amount (from)/to Balance Core Budget	180,100
COUNCIL TAX REQUIREMENT 2026/27	8,007,600
ESTIMATED GENERAL FUND BALANCE AT 1 APRIL 2027	(5,669,600)
Minimum required General Fund balance at 1 April 2027	1,266,200

Gedling Borough Council's proposed Council Tax of £200.32 (£194.50 in 25/26, an increase of £5.82) is calculated by dividing the amount to be raised through the Council Tax (£8,007,600) by the tax base (39,974.31). This produces an amount per Band D property.

3.5.5 Nottinghamshire County Council

Nottinghamshire County Council's precept was approved at the Council meeting on Thursday 26 February 2026. The Council Tax will rise by £75.59 (3.99%), which produces an amount per Band D property of £1,970.13 (£1,894.54 in 25/26).

3.5.6 Nottinghamshire Police and Crime Commissioner

The Nottinghamshire Police and Crime Panel met on 23 February 2026, and we have received final notification from the Nottinghamshire Police and Crime Commissioner. The Council Tax will rise by £15 (5.10%), which produces an amount per Band D property of £311.10 (£296.10 in 25/26).

3.5.7 Combined Fire & Rescue Authority

The Combined Fire Authority met on Friday 27 February 2026 and formal notification has now been received. The Council Tax will rise by £5.00 (5.14%) which produces an amount per Band D property of £102.21 (£97.21 in 25/26).

3.5.8 Parish Precepts

Parish Councils are required to give formal notice of their precept requirements for 2026/27 by 1 March 2026. Formal notification has now been received from all Parishes. Precept precepts total £1,031,083 an increase of 5.06% on those declared for 2025/26.

Parish:	Tax Base 2026/27	Precept 2026/27 £	Band D 2026/27 £	Band D 2025/26 £	Band D +/- £	Band D +/- %
Bestwood Village	744.66	30,000	40.29	27.29	+13.00	+47.62
Burton Joyce	1,586.02	263,581	166.19	158.43	+7.76	+4.90
Calverton	2,510.36	294,634	117.37	116.89	+0.48	+0.41
Colwick	893.88	31,600	35.35	34.20	+1.15	+3.37
Lambley	516.84	27,666	53.53	69.62	-16.09	-23.11
Linby	406.61	30,337	74.61	73.18	+1.43	+1.95
Newstead	375.35	23,039	61.38	61.01	+0.37	+0.61
Papplewick	270.55	25,194	93.12	85.87	+7.25	+8.44
Ravenshead	2,814.16	177,305	63.00	60.61	+2.39	+3.95
St Albans*	705.36	25,572	36.25	-	-	-
Deer Park*	253.14	8,616	34.04	-	-	-
Stoke Bardolph	503.74	3,500	6.95	5.39	+1.56	+28.91
Woodborough	940.91	90,039	95.69	92.46	+3.23	+3.50
Unparished	27,452.72	n/a				
Total	39,974.31	1,031,083				

Percentage movements for parish councils may on occasion appear excessive; however, Members should note that where precepts are small, modest monetary increases can result in significant percentage changes. There is no referendum limit set for parish councils for 2026/27 by central government.

*For the financial year 2026/27 there are alterations to St Albans Parish Council. The Parish Council will cease to exist from 31/03/2026 and is replaced by two new parish councils known as (1) St Albans Parish Council and (2) Deer Park Parish Council from 01/04/2026. Their precept requirements have been set by the Council for the 2026/27 financial year. As they are new entities this shows why there are no comparative figures for the previous financial year.

4. Alternative Options

Had Cabinet chosen not to recommend a budget to Council this would have been in contravention of the Council's constitution and would not be in compliance with the Local Government Finance Act 1992.

Recommending an alternative budget may alter the level of recommended Council Tax for 2026/27.

5. Financial Implications

All financial implications are discussed within the report.

6. Legal Implications

Under the Local Government Finance Act 1992 (as amended by the Localism Act 2011), local authorities must set a council tax that takes into account its budget requirement, and any authority proposing an excessive increase in council tax must hold a local referendum and obtain a "yes" vote before implementing the increase. An authority proposing an excessive increase must also make substitute calculations, based on a non-excessive council tax level. This takes effect if the excessive increase is rejected in the referendum. Accordingly, authorities must raise their charge by less than the threshold to avoid a referendum.

Council tax setting legally requires a recorded vote.

7. Equalities Implications

There are no equalities implications arising from this report.

8. Carbon Reduction / Environmental Sustainability Implications

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

9. Appendices

None

10. Background Papers

- DLUHC Settlement report - Local Government Finance in England 2026/27;
- Prudential and Treasury Indicators and Treasury Management Strategy Statement (TMSS) 2026/27;
- Capital Programme and Capital Investment Strategy 2026/27 to 2030/31;
- General Fund Revenue Budget 2026/27;
- Gedling Plan 2023–2027;
- Precept notifications 2026/27.

11. Reasons for Recommendations

To set the Council Tax for 2026/27 and comply with the requirements of the Local Government Finance Act 1992.

Statutory Officer approval:

Approved by: Chief Financial Officer

Date: February 2026

Approved by: Monitoring Officer

Date: February 2026



Report to Council

Subject: Council Plan – Gedling’s Legacy Plan 2026 – 2028

Date: 4 March 2026

Author: Director of Transformation

Wards Affected: All

Purpose

To approve the Council Plan for the period 2026-2028.

Key Decision

This is a key decision. Full Council has responsibility for approving and adopting the Council Plan.

Recommendation(s)

THAT:

Members approve the Council Plan (Gedling’s Legacy Plan), 2026 – 2028

1 Background

1.1 In 2023, the Council approved a new Council Plan for 2023 – 2027, covering four key themes:

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.

1.2 While significant outcomes have been achieved against the plan and reported on in regular, publicly available performance updates, the external environment has shifted considerably since the plan was created, with increasing pressure on Council resources, new national priorities emerging such as Simpler Recycling, and the largest change to local government in more than 50 years in Local Government Reorganisation.

1.3 It is both timely, and necessary, to revisit the Council Plan for the last two years of Gedling Borough Council's lifetime, to take these factors into account.

2 Formulating the Council Plan

2.1 It is important that the Council Plan is informed by data as well as local perspectives. To ensure an evidence-based approach to the priority areas of focus, the following inputs were used to shape its content:

- Demand data for Council services.
- Current performance metrics.
- Demographic data about the composition of the Borough and its relative strengths and weaknesses.
- Statutory and national policy requirements.
- The timing and likely requirements for the delivery of Local Government Re-organisation based on information provided from Central Government and from the lived experience of other councils who have merged within the last five years.
- Information about live projects.
- Data from prior resident surveys to enable trends to be identified.
- Independent consultation data from Nottinghamshire's shared recent public engagement regarding Local Government Re-organisation.
- The Government's recent consultation on a national Outcome Framework.
- The Council's available budget.

2.2 A workshop was held with Cabinet members to explore themes and priorities based on the available data, and to consider what was achievable in the remaining two years of the Council.

2.3 Direct public consultation on the plan was not undertaken on the basis that at the time of writing the plan, a parallel running, independent, six-week consultation was conducted across Nottinghamshire to capture the public's priorities ahead of local Government Reorganisation, and of the 11,483 people who responded, 16% of the responses were from Gedling, providing a good insight into local priorities.

The Survey, conducted in late Summer 2025, asked respondents about 'what makes an area a good place to live' and about their priorities for improvement.

Respondents heavily focused on delivering good quality core and universal services/issues, alongside value for money and meeting local needs.

The following areas of focus scored highly on both importance for making somewhere a good place to live and on priority for improvement. (Note only services within the responsibility, or influence, of district councils are included):

- Keeping the streets and public areas clean and tidy
- Tackling anti-social behaviour and reducing crime
- Public transport, roads and parking
- Refuse collection and recycling
- Parks, sports and leisure facilities
- Health services such as mental health services and promoting healthy lifestyles
- Regeneration of town centres / high streets, including shops and markets.

3 The Council Plan 2026 – 2028 (Gedling's Legacy Plan).

3.1 The new Council Plan, referred to as Gedling's Legacy Plan, responds to local priorities and is designed to ensure that a positive lasting legacy is left for the people of Gedling and that transition to a new unitary authority is as smooth as possible.

3.2 The Plan consists of four key thematic outcomes, underpinned by a number of critical foundations and supported by clear deliverables. The key outcomes and critical enablers are set out in the table below.

Mission	Serving people, improving lives			
Outcomes. We will:	Enable healthier, safer, connected communities	Provide responsive, reliable and value for money services	Shape places to be proud of	Ensure safe transition to a new authority
Critical foundations	Financial resilience			
	Effective governance			
	Workforce enablement: Right skills, right tools, effective communication.			

3.3 The Council Plan sets the overarching outcomes that the Council seeks to influence or achieve during the lifetime of the Plan. Once approved, it will be supported by a separate, Annual Delivery Plan, which will clearly set out the timescales for the delivery of related activity. This approach has been taken to ensure that planned actions align to budget provision and to ensure that financial and service delivery performance are monitored in tandem.

3.4 A copy of the full plan is included at Appendix A.

4. Proposal

4.1 It is proposed that:

- Members approve the Council Plan (Gedling’s Legacy Plan), 2026 – 2028

5 Alternative Options

5.1 The Council has no legal duty to produce a Council Plan and could choose not to have a Plan at all. This option is not considered viable as the plan supports the effective governance of Council activity, aligned to public needs and priorities. It provides a clear framework for priorities, performance and accountability and enables budget and service delivery to be linked together.

6 Financial Implications

6.1 There are no direct financial implications as a result of this report, however the Legacy plan gives focus on Council priorities, this forms the basis for allocating funds to ensure budgets are allocated only to Council

priorities and statutory functions in the first instance.

- 6.2 Budgets will be allocated to Legacy projects in accordance with Financial Regulations, either through the annual budget report, budget monitoring or separate specific reports to Cabinet and Council where appropriate.

7 Legal Implications

- 7.1 The Constitutional requirement for the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan (known as the Gedling Plan) to the Cabinet for approval is met by this report.
- 7.2 The Gedling Legacy Plan 2026 - 2028 meets its obligations under the Equality Act 2010.
- 7.3 Legal issues arising from actions and projects that will be undertaken during the life of the plan will be identified as part of the service planning and project delivery process. It is the Council that will formally adopt the new Gedling Legacy Plan 2026 - 28.

8 Equalities Implications

- 8.1 In designing the plan, detailed data relating to the demographic composition of the borough has been considered, including the protected characteristics of local residents and of the Council's workforce.
- 8.2 An Equality Impact Assessment has been set out at Appendix B and shows no adverse impacts. Where changes are proposed to Council services as a result of the activities in the plan, separate Equality Impact Assessments will be undertaken prior to decisions being made.

9 Carbon Reduction/Environmental Sustainability Implications

- 9.1 The Council Plan has been subject to a Carbon Impact Assessment at Appendix C, which has concluded that there are no adverse impacts.

10 Appendices

- 10.1 Appendix A: Council Plan – Gedling's Legacy Plan 2026 – 2028.
- 10.2 Appendix B: Equality Impact Assessment.
- 10.3 Appendix C: Carbon Impact Assessment.

11 Background Papers

11.1 None

12 Reasons for Recommendations

12.1 To ensure that the Council has a clear set of priorities to work to during its remaining two year life span.

12.2 To ensure clarity for Council officers and to embed accountability for delivery so that the Council achieves best value in the delivery of services.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer



Council Plan

Gedling's Legacy 2026 – 2028

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1

Introduction



Introduction

This Plan sets out the Council's vision and intent at a time of opportunity and transition for local government. It builds on the strong progress we have made in recent years and provides a clear sense of direction, based on what our residents tell us is most important to them.

As we prepare for Local Government Reorganisation, a national change, which will bring changes to how all district and county councils are structured, and will affect us locally, the plan also reflects our shared responsibility to leave a positive and lasting legacy for the communities we serve.

Over the past three years since our last plan was agreed, the Council has focused on delivering tangible improvements that matter most to residents. We have made improvements to the environment including investment in our green spaces, achieving Green Flag status for four of the Borough's parks, and have upgraded key sports and play facilities.

We have also continued to strengthen our environmental credentials, making progress on climate change and sustainability, and have worked closely with partners to keep our communities safe by supporting prevention and ensuring a visible enforcement presence to keep our borough clean.

Our long-term regeneration plans have moved forwards with a clear vision, through Ambition Arnold, for Arnold town centre, and significant progress to enable housebuilding and to reduce long term vacant homes, outperforming both regional and national benchmarks.

Critically, we have improved how we listen to residents and are committed to ensuring that local voices shape decision making and service delivery.



Looking ahead, this plan provides both a clear vision, and a roadmap for delivery, ensuring that while we remain unapologetically ambitious for the borough, we do so with a focus on addressing inequality and on stability and stewardship for the future.

As we prepare for the changes ahead, we will continue to listen to, and act on, residents' views and ensure Gedling's needs and identity are clearly represented in future arrangements.

Our mission to serve people and improve lives remains at the heart of everything we do. We are committed to leaving a positive legacy of stable public services and improved infrastructure and will do this under four key priority themes:

- Ensuring healthier, safer, connected communities
- Shaping places to be proud of
- Providing responsive, reliable and value for money services
- Ensuring a safe transition to a new authority.

Each theme is supported by specific objectives and actions, underpinned by priority foundations including financial resilience and effective governance. It is not designed to be an exhaustive list of everything the Council will do, but it sets out the critical outcomes we will achieve and provides clarity on how progress will be monitored.

The Plan has been developed based on data and insight, including demographic data and survey data collected from residents during recent consultations; demand data about our services; and consideration of national requirements such as the implementation of Simpler Recycling; the proposed national outcomes framework for local government; and the requirement for Gedling to have an up-to-date Local Plan.

We are fortunate to have strong working relationships with our statutory partners, parish councils, community and voluntary organisations across the borough, and with local businesses. As a district council we rely on each other to get things done and while our budgets may be increasingly stretched, our commitment to work together on our priorities remains firm so that we achieve the best possible outcomes for the people we serve.

This Plan reflects our determination to do the right things, in the right way for Gedling now – and for the generations to come.

Councillor John Clarke MBE
Leader of the Council

2 About the Borough

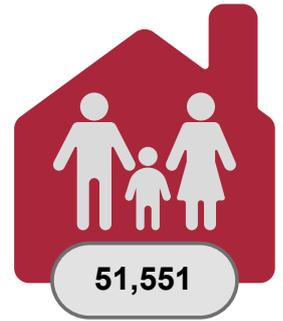




Estimated population
120,179



2.6%
population growth
2019 - 2024



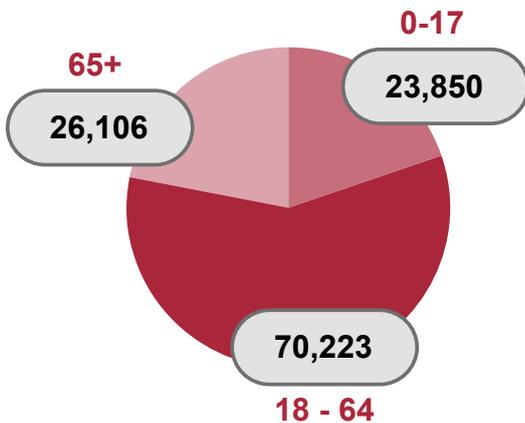
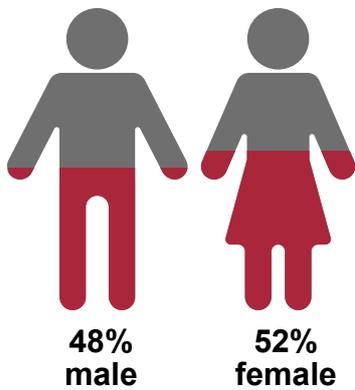
Number of households



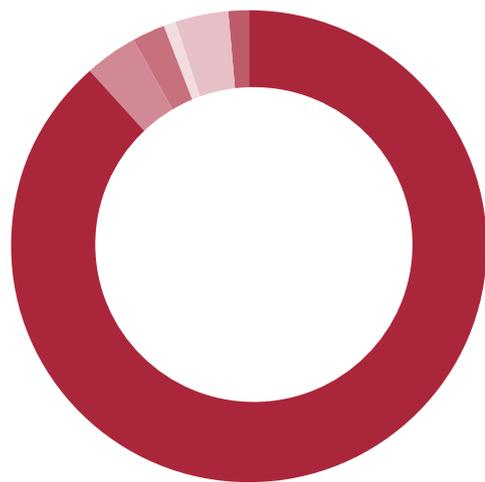
Number of businesses (2024)



Local people are satisfied
with their lives



Age group



Ethnic group



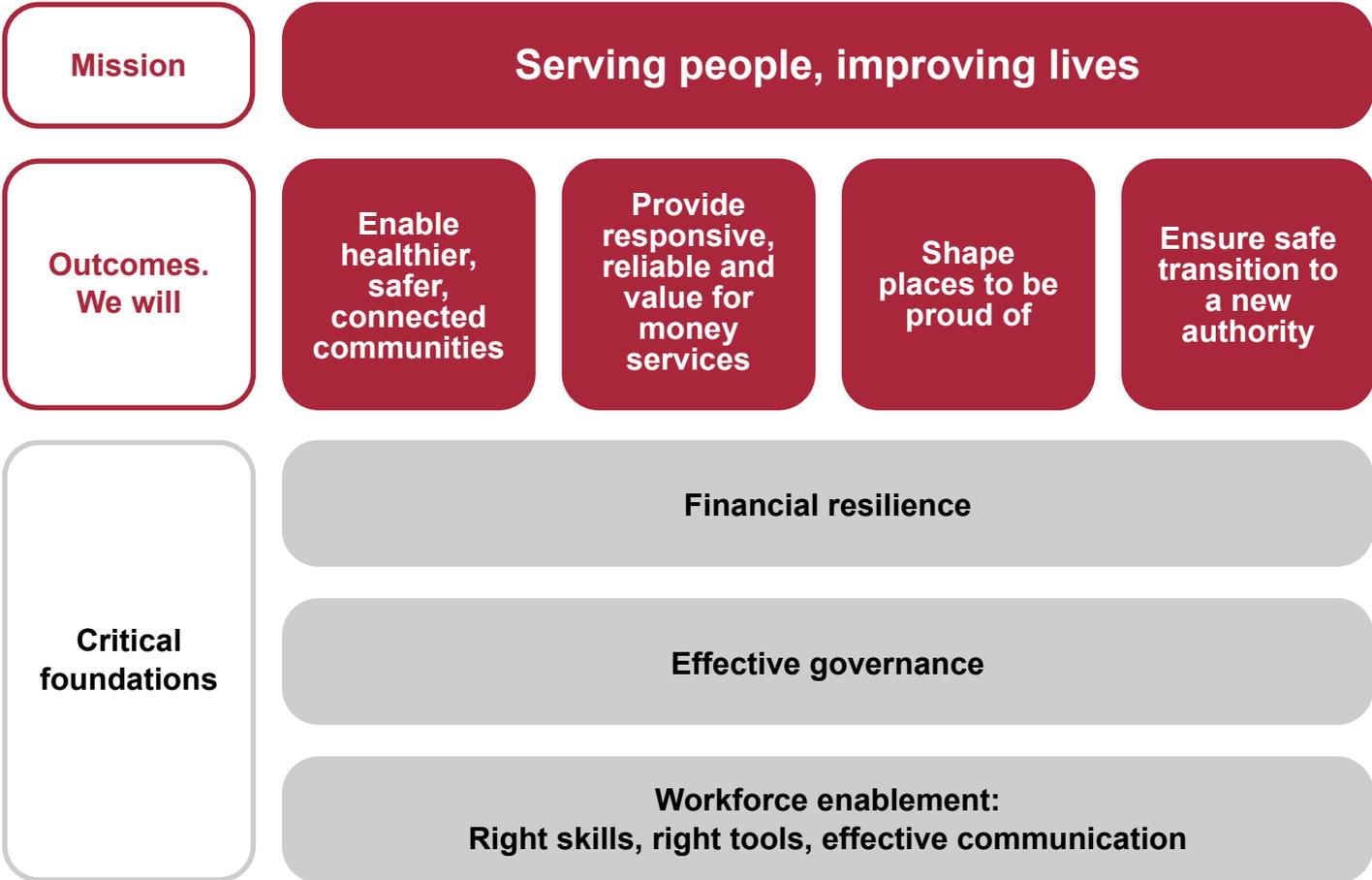
3 Our Mission



Our Mission

Our core mission to serve people and improve lives remains unchanged.

