



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

# Agenda

## Cabinet

Date: **Thursday 20 February 2014**

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Time: **12.30 pm**

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Place: **Reception Room**

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For any further information please contact:

**Lyndsey Parnell**

Members' Services Officer

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# Cabinet

## Membership

**Chair** Councillor John Clarke

**Vice-Chair** Councillor Michael Payne

Councillor Peter Barnes  
Councillor Kathryn Fox  
Councillor Jenny Hollingsworth  
Councillor Darrell Pulk

**Observers:** Councillor Chris Barnfather  
Councillor Paul Hughes

## **AGENDA**

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Report of the Senior Leadership Team on behalf of the Leader of the Council.
- 6 Any other items the Chair considers urgent.**

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## **Report to Cabinet**

**Subject:** Prudential and Treasury Indicators and Treasury Strategy 2014/15

**Date:** 20 February 2014

**Author:** Corporate Director (Chief Financial Officer)

### **Wards Affected**

All

### **Purpose**

To present, for members' approval, the Council's Prudential Code Indicators and Treasury Strategy for 2014/15.

### **Key Decision**

This is not a key decision.

### **Background**

#### 1.1 Definition of treasury management

Treasury management is defined as "the management of the local 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."

It is a statutory requirement for the Council to produce a "balanced budget", which broadly means that cash raised during the year will meet cash expenditure. The Localism Act 2011 places a duty on a local authority to calculate its "council tax requirement" for each financial year, and this includes the revenue costs which result from the capital investment decisions of the authority.

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 with counterparties commensurate with the Council's low risk appetite, providing adequate liquidity before considering investment return.

A further treasury management function is the funding of capital plans. These plans provide a guide to the Council's borrowing needs, and require longer term cashflow planning to ensure 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.

## 1.2 Statutory reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

### 1.2.1 Prudential and treasury indicators and treasury strategy (this report)

This first, and most important report 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).

### 1.2.2 Mid-year treasury management report

This updates members on the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is appropriate or whether any policies require revision. Gedling Borough Council has long adopted a policy of presenting quarterly treasury management reports to Cabinet, and this exceeds the minimum requirement.

### 1.2.3 Annual treasury report

This 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 are initially considered by Cabinet, before being recommended to Council for approval. The TMSS is part of the Council's Budget and Policy Framework and accordingly the Chair of the Overview and Scrutiny Committee has also been notified. Any comments received will be taken into account before referral to Council.

### 1.3 Treasury management strategy for 2014/15

The strategy for 2014/15 covers two main areas:

Capital issues:

- the capital plans and the prudential indicators
- the minimum revenue provision (MRP) policy

Treasury management Issues:

- the current treasury position
- treasury indicators which limit the treasury risk and activities of the Council
- prospects for interest rates
- the borrowing strategy
- policy on borrowing in advance of need
- debt rescheduling
- the investment strategy
- creditworthiness policy
- policy on use of external service providers

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

### 1.4 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny and the Chief Financial Officer will arrange training as required.

The training needs of officers involved with treasury management are reviewed periodically.

### 1.5 Treasury management consultants

The Council uses Capita Asset Services, Treasury Solutions (CASTS - previously branded as Sector) as its treasury management advisors, recognising that there is value in employing external providers 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 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.

## Proposal

### 2.1 The Capital Prudential Indicators 2014/15 to 2016/17

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in prudential indicators, which are designed to assist members to overview and confirm such capital expenditure plans. The indicators for 2014/15 to 2016/17 are attached at Appendix 1.

#### 2.1.1 Capital expenditure

The indicator includes a summary of both the capital expenditure plans previously agreed, and those that are part of the current cycle.

<b>Portfolio Capital Expenditure £</b>	<b>2013/14 Current Estimate £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
Community Developm't	19,400	0	0	0
Health & Housing	1,000	686,000	596,000	596,000
Public Prot'n & Comm'n	866,400	0	0	0
Environment	1,202,800	1,575,500	1,134,000	790,000
Leisure & Development	934,500	490,600	0	0
Finance & Performance	1,042,300	150,000	150,000	150,000
Equipm't Replacement	0	0	150,000	150,000
Service Devel. Bids	0	0	100,000	100,000
<b>Total Expenditure</b>	<b>4,066,400</b>	<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>

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 funding borrowing need.

<b>Resources £</b>	<b>2013/14 Current Estimate £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
<b>Capital Exp £m (above)</b>	<b>4,066,400</b>	<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>
<b>Financed by:</b>				
Capital receipts	500,000	1,691,100	1,759,000	1,415,000
Capital grants & contributions	1,331,700	1,211,000	371,000	371,000
<b>Net borrowing need</b>	<b>2,234,700</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

In simple terms, the CFR is 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.

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

	<b>2013/14 Current Estimate £</b>	<b>2014/15 Estimate £</b>	<b>2015/16 Estimate £</b>	<b>2016/17 Estimate £</b>
<b>Capital Financing Requirement:</b>				
Closing CFR	13,135,400	12,546,300	11,968,000	11,408,900
<b>Movement in CFR</b>	<b>+1,699,400</b>	<b>-589,100</b>	<b>-578,300</b>	<b>-559,100</b>
<b>The movement on the CFR is represented by:</b>				
Net financing need for the year	+2,234,700	0	0	0
Less Gross MRP	-535,300	-589,100	-578,300	-559,100
<b>Movement in CFR</b>	<b>+1,699,400</b>	<b>-589,100</b>	<b>-578,300</b>	<b>-559,100</b>

### 2.1.3 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 wishes (VRP).

CLG 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, however, 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 Council is obliged to have regard to the CLG guidance, but it is not prescriptive. The Council is recommended to approve the following MRP Statement for 2014/15.

- 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. Option 2, 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.

This represents a change from the Council's previous use of Option 1, the regulatory method, which required the inclusion of the historic and somewhat controversial "adjustment A". Since adjustment A for Gedling was negative, this required MRP to be rather higher than otherwise necessary. The overall duty is merely for the authority to make prudent provision, and in the current economic climate the Chief Financial Officer considers that the use of Option 2 is prudent.

- c. Option 3, the Asset Life Method, will be used for calculating MRP in respect of all capital expenditure incurred on and after 1 April 2008. An equal instalment approach will be adopted.
- 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. Since April 2012 the Council has operated cash-backed Local Authority Mortgage Schemes (LAMS), each based on a five-year advance to Lloyds TSB to match the five-year life of the indemnity. Each advance placed with Lloyds provides an integral part of the mortgage lending, and is treated as capital expenditure, and a loan to a third party, therefore the Capital Financing Requirement (CFR) will increase by the amount of the advance. Each advance is to be returned at maturity and the funds will be classed as a capital receipt, and the CFR will reduce accordingly. As advances are temporary (5-year) arrangements, there is no need to set

aside prudent provision to repay the debt liability in the interim period, and there is accordingly no MRP application.

- f. In view of the economic climate and significant budgetary pressures, the Council will not provide for an additional voluntary contribution to MRP in 2014/15.

Based on the above policy, the net MRP charge for 2014/15 has been calculated as £587,800, as detailed below, and this sum has been included in the Council's 2014/15 budget proposals. The exact amount of MRP will be subject to change should capital financing decisions alter during the year.

	£
Option 2 – CFR Method	£271,100
Option 3 – Asset Life Method	£318,000
<b>Gross MRP</b>	<b>£589,100</b>
Funded by NCC-transferred debt	(£1,300)
<b>Net MRP</b>	<b>£587,800</b>

#### 2.1.4 Affordability Prudential Indicators

The previous sections cover the overall “capital” and “control of borrowing” prudential indicators, but within this framework prudential indicators are required to assess the “affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council’s overall finances. The 2014/15 Capital Programme report, an item elsewhere on this agenda, provides full details of the proposed programme. The indicators, which can be found at Appendix 1, represent capital investment plans that are affordable, prudent and sustainable, and which have been fully factored into the Council’s Medium Term Financial Plan.

- a. Capital expenditure
- b. Capital Financing Requirement
- c. 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. Estimates of financing costs include current commitments and the proposals in this budget report.

- d. Incremental Impact of capital investment decisions on Council Tax -

This indicator identifies the revenue costs associated with proposed changes to the three year capital programme recommended in this budget report, compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

e. Gross borrowing requirement and CFR

The Council must ensure that its gross debt does not, except in the short term, exceed the opening capital financing requirement, plus estimates of any additional CFR for 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.

## 2.2 Borrowing

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 and prudential indicators, the current and projected debt positions and the annual investment strategy.

### 2.2.1 Current portfolio position

The Council's projected treasury portfolio position at 31 March 2014, plus forward projections are summarised below. This shows the actual external debt, ie. the treasury management operations, against the underlying capital borrowing need, ie. the Capital Financing Requirement (CFR), highlighting any over or under borrowing.

<b>Gross Debt &amp; CFR</b>	<b>2013/14 Current Estimate £000s</b>	<b>2014/15 Estimate £000s</b>	<b>2015/16 Estimate £000s</b>	<b>2016/17 Estimate £000s</b>
Debt 1 April	10,812	10,812	9,812	7,812
Change in debt in year	0	-1,000	-2,000	-1,000
Other long term liabilities	0	0	0	0
<b>Gross Debt 31 March</b>	<b>10,812</b>	<b>9,812</b>	<b>7,812</b>	<b>6,812</b>
Closing CFR	13,135	12,546	11,968	11,409
Under/(over) borrowing	2,323	2,734	4,156	4,597



Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. 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 CFR in the preceding year plus the estimates of any **additional** CFR for 2014/15 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 purposes.

The Chief Financial Officer can report that the Council has complied with this prudential indicator during the current year, 2013/14, and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

<b>Gross Debt &amp; CFR</b>	<b>2013/14 Current Estimate £000s</b>	<b>2014/15 Estimate £000s</b>	<b>2015/16 Estimate £000s</b>	<b>2016/17 Estimate £000s</b>
Opening CFR (closing CFR preceding year)	11,436	13,135	12,546	11,968
Additions in-year + following 2 years	1,699	0	383	1,297
<b>Maximum Gross Debt</b>	<b>13,135</b>	<b>13,135</b>	<b>12,929</b>	<b>13,265</b>
Est. debt at 31 March	10,812	9,812	7,812	6,812
Under/(over) borrowing	2,323	3,323	5,117	6,453

## 2.2.2 Treasury indicators – limits to borrowing activity

### 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 limit 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.

### 2.2.3 Prospects for Interest Rates

The Council has appointed Capita Asset Services, Treasury Solutions (CASTS) as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the CASTS central view and further information on interest rates can be found at Appendix 2.

Date	Bank Rate %	PWLB Rates (including Certainty Rate adjustment)		
		5 Year	25 Year	50 Year
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest in recent history, however growth rebounded during Q1 and Q2 of 2013 to surpass all expectations. Growth prospects remain strong looking forward, not only in the UK economy as a whole, but in all three main sectors ie. services, manufacturing and construction. One downside is that wage inflation remains significantly below CPI inflation so disposable income and living standards continue to be under pressure, although income tax cuts have ameliorated this to some extent.

The US faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to US growth.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications.

- Although Eurozone concerns have subsided during 2013, Eurozone sovereign debt difficulties remain and there are major concerns as to

how these will be managed over the next few years. In some countries levels of government debt continue to rise to levels that compound existing concerns and counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods.

- Investment returns are likely to remain relatively low during 2014/15 and beyond.
- Borrowing rates have risen during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years, however this must be carefully reviewed to avoid incurring even higher borrowing costs if new borrowing becomes unavoidable to finance new capital expenditure or to refinance maturing debt.
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

#### 2.2.4 Borrowing Strategy

##### a. The Strategy

The Council is currently maintaining an under-borrowed position (see 2.2.1 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 investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 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 relapse into recession or of risks of deflation), then long term borrowings 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 a greater than expected increase in the anticipated rate to US*

*tapering of asset purchases, or in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.*

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

#### b. Treasury management limits on activity

There are three debt related treasury activity limits, the purpose of which is to restrain the activity of the treasury function within agreed limits, thereby managing risk and reducing the impact of adverse movement in interest rates. However, if limits are set to be too restrictive they will impair opportunities to reduce costs or improve performance.

- An upper limit on fixed interest rate exposure. This identifies a maximum limit for fixed interest rates based upon the debt position net of investments.
- An upper limit on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.

Members are asked to note that additional local indicators are also given for debt and investment individually, expressed as a percentage of the relevant totals.

- The maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

#### 2.2.5 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, since this is illegal. 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 the future plans of 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.

#### 2.2.6 Debt rescheduling

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility)

Consideration will also be given to identifying any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

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

#### 2.2.7 Annual Investment Strategy 2014/15

The intention of the Annual Investment Strategy is to provide security of investment and minimisation of risk. The aim is to generate a list of highly creditworthy counterparties which will also enable diversification and thus the avoidance of concentration risk.

##### a. Investment Policy

The Council's investment policy has regard to the CLG's guidance on Local Government Investments ("the guidance"), and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

All investments will be made in sterling, and the Council's general policy objective is the prudent investment of its treasury balances. The

Council's investment priorities are firstly the security of capital, secondly the liquidity of its investments, and thirdly the rate of return. The risk appetite of the Council is low, in order to give priority to the security of its investments.

The borrowing of monies purely to invest or on-lend and make a return remains unlawful, and the Council will not engage in such activity.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology uses the CASTS ratings service whereby banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

The Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and 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. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by CASTS.

Other information sources used will include 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.

The overall aim of the investment strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

Investment instruments identified for use in the financial year are listed at Appendix 4 under "Specified" and "Non-Specified" categories. An investment is a specified investment if all of the following apply:

- The investment is denominated in sterling and the payment or repayment is only payable in sterling.
- The investment is not a long-term investment, ie. it is made for less than one year.
- The making of the investment is not defined as capital expenditure.
- The investment is made with a body of high credit quality, or with the

UK government, a local authority or a parish council.

Only minimal reference need be 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. Accordingly, they may be simple investments made with the same counterparties as specified investments, being “non-specified” only by way of the maturity period being over one year. Alternatively they may be more complex instruments, or those offering slightly higher risk or lower liquidity. If used at all, non-specified investments will tend only to be used for the longer-term investment of core-balances.

Appendix 4 also sets out:

- 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 after consultation with the Council’s treasury advisers.

Counterparty investment limits will be as set out in the Council’s Treasury Management Practices (Schedules).

b. Creditworthiness policy

The primary principles governing the Council’s creditworthiness criteria are:

- Security of capital
- Liquidity of capital
- Return on investment

With regard to security, policies are maintained for the “categories” of investment to be used, and these are set out at Appendix 4, specified and non-specified investments. For the purpose of liquidity, policies are in place for determining the maximum periods for which funds may prudently be committed with counterparties.

The Chief Financial Officer maintains a “counterparty list” using rating information provided by CASTS, and this is monitored constantly. The CFO has delegated authority to amend the minimum criteria as he sees fit, and will report any such amendments to Cabinet for information as necessary. The minimum criteria the Council will use in selecting its counterparties are currently based on based on Fitch ratings of:

- Short term rating of F1
- Long term rating of A
- Viability rating of BBB
- Support rating of 1

In addition, the Council makes use of the creditworthiness service provided by CASTS. This employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies. Credit ratings are supplemented with “overlays” as follows:

- credit watches and credit outlooks from credit rating agencies.
- CDS (credit default swaps) spreads to give early warning of likely changes in credit ratings.
- sovereign ratings to select counterparties from only the most creditworthy countries.

The CASTS 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 end product 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 durations for its investments with a counterparty meeting the minimum rating criteria.

- Yellow: 5 years (AAA rated Government debt or its equivalent)
- Purple: 2 years
- Blue: 1 year (nationalised or semi nationalised UK banks)
- Orange: 1 year
- Red: 6 months
- Green: 100 days
- No colour: not to be used

The creditworthiness service uses a wider array of information than just primary ratings, and by using a risk weighted scoring system, does not give undue preponderance to just one agency’s ratings.

All credit ratings are monitored weekly and the Council is alerted to changes to ratings of all three agencies through its use of the CASTS creditworthiness service. If a downgrade results in the counterparty no longer meeting the Council’s minimum criteria, its further use for new investment will be withdrawn immediately.

Sole reliance will not be placed on the use of the CASTS external service. In addition the Council will also use market data and market information, information on government support for banks and the credit ratings of that supporting government.



The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA minus. Appendix 5 sets out the countries currently meeting the criteria for investment by the Council. However, for some time the CFO has adopted a policy to lend only to UK registered institutions, and this is expected to continue for 2014/15. The UK currently has an AA+ sovereign rating.

Given the extreme volatility of market conditions, this policy will of course be subject to on-going review by the CFO, in conjunction with advice from CASTS. The list will be added to, or deducted from, by officers should ratings change in accordance with this policy

Under the cash-backed Local Authority Mortgage Scheme, launched in April 2012, the Council has made two advances of £1m each to Lloyds Banking Group, each for a period of five years, to match the life of the indemnities. These are classified as “service investments”, rather than treasury management investments, and are therefore outside the Specified/Non specified categories discussed above.

#### 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 2-3 year period, if appropriate. In addition, any borrowing undertaken in advance of need at favourable interest rates may add to the funds available.

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 12 months).

Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends are:

- 2013/14 0.50%
- 2014/15 0.50%
- 2015/16 0.50%
- 2016/17 1.25%

There are upside risks to these forecasts (ie. start of increases in Bank Rate occurs sooner) if economic growth remains strong and unemployment continues to fall faster than expected. However, should the pace of growth fall back there could be downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove to be too optimistic.

CASTS' suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:

- 2014/15 0.50%
- 2015/16 0.50%
- 2016/17 1.00%
- 2017/18 2.00%

As a result of fixed investments already secured, the Council's outturn equated rate for 2013/14 is expected to be around 1.14%, and the budgeted equated return for 2014/15 is 0.83%, both in excess of the suggested returns above.

An investment treasury indicator and limit must be set for the maximum principal funds invested for periods in excess of 364 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.

The limit for new non-specified investments in each of 2014/15, 2015/16 and 2016/17 is £3m, subject always to the overall limit for total non-specified investments held at any one time indicated at Appendix 4.

d. 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.

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.

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.

e. 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.

f. 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.

g. Policy on the use of external service providers

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

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

2.2.8 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/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, and acting on recommendations
- Approving the selection of external service providers and agreeing terms of appointment.

Audit Committee is responsible for:

- Reviewing the treasury management policy and procedures and making recommendations to the responsible body.

### 2.2.9 The role of the section 151 officer

The Chief Financial Officer is the Council's nominated S151 Officer. The role of the S151 (responsible) officer includes the following:

- 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

### **Alternative Options**

There are no alternative options, this report being a statutory requirement.

### **Financial Implications**

No specific financial implications are attributable to this report.

### **Appendices**

1. Prudential and Treasury indicators for 2014/15 to 2016/17
2. Interest rate forecasts
3. Economic background
4. Specified and non-specified Investments
5. Approved countries for investment

### **Background Papers**

None identified.

### **Recommendation**

That:

Members note the Prudential Indicators and Treasury Strategy 2014/15 as detailed in the report, and refer it to Full Council for approval as required by the regulations.

**Reasons for Recommendations**

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

**For more information, please contact:**

Alison Ball, Financial Services Manager, on 0115 901 3980

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	2014/15 Est	2015/16 Estimate	2016/17 Estimate
<b><u>Prudential Indicators</u></b>			
a) Capital Expenditure:	£ 2,902,100	£ 2,130,000	£ 1,786,000
b) Capital Financing Requirement:	£ 12,546,300	£ 11,968,000	£ 11,408,900
c) Ratio of Financing Costs to Net Revenue Stream:	6.44%	6.64%	5.71%
d) Incremental Impact of 2014/15 Capital Investment Decisions:	£0.07	£0.08	-£0.10
e) Gross Borrowing Requirement & CFR:	£ 13,135,400	£ 12,929,200	£ 13,264,600
<b><u>Treasury Indicators</u></b>			
a) Operational Boundary for External Debt:			
Borrowing	£ 14,100,000	£ 13,900,000	£ 14,300,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Operational Boundary	<b>£ 15,600,000</b>	<b>£ 15,400,000</b>	<b>£ 15,800,000</b>
b) Authorised Limit for External Debt:			
Borrowing	£ 15,100,000	£ 14,900,000	£ 15,300,000
Other Long Term Liabilities	£ 1,500,000	£ 1,500,000	£ 1,500,000
Total Authorised Limit	<b>£ 16,600,000</b>	<b>£ 16,400,000</b>	<b>£ 16,800,000</b>
c) Upper limit for fixed interest rate exposure: (Maximum outstanding net BORROWING)	£ 13,100,000	£ 12,900,000	£ 13,300,000
Additional Local Indicator - Investment Only	100%	100.00%	100.00%
Additional Local Indicator - Borrowing Only	100%	100.00%	100.00%
d) Upper limit for variable interest rate exposure: (Maximum outstanding net BORROWING)	£ 2,000,000	£ 2,000,000	£ 2,000,000
Additional Local Indicator - Investment Only	100%	100.00%	100.00%
Additional Local Indicator - Borrowing Only	50%	50.00%	50.00%
e) Upper limits for the maturity structure of o/s Borrowing during 2014/15 (Lower limit 0%)			
Under 1 Year	20%		
1 Year to 2 Years	40%		
2 Years to 5 Years	50%		
5 Years to 10 Years	50%		
Over 10 Years	100%		
f) Investment treasury indicator and limit - Maximum NEW principal sums invested in-year for periods OVER 364 days (ie. non-specified) subject to maximum non-specified per counterparty of £3m AND to the prevailing overall counterparty limit, and to the total non-specified limit of £5m.	£ 3,000,000	£ 3,000,000	£ 3,000,000

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## INTEREST RATE FORECASTS 2014 – 2017

Bank Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	-	-	-	-	-
5yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	2.63%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
UBS	2.63%	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.63%	2.60%	2.60%	2.60%	2.60%	2.70%	2.80%	3.00%	3.20%	-	-	-	-	-
10yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	3.72%	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
UBS	3.72%	3.70%	3.80%	3.90%	4.05%	4.05%	4.30%	4.55%	4.55%	-	-	-	-	-
Capital Economics	3.72%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	4.05%	-	-	-	-	-
25yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	4.35%	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
UBS	4.35%	4.55%	4.55%	4.80%	4.80%	5.05%	5.05%	5.30%	5.30%	-	-	-	-	-
Capital Economics	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.35%	4.45%	-	-	-	-	-
50yr PWLB Rate														
	NOW	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services	4.31%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
UBS	4.31%	4.45%	4.45%	4.70%	4.70%	4.90%	4.90%	5.05%	5.05%	-	-	-	-	-
Capital Economics	4.31%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.60%	-	-	-	-	-

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## ECONOMIC BACKGROUND

### THE UK ECONOMY

#### Economic growth

Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth strongly rebounded in 2013 - quarter 1 (+0.3%), 2 (+0.7%) and 3 (+0.8%), to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The Bank of England has, therefore, upgraded growth forecasts in the August and November quarterly Inflation Reports for 2013 from 1.2% to 1.6% and for 2014 from 1.7% to 2.8%, (2015 unchanged at 2.3%). The November Report stated that: -

*In the United Kingdom, recovery has finally taken hold. The economy is growing robustly as lifting uncertainty and thawing credit conditions start to unlock pent-up demand. But significant headwinds — both at home and abroad — remain, and there is a long way to go before the aftermath of the financial crisis has cleared and economic conditions normalise. That underpins the MPC's intention to maintain the exceptionally stimulative stance of monetary policy until there has been a substantial reduction in the degree of economic slack. The pace at which that slack is eroded, and the durability of the recovery, will depend on the extent to which productivity picks up alongside demand. Productivity growth has risen in recent quarters, although unemployment has fallen by slightly more than expected on the back of strong output growth.*

Forward surveys are currently very positive in indicating that growth prospects are also strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established. One drag on the economy is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates.