The following diagram sets out how our mission is supported by four priority outcomes, and three critical foundations. The pages that follow then set out our objectives under each theme in more detail.



The objectives set out under each theme within this document may each contribute to more than one outcome.



Priority 1:

Enabling healthier, safer, connected communities

Priority 1:

Enabling healthier, safer, connected communities

We understand that staying healthy and well is fundamental to a happy life. While as a borough council, we don't have direct responsibility for healthcare, public health or social care services, our role in enabling leisure provision and high-quality, affordable housing, maintaining public spaces, and delivery of economic regeneration and environmental health services, has a significant impact on health and wellbeing. The Health Foundation (2024, What Builds Good Health) has identified eight determinants of health, most of which can in some way be influenced by what the Council does:

- **Friends, family, and communities**
- **Good work**
- **Money and resources**
- **Our surroundings**
- **Housing**
- **Transport; and**
- **Education and skills**
- **The food we eat**

Where we are now: Census data tells us that the borough has a slightly higher than average age profile than the rest of the East Midlands and England as a whole, with a growing, ageing population. The proportion of the total population being 65 or over has increased by approximately 3% in 2021 since 2011. More than 81% of residents describe their health as good, or very good, with only around 5% describing it as 'bad' or 'very bad'. Life expectancy is slightly higher than average, at around 79.5 years for men (England average: 78.6) and 83.5 years for women (England average: 82.4).

The averages, however, mask unequal outcomes between the borough's richer and poorer areas. There is one significant pocket of deprivation in Killisick, with other areas of deprivation in Netherfield, Colwick, Bestwood and Newstead Village. Additionally, 6.4% of adult deaths (aged 25+) are attributable to long-term exposure to air pollution and in some areas, there are higher than average smoking rates and elevated admissions to hospital for alcohol-related conditions.

The Council plays a role in prevention, particularly through the provision of leisure, housing, environmental health and economic regeneration services, and by maintaining parks and open spaces for public use. While leisure membership levels have grown in recent years, the buildings that house the Council's leisure facilities are ageing and approaching the end of their useful lives. This creates a position where the leisure service is not covered by membership fees, and is heavily subsidised, increasingly costing more to maintain than the Council can afford. In recent years we have been assessing options for leisure provision to improve the financial and operational viability of these services. From 2026, detailed plans for change will be shared, based on concepts worked up so far, and on the outcomes of public and partner consultations.

We are committed to housing growth and to enabling the build of quality, affordable, housing that meets Gedling's future needs, as well as reducing the number of long-term empty homes across the borough. In recent years we have made good progress in reducing the cost of temporary accommodation. External funding has been used to support skills development to increase employability and to support local businesses to scale and significant work has been undertaken to improve air quality, including along Gedling's main traffic routes, with effective action plans meaning there are no current Air Quality Management Areas in place. Environmental health services perform well, with priority given to public safety.

Enabling healthier, safer, connected communities

What we will do

Our commitments to contributing to healthier, safer, connected communities by 2028 includes the following priority areas of focus:

Priority Focus	What we will do
<p>Ensure fit for purpose, sustainable and accessible public leisure infrastructure to facilitate healthy, active, lifestyles</p>	<ul style="list-style-type: none"> • Create a clearly resourced, staged plan to deliver sustainable leisure provision, moving from the use of unsustainable, expensive legacy buildings to modern, fit for purpose leisure provision, building on the work done on feasibility, concept design and Business Case in 2025. • Subject to Cabinet approval, progress a new flagship leisure centre 'Carlton Active', on the site of the current Richard Herrod Centre as well as progressing decisions for the future of Redhill and Calverton Leisure Centres following consultation.
<p>Ensure access to green spaces</p>	<ul style="list-style-type: none"> • Maintain the quality of our parks and open spaces, working with our community partners to ensure continued Green Flag accreditation and accessible, state of the art play equipment.
<p>Residents feel safe and included</p>	<ul style="list-style-type: none"> • Continue to enforce environmental crime, including littering and fly tipping, ensuring targeted action in areas of highest need. • Work with partners to address Anti Social Behaviour. • Ensure people feel they can influence local decisions that matter to them. • Use external funding wherever possible to provide events, cultural activities and to celebrate pride in Gedling, while ensuring financial viability and public safety.
<p>Ensure quality homes and sustainable communities</p>	<ul style="list-style-type: none"> • Ensure health and wellbeing are key considerations within the development of our Local Plan, ensuring a comprehensive and holistic approach to housing provision and mix, including the needs of people who are elderly or disabled and aligned to Gedling's Housing Needs Assessment
<p>Address air pollution to ensure public safety</p>	<ul style="list-style-type: none"> • Continue to actively manage air pollution across the Borough through monitoring and targeted action, to protect the health of local residents and to continue to reduce our carbon emissions.
<p>Create opportunities to maximise positive impact, address inequality and enable sustainable communities through partnership working</p>	<ul style="list-style-type: none"> • Maximise available external funding towards the Council's priority objectives. • Support the Greater Carlton Neighbourhood Board to deliver the first two years of the 10 year, £20m investment plan for the Greater Carlton area. • Continue to build positive, impactful relationships with East Midlands Combined County Authority (EMCCA). • Work with community partners including Nottingham Community and Voluntary Service (CVS) to transition to a sustainable, externally enabled delivery model for Community and Voluntary network support. • Support the work of Gedling's Social Mobility Commission.



Priority 2:

Provide responsive, reliable and value-for-money services

Priority 2:

Provide responsive, reliable and value-for-money services

Prior resident surveys, coupled with recent local consultation about local government re-organisation confirm consistently strong public interest in good quality, value for money core universal services, and a desire from residents for the council to focus on priorities relating to ensuring cleaner streets, community safety, refuse and recycling and the provision of good quality parks, sports and leisure facilities. The Council also has a duty to ensure that our services are accessible for everyone as far as reasonably possible.

Where we are now: Having seen significant budget reductions over more than a decade, the Council has worked hard to do more, or the same, with less overall resource available, working effectively with community, local and national partners to find creative ways to deliver services to meet resident expectations. Most recently, the Council has formed a new environmental enforcement partnership with Waste Investigations Support and Enforcement (WISE) to issue fixed penalty notices for offences such as littering, dog fouling and fly-tipping. WISE take a percentage of every FPN issued so the service is provided at no cost to the Council or taxpayers, enabling critical enforcement activity without diverting funding away from essential services.

The Council's waste services are improving, and new ICT systems have been rolled out that enable data to be collected to track performance, and to ensure that council employees have real time data about bin collections to provide up to date advice to residents. The introduction of new dynamic bin calendars mean that data about bin collections is now always up to date and in 2026 we will continue to build on these successes with more online services becoming available for our waste and street services, enabling residents to see the information they need at the touch of a button and making service delivery more efficient. The Council's garden waste service also enjoys strong take up, with more than 20 thousand households signing up for the service in 2025 - 2026.

Responsiveness also continues to improve with the percentage of calls to the contact centre answered, or a call back made standing at 96.7% and strong performance of 98.42% in percentage of Business Rates collected and 97.49% in percentage of Council Tax collected in the last full reportable year 2024/25.

In Spring 2025, the Council's leisure service achieved its highest ever membership numbers, with more than 5000 members registered, making a significant contribution to health and wellbeing across the borough and reducing the service's subsidy. There has been strong engagement in recent consultations on improvements to leisure services, and all resident feedback will be taken into account as plans progress.

The Council has also launched a new, accessible website, as part of wider plans to improve its ICT provision and enable easier access to services for residents. While digital services continue to be rolled out to deliver efficiencies, we recognise that not everyone can, or wants to, engage with us online. To support digital inclusion, the Council has successfully secured external funding that is being used to support community partners to offer access to online services in the community as well as becoming a national Digital Inclusion Partner, enabling us to provide free SIM cards to people who would otherwise be unable to afford access to the internet.

Commitment to supporting our communities continues, and the Council is working with the Greater Carlton Neighbourhood Board to define a grant scheme for sports and community provision within the Greater Carlton area, while adapting the Council's own grant schemes to maximise value to taxpayers.



Provide responsive, reliable and value-for-money services

What we will do

Our commitment to providing responsive, reliable and value-for-money services by 2028 includes the following priority areas of focus:

Priority Focus	What we will do
Waste services	<ul style="list-style-type: none">• Continue to roll out new technology to ensure service performance can be tracked, and to ensure efficient service delivery.• Roll out national Simpler Recycling changes in line with the Government's timetable.• Improve online processes for residents.
Improving the cleanliness of our streets and public spaces	<ul style="list-style-type: none">• Continue to strengthen enforcement action to reduce fly tipping, littering and improve the environment.• Review the location of our litter bins using data to ensure that they are in the right place and emptied at the right time.• Review our street sweeping rounds to improve the cleanliness of our streets.
Customer services	<ul style="list-style-type: none">• Implement changes to staffing patterns to better match resident needs and deliver savings.• Launch a new Customer Service Insight Framework to enable customer insight to drive service improvement Council wide.• Introduce an online customer account to enable residents to see where their requests are up to online, on a phased basis.
Ensure inclusive, accessible services	<ul style="list-style-type: none">• Explore the potential for new cashpoint collection at locations throughout the borough.• Continue to expand digital inclusion support working with partners across Nottinghamshire.• Improve the accessibility of Council managed websites by merging stand-alone websites into the core Council website to improve accessibility and save money.
Maximise the impact of community grant funding	<ul style="list-style-type: none">• Support the work of the Greater Carlton Neighbourhood Board to define and launch a new Sports and Community Grants scheme.• Review Council grant provision to maximise the impact of grant funding overall.
Continue to review our services to deliver existing critical efficiencies and to ensure value for money is maintained.	<ul style="list-style-type: none">• Continue with our programme of targeted service reviews to ensure continued focus on the delivery of efficiencies required to balance the Council's finances ahead of the start date for the new authority.• Strengthen finance business partner and performance management arrangements.• Critically review major requests for new investment in the light of the new authority to determine value for money in the long term.



Priority 3:

Shape places to be proud of

Priority 3:

Shape places to be proud of

The place we live is what unites us as a borough and contributes to our residents' quality of life. We are committed to shaping places that we can all be proud to live in, both now and for future generations, and to ensuring that key infrastructure is maintained and enhanced. As the borough grows, we are keen to ensure an ambitious and responsible approach to planning that prioritises design quality and affordability to meet housing and business needs without compromising the character of our towns and villages and the things that make the borough special.

Where we are now: Clear master planning is at the heart of our approach, most recently through the delivery of a clear masterplan for Arnold town centre, and residential design codes, alongside the progression of Gedling's Local Plan which aims to shape future development in the borough by addressing the community's needs for housing, jobs, and infrastructure, with a strong focus on sustainability, design standards, and local engagement. The development of the Local Plan ensures that our local communities have a say in shaping future growth rather than the Council having to react to it.

The Council has a well performing, responsive, planning service, strong engagement with developers and a positive approach to ensuring ongoing development contributions to fund strategic infrastructure. In recent years this has supported the development of the Gedling Access Road (Colliery Way), the visitor's centre at Gedling Country Park and neighbourhood projects such as the regeneration of Gedling Youth and Community Hub, improvements to public realm in Arnold Town Centre and investment in sports facilities.

In 2025, four of the borough's parks again achieved Green Flag status, and we continue to outperform regional and national averages in relation to addressing long-term vacant homes.

Despite our successes, we know there is more to do, and we want to use our two remaining years to leave a positive legacy for future generations. Most critically this will include progressing our Local Plan through to adoption, ensuring that the needs of the borough shape future planning decisions that are made. We will also consider how we can maximise the use of Council assets for wider public good, reviewing all the property and land we own to ensure that it is used in the best interests of the people we serve.

Through all of this, we remain resolute in our commitment to supporting improved energy efficiency and to addressing the climate change emergency. Having already reduced energy use by 45% since 2019, we will continue to work in partnership to maximise external funding to enable home energy efficiency measures, will use our planning powers to mitigate climate risks, and will ensure the impacts of development are understood.

Finally, we will continue to promote pride in place, ensuring noise, anti-social behaviour, and other issues within the Council's remit to enforce, are dealt with promptly; that our food outlets are safe; and that we address unauthorised development and housing that falls below acceptable standards. Our licensing teams will continue to manage alcohol, entertainment, taxi licensing and the licensing of Houses in Multiple Occupation (HMOs) ensuring appropriate action is taken where licence conditions are not met.

Shape places to be proud of

What we will do

Our commitment to shaping places to be proud of by 2028 includes the following priority areas of focus:

Priority Focus	What we will do
<p>Adopt the Gedling Local Development Plan, ensuring growth is well planned, sustainable and maintains the character of the borough</p>	<ul style="list-style-type: none"> Clearly set out where development should be directed across the Borough, prioritising locations that are sustainable and accessible. Ensure the Plan meets the requirement for local housing needs as defined under national policy. Ensure the Plan allows sufficient land for employment growth and supports job creation. Address transport needs, with a focus on enabling sustainable travel and managing impacts of growth on the travel network. Balance the necessity for enabling growth with the need to protect the character of the Borough and the quality of design. Ensure that the Plan has a positive impact on climate goals. Consider opportunities to connect natural spaces, waterways and cycle routes for community benefit and ecological value. Continue to listen carefully to residents, businesses and statutory consultees at all stages of the Plan development.
<p>Maximise contributions from developers to support community infrastructure.</p>	<ul style="list-style-type: none"> Ensure new development is supported by critical infrastructure such as schools, health services and good quality community facilities through the effective use of Section 106 agreements and the Community Infrastructure Levy.
<p>Review the Council's assets to improve public spaces and infrastructure, and to reduce long term maintenance costs.</p>	<ul style="list-style-type: none"> Review the land and buildings owned by the Council to reduce unsustainable running costs, and to enable re-generation and development opportunities.
<p>Consider the development of sports facilities in the borough aligned to the Council's Playing Pitch Strategy.</p>	<ul style="list-style-type: none"> Refresh the Playing Pitch Strategy to provide a clear strategic framework in relation to the provision of playing pitch and outdoor sport facilities across the borough. Consider the feasibility, working with the Football Foundation and local clubs, subject to land surveys, of developing enhanced football facilities and an aspiration of a community hub at Lambley Lane Recreation Ground, including all weather pitches to enable year-round usage.
<p>Progress our ambitions for the first phase of change in Arnold.</p>	<ul style="list-style-type: none"> Build on the future vision for Arnold town centre by progressing initial plans to remove unused buildings on Front Street and explore viability and funding options for a new theatre and cinema.

Shape places to be proud of

What we will do

Priority Focus	What we will do
Prevent homelessness	<ul style="list-style-type: none">• Work with landlords to resolve issues and support individuals to avoid eviction proceedings.• Use the Homelessness Prevention Grant from Central Government to fund initiatives that target prevention.• End rough sleeping in the borough.• Provide support from the Discretionary Housing Payment Scheme to help families with shortfalls in benefit payments which can lead to rent arrears and with deposits or rent in advance payments needed to secure accommodation.• Develop Personal Housing Plans for those at risk of homelessness.





Priority 4:

Ensure safe transition to a new authority

Priority 4:

Ensure safe transition to a new authority

Local Government Reorganisation represents the most significant structural change to local government in more than 50 years. It will affect essential services, staff, residents, partners and democratic accountability. As such, we have a responsibility to ensure a safe transition that protects service continuity and ensures public confidence.

While at the point of publishing this Plan, no decision had yet been reached on the future shape of local government across Nottinghamshire (this decision is expected in Summer 2026), careful planning is already underway to reduce the risk of service disruption, financial instability and loss of organisational knowledge, ensuring that Gedling's residents receive reliable and effective services throughout the change process.

A smooth transition depends on clear governance arrangements. During the lifetime of this Plan, a new shadow authority will come into being, before the formal start date for the new council (known as 'vesting day') expected in April 2028, and may take on some decision making powers under a Section 24 direction from central government.

There is a significant amount of work for all affected councils to do ahead of transition to a new authority, and this will need to be a focus for our teams over the next two years. The changes will require robust programme management as well as the expertise of our teams, so that activity is well co-ordinated, best use is made of existing knowledge, and risks are well managed.

Our staff play an essential role in the transition, and we have a responsibility to support them through this change, providing as much clarity as we can, and protecting employment where possible. It will be important that we retain critical skills and expertise to maintain operational stability both throughout the transition and once the new authority is in place.

Our finance, property and legal teams will need to do work to align budgets, harmonise council tax and related discount schemes, manage liabilities and ensure the lawful transfer of assets and contracts to the new authority.

Core systems underpin almost every council function including finance, payroll, council tax, benefits, planning, waste management, housing, customer services and democratic services. Any disruption to systems will have a direct impact on staff and residents and may impact data security and regulatory compliance. Our Digital, Data and Technology team will be working with colleagues across Nottinghamshire to share key information and to set out how decisions on what to retain, replace, integrate and decommission will be made. There will also need to be early shared work on data standards, structures and IT policies so that IT risks are managed and the foundations for effective service delivery are put into place early.

Our aim in ensuring a smooth and safe transition is to enable the new authority to act with confidence and legitimacy from day one, with a clear focus on protecting the interest of the Borough's residents, ensuring services continue uninterrupted and that public trust is maintained.

Ensure safe transition to a new authority

What we will do

Our commitment to ensuring a safe transition includes:

Priority Focus	What we will do
Preparing the council's Cyber, Digital, Data and Technology provision for safe transition.	<ul style="list-style-type: none">• Audit and document key IT systems, infrastructure, applications, data, licences and contracts.• Create a forward plan of IT contracts that may require extending and begin to consider the future IT principles, standards, strategy, data and system alignment with fellow councils.• Establish decision-making principles for consolidation of IT to be adopted as part of plans for the new authority.• Develop interim data sharing agreements where they are required, as a short-to-medium-term solution.
Aligning Procurement, Contract and Supplier management to enable safe transition.	<ul style="list-style-type: none">• Update the Contracts Register for the Council and share contract information to support the creation of a consolidated Procurement Plan for the new authority.• Plan early engagement with strategically important suppliers used by multiple councils or carrying out critical services to facilitate smooth transition.
Enabling critical roles to be retained through the change process and delivering the HR activities needed to support transition.	<ul style="list-style-type: none">• Engage with local recognised Trade Unions to ensure effective communication about LGR and the likely timing of staff transfers.• Identify critical roles and single point of failure risks, and develop retention strategies and transition plans to mitigate risk.• Develop a change ready strategies and ensure change management policies for staff are fit for the transition process.
Ensuring a sustainable financial position and alignment on key financial considerations at the point of transition.	<ul style="list-style-type: none">• Consider the approach to harmonisation of council tax levels, to take effect no later than the start of Year 8 of re-organisation.• Consider the form of a new single local council tax support (LCTS) scheme to be in place no later than three years after restructuring.• Consider the local approach to discounts for second and empty homes and homes undergoing repairs; council tax premiums; and discretionary discounts.
Define considerations for the pension scheme in the new authority.	<ul style="list-style-type: none">• Work with fellow councils to consider how the Local Government Pension Scheme (LGPS) fund should be structured, managed and governed and staffed.

Priority Focus	What we will do
<p>Ensure the audit position is clear and outstanding audit actions are completed as far as reasonably possible ahead of transition, ensuring effective oversight of critical risks.</p>	<ul style="list-style-type: none"> • Create a complete and accurate register of contingent liabilities, risks and outstanding audit recommendations so that the successor authority has a clear view of risks and liabilities. • Develop and regularly update a complete and accurate register of current or pending litigation and claims, significant risks and outstanding audit recommendations, so that the successor authority has a clear view of risks and liabilities.
<p>Share information on council assets and existing planned investments to enable effective planning.</p>	<ul style="list-style-type: none"> • Collate and share existing information on all property assets and agree how asset disposals and changes will be governed during transition. • Review 'in flight' capital projects and assess delivery strategy for all projects running beyond the start date for the new council. • Identify all asset management data and ensure data is cleansed and harmonised prior to the start date for the new council.
<p>Support the creation of a new programme team.</p>	<ul style="list-style-type: none"> • Contribute to the establishment of a shared Programme Office across all authorities, with shared governance and funding. • Prepare executive summaries of key service areas, explaining what catch council's services do, their scope, legal duties, size of budget, workforce and their key priorities.
<p>Understand, enable and support new decision making processes and ensure lawful and safe transition.</p>	<ul style="list-style-type: none"> • Identify specific matters that affect the current councils which may require a legal process to transfer to a new council. • Consider regulatory requirements ahead of transition. • Ensure new contracts have adequate provision that takes transition into account.
<p>Communicate effectively internally and externally.</p>	<ul style="list-style-type: none"> • Work across all councils to deliver cohesive and easy to understand communications internally and externally. • Develop an internal communications campaign to support change readiness and to aid retention during transition.



4 Critical Foundations



Critical Foundations

The Council relies on a small number of critical foundations to enable the necessary stability, capacity and support to deliver against its priorities.

We will ensure:	By:
<p>Financial resilience</p>	<ul style="list-style-type: none"> • Strengthening our existing disciplined approach to day to day financial management, integrating financial and performance reporting and oversight. • Maintaining adequate minimum reserves to protect the Council from unexpected shocks. • Ensuring discretionary services are regularly reviewed to assess value and evidence of impact. • Ensuring income generating services cover their costs. • Reducing near term leisure subsidy through clear and appropriately resourced retention and marketing strategies ahead of wider leisure transformation. • Optimising the use of our assets. • Making use of capital receipts and external income sources to support the Council's priorities.
<p>Strong governance, safe transition.</p>	<ul style="list-style-type: none"> • Setting clear priorities within this Plan and the associated Annual Delivery Plans for 2026/27 and 2027/28. • Ensuring clarity of roles and responsibilities between elected members and officers. • Further embedding risk management practices, including making better use of corporate business partners. • Ensuring clear decision making and accountability, including in the establishment of the shadow authority. • Ensuring effective internal audit and scrutiny focused on the Council's highest risks.
<p>Effective and secure supporting Digital solutions</p>	<ul style="list-style-type: none"> • Continuing to deliver the elements of the Council's Digital, Data and Technology Strategy that are unaffected by Local Government Re-organisation. • Updating key infrastructure and upgrading applications where necessary, to ensure continued support and to minimise legacy technical debt ahead of the transition to a new authority. • Strengthening service management practices, introducing best practices to improve consistency. • Continuing to maintain and strengthen cyber security controls. • Conducting regular disaster recovery testing and ensuring engagement with services in relation to business continuity planning.

We will ensure:	By:
Our workforce has the right skills, tools and support for their role	<ul style="list-style-type: none"> • Having a clear, annually reviewed training plan for staff, making clear what is mandatory and what is optional. • Addressing retention and single points of failure through effective knowledge transfer and consideration of retention plans for critical roles. • Considering early sharing of roles instead of recruiting to new vacancies during the transition period. • Continuing to improve management practices through 'skip a level' check ins and pulse surveys.
We communicate effectively	<ul style="list-style-type: none"> • Mapping our stakeholders and having a clear plan to reach them. • Being clear on our communication priorities, aligned to this plan.



5 Our Delivery Plan

Our Delivery Plan

This Plan sits at the heart of our Performance Management Framework. The Framework is intended to ensure that we are meeting our aims and objectives, to drive change and improvement across the council, and to enable effective performance monitoring of the Council Plan.

For each year of the Plan (2026/27 and 2027/28), a supporting Annual Delivery Plan will be developed that will be tabled alongside the Council's budget, ensuring alignment of resourcing to priorities and making clear who is accountable for delivering each aspect of the planned work, by when.

Each Annual Delivery Plan will outline the specific tasks to be undertaken to ensure we take a coordinated approach to delivering the objectives set out in the Council Plan.

How we will measure our performance

To ensure we are successfully delivering the aims and objectives outlined in the Council Plan, we will regularly monitor and report on progress.

Progress updates will be published via quarterly reporting so residents, communities and businesses can see how we are delivering for them.

Roles and responsibilities

The Council Plan cannot be delivered without the hard work and dedication of our staff. The accompanying Annual Delivery Plan for each year will outline the Lead Officers who are responsible for ensuring each activity is delivered effectively. Given the context in which the Council is operating this means the Annual Plans can be adjusted, as needed, to ensure Local Government Reorganisation considerations are taken into account.

The responsibility for successfully delivering the objectives overall sits with the Strategic Leadership Team who ensure the right resources and capacity are in place to support delivery.

Elected Members play a key role in considering and monitoring the activity included within the Council Plan, through the governance and decision-making arrangements for the Council.

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Name of project, policy, function, service or proposal being assessed:	Gedling Borough Council – Council Plan 2026 - 2028				
The main objective of the Council Plan 2026 – 2028	To set clear priorities for the Council to deliver during its remaining term from April 2026 – March 2028.				
<p>What impact will this proposal have on the following groups? Please note that you should consider both external and internal impact:</p> <ul style="list-style-type: none"> • External (e.g. stakeholders, residents, local businesses etc.) • Internal (staff) <p>The unmitigated potential impacts are set out, along with comments that include mitigation where required.</p>					
Please use only 'Yes' where applicable		Negative	Positive	Neutral	Comments
<u>Gender</u>	External			Yes	There will be no differential impacts on gender as a result of the Plan. Any significant service changes as a result of planned activity will be subject to a separate Equality Impact Assessment prior to decisions being made.
	Internal			Yes	There will be no differential impacts on gender as a result of the Plan. Any significant service changes as a result of planned activity will be subject to a separate Equality Impact Assessment prior to decisions being made.
<u>Gender Reassignment</u>	External			Yes	There will be no differential impacts on gender reassignment as a result of the Plan. Any significant service changes as a result of planned

					activity will be subject to a separate Equality Impact Assessment prior to decisions being made.
	Internal			Yes	There will be no differential impacts on gender reassignment as a result of the Plan. Any significant service changes as a result of planned activity will be subject to a separate Equality Impact Assessment prior to decisions being made.
<u>Age</u>	External		Yes		The plan includes activities that have a positive impact on older and younger people, including health and wellbeing provision, the management of air quality and considerations around spatial accessibility of the Borough's assets. There are no priorities that have an adverse impact based on age. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal			Yes	There will be no differential impact on our internal staff as a result of the Council Plan. Any significant changes that affect staff as a result of the Plan will be subject to a separate Equality Impact Assessment.

<u>Marriage and civil partnership</u>	External			Yes	There will be no differential impacts as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal			Yes	There will be no differential impacts as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
<u>Disability</u>	External		Yes		The Plan includes some priority activity that will benefit people with a disability, including considerations of accessibility in creating responsive and reliable services and in relation to the Local Plan. There are expected to be no adverse, and likely positive impacts as a result of the Plan that can only be determined through later, detailed design. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal			Yes	There will be no differential impacts as a result of the Plan. Any significant changes to services that affect staff as a result of planned activity will be subject to a separate Equality Impact Assessment.
<u>Race & Ethnicity</u>	External			Yes	There will be no differential impacts to residents of different races and ethnicities as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal			Yes	There will be no differential impacts to staff of different races and ethnicities as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
<u>Sexual Orientation</u>	External			Yes	There will be no differential impacts to residents based on their sexual orientation as a result of the Plan. Any significant changes as a result of

					planned activity will be subject to a separate Equality Impact Assessment.
	Internal	Yes			There will be no differential impacts to staff based on their sexual orientation as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
<u>Religion or Belief (or no Belief)</u>	External			Yes	There will be no differential impacts to residents based on their religion as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal			Yes	There will be no differential impacts to staff based on their religion as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
<u>Pregnancy & Maternity</u>	External			Yes	There will be no differential impacts as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
	Internal	Yes			There will be no differential impacts as a result of the Plan. Any significant changes as a result of planned activity will be subject to a separate Equality Impact Assessment.
Other Groups (e.g. any other vulnerable groups, rural isolation, deprived areas, low income staff etc.) Please state the group/s:	External				N/A
	Internal				N/A

Is there is any evidence of a high disproportionate adverse or positive impact on any groups?		No	There are no disproportionate impacts.
Is there an opportunity to mitigate or alleviate any such impacts?		No	Not applicable.
Are there any gaps in information available (e.g. evidence) so that a complete assessment of different impacts is not possible?		No	Not applicable.
In response to the information provided above please provide a set of proposed action including any consultation that is going to be carried out:			
Planned Actions	Timeframe	Success Measure	Responsible Officer
For each activity within the Plan that involves a significant change to services and has an impact on residents and / or staff, a separate Equality Impact Assessment will be conducted prior to decisions being made.	In line with planned activity.	Accurate completion of Equality Impact Assessments where required.	The Senior Leadership Team is accountable for ensuring Equality Impact Assessments are conducted for all activities where changes may result in differential or disproportionate impacts based on one or more protected characteristics.

Authorisation and Review

Completing Officer	Kate Lindley
Authorising Head of Service/Director	
Date	26th January 2026
Review date (if applicable)	N/A

Name of project, policy, function, service or proposal being assessed:	Gedling Council Plan – Legacy Plan 2026 - 2028			
The main objective of The Gedling Council Plan	To set a clear framework for the delivery of Council priorities between 2026 and 2028.			
<p>What impact will this (please insert the name of project) have on the following: Please read guidance before completing. For each category, insert a tick/yes against the impact and include mitigation/comments for each category.</p>				
Category	Negative	Positive	No impact/ Negligible change	Mitigation/ Comments
Behaviour & Culture Change			Yes	While climate change will be a thread that runs through all Council activity, this plan, in and of itself does not set out the behaviour and culture change actions needed to achieve net zero by 2030. Separate climate change action planning will track change activity.

Built Environment		Yes		Activities within the plan will contribute positively to the Council's net zero target.
Transport		Yes		Activities within the plan will contribute positively to the Council's net zero target.

Energy, Natural Resources & Climate Change		Yes		Activities within the plan will contribute positively to the Council's net zero target.
Waste Reduction & Recycling		Yes		The Simpler Recycling activities within the plan should make it easier to achieve positive impacts on recycling.
Blue-Green Infrastructure/Biodiversity		Yes		Activities within the plan will contribute positively to the Council's net zero target.
Procurement & Purchasing			Yes	While climate change will be a thread that runs through all Council activity, this plan, in and of itself does not set out the procurement actions needed to achieve net zero by 2030. Separate climate change action planning will track change activity.

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
Actions will be contained within the Council's Annual Delivery plan.	Following approval of the Council Plan	Not applicable	Not applicable

Authorisation and Review

Completing Officer	Kate Lindley
Authorising Head of Service/Director	Kate Lindley
Date	9th February 2026
Review date (if applicable)	N/A

Report to Council

Subject: Localism Act: Pay Policy Statement

Date: 4 March 2026

Author: Assistant Director of Workforce

1. Purpose of the report

The purpose of the report is to highlight the authority's responsibilities in relation to pay in meeting legislative requirements and local pay policies.

Recommendation

The Council is recommended to:

- a) Approve the proposed Pay Policy Statement and associated pay arrangements for employees for 2026-27.**

- b) Approve the subsequent publication on the Council's website.**

2. Background

The purpose of the Statement is to increase accountability in relation to payments made to senior members of local authority staff by enabling public scrutiny.

Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year for the following financial year. Other regulations also require the Council to openly publish certain information and of particular relevance to the Pay Policy Statement is the statutory Local Government Transparency Code 2015. This report presents a proposal for the Gedling Borough Council Pay Policy Statement 2026-27.

A Pay Policy Statement must set out the authority's policies relating to the:

- remuneration of its Chief Officers
- remuneration of its lowest-paid employees
- relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

The Statement must include the definition of lowest-paid employees adopted by the authority and the reasons for adopting that definition.

The Statement must include the authority's policies relating to the:

- level and elements of remuneration for each Chief Officer
- remuneration of Chief Officers on recruitment
- increases and additions to remuneration for each Chief Officer
- use of performance-related pay for Chief Officers
- use of bonuses for Chief Officers
- approach to the payment of Chief Officers on their ceasing to hold office under or to be employed by the authority
- publication of and access to information relating to remuneration of Chief Officers.

Locally the Statement is also used to publish Gender Pay Gap information required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The Pay Policy Statement includes policy statements relating to Special Severance Payments. The Government published Statutory Guidance on the making and disclosure of Special Severance Payments by local authorities in England in May 2022. This guidance is issued under section 26 of the Local Government Act 1999, the purpose of which is to:

- set out the Government's view that Special Severance Payments do not usually represent value for money and should only be considered in exceptional circumstances;
- set out the criteria employers should consider in the exceptional circumstances in which it may be appropriate to make a Special Severance Payment;
- give examples of the exceptional circumstances in which Special Severance Payments may be appropriate; and
- clarify the disclosure and reporting requirements for Special Severance Payments.

Under the guidance Special Severance Payments are defined, see Appendix N of the Pay Policy Statement for the full guidance.

In ensuring adherence to the guidance, the Council is required to demonstrate the economic rationale behind Special Severance Payments, including consideration of:

- whether there is any feasible possibility of exiting the individual at a lower cost. Only where there is no such possibility should a Special Severance Payment be considered;
- how the exit payment will be perceived by the public and whether it is in line with the duty to manage taxpayers' money appropriately;
- what alternative use could be made of that expenditure? All Special Severance Payments necessarily reduce the funds that would otherwise be available to deliver important public services;
- the setting of any potential precedent (e.g., where a Special Severance Payment is made to certain employees and not others); and
- evidence for additionality i.e., that those offered Special Severance Payments would not have been willing, under any circumstances, to leave with their statutory and contractual benefits alone.

The Government expects that Special Severance Payments should be approved according to the following process:

- payments of £100,000 and above must be approved by a vote of full Council, as set out in the Localism Act 2011;
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment;
- payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments; and
- where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest, it is expected that the payment should be approved by a Panel including at least two Independent Persons.

The Pay Policy Statement (**Appendix 1**) reflects these requirements and the statutory guidance is appended to the Pay Policy Statement as the local policy in respect of Special Severance Payments.

Locally, the Pay Policy Statement includes other information relating to the policies on employment terms and conditions for all Chief Officers including those relating to pay progression.

The Statement must be approved by a resolution of the authority before the 31 March immediately before the financial year to which it relates but may also be amended by resolution during the year; it must be published on the authority's website as soon as possible after approval. Publishing the Pay Policy Statement in the format recommended in Appendix 2 also meets the additional requirements under the statutory elements of the Local Government Transparency Code 2015 in particular relating to information about trade union facilities (time allowed for union duties), senior salaries and the pay multiple. In order to comply with the publication requirement, it is intended that the Pay Policy Statement will be published on the Council's website straight after the Council resolution.

The term 'Chief Officer' referred to above includes:

- The Head of Paid Service designated under section 4(1) of the Local Government and Housing Act 1989 (the Chief Executive)
- The Monitoring Officer designated under section 5(1) of that Act
- A statutory Chief Officer mentioned in section 2(6) of that Act (the Chief Finance Officer & Section 151 Officer)
- A non-statutory Chief Officer mentioned in section 2(7) of that Act (the Director of Operations, Director of Place and Director of Transformation by virtue of reporting directly to the Head of Paid Service);
- A deputy Chief Officer mentioned in section 2(8) of that Act (all Assistant Directors) by virtue of reporting directly to statutory and non-statutory Chief Officers).

Of the above listed posts only the Chief Executive, Deputy Chief Executive, Directors, Chief Finance Officer and Assistant Directors on Pay Band 4 and top of Pay Band 3 are paid a salary above £70,000 per annum, which is the value of the Senior Civil Service minimum pay band

recommended under the Code of Practice for Data Transparency at which information on roles and remuneration of senior officers, is published.

The full statement shows that the Borough Council's local **ratio of highest: lowest pay rates is 5.28:1 - this compares favourably with the ratio of 20:1** originally suggested as a reasonable maximum figure in the original Hutton review into fair pay, and the many examples found in the private sector where multiples way in excess of this are not uncommon.

Local authorities were already required to publish, under the Accounts and Audit (England) Regulations 2011 (Statutory Instrument 2011/817), both the number of employees whose remuneration in that year was at least £50,000 and details of remuneration and job title of certain senior employees whose salary is at least £50,000.

For each "Chief Officer" as defined above, the Pay Policy Statement must include the following information:

- the Chief Officer's salary,
- any bonuses payable,
- any charges, fees or allowances payable,
- any benefits in kind to which the Chief Officer is entitled,
- any increase or enhancement to the Chief Officer's pension entitlement, and
- any amounts payable to the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the authority.

From 2017, any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap.

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings.

The data to be collected, relevant at 31 March and each year thereafter is the:

- Mean gender pay gap
- Median gender pay gap
- Mean gender pay gap in bonus pay
- Median gender pay gap in bonus pay
- Percentage of males and females in each of the four pay quartiles.

Employers must both publish their gender pay gap data and a written statement on their public-facing website and report their data to government online using the gender pay gap reporting service. Further to this, this year's data and the narrative endorsed by Senior Leadership Team as shown in the Pay Policy Statement will be published as part of this Pay Policy Statement following adoption of the Statement by Council.

Appendix 1 shows the proposal for the full Pay Policy Statement for Gedling Borough Council for the year 2026-7.

During any year, changes to policy approved by Committee and minor amendments to levels of earnings resulting from annual nationally determined pay awards may be made to the published policy during the year without further referral back to Council. Otherwise, each year a Pay Policy Statement will be brought back to Council for formal approval and adoption.

Summary data

Below is a summary of the key data contained in this year's Pay Policy Statement.

The data for Gedling is current at 30 November each year. This year the national pay award was settled on 23rd July 2025 and was backdated to 1 April. The award for NJC employees, in terms of pay, was an addition of 3.2% to each pay point in the scale (pro rata for part-time employees) up to SCP 43.

A comparison against last year's pay data is shown. The effects of the national pay award being 3.2% maintains the ratio of highest pay against lowest pay and highest pay against median pay but increases the gap between highest pay to average (mean) pay. Chief Officers settled their national pay award claim at 3.2%

	Data correct at 30 November. Includes 2025/26 national pay award	Last year's pay data
Ratio of highest to lowest pay	5.28:1	5.28:1
Ratio of highest to average (mean) pay	4.55:1	3.77:1
Ratio of highest to median pay	4.58:1	4.58:1
Average (mean) pay (equivalent full-time salary)	£29,969	£34,589
Median pay (equivalent full-time salary)	£29,540	£28,624
Highest paid worker	£135,156	£130,965 (top scale point)
Lowest paid worker (FTE salary- not training or transferred post). Lowest pay point now set at SCP 5 in Band 3.	£25,583	£24,790

4. Proposal

The Pay Policy Statement is a factual statement of information relating to the Council. This policy has been approved by the Appointments and Conditions of Service Committee in December 2025, which recommended referral of the Pay Policy Statement to Council for adoption and for subsequent publication on the Council's website.