#### Forward guidance

The Bank of England issued forward guidance in August which stated that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years in August, but revised to possibly quarter 4 2014 in November. The UK unemployment rate has already fallen to 7.4% on the three month rate to October 2013 (although the rate in October alone was actually 7.0%). The

Bank's guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year plus horizon. The recession since 2007 was notable for how unemployment did NOT rise to the levels that would normally be expected in a major recession and the August Inflation Report noted that productivity had sunk to 2005 levels. There has, therefore, been a significant level of retention of labour, which will mean that there is potential for a significant amount of GDP growth to be accommodated without a major reduction in unemployment. However, it has been particularly encouraging that the strong economic growth in 2013 has also been accompanied by a rapid increase in employment and forward hiring indicators are also currently very positive. It is therefore increasingly likely that early in 2014, the MPC will need to amend its forward guidance by reducing its 7.0% threshold rate and/or by adding further wording similar to the Fed's move in December (see below).

### **Credit conditions**

While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS) was extended to encourage banks to expand lending to small and medium size enterprises. The second phase of Help to Buy aimed at supporting the purchase of second hand properties, will also start in earnest in January 2014. These measures have been so successful in boosting the supply of credit for mortgages, and so of increasing house purchases, (though levels are still far below the pre-crisis level), that the Bank of England announced at the end of November that the FLS for mortgages would end in February 2014. While there have been concerns that these schemes are creating a bubble in the housing market, house price increases outside of London and the south-east have been much weaker. However, bank lending to small and medium enterprises continues to remain weak and inhibited by banks still repairing their balance sheets and anticipating tightening of regulatory requirements.

### **Inflation**

Inflation has fallen from a peak of 3.1% in June 2013 to 2.1% in November. It is expected to remain near to the 2% target level over the MPC's two year time horizon.

### **AAA rating**

The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

## **THE GLOBAL ECONOMY**

### **The Eurozone (EZ)**

The sovereign debt crisis has eased considerably during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. In December, Ireland escaped from its three year EZ bailout programme as it had

dynamically addressed the need to substantially cut the growth in government debt, reduce internal price and wage levels and promote economic growth. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2012 figures) of Greece 176%, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%, remain a cause of concern, especially as many of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are continuing to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Whilst a Greek exit from the Euro is now improbable in the short term, as Greece has made considerable progress in reducing its annual government deficit and a return towards some economic growth, some commentators still view an eventual exit as being likely. There are also concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks.

Sentiment in financial markets has improved considerably during 2013 as a result of firm Eurozone commitment to support struggling countries and to keep the Eurozone intact. However, the foundations to this current "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which have unemployment rates of over 26% and unemployment among younger people of over 50%. The Italian political situation is also fraught with difficulties in maintaining a viable coalition which will implement an EZ imposed austerity programme and undertake overdue reforms to government and the economy. There are also concerns over the lack of political will in France to address issues of poor international competitiveness,

## **USA**

The economy has managed to return to robust growth in Q2 2013 of 2.5% y/y and 4.1% y/y in Q3, in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation. The Federal Reserve therefore decided in December to reduce its \$85bn per month asset purchases programme of quantitative easing by \$10bn. It also amended its forward guidance on its pledge not to increase the central rate until unemployment falls to 6.5% by adding that there would be no increases in the central rate until 'well past the time that the unemployment rate declines below 6.5%', especially if projected

inflation continues to run below the 2% longer run goal'. Consumer, investor and business confidence levels have all improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels. Many house owners have, therefore, been helped to escape from negative equity and banks have also largely repaired their damaged balance sheets so that they can resume healthy levels of lending. All this portends well for a reasonable growth rate looking forward.

## **China**

There are concerns that Chinese growth could be on an overall marginal downward annual trend. There are also concerns that the new Chinese leadership have only started to address an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

## **Japan**

The initial euphoria generated by "Abenomics", the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and the introduction of other economic reforms, appears to have stalled. However, at long last, Japan has seen a return to reasonable growth and positive inflation during 2013 which augurs well for the hopes that Japan can escape from the bog of stagnation and deflation and so help to support world growth. The fiscal challenges though are huge; the gross debt to GDP ratio is about 245% in 2013 while the government is currently running an annual fiscal deficit of around 50% of total government expenditure. Within two years, the central bank will end up purchasing about Y190 trillion (£1,200 billion) of government debt. In addition, the population is ageing due to a low birth rate and, on current trends, will fall from 128m to 100m by 2050.

## **CAPITA ASSET SERVICES FORWARD VIEW**

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

There could well be volatility in gilt yields over the next year as financial markets anticipate further tapering of asset purchases by the Fed. The timing and degree of tapering could have a significant effect on both Treasury and gilt yields. Equally, while the political deadlock and infighting between Democrats and Republicans over the budget has almost been resolved the raising of the debt

limit, has only been kicked down the road. A final resolution of these issues could have a significant effect on gilt yields during 2014.

The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly weighted. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis, or a break-up of the EZ, but rather that there will be a managed, albeit painful and tortuous, resolution of the debt crisis where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be tepid for the next couple of years and some EZ countries experiencing low or negative growth, will, over that time period, see a significant increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the large countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks currently include:

- UK strong economic growth is currently very dependent on consumer spending and recovery in the housing market. This is unlikely to endure much beyond 2014 as most consumers are maxed out on borrowing and wage inflation is less than CPI inflation, so disposable income is being eroded.
- A weak rebalancing of UK growth to exporting and business investment causing a major weakening of overall economic growth beyond 2014
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Prolonged political disagreement over the raising of the US debt ceiling.
- A return to weak economic growth in the US, UK and China causing major disappointment in investor and market expectations.
- A resurgence of the Eurozone sovereign debt crisis caused by ongoing deterioration in government debt to GDP ratios to the point where financial markets lose confidence in the financial viability of one or more countries and in the ability of the ECB and Eurozone governments to deal with the potential size of the crisis.

- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable; this will cause major difficulties in implementing austerity measures and a programme of overdue reforms. Italy has the third highest government debt mountain in the world.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts, especially if it looks likely that one, or more countries, will need to leave the Eurozone.
- A lack of political will in France, (the second largest economy in the EZ), to dynamically address fundamental issues of low growth, poor international uncompetitiveness and the need for overdue reforms of the economy.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds.

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.



**LOCAL GOVERNMENT INVESTMENTS (England) (i)**

**SPECIFIED INVESTMENTS 2014/15**

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

<b>Investment</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / Minimum Credit Rating</b>	<b>Capital Expenditure?</b>	<b>Circumstance of use</b>	<b>Maximum period</b>
<b>Debt Management Agency Deposit Facility (DMADF)</b> This facility is at present available for investments up to 6 months	No	Yes	Govt-backed	NO	In-house	1 year
<b>Term deposits</b> 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 not credit rated.	NO	In-house	1 year
<b>Term deposits</b> with credit-rated deposit takers (banks and building societies), including callable deposits, with maturities up to 1 year	No	Yes	Yes--various Minimum (Fitch) Short-term F1, Long Term A Viability BBB Support 1	NO	In-house	1 year
<b>Certificates of Deposit</b> issued by credit-rated deposit takers (banks and building societies) up to 1 yr. <i>Custodial arrangement required prior to purchase</i>	No	Yes	Yes--various Minimum (Fitch) Short-term F1, Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/advice from CASTS	1 year
<b>Gilts</b> 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 CASTS	1 year

**LOCAL GOVERNMENT INVESTMENTS (England) (ii)**

**SPECIFIED INVESTMENTS 2014/15 (CONTINUED)**

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

<b>Investment</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / 'High' Credit Rating criteria</b>	<b>Capital Expenditure?</b>	<b>Circumstance of use</b>	<b>Maximum period</b>
<b>Money Market Funds</b> Collective investment schemes as defined in SI 2004 No 534 <i>These funds do not have any maturity date</i>	No	Yes	AAA	NO	In-house	<i>The period of investment may not be determined at the outset but would be subject to cash flow and liquidity requirements</i>
<b>Treasury bills</b> 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>	No	Yes	Govt-backed	NO	In-house	1 year
<b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (as defined in SI 2004 No 534) with maturities under 12 months  <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 CASTS	1 year
<b>Bonds issued by multilateral development banks</b> (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 CASTS	1 year

**LOCAL GOVERNMENT INVESTMENT (England) (iii)**

**NON-SPECIFIED INVESTMENTS 2014/15**

<b>Investment</b>	<b>(A) Why use it? (B) Associated risks?</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / Minimum credit rating **</b>	<b>Capital Exp?</b>	<b>Circumstance of use</b>	<b>Maximum Investment</b>	<b>Maximum maturity of investment</b>
<b>Term deposits</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Certainty of rate of return over period invested. (ii) No movement in capital value of deposit despite changes in interest rate environment.  (B) (i) Illiquid - as a general rule, cannot be traded or repaid prior to maturity. (ii) Return will be lower if interest rates rise after making the investment. (iii) Credit risk : potential for greater deterioration in credit quality over longer period	No	No	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	In-house	£3m any one counterparty AND £5m in total. Also subject to the prevailing <u>overall</u> maximum investment with any one counterparty	3 years
<b>Certificates of Deposit</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year <i>Custodial arrangement required prior to purchase</i>	(A) (i) Although in theory tradable, are relatively illiquid.  (B) (i) 'Market or interest rate risk' : Yield subject to movement during life of CD which could negatively impact on price of the CD.	No	Yes	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/advice from CASTS	£3m	3 years
<b>Fixed Term Deposits with variable rates and variable maturities</b> with credit rated deposit takers (banks and building societies) with maturities greater than 1 year	(A) (i) Enhanced income ~ Potentially higher return than using a term deposit with similar maturity.  (B) (i) Illiquid – only borrower has the right to pay back deposit; the lender does not have a similar call. (ii) period over which investment will actually be held is not known at the outset. (iii) Interest rate risk : borrower will not pay back deposit if interest rates rise after deposit is made.	No	No	Yes—various Minimum (Fitch) Short-term F1 Long Term A Viability BBB Support 1	NO	To be used in-house after consultation/advice from CASTS	£3m	3 years in aggregate

**LOCAL GOVERNMENT INVESTMENT (England) (iv)**

**NON-SPECIFIED INVESTMENTS 2014/15 (Continued)**

<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><b>UK government gilts</b> with maturities in excess of 1 year</p> <p><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 CASTS	£3m	Maturity limit 5 years
<p><b>Sovereign issues ex UK govt gilts - any maturity</b></p> <p><i>Custodial arrangement required prior to purchase</i></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 CASTS	£3m	5 years

**LOCAL GOVERNMENT INVESTMENT (England) (v)**

**NON-SPECIFIED INVESTMENTS 2014/15 (Continued)**

<b>Investment</b>	<b>(A) Why use it? (B) Associated risks?</b>	<b>Share/ Loan Capital?</b>	<b>Repayable/ Redeemable within 12 months?</b>	<b>Security / Minimum credit rating **</b>	<b>Capital Exp?</b>	<b>Circumstance of use</b>	<b>Maximum Investment</b>	<b>Maximum maturity of investment</b>
<p><b>Bonds issued by a financial institution that is guaranteed by the United Kingdom Government</b> (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 37</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 CASTS	£3m	5 years
<p><b>Bonds issued by multilateral development banks</b> (as defined in SI 2004 No 534) with maturities in excess of 1 year <i>Custodial arrangement required prior to purchase</i></p>	<p>(A) (i) Excellent credit quality. (ii) relatively liquid. (although not as liquid as gilts) (iii) If held to maturity, known yield (rate of return) per annum, which would be higher than that on comparable gilt ~ aids forward planning, enhanced return compared to gilts. (iv) If traded, potential for capital gain through appreciation in value (i.e. sold before maturity)</p> <p>(B) (i) 'Market or interest rate risk' : Yield subject to movement during life of bond which could negatively impact on price of the bond i.e. potential for capital loss. (ii) Spread versus gilts could widen</p>	Yes	Yes	AAA or government guaranteed	NO	Buy and hold to maturity. To be used in-house after consultation/ advice from CASTS	£3m	5 years

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APPROVED COUNTRIES FOR INVESTMENT

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Hong Kong
- Netherlands
- UK
- USA

AA

- Abu Dhabi (UAE)
- France
- Qatar

AA-

- Belgium
- Saudi Arabia

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## Report to Cabinet

**Subject:** Gedling Plan 2014/15 (including General Fund Revenue Budget)

**Date:** 20 February 2014

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

### Wards Affected

Borough wide.

### Purpose

This report sets out the priorities, objectives and top actions for the Council for the forthcoming year with the associated revenue budget.

### Key Decision

This is a Key Decision.

### Background

- 1.1 The Constitution of the Council details the Budget and Policy Framework Procedural rules. Section 2.01 concerns budget and performance plans. It contains the specific requirement for the Leader to present, before 21 February each financial year, a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed cuts.
- 1.2 The Executive is required to consider any comments made on the draft Budget and Performance Plan and present the final drafts to Council for adoption in accordance with the statutory requirements. To fulfil these requirements the 2014/15 Gedling Plan and revenue budget proposals will be presented to Budget Council on 3 March 2014. The Borough Council has a statutory responsibility to determine its Council Tax by 10 March.
- 1.3 This report ensures these requirements will be met for the 2014/15 budget process.
- 1.4 The Gedling Plan has been built around delivery of the Borough Council's Vision and Values agreed by Council in October 2011.

- 1.5 The severe financial pressures that the authority continues to face following the prolonged downturn in the economy and the announcement of further reductions in Government Grant Settlement make this another extremely challenging budget round. As the Council relies heavily on central funding to deliver its services any funding reductions require the Council to make budget cuts and efficiencies to deliver a balanced budget in the medium term.

## **Proposal**

### **2.1 Gedling Plan**

- 2.1.1 Appendix 1 sets out what we're trying to achieve and how we intend to go about that.
- 2.1.2 Our forward planning has taken place against a backdrop of continuing financial pressures and our approach is based upon :-
- Targeting resources at maintaining the highest levels of performance with those services that residents consider to be most important
  - Protecting services and activities that support the most vulnerable
  - Prioritising activity that helps to get the local economy back on its feet
- 2.1.3 For 2014/15, the previously named "Council Plan" has been renamed the Gedling Plan, reflecting the Council's increasingly important role as "leader of place" and its work in partnership with other agencies to address the key issues highlighted above.

The Plan continues to be focused around five priorities (People; Homes; Jobs; Place and Performance) underneath each of which sit a series of objectives. These have been updated to reflect the principles outlined above.

For each objective, a number of priority actions are identified to be taken forward in the year ahead. These include actions to: -

- Progress stalled building sites through the "Get Gedling Building" programme
- Bring more empty homes back into use
- Improve access to the Nottingham Credit Union for Gedling residents
- Continue to provide support to local food banks
- Encourage take-up of the Local Council Tax Reduction Scheme and other welfare benefits
- Pay Council employees at or above the living wage

- Put in place practical initiatives to address loneliness and isolation
- Provide diversionary activities for young people with an emphasis on our three locality neighbourhoods
- Implement the Obesity and Weight Management Framework and Delivery Plan
- Identify a range of actions to make Gedling Borough Council a dementia friendly organisation
- Develop an ongoing programme of apprenticeship and work placement opportunities for the Council and its partners and support local businesses to provide apprenticeship and work experience placements in the private sector
- Support expansion of existing Gedling businesses through assistance with securing growth investment funds
- Pursue development of part of High Street car park to enhance Arnold Town Centre
- Create a package of incentives to encourage businesses to move to or expand in Gedling
- Continue to press for delivery of the first phase of Gedling Access Road
- Champion the development of a fourth Trent crossing and secure support from key stakeholders
- Investigate and implement a planned programme of activities and initiatives to further minimise the amount of waste disposed of either at landfill or by incineration
- Deliver Gedling Country Park
- Maximise electoral registration through Individual Electoral Registration
- Establish a Gedling Youth Council and encourage young people to participate
- Achieve efficiency commitments incorporated in the 2014/15 Annual Budget
- Develop and implement agreed strategy for future provision of leisure and community centres
- Increase the number, range and take up of services available online
- Secure improved access to services arising from re-location of Arnold Job Centre to the Civic Centre

- 2.1.4 Should the recommendations be agreed, these priority actions will form the high level actions against which progress will be managed and reported to members and to the public on line and through the Covalent performance management system. Accountability for each action will be shown clearly in these reports, with each action having an accountable manager, a lead director and a lead portfolio holder.

Further work is in progress to identify targets for performance indicators for each objective and these will be the subject of a separate report to Cabinet in Spring 2014, for subsequent inclusion in the Gedling Plan and in Service Plans.

Members will note that the Gedling Plan document has from the outset been produced in a more readable and user-friendly format. The Plan will be published on-line in this format and made available to members, employees, partners and customers through the Council's website.

## **2.2 Proposed General Fund Budget 2014/15**

The Council's overarching Financial Strategy sets out the 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 etc. impact on the annual budget and this has been taken into account in presenting this annual budget and Medium Term Financial Plan (MTFP) Summary.

### **2.2.1 Local Government Finance Settlement 2014/15**

The Local Government Finance Settlement determines how much grant Central Government will give to each local authority in England in 2014/15.

The provisional Settlement figures for 2014/15 and indicative figures for 2015/16 were announced on 18 December 2013 and a full analysis was reported to Cabinet on 15 January 2014. The consultation period on the Settlement closed on 15 January 2014. The final Settlement figures were announced on 5 February 2014 and these contained some very minor changes from the provisional announcements as detailed in the paragraphs below.

#### **2014/15 Settlement**

The final Settlement figure, now known as the **Settlement Funding Assessment** for 2014/15 totals £5,804,065 which is £803 higher than the provisional announcement. This represents the aggregate of Revenue Support Grant of £3,064,178 and estimated retained Business Rates of £2,739,887 (the actual amount of business rates funding will be determined by the actual amount of rates collected and movements in the business rates base). The Settlement Funding Assessment of £5,804,065, which includes non-ringfenced specific grants, represents a cash reduction of £923,214 or 13.7% from the comparative 2013/14 figure.

Non-ringfenced specific grants are detailed below:

- the Council Tax Freeze grant of £138,280 was to be received for a period of 4 years to finance the Council Tax freeze implemented in 2011/12, this will now continue in baseline funding;
- Homelessness grant of £76,860 (a 1.5% reduction compared to 2013/14);
- Council Tax Reduction Scheme grant previously specified at £706,325 for 2013/14 (10% less than the previous benefit subsidy amount), has now been incorporated into the base settlement funding assessment.

In total this further reduction in 2014/15 coupled with reductions in the first 3 years of the spending round (starting 2011/12) means that this authority has had its Central Government grant reduced by £3.037m or 34% in cash terms. Government Settlement is now back to the cash levels received in 1993 when Council Tax was introduced and is programmed to fall even lower in the next spending review period as detailed in the paragraphs below.

#### Future Spending Review Period 2015/16-2018/19

The Government has indicated that Annually Managed Expenditure is set to fall at the same rate as over the Spending Review 2010 period i.e. equivalent to 30% in real terms. The current Settlement allocates a significantly higher proportion of Revenue Support Grant compared to Business Rates than in previous years and so the Council remains heavily reliant upon Central Government Funding and is therefore at significant risk of future funding reductions equivalent to 30%.