5. Alternative Options

The publication of a Pay Policy Statement is required in law and the method by which it is published is specified. The alternative would be to not publish a statement although this would contravene legislation.

6. Legal Implications

The proposed Pay Policy Statement has been drafted to meet the requirements of the Localism Act 2011, the Local Government Transparency Code 2014, the requirements of the Accounts and Audit (England) Regulations 2011, the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, the Trade Union (Facility Time Publication Requirements) Regulations 2017 statutory and other best practice guidance offered by the Local Government Association and the Association of Local Authority Chief Executives.

The Localism Act itself does not necessarily require the Authority to publish actual salary band amounts, however, other regulations and best practice do lead us to this position, particularly for Chief Officers. In the spirit of openness and transparency the proposed Pay Policy Statement encapsulates the principles derived from these myriad sources.

In order to meet the deadlines required by the Localism Act and the Transparency Code, the data used in this annual statement is current at 30 November each year.

Subject to the views of this committee and the adoption at Council, the Pay Policy Statement will be published on the Council's website immediately after resolution, and annually thereafter and included in the Council's Publications Scheme

Although not yet a legal requirement to adopt the statutory guidance on severance payments, the Council will be assessed against that voluntary standard when making decisions about payments made to officers, workers or contractors when they cease providing service for or to the Council. It is expected that local authorities would comply with the statutory guidance even if no local policy is adopted. For that reason, the adoption of properly considered local policy helps to defend any future challenge to special severance payments made if there is concern about the appropriateness of those payments.

The guidance on Special Severance Payments forms part of the best value regime for local authorities in England. The best value duty, as set out in section 3 of the Local Government Act 1999 ("the 1999 Act"), provides that "A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

7. Financial Implications

The Pay Policy Statement only reports information about the council. It does not in itself commit the organisation to any spend and as such there is no financial impact.

The introduction of local Severance Payment Policy will ensure that financial decisions taken by the Council will be properly considered, accounted for and reported. This will be an additional control measure to secure financial probity.

8. Equalities Implications

Although in itself the Pay Policy Statement does not have any equalities impact, there are a number of items that are reported that do have a bearing on equality reporting within the council, for example the annual reporting of the council's Gender Pay Gap.

Work continues against our equalities action plan implemented last year to improve the equality, diversity and inclusion of the Council both as an employer and as a service provider. Actions will be embedded into service planning over the coming years.

The principles of equality and equal pay are embedded in the Pay Strategy that forms part of the Pay Policy Statement.

The Special Severance Payment Policy also ensures that financial decisions about payments to people leaving the organisation will be based on a transparent framework with clear definition about how payments are to be authorised and reported.

9. Carbon Reduction/Environmental Sustainability Implications

No environmental sustainability implications are identified.

10. Appendices

Appendix 1: Pay Policy Statement 2026/27

11. Background Papers

There are no additional background papers

Statutory Officer approval

Approved by:	Chief Financial Officer
Date:	3 March 2026

Approved by:	Monitoring Officer
Date:	3 March 2026

Gedling Borough Council; Pay Policy Statement 2026-27

1. Introduction

Section 38 of the Localism Act 2011 requires local authorities to publish a Pay Policy Statement by 31 March each year. The purpose of the Statement is to increase accountability in relation to payments made to senior members of local authority staff by enabling public scrutiny.

The Pay Policy Statement has been drafted not only to meet the requirements of the Localism Act, but also is designed to reflect the principles of the Code of Recommended Practice for Local Authorities on Data Transparency (updated in 2015), the Accounts and Audit (England) Regulations 2011 and aspects of good practice highlighted by the Local Government Association and the Association of Local Authority Chief Executives. Furthermore, the Statement also has regard to the guidance made available in February 2013 by the Department for Communities and Local Government in respect to “openness and accountability” as described in section 40 of the Localism Act.

The Statement is also used to publish Gender Pay Gap information required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

2. Pay Policy Statement; Executive Summary

Details necessary for publication are explored fully in this Pay Policy Statement in sections three and four. The Executive Summary does not reflect all information required or recommended in the legislation and guidance described in the introduction above; however, it is designed to show key information in a simple, digestible format.

General Council pay data

Lowest rate of pay (Exc Training Grade)	£25,583 p.a. full time rate
Median rate of pay	£29,540 p.a. full time rate
Mean rate of pay	£29,969 p.a. full time rate
Highest rate of pay	£135,156 p.a. full time rate
Expression (as a multiple) of highest rate of pay against:	
Lowest pay:	5.28 times greater
Median pay:	4.58 times greater
Mean pay:	4.55 times greater

ii)	Assistant Director of Digital, Data & Technology			
Assistant Director - Band 3+5%		£70,519	No	
i)	Assistant Director Governance & Democracy (includes Deputy Monitoring Officer)	£72,960 £75,395		
Assistant Director – Band 3		£67,161	No	
i)	Assistant Director of Workforce	£69,486 £71,805		
ii)	Assistant Director of Development			
Assistant Director – Band 2		£57,870	No	
i)	Assistant Director of Housing & Resettlement	£60,189 £62,511		
ii)	Assistant Director of Economic Growth & Regeneration			
iii)	Assistant Director of Revenues & Welfare Services			
iv)	Assistant Director of Environmental Services (Operations)			

1 As defined in Recommended Code of Practice for Data Transparency

2 Total current gross expenditure budget (2025/26); includes employee costs.

3. Setting the scene

3.1 Pay Strategy

The Council's Pay Strategy is shown at **Appendix A**. This document encapsulates both strategic principles and operational practices; it gives direction and intent and guidance for the practical application of these principles.

3.2 Gender Pay Gap

Any organisation that has 250 or more employees must publish and report specific figures about their gender pay gap.

The gender pay gap is the difference between the average earnings of men and women, expressed relative to men's earnings.

The data to be collected, relevant at 31 March as a "snapshot date" each year is the:

- Mean gender pay gap
- Median gender pay gap
- Mean gender pay gap in bonus pay
- Median gender pay gap in bonus pay
- Percentage of males and females in each of the four pay quartiles.

As required in law, both our gender pay gap data and a written statement to add context to the data are available on our public-facing website and on the government website

<https://gender-pay-gap.service.gov.uk/>

This year's data and the narrative endorsed by Senior Leadership Team for Gedling Borough Council are shown at **Appendix B**.

3.2 Other relevant information

The following additional paragraphs and statements outline the Council's general position in respect to employment, pay and conditions of service and are pertinent to the requirements of the Localism Act:

- 3.2.1. As at November 2025, Gedling Borough Council employed 437 people (350.37 full time equivalents).
- 3.2.2. Of our posts, fifteen are governed by the national conditions of service relating to the Joint Negotiating Committees (JNC) for Chief Executives and Chief Officers, these being the Chief Executive, one Deputy Chief Executive, three Directors, one Chief Finance Officer and nine Assistant Directors. All other employees work within the national conditions of service covered by the National Joint Council (NJC) for Local Government Employees.
- 3.2.3. These national conditions of service are added to, and amended by, local terms and conditions detailed in the Employee Handbook and further modified at an individual level by Statements of Employment (contracts) applying to particular employees or posts.

- 3.2.4. For the purposes of the Localism Act, report must be made on the pay policies relating specifically to “Chief Officers”. In the Act, included in the definition of what is a “Chief Officer” are any posts, statutory or not statutory, that report direct to the Chief Executive, or to a post that reports immediately to the Chief Officer. The purpose is to ensure that “Deputy Chief Officer” posts are included in the pay policy. Locally, for Gedling Borough Council this means that the Chief Executive, Deputy Chief Executive, Directors and Assistant Directors are covered in the Pay Policy Statement.
- 3.2.5. Policies relating to the setting of pay are determined by committee. Currently such decisions fall under the remit of the Appointments and Conditions of Service Committee (ACSC). Historically, all major decisions relating to pay policies have been the subject of consultation with the recognised unions representing employees of the Council, either direct with the unions, or more usually through discussion at the Joint Consultative and Safety Committee (JCSC) which is the recognised forum for formal consultation between employee representatives and the employer.
- 3.2.6. The Council has embraced the principles of Single Status (a term designed by national employers’ groups and trade unions to describe the equal treatment, in respect to terms and conditions, of all employees) since 2001. Gedling was one of the first local authorities in the region to formally implement the national NJC Job Evaluation Scheme. A pay policy was written at this time to reflect how NJC pay was to be applied within this scheme and this is shown at **Appendix C**. The NJC Job Evaluation Scheme continues to be used and pay grades are established using this tool for all NJC posts. Job assessment is carried out jointly by both management and union representatives.
- 3.2.7. The grading of JNC Assistant Director posts is undertaken by Senior Leadership Team and is based on a locally determined scoring matrix. This matrix and the scoring system used to determine grades are shown at **Appendix D**. Pay grades for Directors and the Chief Executive are determined by Committee (ACSC).
- 3.2.8. The filling of, or promotion to all posts, be they governed by NJC or JNC conditions of service are dealt with under the same defined protocols. The general protocol for the filling of vacancies is shown at **Appendix E** with a description of how this protocol is applied in a practical context shown at **Appendix F**.
- 3.2.9. Other than in cases where there is a need to prevent redundancy through possible redeployment of existing employees, or where efficiencies or improved working can potentially be realised, all permanent vacancies are advertised externally, and all appointments are made on merit as required by the Local Government and Housing Act 1989. There is an additional recognised protocol (**Appendix G**) that allows temporary vacancies for periods of less than one year to be filled internally.
- 3.2.10. Appointments to non-statutory Director and Chief Officer posts are made by the Appointments and Conditions of Service Committee, subject to no objections being raised by Cabinet. Appointment of the Chief Executive or Statutory Officers will be made by the Appointments and Conditions of Service Committee, subject to no objections being raised by Council. Appointment to all other NJC posts is made by

officers delegated to act on behalf of the Chief Executive. The Council's Constitution governs this process.

- 3.2.11. Dismissal of Statutory Officers (Deputy Chief Executive, Head of Paid Service, Monitoring Officer and Chief Financial (Section 151) Officer) is made through the Appointments and Conditions of Service Committee which will first consider the case and make an initial determination that will be subsequently referred to an Independent Panel charged with making a recommendation to Council at which a decision will be taken to approve or reject the dismissal. Dismissal of Directors that are not Statutory Officers and other chief officers including Assistant Directors will not be referred to an Independent Panel or to Council; the decision will be within the remit of the Appointments and Conditions of Service Committee. Dismissal from all other posts is made by the Chief Executive or to officers delegated to act on behalf of the Chief Executive. The Council's Constitution sets out the process for dismissal of Statutory Officers and other Chief Officers. Where they exist, model procedures contained within national Chief Officers' or Chief Executives' terms and conditions will be used as guidance.
- 3.2.12. In respect to appointment to any post, where the grade of a post comprises a range of pay points, the general practice is that appointment is made to the bottom pay point other than in cases where the successful candidate can demonstrate that their experience or skill set is of relevant and exceptional nature. In such cases, for officers working under NJC conditions, an Assistant Director may agree to commencement at a higher pay point. For a JNC post, the decision about pay on appointment will rest with the appointing officer or committee as appropriate.
- 3.2.13. For Directors governed by JNC conditions, pay at appointment and subsequent advancement through the pay grade is determined by the Chief Executive following consultation with the Appointments and Conditions of Service Committee as detailed in **Appendix H**. The same general principles governing application of pay points apply both to external appointment and internal promotion.
- 3.2.14. A similar scheme linking pay to performance exists for the Chief Executive. This is shown at **Appendix I**.
- 3.2.15. The Council has an established training grade which mirrors the national pay rates for apprentices. The policy relating to the application of this arrangement was adopted in September 2016. Although potentially applicable to a training post of any type, the grade is designed to be applied specifically to entry-level apprentices employed directly by the Council.
- 3.2.16. As a general principle and where business need allows, the Council supports the sharing of posts (job share) between two or more people. Appointments will be made on merit. Appointment for any job share partner will be made within the confines of the pay grade, determined through job evaluation and within the principles as described above in relation to the determination of starting salary.
- 3.2.17. In 2013 supplementary guidance was offered by the Department for Communities and Local Government under section 40 of the Localism Act 2011 about decisions

relating to appointments and dismissal from senior posts where the costs of such decisions are likely to be high. The Secretary of State considers that a salary of £100,000 is the right level for the threshold of such decisions.

In the year 2025/26 the only post at this pay level is that of Chief Executive. This post is defined as “senior” for the purpose of this guidance and consequently decisions relating to appointment and dismissal will be determined by full Council following recommendation made by the Appointments and Conditions of Service Committee. This arrangement is incorporated within the Council’s Constitution.

3.2.18. Already published elsewhere in this Pay Policy Statement are the Council’s key documents relating to severance policies and discretionary compensation for employees, including senior officers in the event of redundancy. Specifically, the Council does also have a Special Severance Pay Policy that determines how such payments will be made, the authority needed to make the payments, and how these are reported. The policy is shown at **Appendix N**.

3.2.19. Access to the full set of local pension discretions required under Regulation 60(5) of the LGPS 2013 are shown on the Council’s website under the “How we work” section at [https://www.gedling.gov.uk/media/gedlingboroughcouncil/documents/council/aboutus/policies/Pension%20Discretions%20Policy%20\(July%202019\).pdf](https://www.gedling.gov.uk/media/gedlingboroughcouncil/documents/council/aboutus/policies/Pension%20Discretions%20Policy%20(July%202019).pdf)

These discretions were approved as formal policy of the Council by the Appointments and Conditions of Service Committee in March 2015 and updated by the committee in 2019. In accordance with legal requirement the policy statements have been drafted to balance financial, business and employee needs and public interest as well as taking into account the general principle that no policy statement can unduly fetter the employer’s ability to make decisions.

3.2.20. From 1 April 2017 all overtime (voluntary), stand-by and call out payments are enhanced by 7.69% to reflect the need to recognise an average of these payments for a four-week holiday period each year (the period for which “normal pay” needs to be maintained). Any contractual overtime will be recognised as normal pay for the purpose of all holidays taken.

3.2.21. As required by the Transparency Code, structure diagrams of the Council showing all posts, including vacant posts, and pay bands are maintained on the Council’s website together with contact details for Chief Officers.

3.2.22. The 2015 Transparency Code required information about trade union facility time to be published, and this requirement has subsequently been extended by the Trade Union (Facility Time Publication Requirements) Regulations 2017. This is the amount of time that is allowed by the organisation for the representatives of the recognised trade unions to participate in approved union activities. For this Council the information, which was published in July 2025, is detailed below. However, due to the changes brought about by the Employment Rights Act 2025, public sector organisations are no longer required to report their Facility Time data via the service which was previously provided by Cabinet Office.

- 3.2.22.1. There are 10 staff that are recognised as representatives (the Executive). This equates to 9.61 full time equivalents (FTEs).
- 3.2.22.2. There are no union representatives who devote at least 50% of their time to union duties. The estimated proportion of time spent on trade union facility time is:

Proportion of time	Number of union Reps
0% (less than 1%)	3
1- 50%	7
51-99%	0
100%	0

- 3.2.22.3. It is estimated that the total salary cost of union representatives undertaking union duties and activities over a year is £15,232.30. The percentage of all pay spent on facility time is 0.03% and 36.84% of all union time is taken up on trade union activities. This is the data reported on the government's website.

3.3. This Pay Policy Statement is published on the Council's website.

4. Other specific reportable issues as defined in the Localism Act

4.1 Chief Officer pay

4.1.1 Basic pay

Pay scales for all Chief Officers are shown in the Executive Summary table. These are current up to 30 November 2025.

4.1.2 The setting of basic pay grades and pay rates

There are a number of existing decisions and policies that determine Chief Officers' overall pay policy.

The Chief Executive's pay scale, and the pay scales for Directors are determined locally by the Appointments and Conditions of Service Committee following formal consultation with recognised unions through the Joint Consultative and Safety Committee. The pay scale for the Chief Executive was last reviewed in early 2018 as part of the recruitment process for a new Chief Executive. In 2016 the pay rate for Directors was also confirmed. When setting these pay scales the committee took into account the need to balance affordability with fair pay for the work whilst also recognising pay levels for similar posts within the local market and pay differentials within the organisation. More recently a new senior management structure has been applied from 2021 in which the grades of newly created Assistant Directors were reassessed.

The ACSC approved a performance-related pay scheme that applies to all Directors and another for the Chief Executive. These are shown at **Appendix H** and **I** respectively. These schemes also confirm that appointment is generally at the bottom point of the pay scale and that progression through the scale is through satisfactory performance only.

The pay principles applying to the Assistant Directors as JNC officers were determined by ACSC after consultation through the JCSC process. The basis of these grades, how

they relate to the pay of Directors and the matrix used by SLT to place these jobs into the appropriate grade are shown at **Appendix D**.

As part of the implementation of the NJC national Job Evaluation Scheme in 2001, a pay policy was adopted by committee in 2001 (**Appendix C**). Basic job grades are still determined using this scheme and the basic principles set out therein. With the implementation of the job evaluation scheme came the setting of a “pay line” that equates each job’s evaluation points to a job grade. The pay policy for the Council’s NJC staff defines how national spinal column points are associated to local job grades and is shown in Appendix C (and also as part of the Pay Strategy at **Appendix A**).

Each year the 30 November is used as the reference period for pay information. Most NJC (most of our workforce) employees this year (2025/26) received an award of an additional 3.2% on their annual full-time salary (pro rata for part time). Chief Executives and Chief Officers received an award of 3.2%. The consequence is also that Local Government pay continues to start at a figure in excess of the National Living Wage.

4.1.3 Enhancements to Chief Officers’ basic pay

Following the review of local pay in 2016 pay grades have largely been simplified and are now designed to reflect a fair market rate for the job. Consequently, previous policies that allowed additional enhanced payments to be applied either to Chief Officer or other NJC employees have now been removed other than for the **Assistant Directors** undertaking statutory roles (Monitoring Officer and Section 151 Officer) where plussages of between 5% and 10% are applied.

4.1.4 Additional payments made to Chief Officers

The only additional payments made to Chief Officers relates to election expenses and an honorarium. The only post formally designated within legislation and to which expenses are paid is that of Chief Executive which is nominated as the Returning Officer. The role of Deputy Returning Officer may be applied to any other post and payment may not be made simply because of this designation.

Payments to the Returning Officer are governed as follows:

For national elections, fees are prescribed by the Electoral Commission.

For local elections, fees are determined within a local framework used by other district councils within the County. This framework is applied consistently and is known as “The County Scale”. This is reviewed periodically by lead electoral officers within the boroughs.

An honorarium payment is being made to the Deputy Chief Executive currently seconded to another Council two days per week.

4.2 Salary protection

The Council’s Pay Protection Policy was reviewed during 2019. A full description of the policy is shown at **Appendix J**. This Pay Protection Policy applies to all employees of the Council, including Chief Officers as defined in the Localism Act. In essence, should a case of pay protection arise, for example due to redeployment or down-grading of a post, protection between an employee’s salary at that time and the value of their new substantive post will apply in the following way:

- 100% for one year
- 50% for year two

Salary protection would not occur in cases where a post holder was downgraded to work of lower pay following disciplinary action.

4.3 Lowest-pay and the relationship with highest pay

4.3.1. Definition; “lowest pay”

The definition of “lowest pay” for the purpose of this Pay Policy Statement is, “The lowest spinal column point in the national pay spine that is used within the local pay and grading structure of the Council for non-training posts. As at November 2025 this is Spinal Column Point 5 within Band 3”.

The Council’s current Pay Strategy is shown at **Appendix A**, and the general Pay Policy is shown at **Appendix C**. This policy reflects the decision to adopt the national pay spine to form the basis of our grading structure. National spinal column points were renumbered with effect from April 2019, and the revised points were incorporated into the Council’s local grading system.