#### 2015/16 Indicative Settlement

Indicative Settlement figures for the 2015/16 Settlement Funding Assessment are unchanged from the provisional announcement at £4,885,526. This represents a cash reduction of £918,539 or 15.8% on the 2014/15 figures.

#### Council Tax Freeze Grant

The Government has announced that further funds will be available to local authorities which freeze council tax for a further year in 2014/15. Councils that do so will get a grant equivalent to raising their council tax by 1%, adjusted to exclude the reductions given to those receiving council tax support, which equates to £59,900 for Gedling. The grant will be paid to participating authorities in the financial years 2014/15 and 2015/16. Ministers have altered the funding principles and now funding of the freeze grant should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available on an ongoing basis.

The Government also announced additional grant funding to support Councils that freeze council tax in 2015/16. This will be a separate scheme, yet to be confirmed, with grants to be paid in respect of council tax decisions taken by authorities in that financial year.

### Council Tax Reduction Scheme Grant

The Council Tax Benefit system was replaced on 1 April 2013 with the Council Tax Reduction Scheme (CTRS) which provides a discount on the council tax bill for eligible applicants. Gedling's 2014/15 scheme, which was approved by Council on 15 January 2014, is devised to ensure the most vulnerable are protected by making the discount receivable equivalent to the benefit which would have been payable under the previous system. However, the element of transitional support to benefit claimants is subject to additional funding from Central Government. To date no announcement on the availability of this funding has been made

The new system is being funded partly by Government Grant, at a rate 10% less than previously available as benefit subsidy, and the remainder by the Council introducing new tax charges for empty properties.

The impact of the new discount scheme is to reduce the Council Taxbase which therefore reduces the ability to raise additional revenue from Council Tax increases. The Settlement Funding Assessment includes the non-ringfenced CTRS grant, referred to in paragraph 2.2.1 above, which includes an amount to fund the impact of taxbase reductions on local parish precepts. The impact of the scheme on 2013/14 taxbase figures, when adjusted for our own technical changes, resulted in a precept reduction of £28,400 for Parish Councils as a whole. It is anticipated that this Council will continue to make this equivalent grant payment to the Parish Councils in 2014/15 to ensure no loss is suffered.

As detailed under the 2014/15 Settlement the CTRS grant is not protected from future funding reductions therefore the amount of grant to be paid to Parish Councils will need to be determined on an annual basis.

### Council Tax Increase Referendum Trigger

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

For 2014/15 the limit has been set at **2.0%**. Any Council which sets an increase at 2.0% or greater and does not get support from the electorate via the referendum will have to revert to a council tax level that is compliant.

### New Homes Bonus

During 2011/12 Central Government introduced the New Homes Bonus (NHB) which is now a significant and permanent feature of future local government funding. The Government have committed to funding NHB from the centrally retained share Business Rates income which will continue to be paid as a separate non-ringfenced grant.

The principles of the grant are to reward local authorities for each new property completed within their boundary. The value of the reward is linked to the average council tax band D property and each individual award will be for a six year period.

Gedling has been awarded £448,054 for 2014/15 which is in addition to the £1,115,730 awarded for 2011/12-2013/14, giving a total cumulative New Homes bonus of £1,563,784. The MTFP assumes future increases in grant of £350,000 per annum after 2014/15 reaching a cumulative total of £2,263,800 by 2016/17 which is the end of the six year period after which it is expected to stabilise at this level.

The receipt of the New Homes Bonus has enabled the Council to protect core services and to respond to local priorities by investing in its Economic Development activities through the introduction of free town centre car parking, investment in Arnold leisure centre and theatre facilities, the establishment of an increased and permanent staffing resource for general economic development work.

## 2.2.2 General Fund Budget 2014/15 Summary

In developing a budget proposal, assumptions on the core budget have to be made and the various assumptions in respect of inflation are shown at Appendix 2. These have been included in both the annual base budget and MTFP calculations. The following table summarises the proposed General Fund Budget for 2014/15. The detailed budgets are presented at Appendix 3 together with an explanation of major variances between the original estimate for 2013/14 and the estimate for 2014/15.

### General Fund Budget Summary 2014/15

<b>Portfolio</b>	<b>Original Budget 2013/14</b> £	<b>Base Budget 2014/15</b> £	<b>Variance</b> £
Community Development	1,292,900	1,438,600	145,700
Health & Housing	1,024,700	1,116,100	91,400
Public Protection and Communication	1,593,500	1,625,900	32,400
Environment	5,146,300	4,499,300	(647,000)
Leisure & Development	2,877,300	2,732,100	(145,200)
Finance & Performance	907,800	1,567,400	659,600
<b>Base Budget</b>	<b>12,842,500</b>	<b>12,979,400</b>	<b>136,900</b>

### 2.2.3 Budget Pressures

In addition to the expected inflationary pressures detailed in Appendix 2 the base budget and medium term financial plan include the following major budget pressures greater than £50,000:

- Living Wage – commitment to ensure no member of staff is paid below the living wage - £141,500;
- Pension Fund Contributions – the Actuary’s triennial valuation of the pension fund requires a 0.7% increase in employers contributions - £53,200;
- Proposed introduction of Taxi Licencing Topography/Knowledge Test for taxi drivers, covering directions, road signs and numeracy skills. The test is designed to ensure that the taxi service in Gedling is of a high quality, that the drivers are knowledgeable about the area and are suitably skilled. It anticipated this will reduce the number of licence applications and therefore income generated. Net budget impact estimated at £57,400 per annum with effect from 2014/15;
- Increased Housing Benefit costs due to reduced Housing Benefit and Council Tax administration subsidy grant, increased rent levels and higher value fraud detection rates - £149,500;
- Reduced Leisure Centre and Cemetery Income - £107,700.

### 2.2.4 Budget Reduction Proposals

Significant reductions in future grant funding together with other cost pressures, detailed in paragraphs 2.2.1 and 2.2.3 above, mean that significant budget reductions are required to deliver a sustainable medium term financial plan. A major review of the Council’s service levels has been undertaken and consequently this budget proposal includes a variety of budget reduction strategies as detailed below:

- **Efficiency** – to deliver the same level of service with a reduced level of resource through improved working practices e.g. better use of IT, improved procurement; effective asset management;
- **New Ways of Working** – to change how the service is provided to one that is considered to be equally acceptable but requiring a lower level of resource;
- **Income Generation** – to reduce the level of subsidy provided in our discretionary service areas moving toward full cost recovery where appropriate; sale of surplus non-operational assets;
- **Cuts** – to reduce or discontinue a current service provision.

The total proposed budget reductions over the five year period of the Council’s medium term financial plan are £2,458,100. The tables below summarise the



proposed budget reductions analysed by Portfolio and Reduction Type, and a detailed list is included at Appendix 4. It is recognised that as we work to implement these proposals some resources will be required to manage the change effectively and therefore it is proposed that a Transformation Reserve be established totalling £500,000 over the next 3 years i.e. £300,000 2014/15, £150,000 2015/16, £50,000 2016/17. This will cover all change management costs, including costs of redundancy/retirement. It is estimated that up to 37 ftes could be removed from the establishment over the next 3 years as a result of these proposals, with 20 of these posts currently vacant. It is also recognised there are risks in being able to deliver the full amounts of the savings in the timescales projected, therefore it is also recommended that a Budget Reduction Risk Reserve is established equating to approximately 10% of the savings projected.

### Summary of Budget Reduction Proposals

Portfolio	Inclusion in 2014/15 Budgets and MTFP			
	2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
Community Development	31,100	182,600	0	213,700
Health & Housing	100,300	16,400	0	116,700
Public Protection & Communication	173,600	49,100	10,800	233,500
Environment	390,200	58,000	50,300	498,500
Leisure & Development	435,200	88,900	0	524,100
Finance	179,600	232,800	459,200	871,600
<b>Total Budget Reduction Proposals</b>	<b>1,310,000</b>	<b>627,800</b>	<b>520,300</b>	<b>2,458,100</b>

### Summary of Budget Reduction Proposals Analysed by Type

Portfolio	Reduction Type				Total £
	Efficiency £	New Ways of Working £	Income Generation £	Cut £	
Community Development	22,600	167,600	0	23,500	213,700
Health & Housing	94,700	0	0	22,000	116,700
Public Protection & Communication	164,900	5,000	10,000	53,600	233,500
Environment	221,400	135,300	75,000	66,800	498,500
Leisure & Development	147,200	43,800	122,500	210,600	524,100
Finance	162,800	67,400	606,400	35,000	871,600
<b>Total</b>	<b>813,600</b>	<b>419,100</b>	<b>813,900</b>	<b>411,500</b>	<b>2,458,100</b>

The major budget reduction items greater than £50,000 are detailed in the paragraphs below:

a) **Efficiency**

- Redesign of Waste Management and Parks and Street Care working practices and structures - £141,300 2014/15
- Redesign of Customer Services working practices and structures – Estimated saving £127,100 over next 3 years
- Redesign of Leisure Centre working practices - £109,600 over next 2 years
- Review of Organisational Development business transformation service - £71,500 over next 2 years

b) **New Ways of Working**

- **Transfer Community Centres to Community Organisations** – Estimated Saving £227,600 over next 3 years

Community Centres are a discretionary service provided by the Council. Many of the Council's community centres are under-used and are often located next to other community venues. It is not sustainable for the Council to operate community centres in the way that it has in the past so it is proposed to transfer them to local community organisations. If a community organisation cannot be found to run the centre, consideration will be given to the sale of the asset to generate a capital receipt which will reduce the borrowing requirement for the Council. In these circumstances current user groups will be assisted to find alternative facilities in their localities.

- **Introducing Open Grassland Habitats in Parks** – Estimated saving £107,400 over next 3 years

Grounds maintenance regime changes will be introduced that will improve bio-diversity. 'Open Grassland Habitat' areas will be trialled during 2014 which will include mown strip paths for the dog walkers and as such, will not prevent users enjoying the parks/open spaces. As part of this process we intend to eradicate any noxious weeds seen growing in the grass – Docks, Ragwort etc., but otherwise the areas will be left alone and be cut once annually at the end of the growing season.

c) **Income Generation**

- Increase Leisure Centre Fees and Charges (excluding DNA scheme) by 10% above the inflationary level - £122,500 2014/15

- Sale of surplus non-operational land, generating estimated capital receipts of £4.8m, which will be used to finance the Capital Programme and reduce revenue borrowing costs - £603,400 revenue saving over next 5 years

**d) Service Cuts**

- Reduction in Grants to Voluntary Organisations/Community Fund - £54,300 over next 2 years
- Reduction in discretionary leisure activity e.g. sports development; arts projects; exercise promotion; youth activities and administrative support - £183,300 over next 2 years

**2.2.5 Proposed Revenue Resource Developments 2014/15**

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

In light of the overall financial position, and the need to reduce net revenue expenditure significantly in order to achieve a balanced budget over time, revenue resource developments included in the budget proposal for 2014/15 are primarily one off project funds focussed on delivering against key priorities e.g. Economic Development. The MTFP, at paragraph 3 below, assumes no future ongoing revenue development bids. The schemes proposed in the tables below are those scoring 25 points and above using the Council's approved methodology. There were no other revenue development proposals for 2014/15.

**General Fund Revenue Resource Development 2014/15 (25 points or above)**

**(a) One Off Resource Developments**

Description	Gross Rev Bid 2014/15	Gross Rev Bid 2015/16	Gross Rev Bid 2016/17	Total Score
	£	£	£	
<b><u>Environment</u></b>				
Gedling Country Park Project Fund		50,000	100,000	26
Environmental Projects Fund	50,000			25
<b><u>Leisure and Development</u></b>				
Economic Development Fund	500,000	100,000		32
Leisure Centre Options Consultancy	50,000			25
<b>Total One Off Resource Developments</b>	<b>600,000</b>	<b>150,000</b>	<b>100,000</b>	

**(b) Ongoing Resource Developments**

Description	Gross Revenue Bid	Total Score
	£	
<b><u>Community Development</u></b> Youth Engagement Projects in Targeted Localities	20,000	<b>28</b>
<b><u>Environment</u></b> Gedling Country Park Maintenance	20,000	<b>25</b>
<b><u>Leisure and Development</u></b> Economic Development Officer	40,000	<b>26</b>
<b>Total Ongoing Resource Developments</b>	<b>80,000</b>	

**2.2.6 Summary of Significant Budget Changes 2014/15**

In summary, the table below highlights the areas of significant variance in expenditure/income, in excess of £10,000, per annum which have been reflected in the base budget 2014/15.

**Significant Budget Changes 2014/15**

	Budget Impact 2014/15 £	£
<b>Original Budget 2013/14</b>		<b>12,842,500</b>
<b><u>Revenue Budget Pressures</u></b>		
Inflation (Pay 1% 2014/15/NNDR 2%/Fuel/Contracts)	146,500	
Living Wage	141,500	
Increase in Employers Superannuation Contribution 18.2% to 18.9%	53,200	
Pension Scheme Auto Enrolment	10,000	
Increased Housing Benefit Cost (net) – increasing rent levels and higher value fraud detection rates	62,800	
Reduced Housing Benefit and Council Tax Admin Subsidy Grants	52,700	
Removal of one off Housing Benefit Admin Grant	34,000	
Taxi Licencing – Proposed introduction of Knowledge Test (net)	57,400	

	<b>Budget Impact 2014/15 £</b>	<b>£</b>
Reduced Income – Leisure Centres	62,700	
Reduced Income - Cemeteries	45,000	
Reduced Income from Vehicle Scrap	12,800	
Other Minor Variances (net)	25,100	
<b>Total Pressures</b>		<b>703,700</b>
<b><u>Revenue Budget Growth</u></b>		
Environmental Projects Fund (one off 2014/15)	50,000	
Economic Development Fund (one off, additional £100k 2015/16)	500,000	
Leisure Centre Options Consultancy (one off 2014/15)	50,000	
Youth Engagement Localities (ongoing)	20,000	
Gedling Country Park Maintenance (ongoing)	20,000	
Economic Development Officer (ongoing)	40,000	
<b>Total Growth</b>		<b>680,000</b>
<b><u>Revenue Budget Reduction Review (Appendix 4)</u></b>		
<b>Amounts for delivery in 2014/15:</b>		
Efficiencies	(678,300)	
New Ways of Working	(132,100)	
Income Generation (including impact of capital receipt generation on revenue borrowing costs)	(215,500)	
Service Cuts	(284,100)	
<b>Total Ongoing Reductions</b>	<b>(1,310,000)</b>	
<b>Less One Off Reserves Created:</b>		
Budget Reduction Risk Reserve	260,000	
Transformation/Change Reserve	300,000	
<b>Total Budget Reduction Review (Net)</b>		<b>(750,000)</b>

	<b>Budget Impact 2014/15</b> £	£
<b><u>Other Base Budget Reductions</u></b>		
<u>Efficiency Commitments made during 2013/14 Budget Process:</u>		
Leisure – review of leisure centre and exercise promotions staff	(85,000)	
Parks and Street Care – removal of weekend park and cemetery attendants and procurement efficiencies in parks and allotments	(69,000)	
Waste Management – move to monthly glass collection (rising to £130,000 in 2015/16)	(90,000)	
Fuel procurement efficiency due to larger tank acquisition	(12,300)	
Removal of Employee Advertising budget	(20,000)	
Additional Income – Office Rental	(72,700)	
Additional Income – Planning Fees	(24,800)	
Additional Income – Garden Waste increased customers	(24,900)	
Renegotiated lease with NCC for rent of Community Centre	(22,500)	
Fees and Charges income inflation (see para 2.2.8)	(75,600)	
<b>Total Other Budget Reductions</b>		<b>(496,800)</b>
<b>Net Increase in Budget 2014/15</b>		<b>136,900</b>
<b>Proposed 2014/15 Net Budget</b>		<b>12,979,400</b>

Note: In addition to the above 2014/15 budget changes the MTFP includes the following:

- Changes to National Insurance contracted out contribution rates and rebates – £180,000 per annum from 2016/17;
- Service demands arising from an increasing number of households and ageing population are anticipated in the MTFP to the value of £100,000 in 2015/16 rising to £300,000 in 2017/18;
- Budget reduction proposals 2015/16-2018/19 totalling £1,148,100 as detailed in para 2.2.4, partly offset by additional Transformation Reserve totalling £200,000;
- One off resource development proposal - Gedling Country Park Project Fund £50,000 £2015/16 and £100,000 2016/17.

### **2.2.7 Review of Balance Sheet Reserves and Provisions**

Reserves and Provisions on the balance sheet have been reviewed to ensure appropriate levels of funds are retained for specific future purposes and risks.

As detailed in paragraph 2.2.4 it is recommended that a Transformation Reserve, totalling £500,000, is established over the next 3 financial years i.e. £300,000 2014/15, £150,000 2015/16, £50,000 2016/17. This will accommodate any change management costs that arise during the planned service reviews. In addition a new Budget Reduction Risk Management Reserve is recommended, set initially at £260,000, to recognise that planned budget reductions may not be deliverable to the estimated amounts or within the anticipated timescale.

### **2.2.8 Income Inflation**

Discretionary fees and charges have been increased by 3% equating to £75,600. Specific charges are at the discretion of individual Portfolio Holders provided that the overall level of increase is achieved. Changes in expected volumes of customers, both upwards and downward have also been anticipated, again in line with market expectations.

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

Income from Leisure Centre activity has been increased at a higher rate, as detailed in this report. This has been done to increase the contribution to current running costs from direct service users and therefore reduce the burden on Council Tax payers.

### **2.2.9 Financing of the Capital Programme**

As detailed in the Capital Programme report earlier on this agenda, borrowing is not required to finance the capital programme in 2014/15-2016/17 due to the strategy of generating capital receipts from the sale of surplus non-operational assets (para 2.2.4(c)). It is anticipated that some borrowing will be required to finance the 2017/18 and 2018/19 capital programmes and the impact of this on the revenue budget, in terms of interest costs and principal repayment, has been reflected in the medium term financial plan.

### **2.2.10 Business Ratepayers Consultation**

Statutory consultation with 100 business ratepayers has been undertaken 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 great 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 over a 5 year horizon and this is still considered the appropriate period for this authority.
- 3.2 The following table identifies the impact of all the options that are proposed in this report:
- The incremental increase in base revenue expenditure from 2013/14 and budget growth items (paragraph 2.2.3 and 2.2.5)
  - Fees and charges to be increased by an average 3%.
  - The achievement of the budget reductions and efficiency savings in 2014/2015-2018/19 (paragraph 2.2.4 and 2.2.6 )
  - Anticipated cost of borrowing to finance the capital programme for 2017/2018-2018/19.
  - A zero percent Council Tax increase has been assumed for the first 2 years, beyond that a 1.95% increase is assumed. However, future council tax increases will be dependent upon future spending decisions, total local government funding, the achievement of efficiency savings and the continuation of the council tax freeze grant.



## MEDIUM TERM FINANCIAL PLAN 2014/15 TO 2018/19-HIGH LEVEL SUMMARY

	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £
<b>Total Net Projected Expenditure</b>	<b>12,979,400</b>	<b>12,388,600</b>	<b>12,397,300</b>	<b>12,811,700</b>	<b>13,177,700</b>
Less: Net External Support (inc freeze grant)	5,864,000	5,005,300	4,519,100	4,180,200	3,866,700
New Homes Bonus	1,563,800	1,913,800	2,263,800	2,263,800	2,263,800
NNDR Growth/ Collection Fund Surplus/Deficit	272,100	241,000	266,000	291,000	316,000
Less: Amount (from)/to Balances	64,500	138,500	146,500	(450,900)	(971,500)
<b>Council Tax Requirement</b>	<b>5,344,000</b>	<b>5,367,000</b>	<b>5,494,900</b>	<b>5,625,800</b>	<b>5,759,700</b>
<b>Percentage Council Tax increase</b>	<b>0%</b>	<b>0%</b>	<b>1.95%</b>	<b>1.95%</b>	<b>1.95%</b>
Tax Base	34,912	35,062	35,212	35,362	35,512

Expected balances at year end	5,367,000	5,505,500	5,652,000	5,201,000	4,229,600
Required balance (7.5% projected exp)	973,500	929,100	929,800	960,900	988,300
<b>(Surplus)/Deficit on required balances</b>	<b>(4,393,500)</b>	<b>(4,576,400)</b>	<b>(4,722,200)</b>	<b>(4,240,100)</b>	<b>(3,241,300)</b>

### 4. COUNCIL TAX

- 4.1 The Council Taxpayer has to meet the difference between the planned expenditure and the Government grant receivable after the use of any balances are taken into account. It is this difference that is used to calculate individual Council Tax bills for 2014/15.
- 4.2 The council tax for a band D property for 2013/14 is £153.07. The level of council tax for 2014/15 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 £53,400. In the above MTFP a freeze has been assumed which retains the Council Tax for a band D property at £153.07.
- 4.3 As detailed in paragraph 2.2.1 Council's that freeze Council Tax in 2014/15 will receive grant equivalent to a 1% increase, adjusted to exclude the reductions given to those receiving council tax support, which equates to £59,900 for Gedling. The grant will be paid to participating authorities in the financial years 2014/15 and

2015/16. Ministers have agreed that the funding for 2014/15 freeze grant should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available. An increase above 2% would require a referendum.