4.3.2. Definition; “highest pay”

The definition of “highest pay” for the purpose of this Pay Policy Statement is, “The highest local spinal column point that forms part of the Chief Executive’s pay band”.

4.3.3 Relationship between highest and lowest pay

When expressed as a multiplier of pay, the Chief Executive’s salary is:

- 5.28 times greater than the lowest pay rate of the Council
- 4.58 times greater than the median pay rate of the Council
- 4.55 times greater than the mean pay rate of the Council

Although the Localism Act requires Authorities to publish the data, the original Hutton Review of fair pay in the public sector rejected calls for a fixed limit on pay multiples. However, to give guidance on what might be considered to be a reasonable pay multiple of highest pay against lowest pay, a ratio of 20:1 was suggested as part of the consultation during the review. Clearly the council operates on ratios at a much lower level.

The pay ratio of highest to lowest pay in the private sector is variable depending on the size and nature of the business although in 2021, using accreditation status from the Living Wage Foundation to estimate the pay of low earners, the High Pay Centre calculates the median CEO to lowest-paid worker ratio to be 113:1. In the voluntary and public sectors then high to low pay ratios are traditionally much lower.

The ratios within the Council’s pay structures are very much in line with other local councils of similar size and are certainly within the ranges outlined as being reasonable in the Hutton Review.

This relationship will be reported annually for comparison purposes.

The rates of for lowest, mean, median and highest pay are included in the Executive Summary table.

4.4 Payments made to Chief Officers on ceasing office

4.4.1 Conduct and Capability Policies

The Council's policies are stated in the employee handbook and where appropriate, also governed by the Council Constitution.

Changes and variation to these policies are made following consultation with recognised unions and formal adoption by the Appointments and Conditions of Service Committee. For each of these policies, the scope of application is defined as follows, "The procedure applies in general terms to all employees of the Authority covered by the terms of the National Joint Council for Local Government Services. This includes full and part-time employees and temporary employees. Employees covered by the Joint Negotiating Committees for Chief Officers and Chief Executives and posts nominated as the Council's Monitoring and Section 151 Officers will have particular provisions applied to them under the Council's Standing Orders relating to staff [as detailed in the Council Constitution and available through the Gedling Borough Council web site]. In these cases, this Disciplinary and Capability Procedures will be applied as closely as possible subject to such modification as may be required pursuant to those Standing Orders."

Subject to the above definition of application, for conduct and capability dismissals all employees will receive only statutory payments due which may, depending on circumstance include notice pay (other than in cases of gross misconduct) and outstanding untaken leave entitlement.

4.4.2 Ill-health retirement

All employees who are members of the local government pension scheme (LGPS) shall have applied to them a pension defined within the LGPS Regulations. Obligations under law requiring the payment of an appropriate notice period or outstanding unpaid holidays are honoured. No additional discretionary payments will be made. Authority to dismiss on grounds of ill health and authority for release of pension as determined within statute is delegated to the Chief Executive.

4.4.3 Termination of employment; Redundancy, efficiency and general pension discretions

The Council's Appeals and Retirements Committee has authority to make payment within the approved Early Retirement and Redundancy Policy (**Appendix K**). The scheme of compensatory payment is clearly identified in this policy and is based on the table of compensation defined within the Employment Rights Act 1996. Under this local policy, for redundancy, payment including both statutory and discretionary payments is limited to a maximum of 30 weeks' pay and nine weeks' pay for dismissal for reason of 'efficiency of service'.

The policies relating to redundancy and 'efficiency of service' are formally adopted by the Council and are drafted within the legislative framework of the Local Government (Early Termination of Employment)(Discretionary Payments) (England and Wales) Regulations 2006. Specifically, the policies reflect the need to define "a week's pay" and to detail the Council's severance payments. For removal of doubt, the Council currently defines "a week's pay" for the purpose of calculation of compensatory redundancy payments as "actual pay" rather than the statutory maximum figure.

Access to the full set of local pension discretions required under Regulation 60(5) of the LGPS 2013 are shown on the Council's website under the "How we work" section at [https://www.gedling.gov.uk/media/gedlingboroughcouncil/documents/council/aboutus/policies/Pension%20Discretions%20Policy%20\(July%202019\).pdf](https://www.gedling.gov.uk/media/gedlingboroughcouncil/documents/council/aboutus/policies/Pension%20Discretions%20Policy%20(July%202019).pdf)

These discretions were approved as formal policy of the Council by the Appointments and Conditions of Service Committee in March 2015 and subsequently updated in July 2019 and detail the full range of policy decisions made that relate to payment of, or limitation to payment of pension benefits applicable to any employee.

The Council's Flexible Retirement Policy is shown at **Appendix L**.

All employees, including Chief Officers are covered by these general policy arrangements. Sections 3.2.10-11 above, detail the special arrangements applying to "senior posts" both in respect to appointment and dismissal.

The policy relating to Special Severance Payments is detailed at **Appendix N** of the Pay Policy Statement.

5. Review and publication

This Pay Policy Statement will be reviewed annually and reported to Council for approval.

The Statement will be made available to the public on the Council's website and will be included in the Council's Publications' Scheme in a format that complies with regulations governing transparency.

Appendices

Pay Strategy

Purpose

This strategy identifies the principles by which pay is governed in the organisation and specifies how these principles are embedded in practice.

Pay

Strategic Principles

- We will pay sufficiently well to attract and retain talent in line with our ambitions, priorities and workforce strategy.
- When setting pay we will be sensitive to, and respectful of the need to balance fair pay with public interest.
- We recognise our social responsibility to support in appropriate ways, a commitment to paying our lowest-paid employees fairly.
- We are committed to developing employment opportunities for local residents. Training posts with training pay grades will be supported by the Council.
- We will keep pay under regular review and take action to maintain the ambitions stated in our pay principles.

Operational Practices

- Job grades for staff governed by conditions of the National Joint Council on Pay and Conditions of Service (NJC) are established locally but are based on national spinal column points.
- Job grades for the Chief Executive and Chief Officers are established locally using local pay points. General terms and conditions are governed by the appropriate national bodies, the Joint Negotiating Committees (JNC).
- Pay is linked to performance for NJC employees (**Document 1**), Senior Leadership Team (**Document 2**) and Assistant Directors (**Document 3**).
- Pay awards made under national pay bargaining are applied to all employees covered by the NJC and JNC conditions of service.
- Market supplements will be applied to basic pay in order to attract first class candidates into our workforce. Such supplements will be applied in the exceptional circumstances described in (**Document 4**).
- Honoraria payments will be used for short periods of time, normally up to one year, to appropriately recognise and reward employees who are required by the Council to perform duties and responsibilities beyond those normally expected in their substantive post for a period exceeding four weeks. The level of payment will be determined by the

relevant Assistant Director and the Assistant Director responsible for the Human Resources function.

Equality

Strategic Principles

- Pay equality within the workforce will be maintained by ensuring that jobs are objectively graded through a job evaluation mechanism appropriate to NJC employees and to Assistant Directors.
- Pay grades will be designed in line with best practice to ensure that pay is non-discriminatory particularly in respect to gender.
- The Equal Pay Policy Statement sets out the general principles of pay and equality

Operational Practices

- A “Gender Pay Gap” review of pay will be undertaken annually within Government guidelines. Findings of this review, including any recommendations for action will be reported to Senior Leadership Team and to the Joint Consultative and Safety Committee.
- The NJC job evaluation scheme is used as a framework to determine job scores used as a basis for local pay.
- A locally determined job evaluation scheme will be applied to Assistant Director posts covered by JNC terms for Chief Offices.
- Job evaluation of new and changed NJC posts will be undertaken by management and union representatives.
- Job evaluation of new and changed JNC Assistant Director posts will be undertaken by Senior Leadership Team.

Benefits and reward

Strategic principles

- We recognise that pay is only one element of reward. Recruitment, retention, engagement and happiness of employees are influenced by a wider package of measures. We will continually review terms, conditions, benefits and ways of working that will make Gedling Borough Council an employer of choice.
- We recognise that good physical and mental health of our employees is essential if employees are to attend work regularly and to give of their best.

Operational practices

- We provide practical support to improve the wellbeing of employees. This is achieved through practical measures such as the “Employee Assistance Programme” available to all employees and designed to support employees through problems relating to mental health, financial and relationship difficulties.
- Adoption of flexible and agile working practices whenever practical to enable employees to deliver first rate service in ways that help them to balance personal and work commitments.
- Access to an employee benefits package, “Gedling Lifestyle” that helps to maximise employees’ earnings.
- Membership of “Our Gedling”, providing access for all employees to a range of events and activities designed to enhance personal wellbeing and health and to support a sense of community and engagement with work colleagues.
- Through active engagement with the workforce, employees’ perception of happiness in the workplace is measured and reported. Issues of common concern are identified and actions developed to improve both employee wellbeing and workplace efficiency.

Pay protection

Strategic principles

- When possible and appropriate, employees will be redeployed within the organisation if they cannot continue to work in their current job.

Operational practices

- Employees redeployed to a lower paid job following service reorganisation will receive pay protection. The nature of this protection will be defined through local policy.

Redundancy

Strategic principles

- Where possible the Council aims to redeploy employees rather than to declare redundancy.
- When this is not possible the Council will apply redundancy payments that recognise the need to balance support for the employee against the need to exercise appropriate restraint in the use of public money.

Operational practices

- The Early Retirement and Redundancy Policy, and the Protocol for Enabling Employee Security documents are used to assist the transition of employees between posts in appropriate circumstances.
- Employees returning to work with the Council following redundancy from either our own organisation or a similar public sector organisation will have applied to them any financial penalty required either by legislation or through national terms and conditions.

Pensions

Strategic principles

- Employees of the Council are eligible to participate in the local government pension scheme (LGPS).
- As required by LGPS Regulations, the Council will maintain a set of local policy decisions relating to discretions available to employers under the scheme.
- Discretions, formulated through appropriate committee of the Council, will recognise the need to balance support for the employee against the need to exercise appropriate restraint in the use of public money.

Operational practices

- The Council will maintain and publish a set of local pension discretions required by LGPS Regulations.

Legislation

Strategic principles

- The Council will ensure that pay and remuneration is treated correctly within relevant legislation.

Operational practices

- Tax and other statutory deductions including national insurance contributions will be made within legislation and under guidance of government agencies for employees, workers and contractors.

Policy statement to link pay to performance: NJC employees

- Usually, employees appointed to a new post will start at the bottom incremental point of the grade for the post. Where it can be demonstrated through the selection process that the appointee has relevant experience or qualifications, the Assistant Director may elect to appoint at a higher incremental point.
- Employees will progress to the next incremental point on their grade on 1 April of each year except where the employee has been in post less than six months. When an employee has been in post for less than six months at 1 April, they will progress to the next incremental point six months after appointment and thereafter on 1 April each year. This reflects national NJC conditions of service.
- Employees will normally progress automatically through the incremental scale as described above. In the exceptional circumstances that an employee is not meeting standards of performance or behaviour required then the Assistant Director, after consultation with a senior HR officer, may withhold an increment. Any such action will be supported by an adverse probation report, extension of probationary service or other formal performance review mechanism.
- The reasons for withholding an increment will be explained to the employee and guidance given about areas for improvement such that incremental progression can continue when standards are met.
- Where an employee is dissatisfied with the reasons for withholding an annual increment, they may appeal in writing to the Chief Executive or other nominated JNC senior officer who will review the decision of the Assistant Director. This appeal is final.

Contractual terms to link pay to performance: Chief Executive and Directors

Chief Executive; Pay and Performance Policy

- The ACSC will determine to which point within the scale the appointment will be made taking into account appropriate experience and skill set.
- A formal performance and pay review will be conducted annually prior to the anniversary of appointment.
- The performance and pay review will be conducted by the ACSC.
- Should the ACSC determine that performance meets or exceeds the expected standards then annual progression of pay will be applied until the top pay point of the scale is reached. Once the top pay point is reached pay will remain at this level whilst performance continues to meet or exceed expected standards.
- Should the ACSC determine that performance is unsatisfactory then consideration will be given to applying the following process relating to pay:
 - if the post holder is at the bottom or middle point of the pay scale at the time of the review then there will be no progression to the next pay point until a future review by the ACSC confirms satisfactory performance. This review will normally take place a year later although the ACSC may choose to conduct an interim review at an earlier date if this is appropriate.
 - if the post holder is at the top point of the pay scale at the time of the review, then from the anniversary of the appointment date pay will be reduced to the middle point of the pay scale and held at that point until satisfactory performance is confirmed through a future review which will be undertaken as described above.

Director; Pay and Performance Policy

- Appointment to any post of Director will normally be made at the bottom scale point of a three-point pay scale.
- A formal performance review will be conducted by the Chief Executive to determine suitability to progress to the mid-point of the grade after one year's service in post and following consultation with the Appointments and Conditions of Service Committee.
- Should the Chief Executive determine that performance is unsatisfactory, pay will remain at the bottom point of the pay grade
- Payment of the top pay point of the grade to be determined annually by formal performance review conducted by the Chief Executive and following consultation with the Appointments and Conditions of Service Committee. Subject to satisfactory performance, payment of the top pay point will be made through annual progression of service in post and, again subject to satisfactory performance, will remain there thereafter. Should the Chief Executive determine that performance is unsatisfactory, pay will remain at, or be reduced to, the mid-point of the pay grade.

- The detail of the performance review scheme is determined by the Chief Executive.

Contractual terms to link pay to performance: Assistant Director

Assistant Director Pay and Performance Policy

- Assistant Director posts are based on a three-point pay scale related to the maximum pay of Directors.
- Under normal circumstances, at the start of employment as an Assistant Director, pay will be based on the bottom pay point of the grade.
- Progression to the next pay point will follow the general rules applying to NJC officers in respect to timing of awards.
- Directors that line-manage Assistant Directors are responsible for setting clear standards of expectation relating to performance or behaviour. Any shortfall against these expectations will be identified to the Assistant Director by a Director, normally at the time that the Director becomes aware of the issue. Often, improvement will be sought through the introduction of appropriate support or training without further measures being employed. If however, the matter is sufficiently serious or an improvement identified as necessary is not initially forthcoming within a timescale required by the Director then that Director may choose to freeze the Assistant Director on their current pay point (prevent progression to the next pay point when it would otherwise have been made) or to reduce their pay by one or more pay points.
- One month's notice will be given of the intention to reduce pay.
- Should pay be reduced, this change will be applied for a minimum of six months. The length of reduction will be determined by the Director. At the end of the period defined by the Director, during which time progress against an improvement plan will be monitored, should improvement be satisfactory then pay will be returned to the previous.
- If pay is frozen then progress against an improvement plan will be monitored. If performance or behaviour does improve sufficiently then from the point at which this determined by the Director, then progression will be made to the next pay point. If further progression within the grade is possible then the top pay point will be paid one year from the date that the pay had been "un-frozen".
- The above measures may be applied outside a formal capability procedure. If, however, the measures are applied to an Assistant Director and the measures are applied for a year or more, it is likely that the matter will be dealt with under a formal capability procedure.

- The broad terms and process of the Capability Procedure defined in the Employee Handbook will be used to deal with any serious or persistent problems of capability and the use of this formal procedure may be applied either in conjunction with or separate to the measures relating to pay freezing or reduction.
- A final right of appeal exists to a Director's decision to freeze or reduce pay, or to the length of time for which this pay detriment is applied. This appeal should be addressed to, and will be dealt with by the Chief Executive or an officer nominated by the Chief Executive.

Market Supplements

- The pay and grading structure has been set to reflect the relative values of jobs within this organisation and at pay levels which reflect the general local employment pay levels. This has been achieved through the national job evaluation scheme for NJC officers and a local job evaluation scheme for Assistant Directors. However, there may be occasions where it is necessary to enhance the pay levels of specific groups of employees where it is proven that it is difficult to attract and retain employees because of external pay levels. Where such situations are identified, additional market factor supplements may be agreed.
- Payment of market factor supplements will be made taking into account the following factors:
 - Evidence of high levels of turnover in the particular staff group
 - Evidence of difficulties in recruiting to posts i.e. by low response rates to advertisements or inability to attract suitable candidates
 - Comparison with like jobs in other local authorities and more widely in the sector
- All current employees within the group affected will receive the payment.
- Clear criteria for receiving the payment will be determined such as the possession of specific qualifications and length of experience as examples.
- The supplement will be a number of increments applied to the normal spinal column points associated with the substantive grade. The number of increments awarded will be informed by the evidence supporting the payment of the market factor supplement.
- Payment will be made for a specific time period (normally up to 3 years as a maximum initially). The application of a supplement is not open-ended, and the timing of a formal review will be identified when the arrangement is proposed.
- At the point of review, the supplement may be extended or removed. Where it is determined that a supplement is to be withdrawn, employees in receipt of these will be given 12 months' notice of withdrawal. At the end of that time, they will revert to the substantive salary for their post.
- Senior Leadership Team will determine whether a supplement should be applied to specific posts, the number of additional pay points to be awarded and over what length of time and will determine the action to be taken as the result of any review.

Gender Pay Gap Data

Gender Pay Gap as at 31 March 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Mean gender pay gap;	-1.8%	4.1%	2.9%	3.79%	4.67%	2.53%	1.31%	5.13%
Median gender pay gap;	-6.3%	1.6%	4.8%	-1.51%*	0.00%	0.00%	0.00%	0.00%
Proportion of men with bonus**	0%	0%	0.8%	1.17%	1.79%	1.37%	1.05%	0.00%
Proportion of women with bonus**	0%	0%	0.4%	0.37%	0.68%	0.69%	0.66%	0.97%
Mean bonus** gender pay gap	N/a	N/a	32.1%	18.8%	1.72%	1.67%	1.72%	n/a
Median bonus** gender pay gap	N/a	N/a	-47.0%*	1.84%	1.84%	1.65%	1.82%	n/a
Percentage of males and females in each of the four pay quartiles:								
Upper quartile:								
men	47.6%	51.5%	50.0%	49.62%	50.69%	49.66%	49.66%	49.34%
women	52.4%	48.5%	50.0%	50.38%	49.31%	50.34%	50.34%	50.66%
Upper mid-quartile:								
men	53.1%	47.5%	53.0%	44.62%	46.53%	44.83%	47.30%	48.68%
women	46.9%	52.5%	47.0%	55.38%	53.47%	55.17%	52.70%	51.32%
Lower mid-quartile:								
men	45.4%	50.7%	41.4%	50.00%	47.92%	56.85%	48.30%	45.75%
women	54.6%	49.3%	58.6%	50.00%	52.08%	43.15%	51.70%	54.25%
Lower quartile:								
men	46.2%	37.7%	47.8%	51.13%	49.31%	49.32%	49.32%	44.74%
women	53.8%	62.3%	52.2%	48.76%	50.69%	50.68%	50.68%	55.26%

* A minus figure indicates that the pay for women is higher than it is for men

** For the purpose of reporting, previously market supplement payments were included as "bonus payments", however, this was corrected in 2024, as market supplements are not performance related and should be classed as post-related payments, not relating to the performance or merit of an individual employee, as per the Local Government Job Evaluation guidelines.

Narrative

In summary, the mean gender pay gap of -1.8% has decreased from last year's figure of 4.1%, which now mean women are paid higher than men. In terms of progressing towards equal pay internally is an excellent outturn and when compared to other similar public sector organisations.

The median gender pay gap of -6.3% shows men are paid less than women on average, with women earning more at the midpoint of the pay scale, even though there is a relatively balanced distribution of men and women in each quartile.

The gap may occur based on a number of factors, e.g., which roles men and women are attracted to and the salaries these roles pay and the fact that we employ more males in manual roles than women which pay less. We will continue to keep equal pay under review by ensuring there is fairness and transparency in our policies that may impact on pay.

We will:

- Review our recruitment and selection policy to ensure that we promote diversity in under-represented roles to address any imbalances.
- Ensure our family friendly policies are monitored in terms of effectiveness to support staff in their careers.
- Provide training for staff to build confidence and enhance their skills in their chosen professions and provide coaching to support them in their development based on our recently revised performance management and learning and development policies.