## **5. FINANCIAL RISK ISSUES**

- 5.1 A minimum balance of 7.5% of total projected net expenditure on the General Fund is required in accordance with the Council's approved Financial Strategy. 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 process in the medium term. The minimum balance required for 2014/15 is £973,500.
- 5.2 The (surplus)/deficit on balances in the above table shows amounts (above)/below the recommended minimum General Fund balance in any one year. Current spending plans, incorporating Council Tax freeze in 2014/15 (which is yet to be determined by Budget Council 3 March) show a surplus of £4,393,500 in 2014/15 gradually declining to a surplus on balances of £3,241,300 by 2018/19. Underlying this is an annual deficit, from 2017/18, between the amounts of income expected and anticipated expenditure. Although the MTFP projections show that this can be accommodated within the five-year horizon, further adjustments will be required to rectify this core imbalance with in excess of a further £970,000 reduction per annum being required to ensure balances do not fall below the minimum required beyond the term of this MTFP. The Council remains well placed to deal with this remaining challenge.
- 5.3 Projections for Council Tax increases in the MTFP are estimated at 0% for 2015/16 as the Government indicates that the Council Tax Freeze Grant Scheme will become part of mainstream Settlement funding. Therefore there is very limited scope to fund the core imbalance by increasing Council Tax as it has already been assumed that rises just below the referendum trigger amount will be applied in future years. This will need review if the Government maintains Council Tax Freeze Grants beyond the current period.
- 5.4 The current uncertainty resulting from the Government's austerity programme results in increased risks in the financial planning process. However, as the economy continues to grow these uncertainties may reduce. Specific Risks in the MTFP Assumptions include:
- 5.4.1 The Local Government Finance Settlement provides indicative grant figures for 2015/16. It is anticipated that beyond this the Chancellor has indicated there will be a further reduction in settlement for 2016/17-2018/19. The grant figures included in the MTFP for 2016/17 onwards are based on the Government's projections included in the Comprehensive Spending Review announcement. However, there is some uncertainty regarding how these projections will translate to actual grant payments at a local level, given the experience of higher than projected grant reductions faced by District Councils in 2011/12-2014/15.

5.4.2 Central Government are implementing a number of initiatives which affect local government funding, namely Universal Credit, Localisation of Council Tax Support and Business Rates Retention:

**Universal Credit** – This will see a significant transfer of housing benefit expenditure and administration to the Department of Works and Pensions. This will happen in full over the lifetime of the MTFP, however many uncertainties on timing, staff transfer and residual functions exist. The Council has created a reserve to mitigate against any transfer costs arising from this change.

**Localisation of Council Tax Support** – 2013/14 was the first year of operation of this new discount scheme which replaces Council Tax Benefit. The Council moved to protect vulnerable groups with an extension of 'into work' incentives. The budget for this expenditure was based on modelling of existing caseload. The Council remains financially vulnerable to increasing caseload, however projections of a growing economy reduce this risk;

**Business Rates Retention** – This scheme was introduced in 2013/14 but the overall impact of tariffs, levies and surplus/deficits, along with difficulties in determining the impact of medium term growth (or decline) places greater uncertainty on the projections in the MTFP.

**Individual Electoral Registration** – The Government has indicated its intention to cover the additional costs of Individual Electoral Registration. However, as actual grant amounts have not yet been specified there is a risk that they may not cover the full cost of the change.

5.4.3 Income figures included in the MTFP are assumed to grow above inflation. This is especially true in basic fees and charges for the use of leisure centres, where a greater share of operating costs is being passed on to direct service users. The impact of a 13% increase in fees carries an above average risk of non-delivery.

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

- Reduced maintenance budgets – can be accommodated in the medium term but may bring pressures in the longer term as major capital investment plans may need to be accelerated as assets deteriorate faster;
- Earmarked reserves for specific purposes/risk management have been reviewed and will be managed at minimum requirement levels providing less scope for managing emerging risks. Although additional reserves have been set aside for the potential staffing redundancy/transfer costs in respect of the move of rent allowances

payments to the Universal Credit system.

- 5.5 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.
- 5.6 Although there is increased risk arising from these assumptions, it is not considered necessary to increase minimum balances above the 7.5% of total projected net expenditure 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 is uncertain. However, reserves and balances remain above minimum levels for the period of the current MTFP.
- 5.7 Given the Council's excellent track record for budget management, careful budget monitoring and financial planning, which will continue, the structural deficit that remains in the Medium Term Financial Plan is considered to be at a manageable level. Indeed the anticipated early delivery of efficiency reductions that have become evident during the budget preparation process has allowed the authority to invest significant one off amounts in the achievement of its Economic Development priorities.

## **6 Equality Issues**

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

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

Where appropriate, individual Equality Impact Assessments will be carried out in relation to specific proposals identified in this report. Any equality issues arising will be brought to the attention of the decision maker when the decisions on those proposals are made. The most significant areas that may have equality impact issues are the proposed introduction of the taxi licencing knowledge test and proposed changes to award of voluntary grants.

## **7 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 2014/15.

### **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 2014/15. 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.

### **Financial Implications**

As detailed in the report.

### **Appendices**

Appendix 1 – Gedling Plan

Appendix 2 – Major Price Indices – Medium Term Financial Plan

Appendix 3 – Detailed Portfolio Budgets 2014/15

Appendix 4 – Budget Reduction Proposals 2014/15-2018/19

### **Background Papers**

Finance and Efficiency Strategy

Central Government Report – Local Government Finance Settlement in England 2014/15

Treasury Strategy 2014/15

Capital Programme Report 2014/15

### **Recommendation(s)**

Cabinet are asked to recommend to Council on 3 March 2014:

- i. the financial threshold above which decisions will be regarded as Key Decisions be set at £0.5m for 2014/15.
- ii. a Council Tax increase which balances the financing of a Net Council Tax Requirement of £5,344,000 in 2014/15
- iii. the detailed budget, priorities, objectives and actions for 2014/15, as detailed in Appendices 1 and 3, be approved.

### **Reasons for Recommendations**

To obtain approval of the Gedling Plan 2014/15 for referral to Council.



# Gedling Plan 2014/15



[www.gedling.gov.uk](http://www.gedling.gov.uk)

**Gedling**   
Borough Council

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Papplewick Play Day 2013  
(Cover - Gedling places)

## Introduction

Welcome to the 2014/15 Gedling Plan, covering the period 1 April 2014 to 31 March 2015. The Plan sets out what we hope to achieve over the next twelve months:-

- to improve the lives of people who live in Gedling or come here to visit, work or shop, and
- to ensure that the Council is as effective and efficient as possible.

The Plan contains the things that matter most to local people and the things that the Council needs to improve upon. These have been identified in a number of ways, for example, through talking to people as part of the Gedling Conversation, by analysing customer feedback about our services and by regularly assessing our performance. In this year's Plan, we've also taken into account the findings of our recent Peer Challenge – an external appraisal that we commissioned to help us progress.

Our future planning continues to be dominated by the unprecedented financial challenge that we're faced with. By the end of the current Parliament, local government funding will have fallen by £20 billion or 43%. For Gedling, this means reducing the amount we spend by £3.4 million over the next five years. This is a huge task for us but we remain ambitious to achieve the very best for the people and businesses of the borough. We also realise that it's not just the Council that is feeling the squeeze of these tough economic times as many people are struggling to pay their bills, find a home, get a job or even buy their food. It is for these reasons that our top priorities include a focus on helping the local economy to recover and supporting those most affected by the recession.

While the Plan sets out the priorities and objectives for the Council, we won't achieve these without the continued support of our partners across the public, private and voluntary sectors. That's why we've called our Plan the Gedling Plan, in recognition of the fact that its delivery will involve so many more organisations than just the Council. It's also a plan that is more about the place and the people we serve than about the Council.

We hope that you find the plan of interest and if you have any comments, we'd love to hear from you.



Cllr John Clarke  
Council Leader



John Robinson  
Chief Executive





Planting in Woodthorpe



## Gedling the place

Gedling Borough is located in the heart of Nottinghamshire and includes a substantial part of the Greater Nottingham conurbation. It borders Sherwood Forest to the north, the River Trent to the south east and the City of Nottingham to the south-west.

The name Gedling is taken from the present day suburban village of Gedling, which was mentioned in the Domesday survey of 1086 as Ghellinge.

The Borough has a distinctive mix of urban and rural areas. It is made up of Greater Nottingham's north and eastern suburbs along with some of Nottinghamshire's most picturesque villages.

The majority of Gedling's 113,500 population live in the main suburban areas of Arnold, Carlton, Gedling, Mapperley and Netherfield. The remainder live in the ten rural parishes of Bestwood Village, Burton Joyce, Calverton, Lambley, Linby, Newstead, Papplewick, Ravenshead, Stoke Bardolph and Woodborough. The Borough's eleventh parish, Colwick, forms part of the suburban area.

The Borough's industrial heritage is based on textiles and coal, but both industries have now all but disappeared. The entire Borough falls within the principal economic area of Greater Nottingham and the majority of the Borough's residents travel into Nottingham for work – Gedling itself has a small employment base of around 2,400 businesses. The resident population is mainly white (93%) and comparatively stable, not having experienced the growth of other parts of Nottinghamshire.

Gedling schools perform well and housing is affordable and generally of a high standard. Crime levels have fallen significantly in recent years, health outcomes are positive and there's generally easy access to the countryside and core city, all of which combine to make Gedling a popular place to live.



Gedling Village



Lambley Village

## Gedling the place

The map below shows the urban and rural make up of Gedling borough and its proximity to Greater Nottingham.



## **Gedling Borough Council—What we're here for**

A strapline that we use is 'Serving People, Improving Lives'. This encapsulates what we believe to be our core purpose, what we think we're here for – to represent the interests of local residents and local businesses and to make a difference to the quality of their lives.

Set out below is our vision for Gedling—the place and the Council. Also shown are our values, which try to capture the kind of organisation we aspire to be and want people to experience.

### **Our vision**

#### **What we're aiming to create**

To be the best place to live and work, and the best council around - best through the eyes of residents and staff.



### **Our values**

#### **The way we go about our work**

**A caring and fair Council** that treats customers, residents, partners and staff well.

**A listening Council** that listens to and involves the people it serves.

**An ambitious Council** that is never satisfied and is constantly hungry for improvement.

**A responsive Council** that is sensitive to different needs and acts accordingly.

**An efficient Council** that is responsible with its resources, avoids waste and makes the most of what it has.



## **Gedling Borough Council—What we do**

The chart below sets out the range of local services that we provide, (or in some cases that are provided by Parish Councils) either directly using our own staff or in partnership with others. Also shown are the services provided within Gedling by Nottinghamshire County Council.

<b>Gedling Borough Council</b>	<b>Nottinghamshire County Council</b>
<ul style="list-style-type: none"><li>• Rubbish collection and recycling</li><li>• Street cleaning and graffiti removal</li><li>• Parks and playgrounds</li><li>• Leisure and community centres</li><li>• Car parks</li><li>• Sports and arts development</li><li>• Planning</li><li>• Environmental health</li><li>• Public protection and licensing</li><li>• Housing and homelessness (with Gedling Homes)</li><li>• Processing benefit claims</li><li>• Community events such as the Arnold Carnival</li></ul>	<ul style="list-style-type: none"><li>• Road and highway repairs</li><li>• Transport (including public transport and residents' parking)</li><li>• Waste disposal (recycling and landfill sites)</li><li>• Libraries and museums</li><li>• Schools</li><li>• Caring for children and adults (for example, fostering and adoption, living at home)</li><li>• Trading Standards</li><li>• Country parks and tourism</li><li>• Registration of births and deaths</li></ul>

### **Leadership of place**

Providing services such as those shown above remains a fundamental part of what we do, however, we increasingly see our role as much broader than the services we provide and take an active interest in everything that impacts on the lives of local residents. This prompts us to get involved in things that go beyond the 'traditional' role of a district council - like tackling loneliness and isolation, helping to reduce people's energy bills and supporting private businesses to take on apprentices.

For a place to prosper, it needs direction and someone to champion it and to fight its corner. What's also needed is someone to bring people and organisations together around local priorities and someone to tackle problems that cut across different organisations. These types of activities are what we describe as leadership of place which is at the heart of what we do.





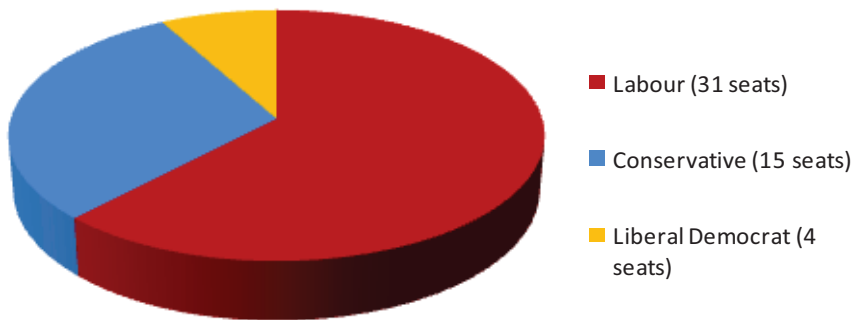
Arnold Carnival 2013



## Gedling Borough Council—How we're organised

We have 50 councillors representing 22 local areas, or wards.

The current party split is:



We hold elections for the full Council every four years. We held the most recent election in May 2011.

### The Cabinet

Our Cabinet has a Leader and five cabinet members. They are all members of the majority Labour Group. Each cabinet member has responsibility for a portfolio of services and activities and has the authority to make decisions within their area of responsibility. The Group Leaders of the opposition groups attend Cabinet meetings. They can participate in discussions, but can't vote.



Council Leader Cllr John Clarke and Deputy Leader Cllr Michael Payne

### Scrutiny and other committees

In addition to the Cabinet, a number of committees deal with specific business areas of the Council such as Planning and Licensing. Scrutiny bodies hold the Cabinet to account, and a separate Standards Committee ensures that councillors comply with the Council's Code of Conduct. There is also an Audit Committee that oversees financial propriety.

Council, Cabinet and most committee meetings are held at the Civic Centre and almost all are open to the public. You can find the dates of all the meetings at [www.gedling.gov.uk/councillorsmeetings](http://www.gedling.gov.uk/councillorsmeetings)

## **Gedling Borough Council—How we're organised**

### **Management of the Council**

Day-to-day management and operations are handled by our staff. The Chief Executive is responsible for the overall performance of the Council and for its use of resources. He is supported at a senior level by four Corporate Directors and the Council's Solicitor.

Day-to-day management of our services rests with our Service Managers and their teams.



Gedling's Senior Leadership Team

### **Partnerships**

We want the best for our residents but it can't achieve this on our own. The things that make for a good quality of life - like decent housing, good schools, a safe environment and healthy lifestyles - are things the Council looks to secure in partnership with others such as Parish Councils, Nottinghamshire Police, Gedling Homes and Nottingham North and East Clinical Commissioning Group.

Key partners from across the public, private and voluntary sectors come together at the Gedling Leader's Forum and a number of other partnerships exist to ensure a co-ordinated approach to the provision of services. These include the Employment and Skills group, South Nottinghamshire Crime and Disorder Partnership and the Developers and Landlords Forums.



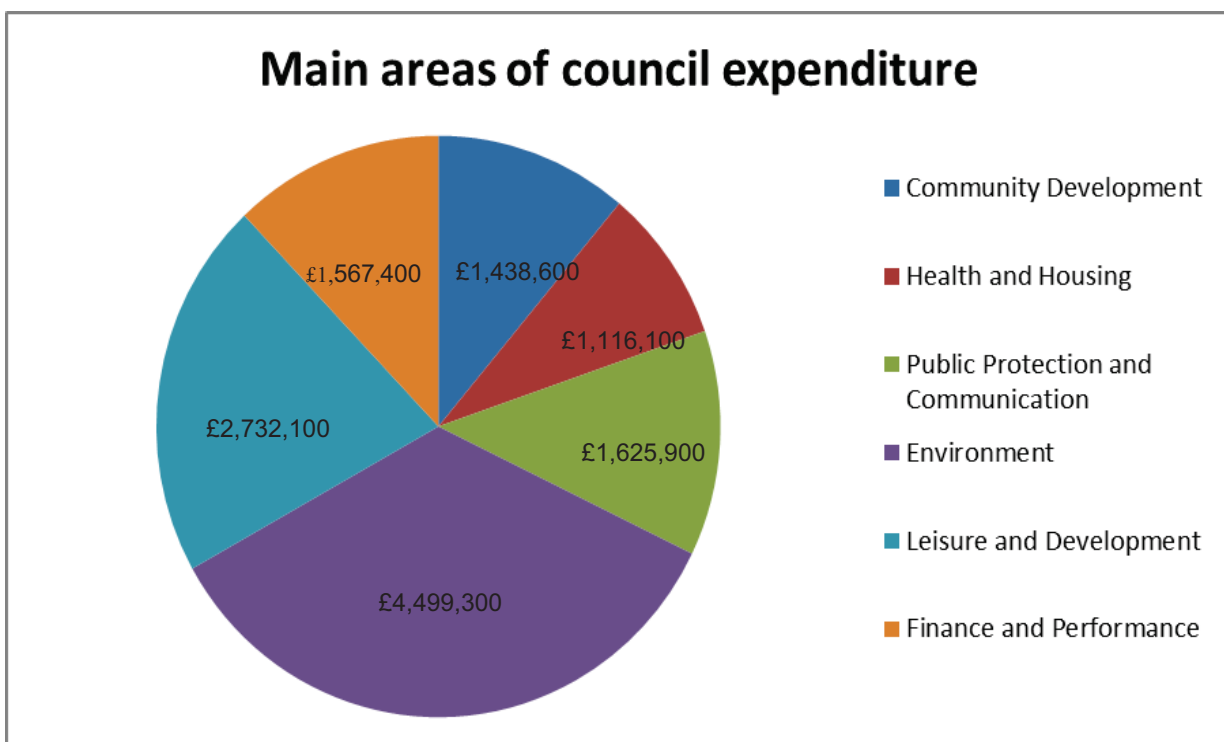


Arnot Hill Park

## Gedling Borough Council—How we spend your money

We are a large organisation serving 113,600 people, 49,400 households and around 2,400 businesses.

We employ 535 people and spend around £13 million a year on a wide range of services. We also administer around £28m in rent benefit payments for national government. Apart from benefits, the main areas that we spend our money on are shown in the diagram below:



Gedling has a long track record of delivering low cost, high quality services and our council tax charge remains lower than 80% of other councils.

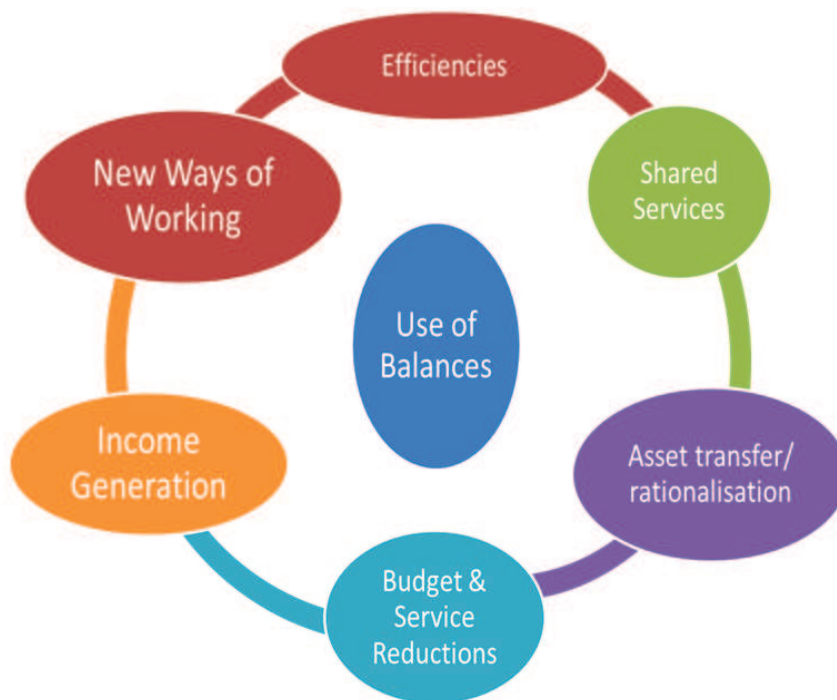
In recent years, we have faced the largest reductions in our funding from central government in living memory. Over the period 2011/12 to 2014/15 we have had government grant settlement reductions of £3.037m equivalent to a 34% cash reduction. In addition, over the period 2015/16 to 2018/19 we expect settlement funding to reduce by a further £2m. We have had to significantly reduce our planned expenditure and increase our delivery of efficiency savings in order to maintain service levels.

## Gedling Borough Council—How we spend your money

The scale of the reductions in expenditure is such that we have had to make some difficult choices about what to spend our (council tax payers) money on but we've sought to:

- Maintain our best performance in the services that residents consider most important
- Protect services and activities that support the most vulnerable
- Prioritise activities that help to get the local economy back on its feet
- Invest in activity that influences services that are not our direct responsibility but that have a positive impact on residents' quality of life.

Despite a long and continuing period of year on year budget reductions, we have been able to avoid major cuts in services through effective long-term financial planning. Looking forward, we are well placed to steer our way through the remaining period of austerity, through a combination of the following:







Armed Forces Day 2013

## **Looking backwards—what we've achieved**

In our last Plan, we set out a range of objectives and targets we aimed to deliver during 2013/14. Here's a snapshot of how we're doing.

### **We said we would:**

#### **Reduce anti-social behaviour, crime and fear of crime**

Recorded crime continues to fall in the Borough – it's down by 2.1% from April 2013 to January 2014 which is 84 fewer crimes over this period. There have also been significant reductions in recorded anti-social behaviour, down by 17.8% so far this year or 391 fewer incidents. Our latest satisfaction survey shows that 90% of people feel safe when out in their local area in the daytime and 66% feel safe when out after dark.

#### **Reduce poverty and disadvantage**

We now host Citizen's Advice Bureau sessions at the Civic Centre on an extra day a week. We've introduced plans to tackle disadvantage in Netherfield and Newstead and extended the programme to include Killisick. Our new Council Tax Reduction Scheme targets benefits to those most in need. We've led the taking forward of the National Troubled Families programme in the borough and supported food banks, donating over a tonne of food for local people in need.

#### **Improve health and well-being**

We've signed up to be a Dementia friendly council, which will help us support customers suffering with dementia and their families in their dealings with us. We've supported and promoted Age UK's campaign to end loneliness across the borough.

#### **Provide more homes of the right type in the right places**

We've brought over 80 empty homes back into use, and we're working with our partners to secure another 15. We've agreed plans for 830 new homes to be built at Teal Close, Netherfield, and we've negotiated with developers to bring forward a number of sites where planning permission had been agreed but building work hadn't been started. We invested further in our innovative local mortgage scheme, helping 78 first time buyers take their first step on the property ladder.

## **Looking backwards—what we've achieved**

### **Ensure local people are well prepared and able to compete for jobs**

We've supported 14 small businesses to provide apprenticeships and provided 10 apprenticeships ourselves. We're working with Central College to help local young people get ready for work and have brought key partners together in an Employment and Skills Group to progress this agenda in future. We've supported the Gedling Business Forum who are making excellent progress in bringing local businesses together. The number of young people on Job Seekers Allowance is falling.

### **Create more access to jobs and better access to jobs**

We secured over £10.8 million towards the cost of building the Gedling Access Road, which will open up land for over 1,000 new homes and new employment sites. We're pushing for funding for a new bridge over the River Trent at Colwick which could bring over 2,500 new jobs. We're well on the way to delivering £1.1 million investment in Arnold Town Centre, including the fully refurbished Bonington Theatre and a new car park on the site of the former Druids Tavern. We agreed plans for a new Sainsbury's store at Colwick, which will create 600 new jobs, and we're working with Sainsbury's to ensure that local residents are adequately skilled to be able to apply for these roles.

### **Reduce the volume of waste generated**

We're currently recycling over 38% of waste generated, just short of our target. We're exploring new ways to reduce the amount of waste sent to landfill and increase the percentage recycled.

### **Reduce the council and borough's energy usage**

78 borough householders benefitted from new boilers and heating systems through our Gedling Boiler giveaway scheme, reducing energy usage and carbon emissions, as well as saving money. We've supported the development of a solar farm on the former Gedling Colliery site, we're installing electric car charging points in one of our car parks, we've trained our drivers in environment friendly driving techniques and we're set to install new equipment in our offices that will reduce the amount of electricity we use.



## **Looking backwards—what we've achieved**

### **Provide an attractive local environment that people can enjoy and appreciate**

We've secured a 25-year lease of 250 acres of land for just £1 to develop the Gedling Country Park and are now on site preparing for public opening later in 2014. Satisfaction with cleanliness in the borough is at its highest ever level, at 72%, and our Street Cleaning team won the national award for Best Service Team (Street Cleansing and Streetscene) at the annual Association of Public Service Excellence awards.

### **Mitigate the impact of budget reductions by maximising efficiency and effectiveness**

We've delivered efficiency savings worth £496,800, meeting our targets, and have identified further potential savings from efficiencies and new ways of working worth over £1.2 million, which will allow us to balance our budgets in spite of significant reductions in government grants.

### **Improve the customer experience of dealing with the council**

We've made more services available online and increased our social media followers to over 5,000. Following our agreement to bring NHS staff working for Nottingham North and East Clinical Commission Group to the Civic Centre last year, we've agreed to enter into a lease that will bring the Job Centre to our Civic Centre in 2014, bringing even more public services together in one place. We've signed up to a Collaboration Agreement with Rushcliffe and Newark & Sherwood District Councils to take forward more opportunities to share services, improving efficiency and increasing resilience of our services for the future.

### **Maintain a positive and productive working environment and strong relationships with staff**

We've continued to deliver our 'Well at Work' programme of activities to improve staff health, including exercise programmes, healthy eating advice and a staff Health Fayre. We've made a commitment to pay the living wage to all staff employees from 1 April 2014.

For more information, visit the performance pages of our website

<http://www.gedling.gov.uk/aboutus/howwework/prioritiesplansperformance/performance/>





Arnold Carnival 2013



## Looking ahead—what we plan to achieve

Set out below are our top 15 objectives—the things we are planning to achieve over the coming year. Shown against each objective is the practical action that will be taken—by the Council and often in partnership with others.

### Homes

**Provide more homes of the right type and in the right places**

**Progress implementation of housing sites identified within the Core Strategy**

**Progress the ‘Get Gedling Building’ project for stalled sites**

**Enable the provision of more affordable homes**

**Secure adoption of the Core Strategy**

**Improve the quality of private rented accommodation**

**Bring empty properties back into use**

**Implement the Home Energy Conservation Act Delivery Plan**

**Ensure effective use of the Housing Benefit System to support people to remain in suitable accommodation**

## Looking ahead—what we plan to achieve

### People

#### Reduce poverty and disadvantage

Improve access to the Nottingham Credit Union for Gedling residents

Continue to provide support to local food banks

Encourage take-up of the Local Council Tax Reduction Scheme and other welfare benefits

Pay Council employees at or above the living wage

Put in place practical initiatives to address loneliness and isolation

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

Provide diversionary activities for young people with an emphasis on our three locality neighbourhoods

Deliver Gedling Borough Council's contribution to the activities and plans co-ordinated through South Nottinghamshire Community Safety Partnership

Implement a range of activities to embed the Council's new Public Protection Policy

#### Improve health and wellbeing

Implement Gedling Health and Wellbeing delivery plan

Implement the Obesity and Weight Management Framework and Delivery Plan

Identify and deliver a range of actions to support older people

Identify a range of actions to make Gedling Borough Council a dementia friendly organisation

## Looking ahead—what we plan to achieve

### Jobs

Ensure local people are well prepared and able to compete for jobs

Build on the partnership with Central College to get young people ready and into work

Support local businesses to provide apprenticeship and work experience placements in the private sector

Work with partners to improve engagement with local schools to reduce the number of young people not in employment, education or training

Develop an ongoing programme of apprenticeship and work placement opportunities for the Council and its partners

Implement the Employment and Skills Delivery Plan

Pilot mentoring programme for young unemployed people in Killisick

Create more jobs through inward investment and business support

Press for the early development of employment sites in the Borough, e.g Teal Close

Support expansion of existing Gedling businesses through assistance with securing growth investment funds

Work with Gedling Business Forum to promote business start-ups and self-employment

Maximise job opportunities for Gedling residents arising from new developments, for example, through local employment agreements

Assess the allocation and location of employment land with a view to stimulating inward investment

Pursue development of part of High Street car park to enhance Arnold Town Centre

Create a package of incentives to encourage businesses to move to or expand in Gedling

## Looking ahead—what we plan to achieve

### Jobs — continued

Improve access to jobs through improved transport connectivity

Continue to press for delivery of the first phase of Gedling Access Road

Champion the development of a fourth Trent crossing and secure support from key stakeholders

Support delivery of Local Sustainable Transport Fund delivery plan

Identify and explore further transport infrastructure improvements to facilitate growth and access to jobs

## Looking ahead—what we plan to achieve

### Place

**Generate less waste; recycle more waste**

Investigate and implement a planned programme of activities and initiatives to further minimise the amount of waste disposed of either at landfill or by incineration

**Reduce the Council's and the Borough's energy usage**

Review and update the Sustainability Strategy/ Action Plan

**Provide an attractive local environment that local people can enjoy and appreciate**

Develop and implement Green Gateways initiative

Implement Parks and Green Spaces Strategy

Deliver Gedling Country Park

**Promote and encourage pride and participation in the local area**

Maximise electoral registration through Individual Electoral Registration

Establish a Gedling Youth Council and encourage young people to participate

Continue the 'Love Where You Live' Campaign to educate residents and reduce incidents of environmental crime

Identify and implement practical ways for local residents to inform and influence decisions that affect them

## Looking ahead—what we plan to achieve

### Performance

**Mitigate the impact of budget reductions by maximising efficiency and effectiveness**

**Achieve efficiency commitments incorporated in the 2014/15 Annual Budget**

**Promote a more entrepreneurial and commercially focussed culture within the Council**

**Develop and implement agreed strategy for future provision of leisure and community centres**

**Identify and implement opportunities to collaborate with partners, including through the tri-Borough Collaboration Agreement**

**Deliver priority actions arising from Peer Challenge**

**Facilitate cultural change to enable changing role of the Council and implementation of budget reduction programme**

**Improve the customer experience of dealing with the Council**

**Increase the number, range and take up of services available online**

**Implement and embed an updated Customer Services Charter**

**Secure improved access to services arising from re-location of Arnold Job Centre to the Civic Centre**

**Maintain a positive and productive working environment**

**Implement Internal Communications strategy**

**Deliver a range of activities to improve staff health, morale and engagement**

**Review effectiveness of new sickness absence management scheme and make changes as required**

**Implement and keep under review actions arising from staff survey**





Winter in Arnot Hill Park

## Making sure we deliver

Our Senior Leadership Team, Cabinet and Scrutiny Committees track the progress of the Gedling Plan on a quarterly basis.

We also publish details of our performance on our website, [www.gedling.gov.uk](http://www.gedling.gov.uk). If you follow us on Twitter @gedlingbc or like us on Facebook (Gedling Borough), you'll receive a notification when the information is published online.

Performance targets are set for each objective, and relevant managers are held to account for delivery of these targets.

## What do you think?

We're always keen to hear from local residents, businesses and our staff. We believe that their feedback helps us to improve.

If you think we're focusing on the wrong things, let us know.

If you think we could do things in a better or more cost effective way, please get in touch.

## Further Information

### Budget issues

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### Service Planning and Performance Management

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Having trouble reading this?

Please call 0115 901 3801 or email [rob.mccleary@gedling.gov.uk](mailto:rob.mccleary@gedling.gov.uk) if you need it in large print, audio or another format or language.

**Major Inflation Indices - Medium Term Financial Plan**

	2014/15	2015/16	2016/17	2017/18	2018/19
Grant Settlement	-13.7% £923,200	-15.8% £918,500	-7.5% £366,400	-7.5% £338,900	-7.5% £313,500
Council Tax (Excluding Taxbase Changes)	0% £0	0% £0	1.95% -£104,100	1.95% -£106,100	1.95% -£108,200
Pay Award	1.0% £129,200	1.0% £127,300	2.50% £321,500	2.5% £329,600	2.5% £337,800
Superannuation (Actuarial Inc)	% 0.7	% 0	% 0	% 0	% 0
Gas	5	5	5	5	5
Electricity	5	5	5	5	5
Water	5	5	5	5	5
NNDR	2	2	2	2	2
Discretionary Income	3	3	3	3	3
<b>Vacancy Provision</b>	-£90,000	-£90,000	-£90,000	-£90,000	-£90,000

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## Portfolio Summary - Revenue Budget 2014-15

<b>Portfolio</b>	<b>Actual 2012-13</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Community Development	1,649,765	1,292,900	1,438,600	145,700
Health & Housing	992,585	1,024,700	1,116,100	91,400
Public Protection & Communication	1,394,567	1,593,500	1,625,900	32,400
Environment	5,080,232	5,146,300	4,499,300	(647,000)
Leisure & Development	2,903,769	2,877,300	2,732,100	(145,200)
Finance & Performance	(148,368)	907,800	1,567,400	659,600
<b>Total General Fund</b>	<b>11,872,549</b>	<b>12,842,500</b>	<b>12,979,400</b>	<b>136,900</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	12,609,292	12,932,900	12,300,800	(632,100)
Premises Related Expenses	1,773,691	1,800,100	1,713,200	(86,900)
Transport Related Expenses	658,781	685,700	590,200	(95,500)
Supplies & Services	5,712,383	4,137,100	5,508,200	1,371,100
Third Party Payments	547,099	268,900	224,100	(44,800)
Transfer Payments	35,624,023	27,063,100	27,752,400	689,300
Capital Interest	878,595	1,042,700	983,200	(59,500)
Revenue Income	(45,838,514)	(35,088,000)	(36,092,700)	(1,004,700)
<b>Controllable</b>	<b>11,965,349</b>	<b>12,842,500</b>	<b>12,979,400</b>	<b>136,900</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Premises Related Recharges	75,923	78,400	79,200	800
Transport Related Recharges	1,582,117	1,569,500	1,483,600	(85,900)
Supplies & Services Related Recharges	143,552	228,900	192,700	(36,200)
Central Support and Service Admin	6,767,565	6,988,300	5,966,500	(1,021,800)
Internal Recharges	(8,661,958)	(8,865,100)	(7,722,000)	1,143,100
<b>Recharges</b>	<b>(92,800)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Capital Financing Charges	2,196,325	2,230,900	2,086,200	(144,700)
Capital Entries	(2,196,325)	(2,230,900)	(2,086,200)	144,700
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Net Revenue Budget</b>	<b>11,872,549</b>	<b>12,842,500</b>	<b>12,979,400</b>	<b>136,900</b>
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## Community Development Portfolio

### Revenue Budget 2014-15

<b>Division</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Democratic Mgt & Representation	739,085	560,300	688,500	128,200
Scrutiny Officer	2,413	0	0	0
Committee Services	0	(0)	0	0
Localities	144,349	146,000	134,000	(12,000)
Community Grants	211,055	127,100	153,900	26,800
Town Twinning	16,515	9,300	0	(9,300)
Community Centres	305,081	294,700	282,600	(12,100)
Events & Play	149,796	155,500	179,600	24,100
Parish Aid	81,470	0	0	0
<b>Total Community Development</b>	<b>1,649,765</b>	<b>1,292,900</b>	<b>1,438,600</b>	<b>145,700</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	407,529	407,700	393,000	(14,700)
Premises Related Expenses	93,411	77,200	79,500	2,300
Transport Related Expenses	9,453	7,400	7,300	(100)
Supplies & Services	677,715	584,300	591,500	7,200
Transfer Payments	78,163	0	0	0
Revenue Income	(111,312)	(118,900)	(149,900)	(31,000)
<b>Controllable</b>	<b>1,154,959</b>	<b>957,700</b>	<b>921,400</b>	<b>(36,300)</b>

<b>Consisting of</b>				
Premises Related Recharges	5,961	6,100	6,400	300
Supplies & Services Related Recharges	4,675	4,700	4,900	200
Central Support and Service Admin	625,821	467,400	626,400	159,000
Internal Recharges	(195,916)	(187,300)	(169,900)	17,400
<b>Recharges</b>	<b>440,541</b>	<b>290,900</b>	<b>467,800</b>	<b>176,900</b>

<b>Consisting of</b>				
Capital Financing Charges	54,265	44,300	49,400	5,100
<b>Capital</b>	<b>54,265</b>	<b>44,300</b>	<b>49,400</b>	<b>5,100</b>

<b>Total Community Development</b>	<b>1,649,765</b>	<b>1,292,900</b>	<b>1,438,600</b>	<b>145,700</b>
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## **Community Development Portfolio** **Revenue Budget Summary 2014-15**

### **Major Variances in Net Controllable Expenditure**

#### **Democratic Management & Representation**

Variance mainly due to reduced members allowances as a result of the removal of the assumed 2013/14 APTC pay award linked to Senior Officer pay which received no increase in 2013/14. Also there is a reduction in special responsibility payments. Centralised room hire budgets, refreshment expenditure and income budgets having been transferred to Public Offices .

#### **Committee Services**

Variance due to a planned review of Member Services staffing structure, and to stationery savings as a result of a reduction in the number of printed agendas.

#### **Localities**

Variance mainly due to the proposed Youth Engagement resource development bid offset by a small reduction in employee expenses as Officers have elected not to join the Local Government Pension Scheme.

#### **Community Grants**

Variance due to an increase in Members Pot, partially offset by a proposed reduction in grants to Gedling CVS and 'Rural Community Action Nottingham'.

#### **Town Twinning**

Deletion of miscellaneous grant.

#### **Community Centres**

Variance mainly due to increased rental income from Killisick Community Centre, room hire charges and the first year impact of the proposals to pursue asset transfer to community organisations, partly offset by higher Superannuation costs.

#### **Events & Play**

No major variance.

#### **Parish Aid**

No major variance.

## Democratic Mgt & Representation

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	32,331	31,100	28,700	(2,400)
Transport Related Expenses	7,896	6,100	6,100	0
Supplies & Services	367,071	362,100	335,800	(26,300)
Revenue Income	(1,337)	(3,600)	(2,400)	1,200
<b>Controllable</b>	<b>405,961</b>	<b>395,700</b>	<b>368,200</b>	<b>(27,500)</b>
Central Support and Service Admin Recharges	333,125	164,600	320,300	155,700
	<b>333,125</b>	<b>164,600</b>	<b>320,300</b>	<b>155,700</b>
<b>Democratic Mgt &amp; Representation</b>	<b>739,085</b>	<b>560,300</b>	<b>688,500</b>	<b>128,200</b>

## Scrutiny Officer

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Central Support and Service Admin Recharges	2,413	0	0	0
	<b>2,413</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Scrutiny Officer</b>	<b>2,413</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Committee Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	136,580	141,000	130,700	(10,300)
Transport Related Expenses	349	100	100	0
Supplies & Services	3,510	5,200	3,900	(1,300)
<b>Controllable</b>	<b>140,439</b>	<b>146,300</b>	<b>134,700</b>	<b>(11,600)</b>
Supplies & Services Related Recharges	1,365	1,400	1,700	300
Central Support and Service Admin Internal Recharges	54,112	39,600	33,500	(6,100)
	(195,916)	(187,300)	(169,900)	17,400
<b>Recharges</b>	<b>(140,439)</b>	<b>(146,300)</b>	<b>(134,700)</b>	<b>11,600</b>
<b>Committee Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>



## Localities

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	82,775	79,000	72,600	(6,400)
Premises Related Expenses	4,223	6,500	9,500	3,000
Transport Related Expenses	649	700	600	(100)
Supplies & Services	16,520	12,200	32,200	20,000
Revenue Income	466	0	0	0
<b>Controllable</b>	<b>104,632</b>	<b>98,400</b>	<b>114,900</b>	<b>16,500</b>
Supplies & Services Related Recharges	1,196	1,200	1,000	(200)
Central Support and Service Admin	38,521	46,400	18,100	(28,300)
<b>Recharges</b>	<b>39,717</b>	<b>47,600</b>	<b>19,100</b>	<b>(28,500)</b>
<b>Localities</b>	<b>144,349</b>	<b>146,000</b>	<b>134,000</b>	<b>(12,000)</b>

## Community Grants

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	939	1,600	1,600	0
Supplies & Services	127,985	119,800	149,600	29,800
Transfer Payments	78,163	0	0	0
Revenue Income	(1,642)	(2,000)	(2,000)	0
<b>Controllable</b>	<b>205,445</b>	<b>119,400</b>	<b>149,200</b>	<b>29,800</b>
Premises Related Recharges	55	0	200	200
Central Support and Service Admin	4,815	4,200	3,800	(400)
<b>Recharges</b>	<b>4,870</b>	<b>4,200</b>	<b>4,000</b>	<b>(200)</b>
Capital Financing Charges	740	3,500	700	(2,800)
<b>Capital</b>	<b>740</b>	<b>3,500</b>	<b>700</b>	<b>(2,800)</b>
<b>Community Grants</b>	<b>211,055</b>	<b>127,100</b>	<b>153,900</b>	<b>26,800</b>

## Town Twinning

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	6,797	1,000	0	(1,000)
Revenue Income	(90)	0	0	0
<b>Controllable</b>	<b>6,707</b>	<b>1,000</b>	<b>0</b>	<b>(1,000)</b>
Supplies & Services Related Recharges	52	300	0	(300)
Central Support and Service Admin	9,756	8,000	0	(8,000)
<b>Recharges</b>	<b>9,808</b>	<b>8,300</b>	<b>0</b>	<b>(8,300)</b>
<b>Town Twinning</b>	<b>16,515</b>	<b>9,300</b>	<b>0</b>	<b>(9,300)</b>

## Community Centres

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	144,933	146,200	150,600	4,400
Premises Related Expenses	88,250	69,100	68,400	(700)
Transport Related Expenses	478	500	500	0
Supplies & Services	13,021	26,400	12,400	(14,000)
Revenue Income	(88,834)	(95,600)	(127,800)	(32,200)
<b>Controllable</b>	<b>157,848</b>	<b>146,600</b>	<b>104,100</b>	<b>(42,500)</b>
Premises Related Recharges	5,907	6,100	6,200	100
Supplies & Services Related Recharges	1,820	1,900	1,700	(200)
Central Support and Service Admin Recharges	87,747	99,300	121,900	22,600
	<b>95,473</b>	<b>107,300</b>	<b>129,800</b>	<b>22,500</b>
Capital Financing Charges Capital	51,760	40,800	48,700	7,900
	<b>51,760</b>	<b>40,800</b>	<b>48,700</b>	<b>7,900</b>
<b>Community Centres</b>	<b>305,081</b>	<b>294,700</b>	<b>282,600</b>	<b>(12,100)</b>

## Events & Play

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	10,911	10,400	10,400	0
Transport Related Expenses	81	0	0	0
Supplies & Services	57,211	57,600	57,600	0
Revenue Income	(13,380)	(17,700)	(17,700)	0
<b>Controllable</b>	<b>54,822</b>	<b>50,300</b>	<b>50,300</b>	<b>0</b>
Supplies & Services Related Recharges	242	(100)	500	600
Central Support and Service Admin Recharges	94,732	105,300	128,800	23,500
	<b>94,974</b>	<b>105,200</b>	<b>129,300</b>	<b>24,100</b>
<b>Events &amp; Play</b>	<b>149,796</b>	<b>155,500</b>	<b>179,600</b>	<b>24,100</b>

## Parish Aid

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	85,600	0	0	0
Revenue Income	(6,495)	0	0	0
<b>Controllable</b>	<b>79,105</b>	<b>0</b>	<b>0</b>	<b>0</b>
Central Support and Service Admin Recharges	600	0	0	0
	<b>600</b>	<b>0</b>	<b>0</b>	<b>0</b>
Capital Financing Charges Capital	1,765	0	0	0
	<b>1,765</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Parish Aid</b>	<b>81,470</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Health & Housing Portfolio

### Revenue Budget 2014-15

<b>Division</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Housing Needs	293,082	412,000	328,800	(83,200)
Housing Strategy	128,630	124,600	118,200	(6,400)
Council Tax Benefits	(89,872)	0	0	0
Rent Allowances	21,958	(57,800)	35,900	93,700
Housing Benefit Administration	638,192	520,400	627,700	107,300
Rent Rebates	596	25,500	5,500	(20,000)
<b>Total Health &amp; Housing</b>	<b>992,585</b>	<b>1,024,700</b>	<b>1,116,100</b>	<b>91,400</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	1,113,827	1,043,900	977,600	(66,300)
Premises Related Expenses	36,437	39,900	32,100	(7,800)
Transport Related Expenses	9,255	5,600	3,900	(1,700)
Supplies & Services	372,972	186,400	140,800	(45,600)
Third Party Payments	0	10,000	0	(10,000)
Transfer Payments	35,545,859	27,063,100	27,752,400	689,300
Revenue Income	(36,825,111)	(27,947,600)	(28,472,000)	(524,400)
<b>Controllable</b>	<b>253,239</b>	<b>401,300</b>	<b>434,800</b>	<b>33,500</b>

<b>Consisting of</b>				
Premises Related Recharges	762	800	700	(100)
Supplies & Services Related Recharges	12,014	12,400	12,500	100
Central Support and Service Admin	719,376	603,000	661,000	58,000
<b>Recharges</b>	<b>732,152</b>	<b>616,200</b>	<b>674,200</b>	<b>58,000</b>

<b>Consisting of</b>				
Capital Financing Charges	7,194	7,200	7,100	(100)
<b>Capital</b>	<b>7,194</b>	<b>7,200</b>	<b>7,100</b>	<b>(100)</b>

<b>Total Health &amp; Housing</b>	<b>992,585</b>	<b>1,024,700</b>	<b>1,116,100</b>	<b>91,400</b>
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**Health & Housing Portfolio**  
**Revenue Budget Summary 2014-15**

**Major Variances in Net Controllable Expenditure**

**Housing Needs**

Variance due efficiency savings following a review of staffing structures, and planned shared service work with other local authorities. There has also been a reduction in expenditure on projects and initiatives, and a decrease in the number of properties used for temporary emergency accommodation.