Appendix C

Pay Policy – Single Status Employees

1. Purpose of Policy

To establish the principles and arrangements for pay for all employees in the Authority linked to the job evaluation of all posts.

2. Objectives

- To ensure all pay arrangements reflect equal pay for work of equal value.
- To establish clear and consistent approaches to pay.
- To reflect how employees develop in skills and knowledge within a job.
- To provide a basis for establishing the grading system in relation to job evaluation.

3. Pay Points

The pay points for all employees covered by the single status agreement will be nationally agreed pay points. In the final grading structure, it is possible that not all of the points will be utilised. If necessary local points will be developed within the single status pay and grading structure in order to meet organisational need. The Council's lowest pay point for non-training posts is SCP5 in Band 3.

4 Pay Award

The nationally agreed pay award determined at 1 April each year will be applied to the spinal column points used in the grading structure, including any locally set points.

5 Incremental Progression

- a. All jobs will be allocated to a scale consisting of a number of incremental points not exceeding 5. The scales will not overlap and depending on the final grading structure may not be continuous with the national spinal column points.
- b. In most cases employees appointed to a new post will start at the bottom incremental point of the grade for the post. Where it can be demonstrated through the selection process that an individual candidate has relevant experience or qualifications, appointment at a higher incremental point may be justified. This should be agreed by the Corporate Director following consultation with personnel to ensure consistency both within Departments and across the Authority.
- c. Employees will progress to the next incremental point on their grade on 1 April of each year except where the employee has been in post less than 6 months. Where an employee has been in post less than 6 months at 1 April, they will progress to the next incremental point 6 months after appointment and thereafter on 1 April each year.
- d. Employees will progress automatically through the incremental scale in accordance with paragraph c. In the exceptional circumstances that an employee is not meeting output and quality standards expected for a post, the Corporate Director, after consultation with the Assistant Director of Workforce may withhold an increment. Any such action will be

supported by an adverse probation report, extension of probationary service or other formal performance review mechanism.

- e. The reasons for withholding an increment will be explained to the employee and guidance given about areas for improvement such that incremental progression can continue when standards are met.
- f. Where an individual employee is dissatisfied with the reasons for withholding an annual increment, they may appeal in writing to the Head of Paid Service, who will review the decision of the Corporate Director.

6. Market Factor Supplements

- a. The pay and grading structure has been set to reflect the relative values of jobs within this organisation and at pay levels which reflect the general local employment pay levels. However, there may be occasions where it is necessary to enhance the pay levels of specific groups of employees where it is proven that it is difficult to attract and retain employees because of external pay levels. Where such situations are identified, additional market factor supplements may be agreed.
- b. Payment of market factor supplements will be made taking into account the following factors:
 - Evidence of high levels of turnover in the particular staff group
 - Evidence of difficulties in recruiting to posts i.e. by low response rates to advertisements or inability to attract suitable candidates
 - Comparison with like jobs in other local authorities and more widely in the sector
 - All current employees within the group affected will receive the payment
 - Clear criteria for receiving the payment must be determined i.e. possession of specific qualifications and length of experience etc.
 - Payment will be made for a specific time period (normally up to a maximum of three years initially). Where it is determined that the supplements can no longer be justified, employees in receipt of these will be given 12 months' notice of withdrawal. At the end of that time, they will revert to the substantive salary for their post.
- c. The amount to be awarded will be determined by the evidence gathered to support the need for a market factor supplement that would indicate the appropriate salary levels. The supplement will be a number of increments above the top of the grade, paid on a monthly basis.
- d. Senior Leadership Team will determine to which posts a market factor payment will be made and to the value of this payment.

7. Temporary Additional Responsibilities

In some situations, employees may carry out a different role from their substantive job. Where such situations occur, the employee will receive the appropriate rate for carrying out these

duties for the period they do so. For all other occasions they will be remunerated at the rate for the job undertaken.

8. Revised grading structure (updated for April 2016 following implementation of local pay changes and April 2019 to reflect changes to national spinal column point numbering). SCP 5 in Band 3 is the lowest pay point (excluding training posts)

Evaluated points for job		New grade	National Spinal Column Points in grade Revised April 2019	
From	To		From	To
200	270	Band 1	1	1
271	310	Band 2	2	3
311	350	Band 3	4	5
351	395	Band 4	6	8
396	440	Band 5	11	14
441	475	Band 6	16	20
476	515	Band 7	22	24
516	540	Band 8	26	28
541	580	Band 9	29	31
581	620	Band 10	33	35
621	650	Band 11	36	38
651	695	Band 12	39	41
696	735	Band 13	42	50
736	800	Band 14	54	56

Band 1 is available as a training grade. Band 3 (SCP5) is the minimum rate of pay for job evaluated posts.

Assistant Director - assessment model

Appendix D

The assessment grid places each Assistant Director post into one of three levels against five factors.

	High (level 1)	Higher (level 2)	Highest (level 3)
General impact	Decision-making is not often likely to be potentially contentious. Decisions made are important to the operational aspects of service delivery but are mainly likely to have short-term or limited internal or external impact. Limited or infrequent requirement to create or review substantial policies or processes.	There is a frequent need to take decisions that will potentially have substantial and long-term impact on the service area that have financial, operational or consequence.	There is a frequent need to take decisions that will potentially have substantial and long-term impact on the organisation (not just the service) that have financial, operational or I consequence.
Customer & organisational impact	There is a requirement to contribute to corporate policies or procedures in respect of the service area only.	There is some requirement to contribute to corporate policies or procedures. The job has significant political/reputational impact	There is a strong focus on the contribution to corporate policies, or the job has major political/reputational impact procedures.
Complexity	The delivery of the service is largely operational and routine. There is a need to work with other services or agencies, but the work is largely routine or transactional in nature. Policy/strategy work is generally for the service area only.	The delivery of the service is generally operational and routine although some aspects of the service need to frequently deliver solutions to problems or case management issues that are not straightforward and can have multiple outcomes.	The delivery of most aspects of the service is not easily determined by established guidance, procedures and process. The service is likely to have an emphasis on case management, problem solving, partnering (internal or external) or project working. Strategy work is complex and impacts on a substantial range of council services.
Market	Determined by market analytics (comparator jobs, Hay data etc.) as being a post that may be comparatively easy to fill. The service area may be limited in breadth. The local market would readily provide a number of good quality applicants for any vacancy advertised.	Reasonable prospect of some (perhaps few only) acceptable quality of applicants for any vacancy advertised.	A post that due to market conditions may be relatively difficult to recruit into. This may be due to the mix of skills required or the high value that the local market places on particular professional qualifications or experience.

Resources	There is scope for influence on the organisation's employees, finance, assets in respect of the service area only.	There is some scope for influence on the organisation's employees, finance, assets.	There is considerable scope for influence on the organisation's employees, finance, assets across the Council.
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General Principles

Assistant Director posts have been placed into one of four pay bands based on the above conventions and the scoring model shown below. The following general guidelines are also proposed:

- Each factor is scored in accordance with the table below and total scores determine the pay band to be applied to each Assistant Director post.
- The determination of placing will be undertaken by SLT.
- Appeal against placing will be to the Chief Executive in consultation with an HR officer and a union representative. The Chief Executive may agree that the banding of a post is reconsidered by SLT.
- An Equality Impact Assessment will be maintained to ensure that grading is not gender biased. This will be reviewed periodically.
- The assessment of job scores may be reviewed periodically at the request of an employee or SLT particularly if a job changes or there is evidence that the market may treat the job differently to its initial assessment.
- Pay Bands are based on the following scoring matrix:

Pay Band	% of Directors maximum pay	Evaluated points total
Band 1	55-60%	5-7
Band 2	60-65%	8-10
Band 3	70-75%	11-13
Band 4	80-85%	14-15

Assistant Director: linkage of pay to performance

- Assistant Director posts are based on a three-point pay scale related to the maximum pay of Directors.
- Under normal circumstances, at the start of employment as an Assistant Director, pay will be based on the bottom pay point of the grade.
- Progression to the next pay point will follow the general rules applying to NJC officers in respect to timing of awards.
- Directors that line-manage Assistant Directors are responsible for setting clear standards of expectation relating to performance or behaviour. Any shortfall against these expectations will be identified to the Assistant Director by a Director, normally at the time that the Director becomes aware of the issue. Often, improvement will be sought through the introduction of appropriate support or training without further measures being employed. If however, the matter is sufficiently serious, or an improvement identified as necessary is not initially forthcoming within a timescale required by the Director then that Director may choose to freeze the Assistant Director on their current pay point (prevent progression to the next pay

point when it would otherwise have been made) or to reduce their pay by one or more pay points.

- One month's notice will be given of the intention to reduce pay.
- Should pay be reduced, this change will be applied for a minimum of six months. The length of reduction will be determined by the Director. At the end of the period defined by the Director, during which time progress against an improvement plan will be monitored, should improvement be satisfactory then pay will be returned to the previous pay point.
- If pay is frozen then progress against an improvement plan will be monitored. If performance or behaviour does improve sufficiently then from the point at which this determined by the Director, then progression will be made to the next pay point. If further progression within the grade is possible then the top pay point will be paid one year from the date that the pay had been "un-frozen".
- The above measures may be applied outside a formal capability procedure. If, however, the measures are applied to an Assistant Director and the measures are applied for a year or more, it is likely that the matter will be dealt with under a formal capability procedure.
- The broad terms and process of the Capability Procedure defined in the Employee Handbook will be used to deal with any serious or persistent problems of capability and the use of this formal procedure may be applied either in conjunction with or separate to the measures relating to pay freezing or reduction.
- A final right of appeal exists to a Director's decision to freeze or reduce pay, or to the length of time for which this pay detriment is applied. This appeal should be addressed to and will be dealt with by the Chief Executive or an officer nominated by the Chief Executive.

Enabling employment security - Protocol for managing changes in posts throughout the Council

1. Background

As with most public sector organisations, the Council will be required to make budgetary savings for the foreseeable future. It is expected that these savings will not be able to be met by efficiencies alone and that some services may have to be significantly reduced or to cease.

This has implications for our workforce and as a good employer with a track record of working to avoid compulsory redundancy this protocol is intended to provide a supportive mechanism for managing change.

2. Aim

The aim of this protocol is to :

- give as much employment security as possible to existing employees
- utilise the existing skills and knowledge of employees for the overall benefit of the Council
- avoid redundancies as far as possible
- operate a fair process for retaining employees, where workload is changing
- offer personal development opportunities on a fair basis

3. Vacancy Management

In cases when employees are at potential risk of redundancy, the following protocol is observed:

- Confirmation by Senior Leadership Team that a vacant post can be filled.
- Consider, in liaison with HR, whether there are redeployees/ secondees identified across the Council for whom this post is suitable, or with some adjustment to the requirements it would be suitable. If so, then redeployees/ secondees will be placed in the post. (see section 4.1 below).
- If there are no suitable candidates from posts at risk, then the post will initially be advertised internally. Managers will take a flexible approach to the requirements in the person specification such that existing employees can more easily be considered for the post. This may mean that the grade is reduced and/or there is a training period required before the individual can be placed on the full grade.

- Internally advertised posts might be on a permanent or temporary basis (where for example it is dependent on funding). Existing employees who take a temporary post will not lose their employment rights and at the end of the temporary appointment the aim will be for them to revert to either their existing job or an equivalent.
- Posts that are not filled internally will be advertised externally; however, they will be on a temporary (less than) 12-month basis unless the Chief Executive determines that there are exceptional circumstances that justify the offer of a permanent position.
- New employees will be employed for a temporary period of less than 12 months. At the end of the temporary contract the post should be filled with an existing permanent employee or frozen. Extensions of employment for a new employee in any job, beyond 12 months will not be permitted, without the approval of the Chief Executive.

4. Identification of Posts ‘at risk’

To facilitate the filling of vacancies by existing employees it is necessary to be clear where there are likely to be reduced services and/or efficiencies which ultimately will mean a reduced number of posts.

Where it has been identified that a reduction in posts is required, this should be detailed by Directors in terms of the numbers and types of posts. Essentially this is a potential redundancy situation. However, the aim of this protocol is to avoid redundancies. Such situations need to be managed with care and avoiding unnecessary concern.

Once identified, there will be consultation with the affected employees and Trade Unions on the proposed reductions, allowing the employees affected to propose alternatives, for example reduced hours working, career breaks etc. Since these proposals will be driven by financial constraints, it is unlikely that suggestions of additional work to be carried out, unless income generating will be suitable solutions.

At the conclusion of the consultation on the changes, the appropriate formal decisions will be made to put the changes into effect. The impact on the individual employee will be managed using the appropriate policies of the Council.

4.1 Same or Lower Graded Redeployments

The people occupying posts that have been identified as at risk will be placed into posts which might be suitable to their skills and knowledge. Where possible, alternative redeployments may be offered. These posts will not be advertised across the organisation. These posts may not be within the professional area of the affected post-holders, but it will be considered that their existing skills and knowledge can be applied to these posts. The posts offered may be on a lower grade than the post-holders currently occupy. The Council’s protection policy will apply.

Where there are a number of people identified in an at-risk group, all will be expected to give serious consideration to undertaking the redeployment. If the available post cannot be filled through voluntary application, then an assessment process will be undertaken to identify the most suitable person. (This is likely to be similar to the approved protocol for selection into posts following structural review).

If for any reason it is not appropriate to assess employees 'at risk' for redeployment, then a selection for redundancy exercise will be undertaken using criteria determined in consultation with the Trade Unions, and the Council's redundancy and redeployment policy will be followed. This will lead to identification of redeployment opportunities and employees are required within the context of national employment law, to consider all reasonable offers of redeployment.

5. Secondments

In some situations, the full definition of a redundancy situation may not apply – as described above. An opportunity may present itself within a team for a short-term reduction in staffing requirements and therefore a requirement to place employees into temporary arrangements. Equally there may be vacancies within the organisation that are critical to fill, and it is desirable that this is done internally, but not necessarily on a permanent basis.

It is also possible that vacant posts could be filled internally on a temporary basis by employees moving from lower priority service areas giving rise to savings. Such situations will be dealt with by a secondment arrangement.

Secondments agreed in this way will only be temporary arrangements, the employee who undertakes the secondment post will be entitled to return to their substantive post either at the end of a fixed term arrangement or when the need for the post becomes sustainable again, or another post becomes vacant for which they wish to be considered for redeployment.

If during the period of secondment, the individual's substantive post is identified for deletion, the individual will be treated as a redeployee, and the protocol described in Section 4 above will apply.

Before a post is released for secondment/redeployment, there will be a review of the requirements of the post, to enable successful appointment from employees who might otherwise have not met the minimum criteria. This may lead to a review of the post grade to ensure that the substantive grade of the post fully reflects the duties being carried out. If this situation arises, the grading of the post will be reviewed through the job evaluation scheme in consultation with the Trade Unions.

The protocol in such situations is as follows:

5.1 Same or lower Grade Secondments Identified

The protocol for placing people into same or lower graded secondments will be as above for posts at risk.

6. Higher Graded Secondment or Redeployment Identified

Where a secondment or redeployment post is identified at a higher grade than people requiring redeployment then there will be an internal advertisement for the post. This will enable all employees to be considered for this post – and may result in the person(s) at risk not being successful. However, it will release another post within the organisation that may then be available for the secondee/redeployee.

If the higher graded post is within the contained professional area where there is an identified reduction, then the applicants can be restricted to the group of employees 'at risk'. Appointment to the post will be on merit.

Redeployment at a higher grade may be a temporary or permanent arrangement depending on the circumstances. If the arrangement is temporary, at the end the individual is placed back into being 'at risk' and this protocol will continue to apply.

If no suitable secondee/redeployee is identified, then the process for vacancy management Section 3 above will be followed.

7. Equality and Diversity Implications

Using this protocol for dealing with the medium-term difficulties can bring potential for conflict with the Council's commitment to equality and diversity. In terms of recruitment and employment, the Council has previously advertised all jobs either externally or internally for all employees. This protocol is a departure from this. In terms of the workforce profile, it will not help in ensuring that the employees of the Council are representative of the population. Currently our minority ethnic make-up is below that of the area, and by retaining recruitment internally, there are limited opportunities to address this.

However, for maintaining the morale and commitment of existing employees to achieve high performance in difficult times, it is necessary to balance these conflicting demands. Appointment to any vacancies, particularly where there is an increase in grade will be on merit, and if no internal candidates can meet the criteria, appointments will not be made. All employees within a group 'at risk' or faced with other change will be treated fairly and given equal chance for any secondments or redeployments.

8. Training and Development

Using this protocol should offer protection to existing employees and will retain within the organisation valuable skills and expertise. However, it has to be recognised that whether there is a secondment or a redeployment arrangement it is possible that posts might be filled by employees without relevant training or knowledge.

In such situations there is a commitment to provide this training to enable the employee to deliver the requirements of the post within a relatively short time (12 - 18 months). The grade of the post might be adjusted during this training time to reflect this and to ensure equity with comparable post holders.

If an employee at risk expresses a desire to fully retrain to a different professional area, and this requires considerable investment in qualifications etc; this will be considered. However, this can only be agreed to if there is an ongoing demand for that skill, and if there is significant cost to the training (e.g. a degree) this can be met from existing budgets.

Further guidance for managing changes in posts throughout the council

Further to the general protocol adopted by the Council to support organisational change, for most structural change further guidance is offered that places the terms of the protocol into a practical context. The text below describes the normal process that will be adopted to bring about structural change.

When proposals might lead to potential redundancies, in order to mitigate against compulsory redundancy situations, the Council will use its general protocol (**Appendix E**) to help ensure that, where possible, current employees are not displaced.

In particular, new posts created in the proposals will be ring-fenced for competition from potentially displaced employees in the first instance. Should there be any displaced employees remaining following such a redeployment exercise, any remaining vacancies will then be advertised on an open, internal-only basis in order to try to create other suitable vacancies that might be suitable for redeployment.

Throughout these processes, however, there is no guarantee of appointment as applicants will need to demonstrate the necessary skills and competency through the application and selection process.

At the “internal-only” stage, should there be no other internal applicants other than the “at risk” candidates, then these employees would not be re-interviewed at this stage without competition, and such vacancies would be put out for external advertisement. Internal candidates, including those potentially at risk would then again be eligible to apply for these vacancies.

If there are employees that remain unplaced at the conclusion of this exercise, or if there are no posts suitable for redeployment through the above process at the time when an occupied post is deleted from the establishment, then the issue of redundancy notices may be necessary at that point, or earlier in if the council deems it appropriate and necessary in order to achieve business objectives.

Procedure for filling temporary vacancies

In order to recognise the current business climate as one of change and to help respond to the issues identified in the workforce development plan such as the need for succession planning, the Council will adopt the recruitment practice as follows:

Temporary Recruitment

For all temporary posts of up to one year, where there is a likely prospect (determined jointly by the Assistant Director and Assistant Director of Workforce) that the temporary vacancy could be filled with a suitably qualified and experienced, high-calibre internal candidate, then the post will be advertised openly but internally in the first instance.

Normally, a full recruitment process will apply. However, there may be occasions where “expressions of interest” are invited through advertisement; the purpose of this is to speed up the process where the vacancy is particularly specialist and only a small number of people may be suitably qualified. In effect, it is a quick method of testing the internal market. Where this method is used and there is only one interested person, it will be sufficient to assess their suitability through a “targeted-question” interview; an application form may be unnecessary. If more than one person expresses an interest, all people will be required to complete an application form, and a full selection process will be followed.

Traineeships of up to a year are excluded from this arrangement to only advertise internally; all such vacancies will be advertised externally.

Where a post becomes permanent after being occupied for a temporary period of any length, the vacancy will be advertised externally (unless employment rights have been accrued in which case it may be necessary to place the post holder into the permanent post without further process).

Normally, where a short-term vacancy is identified, it will be filled by the above methods. In certain circumstances, particularly those where a reduced (partial) set of tasks or responsibilities need to be picked up within a team, the vacancy is specific and technical in nature, or the need to fill is exceptionally urgent, then an honorarium arrangement may be appropriate.

Honoraria

An Assistant Director may seek, in conjunction with the Assistant Director for Workforce, to apply an honorarium in the following circumstances:

A vacancy exists in the existing team, and it is decided jointly by the Assistant Director and Assistant Director of Workforce that the vacancy should be filled on a short-term basis, but that there is not a need to fill the post at its full grade; the range of duties and level of responsibilities are reduced. OR

In the short-term, additional duties and responsibilities are required of one or more post holders to recognise particular business needs even though there is no specific vacancy at a more senior level.

When a “Principal Officer” (those posts graded at pay band 10 and above) formally covers some or all of the duties of a more senior post for a period of more than four weeks it may be appropriate to apply an honorarium arrangement as for other posts.

Honoraria payments will not normally go on beyond one year.

The level of payment will normally be set at a fixed spinal column point or salary figure to represent the additional duties and responsibilities to be carried out by the employee.

The level of payment will be agreed between the Assistant Director and Assistant Director of Workforce. This may be done by establishing a “felt-fair” spinal column point between the employee’s current pay point and the level of duties and responsibilities expected. Where it is difficult or contentious to identify a point in this way, job evaluation may be used to identify an appropriate pay band and then a point to be applied within this band will be agreed by the Assistant Director and Assistant Director of Workforce.

Selection for honoraria may take place in a number of ways:

Where particular, specific skills are required and it is reasonable to expect that only one post holder will meet the criteria at a particular work base (for example, Civic Centre, specified Leisure Centre), the Assistant Director may, following consultation with, and agreement by, the Assistant Director of Workforce, identify a particular individual to whom they wish to offer an honorarium.

Where a number of people within a team might be expected to be able to work up to a higher level, but people outside the team would not be expected to have the current skill-set required, the Assistant Director would be expected, with appropriate assistance from HR to identify if there would be interest from a number of people to act up into a more senior role. If this were the case, the Assistant Director would need either to offer the opportunity to all interested parties on some fair rota basis or decide on a single candidate following some formal assessment process similar to a recruitment exercise, such as a targeted interview (although this would not necessarily require application form). This exercise might be site-specific if there was a business or operational need to not alter or change staffing arrangements between work sites (for example, opportunity to act up to a duty manager role at a leisure centre may only be offered to employees currently working at that site).

In cases where there is potential for a particular vacant role to be filled by employees from other teams, locations or services within the Council, unless there was a specific urgent need to find someone to carry out a particular role for a short length of time in which case either of the two above scenarios might apply, then the process to identify suitable candidates would mirror the steps for temporary employment above, including appropriate advertisement (in effect, it would be a recruitment exercise rather than an honorarium arrangement).

Where a decision is taken to fill a post on a permanent basis that has been occupied at part or full duties by someone on an honorarium basis, the vacancy will be advertised externally.

Pay policy governing Directors' pay

Appointment to any post of Director will normally be made at the bottom scale point of a three-point pay scale.

A formal performance review will be conducted by the Chief Executive to determine suitability to progress to the mid-point of the grade after one year's service in post and following consultation with the Appointments and Conditions of Service Committee.

Should the Chief Executive determine that performance is unsatisfactory, pay will remain at the bottom point of the pay grade

Payment of the top pay point of the grade to be determined annually by formal performance review conducted by the Chief Executive and following consultation with the Appointments and Conditions of Service Committee. Subject to satisfactory performance, payment of the top pay point will be made through annual progression of service in post and, again subject to satisfactory performance, will remain there thereafter. Should the Chief Executive determine that performance is unsatisfactory, pay will remain at, or be reduced to, the mid-point of the pay grade.

The detail of the performance review scheme is determined by the Chief Executive.

Pay and performance policy governing the Chief Executive's pay

1. General principles

Appointment to the post of Chief Executive will be within the local pay scale determined by the Appointments and Conditions of Service Committee (ACSC). The pay scale of the Chief Executive stands alone and is not linked to pay rates of other posts within the Council.

The ACSC will determine to which point within the scale the appointment will be made taking into account appropriate experience and skill set.

2. Progression and payment within scale

A formal performance and pay review will be conducted annually prior to the anniversary of appointment.

The performance and pay review will be conducted by the ACSC.

Should the ACSC determine that performance meets or exceeds the expected standards then annual progression of pay will be applied until the top pay point of the scale is reached. Once the top pay point is reached pay will remain at this level whilst performance continues to meet or exceed expected standards.

Should the ACSC determine that performance is unsatisfactory then consideration will be given to applying the following process relating to pay:

- if the post holder is at the bottom or middle point of the pay scale at the time of the review then there will be no progression to the next pay point until a future review by the ACSC confirms satisfactory performance. This review will normally take place a year later although the ACSC may choose to conduct an interim review at an earlier date if this is appropriate.
- if the post holder is at the top point of the pay scale at the time of the review, then from the anniversary of the appointment date pay will be reduced to the middle point of the pay scale and held at that point until satisfactory performance is confirmed through a future review which will be undertaken as described above.

3. Assessment of performance and feedback

3.1 Assessment by ACSC

The annual performance assessment will be undertaken each year by the ACSC. There will be no officer input in the assessment discussion.

The assessment will be made by the committee against a number of criteria and the Chief Executive's performance against each criterion will be assessed as being below expectation/ meeting expectation/ exceeding expectation.

As a majority committee view, if performance against each criterion is assessed as meeting or exceeding expectation then pay progression (or maintenance of the top pay point in the scale) will be applied from the anniversary date of appointment for another year. If performance against any of the criteria is assessed by the ACSC as being below expectation, then consideration will be given to the freezing of pay at the current pay point or reduced from the top pay point and frozen at the middle pay point as described above.

If the ACSC determines that performance is below that which is expected then other improvement measures may be applied including formal capability procedures that would mirror in appropriate ways, the general process applied to NJC staff and as described in the Employee Handbook. Before applying such process, the ACSC will take appropriate advice from the Monitoring Officer (or Deputy) and the Assistant Director responsible for HR.

The ACSC will consider the Chief Executive's performance against this list of criteria:

- The leadership and management of the Council to achieve high standards of service and performance.
- To provide the necessary support to enable Elected Members to effectively carry out their role.
- To ensure effective and timely communication and advice is offered to Group Leaders on key matters.
- To effectively manage the interface between Elected Members and Senior Officers.
- The development and maintenance of effective partnerships for the benefit of borough residents.
- To guide and bring forward policy development to ensure the delivery of the Council's vision and priorities.
- To support Elected Members to engender an appropriate workplace culture that is reflected across the organisation.
- The provision of sound electoral process and practice.
- How effectively the Council's services have been delivered within budget and as described within the Gedling Plan.

These criteria will be assessed by the ACSC as a whole and a majority view reached. In addition to the assessment of these criteria, the committee will also identify expectations for the delivery of key objectives or tasks during the following year to which it wishes to draw particular attention, together with any development needs that are perceived for the Chief Executive. A simple form (**Appendix I(i)**) will be used to summarise the committee's majority view. This will be used as the basis on which feedback will be given, and the form will be stored on the Chief Executive's personal file. The assessment criteria are drawn from the post's job description; these criteria may be altered by the ACSC to reflect changes to the job requirements of the post should they change over time.

3.2 Feedback to the Chief Executive

The views of the ACSC will be fed back in person to the Chief Executive by the Leader, Deputy Leader and the Opposition Leader.

This feedback will confirm:

- The criteria against which performance is meeting or exceeding expectation with examples given of observed behaviours, actions or outcomes where possible and appropriate.
- The criteria against which performance is below that which is expected. The “performance gap” will be specified and detail of future expectations will be made clear. If more of a formal capability procedure is to be applied, this will be made clear following appropriate officer advice.
- The pay point to be applied from the anniversary of appointment for the following year (or until an interim review if this is to be sooner).
- Expectations for delivery by the Chief Executive of key objectives or tasks over the coming year to which the ACSC wishes to draw particular attention; these may be existing or newly identified.
- Through discussion with the Chief Executive what, if any, development needs exist and how might these be effectively addressed. Further personal or professional development may be identified by Elected Members or by the Chief Executive even if performance is already high. As appropriate, a development plan will be agreed in principle.

4. General principles

The meeting at which feedback is given will be discursive in nature with opportunity for the Chief Executive to identify their own examples of good performance and achievement and to fully explore areas for improvement suggested by the ACSC to ensure that there is full understanding of expectations.

The meeting of the ACSC to discuss performance, and the feedback meeting with the Chief Executive will both be treated as confidential.

There is no further right of internal appeal by the Chief Executive against any decision taken by the ACSC in respect to the Chief Executive’s performance or pay.

Performance and Pay Assessment of Chief Executive
Appointments and Conditions of Service Committee Summary Assessment
Date:

Criteria	Assessed as (tick one):			Additional and supporting comments
	Below expectation	Meeting expectation	Exceeding expectation	
The leadership and management of the Council to achieve high standards of service and performance.				
To provide the necessary support to enable Elected Members to effectively carry out their role.				
To ensure effective and timely communication and advice is offered to Group Leaders on key matters.				
To effectively manage the interface between Elected Members and Senior Officers.				
The development and maintenance of effective partnerships for the benefit of borough residents.				
To guide and bring forward policy development to ensure the delivery of the Council's vision and priorities.				
To support Elected Members to engender an appropriate workplace culture that is reflected across the organisation.				
The provision of sound electoral process and practice.				
How effectively the Council's services have been delivered within budget and as described within the Gedling Plan.				

Expectations for delivery of key objectives or tasks to be delivered during the coming year to which the ACSC wishes to draw particular attention.	
Potential personal development needs identified by the ACSC for discussion with the Chief Executive	

Chief Executive's Pay:

In accordance with the approved local pay and performance policy for the Chief Executive, the Appointment and Conditions of Service Committee authorises the Chief Executive's pay to be either:

Moved to the next point within the pay scale or maintained at the top pay point

Or

Frozen at the current pay point (or reduced from the top pay point to the middle point)

This decision will be reviewed either in:

One year

Or

At an earlier date which is:

Signed by the Chair of the Appointments and Condition of Service Committee:

This record will be retained on the Chief Executive's personal file.

Pay Protection Policy

The general policy of the Council is that pay protection is applied over a two-year period at a protected rate of 100% in the first 12 months and 50% in the second 12 months from the date of commencing a post at a lower grade.

EARLY RETIREMENT AND REDUNDANCY POLICY

Applying from 1 September 2019

1. Objectives

To identify the process by which the organisation manages early retirement, flexible retirement and redundancy.

To identify how the organisation aims to mitigate redundancy.

To identify local discretions that are applied to cases of early retirement including dismissals due to reason of redundancy or efficiency of the service.

To protect the ongoing viability of the pension fund through control of pension enhancements and early release of pension benefits.

2. Discretions

In accordance with the legal requirement under Regulation 60(5) of the Local Government Pension Scheme 2013 a range of local discretion policy statements have been adopted by the Council. These discretions are published on the Council's website.

Relevant to this policy is the discretion applied through the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 (Regulation 5) under which statutory redundancy payments are calculated using an actual week's pay.

A fixed discretionary payment will be made for all dismissals due to the reason of redundancy or efficiency of the service. For redundancy dismissals this will be a compensatory payment equivalent to 30% of the value of the statutory redundancy payment (calculated using actual week's pay); this to be paid in addition to any required statutory redundancy payment. For dismissals due to efficiency of the service a compensatory payment will be made equivalent to 30% of the value of a notional redundancy payment calculated using actual week's pay as if the reason for dismissal was redundancy; there is no provision for any statutory payment, and no other compensatory payment will be made.

For these reasons of dismissal (redundancy or efficiency), should the employee be age 55 or above and a member of the Local Government Pension Scheme then pension will be released at the point of dismissal.

3. Redeployment (mitigating redundancy)

3.1 Prior to dismissal due to reasons of redundancy, efficiency of the service, capability or ill-health, appropriate opportunities for suitable redeployment will be explored. Where these exist employees at risk will be considered for placement into other posts through the processes identified in existing Council protocols.

3.2 Although the process for redeployment is governed by the processes identified in the Council protocols, in general terms support to employees potentially under threat will be offered. Such support might include:

- To make reasonable adjustments to duties and workplace to accommodate the employee's needs
- To offer reasonable training and development where appropriate to enable the employee to undertake the duties of the redeployment within a reasonable length of time
- To offer general support for skills development including trial interviews, C.V. writing and training in application form completion
- To offer trial periods of 4 weeks in a potentially suitable alternative post as required in the Employment Protection (Consolidation) Act and to extend this if it will assist in securing a redeployment
- To notify and consult with the Trade Unions as required by legislation.

3.3 Where suitable alternative employment exists in the view of the Council, employees are expected to engage with the redeployment process. Failure to do so may affect the reason for dismissal (the Council may take the view that there is no redundancy to declare if suitable redeployment opportunities are rejected) and this may mean that redundancy payment is not made and that pension is not released.

Employees at risk are expected:

- To give meaningful consideration of redeployment opportunities made available to them
- To undertake required training and development in order to undertake the duties of a suitable post
- To make every effort to mitigate the requirement for redeployment by actively seeking alternative employment
- To undertake trial periods with a positive approach to ensuring the redeployment will be successful

3.4 Protection – Excess travel

In any redeployment situation where an employee is redeployed to a lower-graded

post or where a post grade is reduced then the provisions of the Council's Pay Protection Policy will apply. Consideration will be given to assistance with excess travelling expenses should there be a change of base. Reimbursement will be made in accordance with local policy. An allowance may also be considered for excess travelling time incurred by a move of base. Both excess travelling expenses and additional travelling time will be applied in accordance with local policy that exists at the date of the start of the new post.

The Council's Pay Protection Policy is shown at **Appendix J**.

3.5 Procedure

The report proposing structural changes will be brought to Senior Leadership Team to seek support.

If supported, this report will be used as the basis of consultation with employees directly affected by the proposals and trade unions. Unless agreed otherwise or a longer period of time is required by law, a period of at least 30 days will be given for consultation.

Should proposals be contentious in nature or if the proposals have a substantial effect in the ways that services might be delivered then the period of consultation will normally close at a meeting of the Joint Consultative and Safety Committee (JCSC). For proposals that are not contentious in nature then consultation may take place without formal consideration by the JCSC with the proposal only being reported later as an information item.

Normally the implementation of structural change will be made by the Head of Paid Service. On occasions where the proposals are, in the opinion of the Head of Paid Service, significant in nature (whole service change, politically sensitive or whole council / senior management restructure) or require additional budget then the decision for implementation will be taken by the Appointments and Conditions of Service Committee or Full Council as the Head of Paid Service considers appropriate.

Employee consultation will allow for individual or group meetings with the manager proposing the structural change. An HR Officer will be present at such meetings at the request of either party.

More general emotional support for affected employees will be offered through the Council's Employee Assistance Programme or another similar service.

4. Policies and Procedures

4.1. Capability due to ill-health (and ill-health retirement)

This arises when an employee is no longer able to carry out the duties of their post, or comparable due to ill health and in the Council's opinion as the employer, there is no opportunity to redeploy to another suitable post within the organisation. This dismissal is for the reason of capability due to ill-health. Advice will normally be obtained from an Occupational Health Consultant to support the decision to dismiss for this reason.

For employees who are members of the Local Government Pension Scheme (LGPS) who are proposed for dismissal due to reason of capability due to ill-health then advice will be taken to determine if release of an ill-health retirement pension is possible and at what “tier” within the scheme. Release of a pension under these circumstances will only be authorised by the Council where this decision is supported by advice from an independent Occupational Health Consultant as identified in the LGPS.

The payments made under the tiers of the LGPS are defined in Regulation. There is no scope for additional discretionary payment for any capability dismissals (including ill-health retirements) to be made other than through the Council’s Industrial Injury Policy. Decisions to dismiss due to reason of capability rest with the Chief Executive or managers delegated to act on their behalf including, Deputy Chief Executive, Directors and Assistant Directors.

4.2 Flexible Retirement

The Local Government Pension Scheme Regulations (LGPS) allows members aged 55 or over, with their employer’s consent, to take their pension following a reduction in grade or hours and opt to receive the immediate payment of their pension benefits whilst still working. The Council has published its discretion decisions relating to flexible retirement. In essence, a request for flexible retirement made by an employee will be supported if it suits the business need and a financial business case can be supported. For employees aged between 55 and 59 there will always be a cost to the council for flexible retirement (and for some employees aged 60 or over on a case-by-case basis) and this cost will need to be accounted for in any decision made.

The local Flexible Retirement Policy is shown at **Appendix L**.

Where an employee makes a request to retire flexibly, they must first gain support for the reduction in working hours or pay grade from their Assistant Director. If there is no pension strain cost, then the decision will rest with the Assistant Director. An employee taking early retirement will normally receive a reduced pension and, in this case, there should be no pension strain cost to be met by the employer. In any case where the early release of pension would result in a pension strain cost to the authority, approval for the release of pension will be subject to permission from the Council through the Appeals and Early Retirement Committee.

4.3 Redundancy

4.3.1 Definition

This is defined within the Employment Rights Act as a dismissal which is attributable wholly or mainly to the fact that:

- the employer has ceased, or intends to cease, to carry on the business for the purposes of which the employee was employed or has ceased, or intends to cease, to carry on that business in the place where the employee was so employed; or

- the requirements of that business for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the place where they were so employed, have ceased or diminished or are expected to cease or diminish.

For the purposes of the interpretation of local policy, there is no differentiation between voluntary or compulsory redundancy except where relevant to the facts of the situation.

4.3.2 General Procedure

Where a potential redundancy situation arises, there will be consultation with the Trade Unions and affected employees as required by the Trade Union and Labour Relations (Consolidation) Act. The periods of time set aside for consultation will meet with legislative requirement as a minimum. Through local convention, for proposals that affect fewer than 20 employees, where possible a consultation period of at least 30 days will also be applied.

The reasons for proposing a redundancy and the business case to support the proposal will be clearly stated and made available during consultation.

Efforts will be taken to avoid redundancies, whether voluntary or compulsory through the following steps:

Release any temporary employees with less than two years' service to provide vacancies for employees at risk

Identify other existing vacancies of a similar work type either for deletion to make the necessary saving or for redeployment for employees at risk

When appropriate in the view of the organisation, search for volunteers for redundancy where their release would provide redeployment for an employee at risk

Freeze of relevant vacancies to ensure redeployment opportunities are maximised

Personal counselling and retraining offered to employees at risk to maximise opportunities for redeployment.

If it is likely that a process of selection for redundancy is necessary, then a fair and equitable set of criteria will be established. These will be different depending on the circumstances of the redundancy situation and will be subject to consultation with employees and trade Unions.

4.3.3 Discretionary payments relevant to redundancy

Decisions made under local discretions relevant to pension payment are detailed in the Council's full set of local discretions that are published on our website. The relevant discretions to redundancy payment are made under the Local Government (Early Termination of Employment)(Discretionary Compensation) (England and Wales) Regulations 2006. Appendix M sets out how redundancy payments will be made and reflects these discretions.

In summary.

- The Council has determined that redundancy payments will be calculated on

actual week's pay.

- A fixed additional local payment will be made for all dismissals due to the reason of redundancy. For redundancy dismissals this will be a compensatory payment equivalent to 30% of the value of the statutory redundancy payment (calculated using actual week's pay); this to be paid in addition to any required statutory redundancy payment.

4.4 Efficiency of the Service

The LGPS recognises as a reason for release of pension, dismissals due to "efficiency of the service"; it is a form of early retirement. In essence a dismissal of this type will arise due to concerns expressed by the employer about the general business efficiency on the part of the employee and may relate to a single or combination of factors.