**Housing Strategy**

Variance due to increased Council Tax and NNDR costs at the Grove Pub site.

**Council Tax Benefits**

No major variance.

**Rent Allowances**

Increased cost of housing benefits due to increasing rent levels and higher value fraud detection rates resulting in a reduced rate of subsidy.

**Housing Benefit Administration**

Variance is mainly due to a reduction in the Housing Benefit Admin Grant. There are also efficiency savings due to a review of the staffing structure, including no longer contributing towards the cost of an externally employed Appeals Officer.

**Rent Rebates**

Variance due to transfer payment of benefits and subsidy estimates both decreasing based upon future projections of current trends. A significant factor in this reduction is the decrease in the number of properties used for temporary emergency accommodation.

## Housing Needs

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	268,694	251,600	219,300	(32,300)
Premises Related Expenses	36,187	39,900	20,900	(19,000)
Transport Related Expenses	1,607	1,300	600	(700)
Supplies & Services	101,194	122,600	83,100	(39,500)
Revenue Income	(232,541)	(110,600)	(95,200)	15,400
<b>Controllable</b>	<b>175,140</b>	<b>304,800</b>	<b>228,700</b>	<b>(76,100)</b>
Premises Related Recharges	762	800	700	(100)
Supplies & Services Related Recharges	2,563	2,700	3,000	300
Central Support and Service Admin	107,423	96,500	89,300	(7,200)
<b>Recharges</b>	<b>110,747</b>	<b>100,000</b>	<b>93,000</b>	<b>(7,000)</b>
Capital Financing Charges	7,194	7,200	7,100	(100)
<b>Capital</b>	<b>7,194</b>	<b>7,200</b>	<b>7,100</b>	<b>(100)</b>
<b>Housing Needs</b>	<b>293,082</b>	<b>412,000</b>	<b>328,800</b>	<b>(83,200)</b>

## Housing Strategy

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	111,374	96,200	93,300	(2,900)
Premises Related Expenses	251	0	11,200	11,200
Transport Related Expenses	615	800	800	0
Supplies & Services	2,047	2,400	1,100	(1,300)
Revenue Income	(14,808)	(14,700)	(14,700)	0
<b>Controllable</b>	<b>99,479</b>	<b>84,700</b>	<b>91,700</b>	<b>7,000</b>
Supplies & Services Related Recharges	986	1,000	1,100	100
Central Support and Service Admin	28,166	38,900	25,400	(13,500)
<b>Recharges</b>	<b>29,152</b>	<b>39,900</b>	<b>26,500</b>	<b>(13,400)</b>
<b>Housing Strategy</b>	<b>128,630</b>	<b>124,600</b>	<b>118,200</b>	<b>(6,400)</b>

## Council Tax Benefits

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Transfer Payments	9,567,368	50,000	20,000	(30,000)
Revenue Income	(9,657,240)	(50,000)	(20,000)	30,000
<b>Controllable</b>	<b>(89,872)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Council Tax Benefits</b>	<b>(89,872)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Rent Allowances

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	149,178	0	0	0
Transfer Payments	25,891,561	26,903,000	27,652,000	749,000
Revenue Income	(26,018,781)	(26,960,800)	(27,627,000)	(666,200)
<b>Controllable</b>	<b>21,958</b>	<b>(57,800)</b>	<b>25,000</b>	<b>82,800</b>
Central Support and Service Admin	0	0	10,900	10,900
<b>Recharges</b>	<b>0</b>	<b>0</b>	<b>10,900</b>	<b>10,900</b>
<b>Rent Allowances</b>	<b>21,958</b>	<b>(57,800)</b>	<b>35,900</b>	<b>93,700</b>

## Housing Benefit Administration

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	733,760	696,100	665,000	(31,100)
Transport Related Expenses	7,033	3,500	2,500	(1,000)
Supplies & Services	119,953	61,400	56,600	(4,800)
Third Party Payments	0	10,000	0	(10,000)
Revenue Income	(814,807)	(726,900)	(640,200)	86,700
<b>Controllable</b>	<b>45,939</b>	<b>44,100</b>	<b>83,900</b>	<b>39,800</b>
Supplies & Services Related Recharges	8,466	8,700	8,400	(300)
Central Support and Service Admin	583,787	467,600	535,400	67,800
<b>Recharges</b>	<b>592,253</b>	<b>476,300</b>	<b>543,800</b>	<b>67,500</b>
<b>Housing Benefit Administration</b>	<b>638,192</b>	<b>520,400</b>	<b>627,700</b>	<b>107,300</b>

## Rent Rebates

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	600	0	0	0
Transfer Payments	86,930	110,100	80,400	(29,700)
Revenue Income	(86,934)	(84,600)	(74,900)	9,700
<b>Controllable</b>	<b>596</b>	<b>25,500</b>	<b>5,500</b>	<b>(20,000)</b>
<b>Rent Rebates</b>	<b>596</b>	<b>25,500</b>	<b>5,500</b>	<b>(20,000)</b>





## Public Protection & Communication Portfolio

### Revenue Budget 2014-15

<b>Division</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Licencing & Hackney Carriages	(86,190)	(49,900)	100,100	150,000
Central Print Room	12,500	12,500	12,500	0
Environmental Protection	311,339	328,300	299,200	(29,100)
Food, Health & Safety	242,444	259,600	231,600	(28,000)
Comm Protection & Dog Control	650,452	601,100	554,800	(46,300)
Information Technology	66,585	88,300	88,300	0
Communications & Publicity	0	0	(0)	(0)
Renovation Grants	197,436	353,600	339,400	(14,200)
Customer Services	0	0	0	0
<b>Total Public Protection &amp; Communication</b>	<b>1,394,567</b>	<b>1,593,500</b>	<b>1,625,900</b>	<b>32,400</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	1,715,236	1,956,800	1,830,000	(126,800)
Transport Related Expenses	13,837	17,500	18,200	700
Supplies & Services	1,104,421	896,500	1,125,000	228,500
Third Party Payments	81,247	99,600	92,600	(7,000)
Revenue Income	(627,344)	(583,300)	(675,600)	(92,300)
<b>Controllable</b>	<b>2,287,398</b>	<b>2,387,100</b>	<b>2,390,200</b>	<b>3,100</b>

<b>Consisting of</b>				
Premises Related Recharges	4,549	4,500	4,800	300
Transport Related Recharges	19,498	20,200	20,900	700
Supplies & Services Related Recharges	20,210	100,800	66,100	(34,700)
Central Support and Service Admin	674,013	742,900	644,000	(98,900)
Internal Recharges	(1,879,469)	(1,953,200)	(1,785,600)	167,600
<b>Recharges</b>	<b>(1,161,200)</b>	<b>(1,084,800)</b>	<b>(1,049,800)</b>	<b>35,000</b>

<b>Consisting of</b>				
Capital Financing Charges	766,030	644,200	638,500	(5,700)
Capital Entries	(497,661)	(353,000)	(353,000)	0
<b>Capital</b>	<b>268,369</b>	<b>291,200</b>	<b>285,500</b>	<b>(5,700)</b>

<b>Total Public Protection &amp; Communication</b>	<b>1,394,567</b>	<b>1,593,500</b>	<b>1,625,900</b>	<b>32,400</b>
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**Public Protection & Communication Portfolio**  
**Revenue Budget 2014-15**

**Major Variances in Net Controllable Expenditure:**

**Licensing & Hackney Carriages**

Variance mainly due to the proposed introduction of the Knowledge Test which is expected will reduce the number of licence applications and therefore net income generation, partly offset by an increase of 10% on general licensing fees. An increase in staffing is the result of the decentralisation of Direct Service Support Staffing now being directly allocated.

**Central Print Room**

Variance due to the centralisation of paper and printing costs which are now recharged to the appropriate service via the central support process.

**Environmental Protection**

Variance mainly due to a reduction on investigation and development work for Contaminated Land as statutory duties have now been satisfied, and a reduction in Pollution Prevention Applications.

**Food, Health & Safety**

Variance mainly due to a review of the staffing structure and reallocation of Direct Services Service Support stationery.

**Comm Protection & Dog Control**

Variance mainly due to the renegotiation of the CCTV contract.

**Information Technology**

Variance mainly due to the centralisation of licensing costs partly offset by a review of staffing structures,

**Communications & Publicity**

Variance due to minor staffing changes and a reduction in the corporate consultation budget.

**Renovation Grants**

Variance mainly due to a review of the staffing structures.

**Customer Services**

Variance mainly due to a review of the staffing structure and reduced operational budgets.

## Licencing & Hackney Carriages

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	68,103	123,100	135,300	12,200
Transport Related Expenses	60	2,000	0	(2,000)
Supplies & Services	114,509	29,400	52,000	22,600
Revenue Income	(361,978)	(373,800)	(330,300)	43,500
<b>Controllable</b>	<b>(179,307)</b>	<b>(219,300)</b>	<b>(143,000)</b>	<b>76,300</b>
Supplies & Services Related Recharges	768	80,500	43,400	(37,100)
Central Support and Service Admin	88,309	84,900	195,700	110,800
<b>Recharges</b>	<b>89,077</b>	<b>165,400</b>	<b>239,100</b>	<b>73,700</b>
Capital Financing Charges	4,040	4,000	4,000	0
<b>Capital</b>	<b>4,040</b>	<b>4,000</b>	<b>4,000</b>	<b>0</b>
<b>Licencing &amp; Hackney Carriages</b>	<b>(86,190)</b>	<b>(49,900)</b>	<b>100,100</b>	<b>150,000</b>

## Central Print Room

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	5,037	5,000	5,000	0
Transport Related Expenses	108	0	100	100
Supplies & Services	35,188	41,500	53,100	11,600
Revenue Income	(22,702)	(29,000)	0	29,000
<b>Controllable</b>	<b>17,632</b>	<b>17,500</b>	<b>58,200</b>	<b>40,700</b>
Supplies & Services Related Recharges	52	100	100	0
Central Support and Service Admin	11,616	7,500	8,000	500
Internal Recharges	(16,800)	(12,600)	(53,800)	(41,200)
<b>Recharges</b>	<b>(5,132)</b>	<b>(5,000)</b>	<b>(45,700)</b>	<b>(40,700)</b>
<b>Central Print Room</b>	<b>12,500</b>	<b>12,500</b>	<b>12,500</b>	<b>0</b>

## Environmental Protection

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	206,411	208,200	203,100	(5,100)
Transport Related Expenses	2,166	1,900	2,100	200
Supplies & Services	54,068	39,900	26,600	(13,300)
Third Party Payments	0	0	2,000	2,000
Revenue Income	(17,800)	(19,200)	(16,200)	3,000
<b>Controllable</b>	<b>244,846</b>	<b>230,800</b>	<b>217,600</b>	<b>(13,200)</b>
Transport Related Recharges	9,339	11,000	9,200	(1,800)
Supplies & Services Related Recharges	2,470	2,600	2,300	(300)
Central Support and Service Admin	82,176	83,900	70,100	(13,800)
Internal Recharges	(28,696)	0	0	0
<b>Recharges</b>	<b>65,289</b>	<b>97,500</b>	<b>81,600</b>	<b>(15,900)</b>
Capital Financing Charges	1,204	0	0	0
<b>Capital</b>	<b>1,204</b>	<b>0</b>	<b>0</b>	<b>0</b>

Environmental Protection

<u>311,339</u>	<u>328,300</u>	<u>299,200</u>	<u>(29,100)</u>
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## Food, Health & Safety

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	202,648	208,400	182,000	(26,400)
Transport Related Expenses	4,693	5,100	4,700	(400)
Supplies & Services	4,356	5,900	8,500	2,600
Revenue Income	(3,277)	(3,400)	(3,400)	0
<b>Controllable</b>	<b>208,420</b>	<b>216,000</b>	<b>191,800</b>	<b>(24,200)</b>
Supplies & Services Related Recharges	2,516	2,600	2,500	(100)
Central Support and Service Admin	31,508	41,000	37,300	(3,700)
<b>Recharges</b>	<b>34,024</b>	<b>43,600</b>	<b>39,800</b>	<b>(3,800)</b>
<b>Food, Health &amp; Safety</b>	<b>242,444</b>	<b>259,600</b>	<b>231,600</b>	<b>(28,000)</b>

## Comm Protection & Dog Control

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	287,146	286,300	285,800	(500)
Transport Related Expenses	1,749	1,800	1,800	0
Supplies & Services	186,497	125,000	125,300	300
Third Party Payments	81,247	84,600	75,600	(9,000)
Revenue Income	(67,503)	(30,900)	(30,900)	0
<b>Controllable</b>	<b>489,137</b>	<b>466,800</b>	<b>457,600</b>	<b>(9,200)</b>
Transport Related Recharges	10,159	9,200	11,700	2,500
Supplies & Services Related Recharges	3,154	3,300	4,600	1,300
Central Support and Service Admin	127,083	101,200	76,900	(24,300)
<b>Recharges</b>	<b>140,396</b>	<b>113,700</b>	<b>93,200</b>	<b>(20,500)</b>
Capital Financing Charges	20,920	20,600	4,000	(16,600)
<b>Capital</b>	<b>20,920</b>	<b>20,600</b>	<b>4,000</b>	<b>(16,600)</b>
<b>Comm Protection &amp; Dog Control</b>	<b>650,452</b>	<b>601,100</b>	<b>554,800</b>	<b>(46,300)</b>

## Information Technology

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	244,464	270,300	247,600	(22,700)
Transport Related Expenses	1,820	2,100	1,800	(300)
Supplies & Services	582,192	577,100	790,600	213,500
Revenue Income	(71,182)	(90,200)	(257,800)	(167,600)
<b>Controllable</b>	<b>757,294</b>	<b>759,300</b>	<b>782,200</b>	<b>22,900</b>
Premises Related Recharges	4,549	4,500	4,800	300
Supplies & Services Related Recharges	2,935	3,100	3,200	100
Central Support and Service Admin	66,496	58,600	38,000	(20,600)
Internal Recharges	(858,379)	(778,800)	(792,400)	(13,600)
<b>Recharges</b>	<b>(784,398)</b>	<b>(712,600)</b>	<b>(746,400)</b>	<b>(33,800)</b>
Capital Financing Charges	96,505	41,600	52,500	10,900
Capital Entries	(2,815)	0	0	0
<b>Capital</b>	<b>93,690</b>	<b>41,600</b>	<b>52,500</b>	<b>10,900</b>
<b>Information Technology</b>	<b>66,585</b>	<b>88,300</b>	<b>88,300</b>	<b>(0)</b>

## Communications & Publicity

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	131,747	152,600	158,100	5,500
Transport Related Expenses	184	200	300	100
Supplies & Services	50,066	45,300	39,900	(5,400)
Revenue Income	(3,092)	(4,000)	(4,000)	0
<b>Controllable</b>	<b>178,905</b>	<b>194,100</b>	<b>194,300</b>	<b>200</b>
Supplies & Services Related Recharges	1,397	1,500	1,900	400
Central Support and Service Admin	72,051	76,000	42,500	(33,500)
Internal Recharges	(252,353)	(271,600)	(238,700)	32,900
<b>Recharges</b>	<b>(178,905)</b>	<b>(194,100)</b>	<b>(194,300)</b>	<b>(200)</b>
<b>Communications &amp; Publicity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Renovation Grants

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	33,380	86,500	78,800	(7,700)
Transport Related Expenses	3,047	4,500	3,000	(1,500)
Supplies & Services	65,245	17,800	17,600	(200)
Revenue Income	(72,732)	(11,700)	(11,700)	0
<b>Controllable</b>	<b>28,940</b>	<b>97,100</b>	<b>87,700</b>	<b>(9,400)</b>
Supplies & Services Related Recharges	358	400	1,000	600
Central Support and Service Admin	19,623	31,100	25,700	(5,400)
<b>Recharges</b>	<b>19,981</b>	<b>31,500</b>	<b>26,700</b>	<b>(4,800)</b>
Capital Financing Charges	643,361	578,000	578,000	0
Capital Entries	(494,846)	(353,000)	(353,000)	0
<b>Capital</b>	<b>148,515</b>	<b>225,000</b>	<b>225,000</b>	<b>0</b>
<b>Renovation Grants</b>	<b>197,436</b>	<b>353,600</b>	<b>339,400</b>	<b>(14,200)</b>

## Customer Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	536,299	616,400	534,300	(82,100)
Transport Related Expenses	10	(100)	4,400	4,500
Supplies & Services	12,302	14,600	11,400	(3,200)
Third Party Payments	0	15,000	15,000	0
Revenue Income	(7,079)	(21,100)	(21,300)	(200)
<b>Controllable</b>	<b>541,532</b>	<b>624,800</b>	<b>543,800</b>	<b>(81,000)</b>
Supplies & Services Related Recharges	6,559	6,700	7,100	400
Central Support and Service Admin	175,151	258,700	149,800	(108,900)
Internal Recharges	(723,242)	(890,200)	(700,700)	189,500
<b>Recharges</b>	<b>(541,532)</b>	<b>(624,800)</b>	<b>(543,800)</b>	<b>81,000</b>
<b>Customer Services</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Environment Portfolio

### Revenue Budget 2014-15

Division	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Sustainability	29,732	43,400	47,200	3,800
Estates & Valuation	0	(0)	0	0
Public Land & Buildings	(9,896)	29,100	8,400	(20,700)
Business Units	(19,019)	(9,700)	(24,200)	(14,500)
Waste Management	2,068,887	2,017,600	1,769,700	(247,900)
Street Care	787,572	833,900	839,400	5,500
Public Conveniences	26,434	27,700	26,000	(1,700)
Direct Services Service Support	0	0	(0)	(0)
Technical Services	1,248	1,400	0	(1,400)
Building Services	0	0	0	0
Energy Management	12,474	14,900	0	(14,900)
Land Drainage	7,710	3,800	0	(3,800)
Programmed Maintenance	122,135	141,300	90,700	(50,600)
Car Parks	239,563	289,600	209,600	(80,000)
Fleet Management	(2,415)	(0)	0	0
Public Offices	12,000	(10,100)	29,900	40,000
Assets & Sustainability	0	(0)	500	500
Allotments	17,239	33,500	22,800	(10,700)
Parks	1,814,251	1,791,900	1,543,300	(248,600)
Cemeteries	(27,684)	(62,000)	(64,000)	(2,000)
<b>Total Environment</b>	<b>5,080,232</b>	<b>5,146,300</b>	<b>4,499,300</b>	<b>(647,000)</b>

Consisting of	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	3,453,819	3,507,500	3,293,500	(214,000)
Premises Related Expenses	858,173	886,200	798,400	(87,800)
Transport Related Expenses	596,941	620,200	533,200	(87,000)
Supplies & Services	847,183	686,500	733,100	46,600
Third Party Payments	430,856	126,900	101,600	(25,300)
Revenue Income	(2,447,865)	(2,280,600)	(2,440,200)	(159,600)
<b>Controllable</b>	<b>3,739,108</b>	<b>3,546,700</b>	<b>3,019,600</b>	<b>(527,100)</b>

Consisting of	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Recharges	42,368	45,400	44,000	(1,400)
Transport Related Recharges	1,558,628	1,545,900	1,458,900	(87,000)
Supplies & Services Related Recharges	37,908	39,400	39,400	0
Central Support and Service Admin	1,239,144	1,348,900	1,029,600	(319,300)
Internal Recharges	(2,841,930)	(2,702,300)	(2,295,500)	406,800
<b>Recharges</b>	<b>36,118</b>	<b>277,300</b>	<b>276,400</b>	<b>(900)</b>

Consisting of	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Capital Financing Charges	1,361,006	1,322,300	1,203,300	(119,000)
Capital Entries	(56,000)	0	0	0
<b>Capital</b>	<b>1,305,006</b>	<b>1,322,300</b>	<b>1,203,300</b>	<b>(119,000)</b>

<b>Total Environment</b>	<b>5,080,232</b>	<b>5,146,300</b>	<b>4,499,300</b>	<b>(647,000)</b>
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**Environment Portfolio**  
**Revenue Budget Summary 2014-15**

**Major Variances in Net Controllable Expenditure**

**Sustainability**

No major variance.

**Estates & Valuation**

Increase due to additional staffing hours and additional consultancy fees for Asset Management.

**Public Land & Buildings**

No major variance.

**Business Units**

Variance mainly due to anticipated increase in occupancy levels and a reduction in Partnership income share as per legal agreements.

**Waste Management**

Variance mainly due to efficiency savings following a restructure of the glass and garden waste collection service. Additional variance due to additional income from increased uptake to the Garden Waste scheme, the introduction of bin sales for new developments and increased tonnage recycling rates.

**Street Care**

Variance due to creation of Environmental Project Fund partly offset by efficiency savings achieved through a review of staffing structures.

**Public Conveniences**

No major variance.

**Direct Services Service Support**

Budgets reallocated following decentralisation of Direct Services Service Support staff.

**Technical Services**

No major variance.

**Building Services**

Variance mainly due to creation of a consultancy budget and staffing changes arising from the redesign of Assets and Sustainability management arrangements.

**Energy Management**

No variance.

**Land Drainage**

No variance.

### **Programmed Maintenance**

Variance due to reduction in Maintenance budget and a review of Christmas Tree procurement.

### **Car Parks**

Variance due to proposed shared car parking management arrangements and increased income from amended car parking tariffs.

### **Fleet Management**

Variance mainly due to the reduction in vehicle numbers following changes to the Trade Waste and Glass Collection service and the ongoing effects of 2013/14 efficiency savings partly offset by a reduction in income due to the proposed introduction of the Hackney Carriage knowledge test and the direct allocation of service support staffing.

### **Public Offices**

Variance is due to additional rents receivable at all Public Offices and increased replacement cycles for maintenance partly offset by the introduction of The Living Wage.

### **Assets & Sustainability**

Variance due to the redesign of the Assets and Sustainability Management arrangements.

### **Allotments**

No major variance.

### **Parks**

Variance is due to efficiency savings achieved through a review of the staffing structures, a reduction in the frequency of grass cutting, the introduction of Open Grassland Habitat Areas, move to reactive repairs, a reduction in operational budget and improved procurement of plant and equipment, together with additional income from Tree Works. Costs have increased as a result of a Gedling Country Park maintenance resource development bid.

### **Cemeteries**

Variance is due to a reduction in cemeteries income offset by the cessation of patrolling.

## Sustainability

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	26,255	40,000	40,600	600
Transport Related Expenses	278	0	300	300
<b>Controllable</b>	<b>26,533</b>	<b>40,000</b>	<b>40,900</b>	<b>900</b>
Supplies & Services Related Recharges	0	0	400	400
Central Support and Service Admin	3,199	3,400	5,900	2,500
<b>Recharges</b>	<b>3,199</b>	<b>3,400</b>	<b>6,300</b>	<b>2,900</b>
<b>Sustainability</b>	<b>29,732</b>	<b>43,400</b>	<b>47,200</b>	<b>3,800</b>

## Estates & Valuation

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	20,605	52,200	57,200	5,000
Transport Related Expenses	68	600	200	(400)
Supplies & Services	1,502	2,800	8,100	5,300
Third Party Payments	42,336	0	0	0
<b>Controllable</b>	<b>64,511</b>	<b>55,600</b>	<b>65,500</b>	<b>9,900</b>
Supplies & Services Related Recharges	0	0	600	600
Central Support and Service Admin	50,365	58,500	22,400	(36,100)
Internal Recharges	(114,876)	(114,100)	(88,500)	25,600
<b>Recharges</b>	<b>(64,511)</b>	<b>(55,600)</b>	<b>(65,500)</b>	<b>(9,900)</b>
<b>Estates &amp; Valuation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Public Land & Buildings

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	7,850	9,800	11,400	1,600
Supplies & Services	10,185	11,000	11,000	0
Revenue Income	(113,142)	(112,000)	(113,500)	(1,500)
<b>Controllable</b>	<b>(95,107)</b>	<b>(91,200)</b>	<b>(91,100)</b>	<b>100</b>
Premises Related Recharges	4,075	4,400	4,300	(100)
Central Support and Service Admin	74,848	109,600	88,900	(20,700)
<b>Recharges</b>	<b>78,923</b>	<b>114,000</b>	<b>93,200</b>	<b>(20,800)</b>
Capital Financing Charges	6,288	6,300	6,300	0
<b>Capital</b>	<b>6,288</b>	<b>6,300</b>	<b>6,300</b>	<b>0</b>
<b>Public Land &amp; Buildings</b>	<b>(9,896)</b>	<b>29,100</b>	<b>8,400</b>	<b>(20,700)</b>

## Business Units

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	95,149	113,500	107,800	(5,700)
Supplies & Services	404	1,000	1,000	0
Revenue Income	(177,117)	(186,300)	(197,500)	(11,200)
<b>Controllable</b>	<b>(81,564)</b>	<b>(71,800)</b>	<b>(88,700)</b>	<b>(16,900)</b>
Premises Related Recharges	4,999	4,800	4,500	(300)
Central Support and Service Admin	40,270	43,100	43,400	300
<b>Recharges</b>	<b>45,269</b>	<b>47,900</b>	<b>47,900</b>	<b>0</b>
Capital Financing Charges	17,276	14,200	16,600	2,400
<b>Capital</b>	<b>17,276</b>	<b>14,200</b>	<b>16,600</b>	<b>2,400</b>
<b>Business Units</b>	<b>(19,019)</b>	<b>(9,700)</b>	<b>(24,200)</b>	<b>(14,500)</b>

## Waste Management

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	1,476,610	1,391,300	1,297,900	(93,400)
Transport Related Expenses	506	500	400	(100)
Supplies & Services	314,307	272,700	315,800	43,100
Third Party Payments	17,485	17,000	17,000	0
Revenue Income	(1,055,552)	(1,021,700)	(1,084,900)	(63,200)
<b>Controllable</b>	<b>753,355</b>	<b>659,800</b>	<b>546,200</b>	<b>(113,600)</b>
Transport Related Recharges	922,353	903,100	840,300	(62,800)
Supplies & Services Related Recharges	15,400	15,900	16,000	100
Central Support and Service Admin	331,245	392,200	325,300	(66,900)
<b>Recharges</b>	<b>1,268,998</b>	<b>1,311,200</b>	<b>1,181,600</b>	<b>(129,600)</b>
Capital Financing Charges	46,534	46,600	41,900	(4,700)
<b>Capital</b>	<b>46,534</b>	<b>46,600</b>	<b>41,900</b>	<b>(4,700)</b>
<b>Waste Management</b>	<b>2,068,887</b>	<b>2,017,600</b>	<b>1,769,700</b>	<b>(247,900)</b>

## Street Care

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	419,027	439,600	427,100	(12,500)
Transport Related Expenses	97	200	100	(100)
Supplies & Services	40,797	38,800	86,300	47,500
Third Party Payments	1,252	2,000	2,000	0
Revenue Income	(20,820)	(16,300)	(16,800)	(500)
<b>Controllable</b>	<b>440,354</b>	<b>464,300</b>	<b>498,700</b>	<b>34,400</b>
Transport Related Recharges	273,999	290,400	286,700	(3,700)
Supplies & Services Related Recharges	4,681	4,900	5,000	100
Central Support and Service Admin	68,538	74,300	49,000	(25,300)
<b>Recharges</b>	<b>347,218</b>	<b>369,600</b>	<b>340,700</b>	<b>(28,900)</b>
<b>Street Care</b>	<b>787,572</b>	<b>833,900</b>	<b>839,400</b>	<b>5,500</b>

## Public Conveniences

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	12,712	12,600	12,700	100
Supplies & Services	572	600	600	0
<b>Controllable</b>	<b>13,284</b>	<b>13,200</b>	<b>13,300</b>	<b>100</b>
Premises Related Recharges	735	800	800	0
Central Support and Service Admin	10,484	11,800	9,800	(2,000)
<b>Recharges</b>	<b>11,219</b>	<b>12,600</b>	<b>10,600</b>	<b>(2,000)</b>
Capital Financing Charges	1,930	1,900	2,100	200
<b>Capital</b>	<b>1,930</b>	<b>1,900</b>	<b>2,100</b>	<b>200</b>
<b>Public Conveniences</b>	<b>26,434</b>	<b>27,700</b>	<b>26,000</b>	<b>(1,700)</b>

## Direct Services Service Support

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	47,998	70,300	(0)	(70,300)
Transport Related Expenses	132	200	0	(200)
Supplies & Services	7,999	7,200	0	(7,200)
Revenue Income	(2)	0	0	0
<b>Controllable</b>	<b>56,126</b>	<b>77,700</b>	<b>(0)</b>	<b>(77,700)</b>
Premises Related Recharges	1,851	1,900	0	(1,900)
Supplies & Services Related Recharges	465	500	0	(500)
Central Support and Service Admin	55,787	47,300	0	(47,300)
Internal Recharges	(114,229)	(127,400)	0	127,400
<b>Recharges</b>	<b>(56,126)</b>	<b>(77,700)</b>	<b>0</b>	<b>77,700</b>
<b>Direct Services Service Support</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

## Technical Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	67,019	15,600	16,100	500
Premises Related Expenses	0	300	300	0
Transport Related Expenses	1,944	2,900	1,900	(1,000)
Supplies & Services	1,520	1,500	5,200	3,700
<b>Controllable</b>	<b>70,483</b>	<b>20,300</b>	<b>23,500</b>	<b>3,200</b>
Supplies & Services Related Recharges	189	200	200	0
Central Support and Service Admin	43,805	41,700	7,700	(34,000)
Internal Recharges	(113,229)	(61,300)	(31,400)	29,900
<b>Recharges</b>	<b>(69,235)</b>	<b>(19,400)</b>	<b>(23,500)</b>	<b>(4,100)</b>
Capital Financing Charges	0	500	0	(500)
<b>Capital</b>	<b>0</b>	<b>500</b>	<b>0</b>	<b>(500)</b>
<b>Technical Services</b>	<b>1,248</b>	<b>1,400</b>	<b>(0)</b>	<b>(1,400)</b>

## Building Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	106,891	108,100	112,000	3,900
Transport Related Expenses	209	600	200	(400)
Supplies & Services	573	400	5,400	5,000
Revenue Income	(17,500)	(26,000)	(26,800)	(800)
<b>Controllable</b>	<b>90,173</b>	<b>83,100</b>	<b>90,800</b>	<b>7,700</b>
Supplies & Services Related Recharges	995	1,000	1,300	300
Central Support and Service Admin	30,843	0	16,600	16,600
Internal Recharges	(122,011)	(88,100)	(111,800)	(23,700)
<b>Recharges</b>	<b>(90,173)</b>	<b>(87,100)</b>	<b>(93,900)</b>	<b>(6,800)</b>
Capital Financing Charges	0	4,000	3,100	(900)
<b>Capital</b>	<b>0</b>	<b>4,000</b>	<b>3,100</b>	<b>(900)</b>
<b>Building Services</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>0</b>

## Energy Management

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Central Support and Service Admin	8,481	14,900	0	(14,900)
<b>Recharges</b>	<b>8,481</b>	<b>14,900</b>	<b>0</b>	<b>(14,900)</b>
Capital Financing Charges	3,993	0	0	0
<b>Capital</b>	<b>3,993</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Energy Management</b>	<b>12,474</b>	<b>14,900</b>	<b>0</b>	<b>(14,900)</b>

## Land Drainage

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	215	0	0	0
Supplies & Services	39	0	0	0
<b>Controllable</b>	<b>254</b>	<b>0</b>	<b>0</b>	<b>0</b>
Central Support and Service Admin	6,849	3,800	0	(3,800)
<b>Recharges</b>	<b>6,849</b>	<b>3,800</b>	<b>0</b>	<b>(3,800)</b>
Capital Financing Charges	607	0	0	0
<b>Capital</b>	<b>607</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Land Drainage</b>	<b>7,710</b>	<b>3,800</b>	<b>0</b>	<b>(3,800)</b>

## Programmed Maintenance

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Premises Related Expenses	15,558	30,000	15,000	(15,000)
Supplies & Services	58,653	47,700	43,000	(4,700)
Revenue Income	(5,015)	0	0	0
<b>Controllable</b>	<b>69,196</b>	<b>77,700</b>	<b>58,000</b>	<b>(19,700)</b>
Central Support and Service Admin Recharges	52,939	63,600	32,100	(31,500)
Capital Financing Charges Capital	0	0	600	600
<b>Programmed Maintenance</b>	<b>122,135</b>	<b>141,300</b>	<b>90,700</b>	<b>(50,600)</b>

## Car Parks

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	29,464	79,800	52,000	(27,800)
Premises Related Expenses	118,757	95,500	105,600	10,100
Transport Related Expenses	0	0	0	0
Supplies & Services	28,164	20,900	3,000	(17,900)
Third Party Payments	240,512	32,200	50,100	17,900
Revenue Income	(275,136)	(59,700)	(74,700)	(15,000)
<b>Controllable</b>	<b>141,761</b>	<b>168,700</b>	<b>136,000</b>	<b>(32,700)</b>
Premises Related Recharges	3,561	7,300	7,300	0
Transport Related Recharges	1,929	2,000	1,800	(200)
Supplies & Services Related Recharges	2,604	2,600	1,000	(1,600)
Central Support and Service Admin Recharges	55,959	75,800	29,700	(46,100)
Capital Financing Charges Capital	33,750	33,200	33,800	600
<b>Car Parks</b>	<b>239,563</b>	<b>289,600</b>	<b>209,600</b>	<b>(80,000)</b>

## Fleet Management

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	208,664	232,200	245,100	12,900
Transport Related Expenses	591,088	611,600	527,500	(84,100)
Supplies & Services	64,367	49,900	49,900	0
Third Party Payments	26,982	0	0	0
Revenue Income	(16,650)	(61,800)	(56,500)	5,300
<b>Controllable</b>	<b>874,450</b>	<b>831,900</b>	<b>766,000</b>	<b>(65,900)</b>
Premises Related Recharges	2,187	2,200	2,500	300
Transport Related Recharges	66,677	67,100	66,800	(300)
Supplies & Services Related Recharges	2,282	2,400	2,800	400
Central Support and Service Admin Internal Recharges	77,115	99,900	85,800	(14,100)
Revenue Income	(1,586,799)	(1,582,100)	(1,458,500)	123,600
<b>Recharges</b>	<b>(1,438,538)</b>	<b>(1,410,500)</b>	<b>(1,300,600)</b>	<b>109,900</b>
Capital Financing Charges Capital	561,673	578,600	534,600	(44,000)
<b>Fleet Management</b>	<b>(2,415)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Public Offices

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	65,713	34,700	121,900	87,200
Premises Related Expenses	434,604	438,600	358,500	(80,100)
Supplies & Services	57,531	49,100	64,100	15,000
Third Party Payments	0	4,000	0	(4,000)
Revenue Income	(54,815)	(104,600)	(185,700)	(81,100)
<b>Controllable</b>	<b>503,033</b>	<b>421,800</b>	<b>358,800</b>	<b>(63,000)</b>
Premises Related Recharges	18,696	17,500	18,200	700
Supplies & Services Related Recharges	440	500	1,400	900
Central Support and Service Admin	122,130	60,100	102,400	42,300
Internal Recharges	(770,549)	(653,800)	(588,000)	65,800
<b>Recharges</b>	<b>(629,284)</b>	<b>(575,700)</b>	<b>(466,000)</b>	<b>109,700</b>
Capital Financing Charges	138,251	143,800	137,100	(6,700)
<b>Capital</b>	<b>138,251</b>	<b>143,800</b>	<b>137,100</b>	<b>(6,700)</b>
<b>Public Offices</b>	<b>12,000</b>	<b>(10,100)</b>	<b>29,900</b>	<b>40,000</b>

## Assets & Sustainability

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	3,477	54,900	(0)	(54,900)
Supplies & Services	0	600	0	(600)
<b>Controllable</b>	<b>3,477</b>	<b>55,500</b>	<b>(0)</b>	<b>(55,500)</b>
Supplies & Services Related Recharges	562	600	500	(100)
Central Support and Service Admin	0	2,100	0	(2,100)
Internal Recharges	(4,039)	(58,200)	0	58,200
<b>Recharges</b>	<b>(3,477)</b>	<b>(55,500)</b>	<b>500</b>	<b>56,000</b>
<b>Assets &amp; Sustainability</b>	<b>0</b>	<b>0</b>	<b>500</b>	<b>500</b>

## Allotments

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	17,619	16,500	18,400	1,900
Premises Related Expenses	2,730	10,200	7,200	(3,000)
Transport Related Expenses	21	0	0	0
Supplies & Services	691	700	700	0
Revenue Income	(7,832)	(7,600)	(7,600)	0
<b>Controllable</b>	<b>13,230</b>	<b>19,800</b>	<b>18,700</b>	<b>(1,100)</b>
Supplies & Services Related Recharges	196	200	200	0
Central Support and Service Admin	3,388	13,100	3,500	(9,600)
<b>Recharges</b>	<b>3,584</b>	<b>13,300</b>	<b>3,700</b>	<b>(9,600)</b>
Capital Financing Charges	425	400	400	0
<b>Capital</b>	<b>425</b>	<b>400</b>	<b>400</b>	<b>0</b>
<b>Allotments</b>	<b>17,239</b>	<b>33,500</b>	<b>22,800</b>	<b>(10,700)</b>



## Parks

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	780,241	784,700	718,100	(66,600)
Premises Related Expenses	145,658	142,700	151,900	9,200
Transport Related Expenses	1,504	1,900	1,400	(500)
Supplies & Services	252,873	177,400	134,700	(42,700)
Third Party Payments	79,784	51,000	28,500	(22,500)
Revenue Income	(326,172)	(261,800)	(287,100)	(25,300)
<b>Controllable</b>	<b>933,888</b>	<b>895,900</b>	<b>747,500</b>	<b>(148,400)</b>
Premises Related Recharges	5,221	5,400	5,200	(200)
Transport Related Recharges	252,230	238,800	225,700	(13,100)
Supplies & Services Related Recharges	7,045	7,400	7,700	300
Central Support and Service Admin	173,308	196,300	162,500	(33,800)
Internal Recharges	(16,198)	(17,300)	(17,300)	0
<b>Recharges</b>	<b>421,606</b>	<b>430,600</b>	<b>383,800</b>	<b>(46,800)</b>
Capital Financing Charges	514,758	465,400	412,000	(53,400)
Capital Entries	(56,000)	0	0	0
<b>Capital</b>	<b>458,758</b>	<b>465,400</b>	<b>412,000</b>	<b>(53,400)</b>
<b>Parks</b>	<b>1,814,251</b>	<b>1,791,900</b>	<b>1,543,300</b>	<b>(248,600)</b>

## Cemeteries

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	184,236	187,600	187,100	(500)
Premises Related Expenses	24,939	33,000	28,000	(5,000)
Transport Related Expenses	1,096	1,700	1,200	(500)
Supplies & Services	7,007	4,200	4,300	100
Third Party Payments	22,505	20,700	4,000	(16,700)
Revenue Income	(378,112)	(422,800)	(389,100)	33,700
<b>Controllable</b>	<b>(138,330)</b>	<b>(175,600)</b>	<b>(164,500)</b>	<b>11,100</b>
Premises Related Recharges	1,045	1,100	1,200	100
Transport Related Recharges	41,440	44,500	37,600	(6,900)
Supplies & Services Related Recharges	3,048	3,200	2,300	(900)
Central Support and Service Admin	29,592	37,400	44,600	7,200
<b>Recharges</b>	<b>75,125</b>	<b>86,200</b>	<b>85,700</b>	<b>(500)</b>
Capital Financing Charges	35,521	27,400	14,800	(12,600)
<b>Capital</b>	<b>35,521</b>	<b>27,400</b>	<b>14,800</b>	<b>(12,600)</b>
<b>Cemeteries</b>	<b>(27,684)</b>	<b>(62,000)</b>	<b>(64,000)</b>	<b>(2,000)</b>



## Leisure & Development Portfolio

### Revenue Budget 2014-15

<b>Division</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Development Service Support	(1,500)	(0)	(0)	0
Development Management	372,412	447,200	217,900	(229,300)
Planning Policy	351,584	365,000	325,900	(39,100)
Arnold Master Plan	171	0	0	0
Building Control Account	89,002	60,200	30,300	(29,900)
Land Charges	52,279	(33,900)	(44,700)	(10,800)
Economic Development	143,991	153,100	673,800	520,700
Leisure Services Division	0	(10,000)	0	10,000
Leisure Misc Expenses/Contbn	0	0	0	0
Calverton Leisure Centre	283,875	242,700	239,400	(3,300)
Carlton Forum Leisure Centre	287,018	302,400	188,800	(113,600)
Redhill Leisure Centre	121,838	127,000	114,500	(12,500)
Arnold Theatre	0	0	25,100	25,100
Arnold Leisure Centre	523,173	551,400	506,500	(44,900)
Richard Herrod Leisure Centre	309,266	299,100	283,900	(15,200)
The Arts & Tourism	108,132	126,300	102,400	(23,900)
Leisure Development	262,527	246,800	68,300	(178,500)
<b>Total Leisure &amp; Development</b>	<b>2,903,769</b>	<b>2,877,300</b>	<b>2,732,100</b>	<b>(145,200)</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	3,354,281	3,452,200	3,253,500	(198,700)
Premises Related Expenses	759,488	761,800	769,700	7,900
Transport Related Expenses	22,522	28,100	22,100	(6,000)
Supplies & Services	1,179,097	834,000	1,291,800	457,800
Third Party Payments	6,482	2,500	0	(2,500)
Capital Interest	585	0	0	0
Revenue Income	(3,475,566)	(3,336,800)	(3,458,900)	(122,100)
<b>Controllable</b>	<b>1,846,889</b>	<b>1,741,800</b>	<b>1,878,200</b>	<b>136,400</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Premises Related Recharges	22,283	21,600	23,300	1,700
Transport Related Recharges	39	0	0	0
Supplies & Services Related Recharges	42,556	44,400	41,300	(3,100)
Central Support and Service Admin	1,576,401	1,802,300	1,212,500	(589,800)
Internal Recharges	(766,874)	(945,700)	(609,500)	336,200
<b>Recharges</b>	<b>874,405</b>	<b>922,600</b>	<b>667,600</b>	<b>(255,000)</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Capital Financing Charges	182,475	212,900	186,300	(26,600)
<b>Capital</b>	<b>182,475</b>	<b>212,900</b>	<b>186,300</b>	<b>(26,600)</b>

<b>Total Leisure &amp; Development</b>	<b>2,903,769</b>	<b>2,877,300</b>	<b>2,732,100</b>	<b>(145,200)</b>
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**Leisure & Development Portfolio**  
**Revenue Budget Summary 2014-15**

**Major Variances in Net Controllable Expenditure**

**Development & Enterprise Service Support**

Variance due to increased employee expenses following a review of the Planning and Economic Development Services structure.