Subject to an employee being at least age 55 with appropriate service length then early retirement and release of pension may be granted in cases where there is demonstrable business benefit to the Council (this may be financial or related to improvement in performance or quality of service delivery) arising from the decision.

The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 do allow for compensatory payments to be made, and the Council has exercised its discretion as follows:

- A fixed local payment will be made for all dismissals due to the reason of efficiency of the service. For dismissals due to efficiency of the service a compensatory payment will be made equivalent to 30% of the value of a notional redundancy payment calculated using actual week's pay as if the reason for dismissal was redundancy; there is no provision for any statutory payment, and no other compensatory payment will be made.

This is detailed in **Appendix M**.

5. Financial Implications

Employing departments are required to identify how the costs of redundancy or early retirement (other than ill-health) will be met as part of any proposals for organisational change.

5.1 For ill health retirements, this will not be necessary. Such dismissals will be based on personal circumstances of the employee and not on the organisational need. Costs of ill-health retirement will be met through shared corporate costs that are applied by the Pension Administering Authority (Nottinghamshire County Council) following a triennial actuarial revaluation of pension scheme costs.

5.2 For early retirement cases proposed on grounds of efficiency of the service the Assistant Director will need to identify how any pension strain costs arising from a decision can be met together with the costs arising from local discretionary payments. Subject to budgetary provision existing, authority to dismiss for this reason where there are no pension strain costs lies with the relevant Assistant Director. Where pension strain costs will be payable by the Council then authority to implement the decision will

rest with Senior Leadership Team. It may not be necessary for savings to be fully identified in order for authority to be given; an overall business case will be considered and benefits to the Council assessed by Senior Leadership Team.

5.3 For proposed redundancy (including early retirement cases) the Assistant Director will need to identify how any redundancy (statutory and local costs) and pension strain costs arising from a decision can be met. Statutory and local redundancy payments will be made. As redundancy will arise from structural change then a fully costed proposal will be considered by Senior Leadership Team.

5.4 In cases where early release of pension is requested through flexible retirement, a decision will be made taking into account both the financial business case and issues of service improvement. The process for decision-making is detailed in section 4.2.

FLEXIBLE RETIREMENT POLICY

1. The Scheme

Employees aged 55 or over are able to draw their pension benefits whilst continuing in employment on reduced hours or on a reduced grade with the consent of the Council. This is known as 'flexible retirement'.

Employees whose request for flexible retirement is supported may continue to pay into the Local Government Pension Scheme to build up further benefits in the Scheme up to the age of 75.

Employees age 55 or over with long service will not normally incur a cost for the Council if they retire on a flexible basis as there will be no strain cost (usually the pension to be drawn is reduced at the employee's cost, not the council's). In these cases, the granting of a request for flexible retirement will be taken by the relevant Assistant Director and will be based on the operational effectiveness of the proposed arrangement. In effect, in these cases the arrangement is merely an agreed contractual change (reduction in hours or grade), and the claiming of the pension is a matter for the employee not the Council as employer. The Council through its published suite of discretions available under the Local Government Pension Scheme Regulations has determined that decisions where a pension strain cost would be payable by the Council would need to be referred to the Appeals and Retirements Committee and would be dependent on a costed business case.

When a request for flexible retirement is received, managers must consult with Human Resources before any decision is communicated to the employee. Human Resources will advise on process and obtain confirmation from the Pension Administering Authority (Nottinghamshire County Council) of any potential strain costs.

Where an employee voluntarily reduces their hours with pension, a trial period is not possible and therefore the change will form a permanent variation to their contract of employment.

An alternative option to reduction in hours with pension is reduction in grade with pension. If an employee wishes to draw their pension linked to a reduction in their grade this will be subject to an appropriate review to consider the business case for agreeing to the arrangement in the same way as if the request had been made for a reduction in hours. There is no automatic right to be transferred into a lower-graded post, or for the duties within an existing post to be reduced or diminished, and an employee wishing to take this option will normally be expected to apply for the post in the normal manner and demonstrate competency through an 'on merit' process.

2. Appeal

Cases that need to be referred to the Appeals and Retirements Committee

2.1 A right of appeal exists against any recommendation made to the Appeals and Retirements Committee.

2.2 Prior to a report being made to the Appeals and Retirements Committee, the person who is the subject of the report will be notified of the recommendation to be made. If they do not agree with this recommendation, they will be allowed to submit a written appeal against this. The written appeal will be considered by the Appeals and Retirements Committee as part of its decision in regard to the report submitted. Where the committee may wish to ask the appellant for additional information, they may request that the appellant attends the meeting. Also, if the appellant wishes to make a personal statement of case, they may attend the committee meeting to do this. In either circumstance, the appellant will not be allowed to be present whilst the decision is discussed. If the appellant does attend the meeting, a union representative or work colleague may accompany them. The decision of the Appeals and Retirements Committee is final.

Cases that are determined by an Assistant Director (cases where there is no pension strain or cost to the council)

2.3 If an employee's request for flexible retirement is refused by an Assistant Director the employee may choose to appeal this decision through the Grievance Procedure of the Council.

REDUNDANCY AND EARLY RETIREMENT POLICY

1. Dismissal or Early Retirement on Grounds of Redundancy

1.1 Employees with two or more years' continuous local government service, including service covered by the Redundancy Payments Modification Order (RPMO) who are dismissed by reason of redundancy will receive the statutory redundancy compensation payment as defined within the Employment Rights Act 1996).

Discretions applied under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 by the Council in its published suite of discretions confirms that the redundancy pay calculation will be based on an actual week's pay. In addition, under these local discretions the council has determined that a fixed payment will be made for all dismissals due to the reason of redundancy. For redundancy dismissals this will be a compensatory payment equivalent to 30% of the value of the statutory redundancy payment (calculated using actual week's pay); this to be paid in addition to any required statutory redundancy payment.

1.2 The service that will be taken into account when calculating entitlement to a redundancy payment under this policy will be continuous service with an organisation covered by the RPMO.

2. Early Retirement on Grounds of Efficiency of the Service

2.1 An employee aged 55 or over with sufficient qualifying service who is granted early retirement through a dismissal due to efficiency of the service will have their occupational (Local Government Pension Scheme) payment released as allowed with the LGPS Regulations.

2.2 Discretions applied under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 by the Council in its published suite of discretions confirms that a fixed discretionary payment will be made for all dismissals due to the reason of efficiency of the service. For dismissals due to efficiency of the service a compensatory payment will be made equivalent to 30% of the value of a notional redundancy payment calculated using actual week's pay as if the reason for dismissal was redundancy; there is no provision for any statutory payment, and no other compensatory payment will be made.

3. Appeal

There is a right of appeal against any dismissal from the Council including dismissals relating to "early retirement". Any such appeal would be heard by the Appeals and Retirements Committee.

4. Relationship with other compromise payments

This policy determines the compensatory payments to be made for redundancy and efficiency of the service.

Compensatory payments made under this policy stand separately to any compensatory payments made through Settlement Agreements. Payments made under a Settlement Agreement will be authorised by the relevant officer dependent upon the nature of and reason for the settlement payment.

Special Severance Payments Policy

1. Introduction

1.1 Most public sector workers enjoy statutory and contractual redundancy or severance terms that are significantly better than the minimum statutory redundancy entitlement and are often higher than the value of redundancy or severance payments made in the private sector. The government is of the view that paying additional, discretionary sums on top of these entitlements (“special severance payments”) do not usually provide good value for money or offer fairness to the taxpayers who fund them and so, should only be considered in exceptional cases.

1.2 This guidance forms part of the best value regime for local authorities in England. The best value duty, as set out in [section 3 of the Local Government Act 1999](#) (“the 1999 Act”), provides that “A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness”. The best value duty is relevant to local authority duties to deliver a balanced budget (Part 1 of the Local Government Finance Act 1992), provide statutory services (including adult social care and children’s services) and secure value for money in spending decisions. This will include decisions to make Special Severance Payments.

1.3 Authorities subject to the best value duty (termed “best value authorities”) are defined in section 1 of the 1999 Act. [A list of these bodies can be found at the end of this guidance.](#)

1.4 This guidance also sets out the government’s position on the use of Special Severance Payments made by local authorities and is adopted as Gedling Borough Council’s local guidance for Special Severance Payments.

1.5 This guidance is issued under section 26 of the 1999 Act, the purpose of which is to:

- set out the government’s view that Special Severance Payments do not usually represent value for money and should only be considered in exceptional circumstances
- set out the criteria employers should consider in the exceptional circumstances in which it may be appropriate to make a Special Severance Payment
- give examples of the exceptional circumstances in which Special Severance Payments may be appropriate
- clarify the disclosure and reporting requirements for Special Severance Payments

1.6 Severance payments can be an important mechanism to allow employers to reform and react to new circumstances in the workplace, but employers have a responsibility to ensure that Special Severance Payments are only made when there is a clear, evidenced justification for doing so. They should also ensure that all

relevant internal policies and procedures have been followed and all alternative actions have been fully explored and documented.

1.7 In the exceptional circumstances where it is decided that a Special Severance Payment should be paid, it is the responsibility of individual employers to ensure their Special Severance Payments arrangements are fair, proportionate, lawful and provide value for money for the taxpayer.

2. What is a special severance payment?

2.1 In the context of this guidance, Special Severance Payments are payments made to employees, officeholders, workers, contractors, and others outside of statutory, contractual or other requirements when leaving employment in public service. Employers may sometimes consider making such a payment in situations where the individual concerned resigns, is dismissed, or agrees a termination of contract. Which types of payments are Special Severance Payments will vary according to an employee's particular circumstances, and therefore the examples below are illustrative only.

2.2 It is established case-law^{[footnote 1](#)} that such payments, where in accordance with legislation, may only be made where there is a convincing case that they are in the interests of taxpayers. Local authorities may not be generous at the expense of taxpayers and must genuinely consider payments to be in the public interest. In taking decisions elected members must make all proper enquiries and consider all available material that can help in coming to a decision.

2.3 The following types of payments are likely to constitute Special Severance Payments:

- a) any payments reached under a settlement agreement between the employer and employee to discontinue legal proceedings without admission of fault
- b) the value of any employee benefits or allowances which are allowed to continue beyond the employee's agreed exit date
- c) write-offs of any outstanding loans
- d) any honorarium payments
- e) any hardship payments
- f) any payments to employees for retraining related to their termination of employment

2.4 The following types of payments may constitute Special Severance Payments, depending on the terms of the individual's contract, relevant statutory provisions, any non-statutory applicable schemes and other relevant terms and conditions:

- a) pay or compensation in lieu of notice where the amount of the payment is not greater than the salary due in the period of notice set out in the employee's contract
- b) pension strain payments arising from employer discretions to enhance standard pension benefits (for example under Regulation 30(5) where the employer has

waived the reduction under Regulation 30(8) or because of the award of additional pension under Regulation 31)

2.5 The following do not constitute Special Severance Payments:

- a) statutory redundancy payments
- b) contractual redundancy payments, whether applicable to voluntary or compulsory redundancy, and whether agreed by collective agreement or otherwise
- c) severance payments made in accordance with that local authority's policy adopted pursuant to Regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006
- d) a strain cost paid to the relevant LGPS administering authority under LGPS Regulation 68(2) which results from a LGPS member's retirement benefits becoming immediately payable without reduction under Regulation 30(7), or under Regulation 30(6) where the employer has waived the reduction under Regulation 30(8)
- e) payment for untaken annual leave
- f) payments ordered by a court or tribunal or agreed as part of a judicial or non-judicial mediation
- g) payments made as part of the ACAS Early Conciliation process
- h) payments made to compensate for injury or death of the worker
- i) payments made in consequence of the award of ill-health retirement benefits under Regulation 35 of the LGPS Regulations

3. Considerations for local authorities on potential Special Severance Payments

3.1 This chapter provides guidance on relevant considerations for English local authorities in relation to making Special Severance Payments.

3.2 Local authorities must comply with the duty of Best Value explained in the introduction. In considering whether it is appropriate to make a Special Severance Payment, the government expects local authorities to consider whether such a payment would be a proper use of public money. Local authorities should also monitor and review their policies on the award of special severance payments to ensure that they are also consistent with their Public Sector Equality Duty under the Equality Act 2010.

Economy

3.3 Local authorities should be able to demonstrate their economic rationale behind proposed Special Severance Payments including consideration of:

- Whether there is any feasible possibility of exiting the individual at a lower cost. Only where there is no such possibility should a Special Severance Payment be considered

- How the exit payment will be perceived by the public and whether it is in line with the duty to manage taxpayers' money appropriately
- What alternative use could be made of that expenditure. All Special Severance Payments necessarily reduce the funds that would otherwise be available to deliver important public services
- The setting of any potential precedent (e.g. where a Special Severance Payment is made to certain employees and not others)
- Evidence for additionality i.e. that those offered Special Severance Payments would not have been willing, under any circumstances, to leave with their statutory and contractual benefits alone

Efficiency and effectiveness

3.4 In considering the impact of Special Severance Payments on efficiency and effectiveness, local authorities should:

- Seek legal advice on the prospects of successfully defending an Employment Tribunal claim (or claim to any other court or tribunal with jurisdiction), if an employee were to take a legal route to appeal any grounds of their employment being terminated. The chance of success and the costs likely to be incurred should be noted and weighed up against the costs of making a Special Severance Payment
- Ensure that these payments are not used to avoid management action, disciplinary processes, unwelcome publicity or avoidance of embarrassment
- Consider aligning with private sector practice, where payments are typically less generous. This is important given the added duty in the public sector to prudently manage taxpayers' money
- Manage conflicts of interest to ensure that individuals who are the subject of complaints play absolutely no role in deciding whether those complaints should be settled by making an award to the complainant from public funds

4. Exceptional circumstances in which it may be appropriate to consider making Special Severance Payments

4.1 There may be exceptional circumstances where the existing statutory or contractual entitlements, or both, are insufficient to facilitate an exit or to offer sufficient compensation for loss of employment or office. This can apply to office holders as well as staff. These circumstances, which we expect to be exceptional and provide value for money, may be taken into account by local authorities in deciding whether or not to make a Special Severance Payment.

4.2 Authorities may consider a Special Severance Payment in order to set aside what would otherwise be a reduction in entitlement caused by a break in continuity of service (e.g. where a member of staff has taken a break in service to accompany their spouse on military service overseas). Authorities may also consider that a Special Severance Payment is appropriate in circumstances where, to help recruitment and retention, it has resolved to recognise for severance payment

calculation purposes past service with another non-Modification Order employer (such as service with the NHS prior to the transfer of public health functions to local government)^{[footnote 21](#)}.

4.3 Authorities may also consider a Special Severance Payment in order to settle disputes, where it can be properly demonstrated that other routes have been thoroughly explored and excluded. After receiving appropriate professional advice, it may then possibly be concluded that a special severance payment is the most suitable option and prudent use of public money.

4.4 Those approving a Special Severance Payment related to a settlement agreement should be provided with appropriate evidence that attempts were made to resolve disputes before they escalated to a legal claim. They should also bear in mind that even if the cost of defeating an apparently frivolous or vexatious claims will exceed the likely cost of that settlement to the employer, it may still be desirable to take the case to formal proceedings. This is because successfully defending such cases will discourage future frivolous or vexatious claims and demonstrate that the local authority does not reward such claims.

5. Accountability and disclosure

Accountability

5.1 The government expects that any Special Severance payments should be approved according to the following process:

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments

5.2 Where the proposed payment is to the Head of Paid Service, to avoid a conflict of interest it is expected that the payment should be approved by a panel including at least two independent persons. A system of legal duties also requires elected members to spend public money with regularity and propriety. Under section 151 of the Local Government Act 1972, "every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers (the section 151 officer or Chief Finance Officer) has responsibility for the administration of those affairs". The section 151 officer has an important role in holding local authorities to account and has duties to alert elected members and the auditor in the case of unlawful expenditure.

5.3 This role is complemented and reinforced by authorities' duty under section 5 of the Local Government and Housing Act 1989 to appoint a Monitoring Officer, who must report to the local authority when any proposal, decision or omission is likely to lead to contravention of any enactment, rule of law or statutory code.

5.4 As part of their duties, an authority's s151 Officer, and where appropriate, the Monitoring Officer, should take a close interest in and be able to justify any special severance payments that are made by that authority and in particular any payments made that are not consistent with the content of this guidance.

Disclosure

5.5 Clear and transparent reporting on exit payments is essential to make available better data on the number and level of exit payments made in local government. The availability of data on exit payments in the public domain by local authorities enables local accountability as well as effective management of public money and public confidence. In 2015, the Local Government Transparency Code was issued to increase democratic accountability through open access to information^[footnote 3]. This sets a requirement for local authorities to publish, under the Account and Audit Regulations 2015:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more must also be identified by name

In addition to this requirement, local authorities must publish, for all employees whose salary exceeds £50,000, a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and benefits-in-kind.

5.6 Section 38 of the Localism Act 2011 requires the local authority to produce and publish a pay policy statement, which must include the authority's policies on termination payments. Further guidance on the requirements of the Localism Act 2011 has been issued^[footnote 4].

5.7 In addition, Regulation 60 of the Local Government Pension Scheme Regulations 2013 requires local authorities to prepare a statement of its policy in relation to the exercise of the discretion to enhance pension benefits under Regulations 16(2)(e) and 16(4)(d) (funding of additional pension), Regulation 30(6) (flexible retirement), Regulation 30(8) (waiving of actuarial reduction); and Regulation 31 (award of additional pension).

5.8 Regulation 10 of the Accounts and Audit Regulations 2015 require authorities to publish an annual statement of accounts, governance statement and narrative statement. As well as following existing guidance^[footnote 5] on reporting exit payments,

local authorities should also disclose in their annual accounts all severance payments, pension fund strain costs and other special severance payments made in consequence of termination of employment or loss of office (but excluding payments on death or ill-health retirement). Apart from where otherwise required by law, reporting may be anonymised to comply with data protection requirements.

List of bodies this guidance applies to

- An English local authority, including:
 - a county council in England, a district council or a London borough council
 - the Council of the Isles of Scilly
 - the Common Council of the City of London in its capacity as a local authority
 - the Greater London Authority so far as it exercises its functions through the Mayor
- A National Park authority for a National Park in England
- The Broads Authority
- The Common Council of the City of London in its capacity as a police authority
- A fire and rescue authority constituted by a scheme under [section 2 of the Fire and Rescue Services Act 2004](#) or a scheme to which section 4 of that Act applies, and a metropolitan county fire and rescue authority in England
- The London Fire Commissioner
- An authority established under [section 10 of the Local Government Act 1985 \(waste disposal authorities\)](#)
- An Integrated Transport Authority for an integrated transport area in England
- An economic prosperity board established under [section 88 of the Local Democracy, Economic Development and Construction Act 2009](#)
- A combined authority established under [section 103 of that Act](#)
- A sub-national transport body established under [section 102E of the Local Transport Act 2008](#)
- Transport for London

Footnotes

1. In *Re Hurle-Hobbs's Decision* (1944) 1 All E.R. 249. [↵](#)
2. Under the Employment Rights Act 1996 employees need two years' service with their current or an "associated employer" to qualify for a redundancy payment. The purpose of the Redundancy Payments (Continuity of Employment in Local Government, etc.) (Modification) Order 1999, as amended, is to provide a statutory list of 'associated employers' for the purposes of redundancy payments. The list set out in the Order includes all local authorities as well as various other, but not all, other local public service providers. [↵](#)
3. [Local government transparency code 2015](#). [↵](#)
4. [Openness and accountability in local pay: guidance under section 40 of the Localism Act 2011](#). [↵](#)

5. CIPFA, Code of Practice on Local Authority Accounting in the United Kingdom 2020/21. [↩](#)