**Development Management**

Variance due to reduced employee expenses following a review of the Planning and Economic Development Services structure and an anticipated increase in minor planning applications income.

**Planning Policy**

No major variance.

**Building Control Account**

Variance due to reduced employee expenses following the Planning and Economic Development Services Restructure.

**Land Charges**

No major variance.

**Economic Development**

Variance due to the creation of the Economic Development Fund and a growth bid for a new Economic Development Officer.

**Leisure Services Division**

Variance due to a resource development bid for Leisure Centre Options review, partly offset by a review of the staffing structures.

**Calverton Leisure Centre**

Variance due to increase in pricing 10% above inflation, efficiency savings arising from a review of the management and staffing structures and an increase in DNA members partly offset by the implementation of the Living Wage.

**Carlton Forum Leisure Centre**

Variance due to increase in pricing 10% above inflation, the removal of car park patrolling and efficiency savings arising from a review of the management and staffing structure partly offset by the implementation of the Living Wage.

**Redhill Leisure Centre**

Variance due to increase in pricing 10% above inflation, efficiency savings arising from a review of the management and staffing structure partly offset by the implementation of the Living Wage and a reduction in the bookings on the All Weather Pitch.

**Arnold Theatre**

Variance due to the reallocation of budgets between Arnold Leisure Centre and Arnold Theatre.

**Arnold Leisure Centre**

Variance due to increase in pricing 10% above inflation and efficiency savings arising from a review of the management and staffing structure partly offset by the implementation of the Living Wage. There is a reduction also due to the reallocation of the budgets to the theatre and savings identified on the maintenance contract.

**Richard Herrod Leisure Centre**

Variance due to increase in pricing 10% above inflation and efficiency savings arising from a review of the management and staffing structure partly offset by the implementation of the Living Wage and a reduction in income due to a fall in the number of users.

**The Arts & Tourism**

Variance mainly due to a reduction in staffing hours as part of the 2013/14 delivery of efficiencies and reductions to Project & Activities.

**Leisure Development**

Variance mainly due to reduced sports development, a reduction in exercise promotion and Youth Activities.

## Development Service Support

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	74,161	53,700	61,400	7,700
Transport Related Expenses	0	400	0	(400)
Supplies & Services	11,994	11,200	7,100	(4,100)
Revenue Income	(1,532)	0	0	0
<b>Controllable</b>	<b>84,623</b>	<b>65,300</b>	<b>68,500</b>	<b>3,200</b>
Supplies & Services Related Recharges	868	900	700	(200)
Central Support and Service Admin	44,771	78,300	30,200	(48,100)
Internal Recharges	(131,762)	(144,500)	(99,400)	45,100
<b>Recharges</b>	<b>(86,123)</b>	<b>(65,300)</b>	<b>(68,500)</b>	<b>(3,200)</b>
<b>Development Service Support</b>	<b>(1,500)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>

## Development Management

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	357,159	367,500	275,200	(92,300)
Transport Related Expenses	5,888	5,700	5,700	0
Supplies & Services	35,789	39,800	39,800	0
Revenue Income	(367,274)	(347,600)	(372,500)	(24,900)
<b>Controllable</b>	<b>31,561</b>	<b>65,400</b>	<b>(51,800)</b>	<b>(117,200)</b>
Supplies & Services Related Recharges	3,908	4,100	5,200	1,100
Central Support and Service Admin	344,563	377,700	264,500	(113,200)
Internal Recharges	(7,620)	0	0	0
<b>Recharges</b>	<b>340,851</b>	<b>381,800</b>	<b>269,700</b>	<b>(112,100)</b>
<b>Development Management</b>	<b>372,412</b>	<b>447,200</b>	<b>217,900</b>	<b>(229,300)</b>

## Planning Policy

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	220,209	254,200	248,500	(5,700)
Transport Related Expenses	649	1,200	700	(500)
Supplies & Services	61,366	18,400	17,200	(1,200)
Revenue Income	795	(600)	(600)	0
<b>Controllable</b>	<b>283,019</b>	<b>273,200</b>	<b>265,800</b>	<b>(7,400)</b>
Supplies & Services Related Recharges	2,488	2,600	2,800	200
Central Support and Service Admin	70,046	84,400	56,300	(28,100)
Internal Recharges	(8,768)	0	0	0
<b>Recharges</b>	<b>63,766</b>	<b>87,000</b>	<b>59,100</b>	<b>(27,900)</b>
Capital Financing Charges	4,800	4,800	1,000	(3,800)
<b>Capital</b>	<b>4,800</b>	<b>4,800</b>	<b>1,000</b>	<b>(3,800)</b>
<b>Planning Policy</b>	<b>351,584</b>	<b>365,000</b>	<b>325,900</b>	<b>(39,100)</b>

## Building Control Account

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	168,035	170,100	151,300	(18,800)
Transport Related Expenses	9,860	12,500	9,900	(2,600)
Supplies & Services	8,865	8,200	8,200	0
Third Party Payments	6,482	2,500	0	(2,500)
Revenue Income	(146,715)	(187,200)	(184,700)	2,500
<b>Controllable</b>	<b>46,527</b>	<b>6,100</b>	<b>(15,300)</b>	<b>(21,400)</b>
Supplies & Services Related Recharges	1,879	2,000	1,900	(100)
Central Support and Service Admin	135,177	313,200	52,500	(260,700)
Internal Recharges	(94,580)	(261,100)	(8,800)	252,300
<b>Recharges</b>	<b>42,476</b>	<b>54,100</b>	<b>45,600</b>	<b>(8,500)</b>
<b>Building Control Account</b>	<b>89,002</b>	<b>60,200</b>	<b>30,300</b>	<b>(29,900)</b>

## Land Charges

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	21,728	29,500	28,000	(1,500)
Supplies & Services	87,403	18,200	18,200	0
Revenue Income	(100,018)	(123,100)	(126,700)	(3,600)
<b>Controllable</b>	<b>9,113</b>	<b>(75,400)</b>	<b>(80,500)</b>	<b>(5,100)</b>
Supplies & Services Related Recharges	2,275	2,300	2,000	(300)
Central Support and Service Admin	40,890	39,200	33,800	(5,400)
<b>Recharges</b>	<b>43,165</b>	<b>41,500</b>	<b>35,800</b>	<b>(5,700)</b>
<b>Land Charges</b>	<b>52,279</b>	<b>(33,900)</b>	<b>(44,700)</b>	<b>(10,800)</b>

## Economic Development

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	84,057	54,700	92,300	37,600
Transport Related Expenses	117	0	100	100
Supplies & Services	12,420	38,300	542,900	504,600
<b>Controllable</b>	<b>96,594</b>	<b>93,000</b>	<b>635,300</b>	<b>542,300</b>
Supplies & Services Related Recharges	642	1,000	600	(400)
Central Support and Service Admin	46,755	59,100	37,900	(21,200)
<b>Recharges</b>	<b>47,397</b>	<b>60,100</b>	<b>38,500</b>	<b>(21,600)</b>
<b>Economic Development</b>	<b>143,991</b>	<b>153,100</b>	<b>673,800</b>	<b>520,700</b>

## Leisure Services Division

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	308,523	320,400	290,000	(30,400)
Transport Related Expenses	1,201	2,700	1,600	(1,100)
Supplies & Services	44,335	52,600	97,300	44,700
Revenue Income	(447)	(300)	(300)	0
<b>Controllable</b>	<b>353,611</b>	<b>375,400</b>	<b>388,600</b>	<b>13,200</b>
Premises Related Recharges	165	200	100	(100)
Transport Related Recharges	39	0	0	0
Supplies & Services Related Recharges	7,052	7,200	4,100	(3,100)
Central Support and Service Admin	163,862	147,300	108,500	(38,800)
Internal Recharges	(524,730)	(540,100)	(501,300)	38,800
<b>Recharges</b>	<b>(353,611)</b>	<b>(385,400)</b>	<b>(388,600)</b>	<b>(3,200)</b>
<b>Leisure Services Division</b>	<b>0</b>	<b>(10,000)</b>	<b>0</b>	<b>10,000</b>

## Calverton Leisure Centre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	268,689	268,600	274,000	5,400
Premises Related Expenses	117,883	113,400	113,900	500
Transport Related Expenses	792	900	800	(100)
Supplies & Services	131,965	66,300	67,700	1,400
Capital Interest	52	0	0	0
Revenue Income	(333,713)	(282,800)	(301,600)	(18,800)
<b>Controllable</b>	<b>185,669</b>	<b>166,400</b>	<b>154,800</b>	<b>(11,600)</b>
Premises Related Recharges	945	900	1,400	500
Supplies & Services Related Recharges	3,016	3,100	3,200	100
Central Support and Service Admin	82,934	70,300	73,400	3,100
<b>Recharges</b>	<b>86,895</b>	<b>74,300</b>	<b>78,000</b>	<b>3,700</b>
Capital Financing Charges	11,312	2,000	6,600	4,600
<b>Capital</b>	<b>11,312</b>	<b>2,000</b>	<b>6,600</b>	<b>4,600</b>
<b>Calverton Leisure Centre</b>	<b>283,875</b>	<b>242,700</b>	<b>239,400</b>	<b>(3,300)</b>

## Carlton Forum Leisure Centre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	693,220	722,700	691,600	(31,100)
Premises Related Expenses	179,867	253,700	255,100	1,400
Transport Related Expenses	558	600	600	0
Supplies & Services	283,697	219,600	199,800	(19,800)
Capital Interest	176	0	0	0
Revenue Income	(1,092,641)	(1,108,800)	(1,124,900)	(16,100)
<b>Controllable</b>	<b>64,877</b>	<b>87,800</b>	<b>22,200</b>	<b>(65,600)</b>
Premises Related Recharges	5,142	5,200	6,400	1,200
Supplies & Services Related Recharges	7,505	8,200	7,700	(500)
Central Support and Service Admin	161,815	153,500	140,200	(13,300)
<b>Recharges</b>	<b>174,463</b>	<b>166,900</b>	<b>154,300</b>	<b>(12,600)</b>
Capital Financing Charges	47,678	47,700	12,300	(35,400)
<b>Capital</b>	<b>47,678</b>	<b>47,700</b>	<b>12,300</b>	<b>(35,400)</b>
<b>Carlton Forum Leisure Centre</b>	<b>287,018</b>	<b>302,400</b>	<b>188,800</b>	<b>(113,600)</b>





## Redhill Leisure Centre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	341,806	351,300	327,600	(23,700)
Premises Related Expenses	89,511	81,500	84,100	2,600
Transport Related Expenses	672	600	700	100
Supplies & Services	96,277	104,500	106,300	1,800
Capital Interest	38	0	0	0
Revenue Income	(523,342)	(514,500)	(514,600)	(100)
<b>Controllable</b>	<b>4,962</b>	<b>23,400</b>	<b>4,100</b>	<b>(19,300)</b>
Premises Related Recharges	1,675	1,700	1,900	200
Supplies & Services Related Recharges	3,461	3,600	3,700	100
Central Support and Service Admin	105,675	94,500	101,000	6,500
<b>Recharges</b>	<b>110,811</b>	<b>99,800</b>	<b>106,600</b>	<b>6,800</b>
Capital Financing Charges	6,065	3,800	3,800	0
<b>Capital</b>	<b>6,065</b>	<b>3,800</b>	<b>3,800</b>	<b>0</b>
<b>Redhill Leisure Centre</b>	<b>121,838</b>	<b>127,000</b>	<b>114,500</b>	<b>(12,500)</b>

## Arnold Theatre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	0	0	50,400	50,400
Premises Related Expenses	0	0	3,500	3,500
Transport Related Expenses	0	0	100	100
Supplies & Services	0	0	13,200	13,200
Revenue Income	0	0	(47,800)	(47,800)
<b>Controllable</b>	<b>0</b>	<b>0</b>	<b>19,400</b>	<b>19,400</b>
Supplies & Services Related Recharges	0	0	300	300
Central Support and Service Admin	0	0	5,400	5,400
<b>Recharges</b>	<b>0</b>	<b>0</b>	<b>5,700</b>	<b>5,700</b>
<b>Arnold Theatre</b>	<b>0</b>	<b>0</b>	<b>25,100</b>	<b>25,100</b>

## Arnold Leisure Centre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	391,415	414,800	382,200	(32,600)
Premises Related Expenses	200,414	200,700	199,600	(1,100)
Transport Related Expenses	352	600	200	(400)
Supplies & Services	106,102	80,100	56,700	(23,400)
Capital Interest	166	0	0	0
Revenue Income	(351,368)	(337,300)	(342,800)	(5,500)
<b>Controllable</b>	<b>347,082</b>	<b>358,900</b>	<b>295,900</b>	<b>(63,000)</b>
Premises Related Recharges	8,374	8,000	8,000	0
Supplies & Services Related Recharges	4,192	4,400	4,700	300
Central Support and Service Admin	110,576	100,000	105,200	5,200
<b>Recharges</b>	<b>123,142</b>	<b>112,400</b>	<b>117,900</b>	<b>5,500</b>
Capital Financing Charges	52,949	80,100	92,700	12,600
<b>Capital</b>	<b>52,949</b>	<b>80,100</b>	<b>92,700</b>	<b>12,600</b>

Arnold Leisure Centre	<u>523,173</u>	<u>551,400</u>	<u>506,500</u>	<u>(44,900)</u>
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## Richard Herrod Leisure Centre

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	258,196	291,900	284,300	(7,600)
Premises Related Expenses	142,724	110,800	111,800	1,000
Transport Related Expenses	590	400	600	200
Supplies & Services	58,088	81,500	80,600	(900)
Capital Interest	154	0	0	0
Revenue Income	(302,161)	(337,500)	(347,200)	(9,700)
<b>Controllable</b>	<u><b>157,590</b></u>	<u><b>147,100</b></u>	<u><b>130,100</b></u>	<u><b>(17,000)</b></u>
Premises Related Recharges	5,981	5,600	5,500	(100)
Supplies & Services Related Recharges	3,222	3,400	3,500	100
Central Support and Service Admin	82,801	68,500	74,900	6,400
<b>Recharges</b>	<u><b>92,005</b></u>	<u><b>77,500</b></u>	<u><b>83,900</b></u>	<u><b>6,400</b></u>
Capital Financing Charges	59,671	74,500	69,900	(4,600)
<b>Capital</b>	<u><b>59,671</b></u>	<u><b>74,500</b></u>	<u><b>69,900</b></u>	<u><b>(4,600)</b></u>
<b>Richard Herrod Leisure Centre</b>	<u><b>309,266</b></u>	<u><b>299,100</b></u>	<u><b>283,900</b></u>	<u><b>(15,200)</b></u>

## The Arts & Tourism

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	28,656	38,500	24,900	(13,600)
Transport Related Expenses	96	500	100	(400)
Supplies & Services	22,247	22,600	14,500	(8,100)
Revenue Income	(4,572)	(6,800)	(4,900)	1,900
<b>Controllable</b>	<u><b>46,426</b></u>	<u><b>54,800</b></u>	<u><b>34,600</b></u>	<u><b>(20,200)</b></u>
Supplies & Services Related Recharges	405	500	300	(200)
Central Support and Service Admin	61,301	71,000	67,500	(3,500)
<b>Recharges</b>	<u><b>61,706</b></u>	<u><b>71,500</b></u>	<u><b>67,800</b></u>	<u><b>(3,700)</b></u>
<b>The Arts &amp; Tourism</b>	<u><b>108,132</b></u>	<u><b>126,300</b></u>	<u><b>102,400</b></u>	<u><b>(23,900)</b></u>

## Leisure Development

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	138,357	114,300	71,800	(42,500)
Premises Related Expenses	29,089	1,700	1,700	0
Transport Related Expenses	1,747	2,000	1,000	(1,000)
Supplies & Services	217,664	72,700	22,300	(50,400)
Revenue Income	(250,758)	(90,300)	(90,300)	0
<b>Controllable</b>	<u><b>136,099</b></u>	<u><b>100,400</b></u>	<u><b>6,500</b></u>	<u><b>(93,900)</b></u>
Supplies & Services Related Recharges	1,364	1,100	600	(500)
Central Support and Service Admin	125,064	145,300	61,200	(84,100)
<b>Recharges</b>	<u><b>126,428</b></u>	<u><b>146,400</b></u>	<u><b>61,800</b></u>	<u><b>(84,600)</b></u>
<b>Leisure Development</b>	<u><b>262,527</b></u>	<u><b>246,800</b></u>	<u><b>68,300</b></u>	<u><b>(178,500)</b></u>

## Finance & Performance Portfolio

### Revenue Budget 2014-15

<b>Division</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Organisational Development	(0)	0	0	0
Audit, Risk Management, Health & Safety	0	0	0	0
Corporate Management	1,008,879	1,031,300	962,400	(68,900)
Emergency Planning	27,963	13,600	14,400	800
Legal Services	0	(0)	0	0
Postages	1,100	1,100	1,100	(0)
Registration Of Electors	155,919	173,000	187,300	14,300
Elections	97,378	93,500	71,100	(22,400)
Procurement	(0)	0	0	0
Corporate Administration	0	(0)	0	0
Financial Services	27,837	0	0	0
Insurance Premiums	(92,300)	0	(0)	(0)
Revenues-Local Taxation	511,760	608,500	498,800	(109,700)
Concessionary Fares	(33)	0	0	0
Central Provisions Account	(858,090)	(109,000)	575,000	684,000
Non Distributed Costs	174,105	135,200	134,400	(800)
Corporate Income & Expenditure	134,576	231,900	268,300	36,400
Movement in Reserves (MiRs)	(1,337,462)	(1,271,300)	(1,145,400)	125,900
<b>Total Finance &amp; Performance</b>	<b>(148,368)</b>	<b>907,800</b>	<b>1,567,400</b>	<b>659,600</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Employee Expenses	2,564,601	2,564,800	2,553,200	(11,600)
Premises Related Expenses	26,181	35,000	33,500	(1,500)
Transport Related Expenses	6,773	6,900	5,500	(1,400)
Supplies & Services	1,530,995	949,400	1,626,000	676,600
Third Party Payments	28,513	29,900	29,900	0
Capital Interest	878,009	1,042,700	983,200	(59,500)
Revenue Income	(2,351,316)	(820,800)	(896,100)	(75,300)
<b>Controllable</b>	<b>2,683,757</b>	<b>3,807,900</b>	<b>4,335,200</b>	<b>527,300</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Transport Related Recharges	3,952	3,400	3,800	400
Supplies & Services Related Recharges	26,191	27,200	28,500	1,300
Central Support and Service Admin	1,932,810	2,023,800	1,793,000	(230,800)
Internal Recharges	(2,977,769)	(3,076,600)	(2,861,500)	215,100
<b>Recharges</b>	<b>(1,014,816)</b>	<b>(1,022,200)</b>	<b>(1,036,200)</b>	<b>(14,000)</b>

<b>Consisting of</b>	<b>Actual 2012-13 £</b>	<b>Original Budget 2013-14 £</b>	<b>Original Budget 2014-15 £</b>	<b>Variance to Original Budget 2013-14 £</b>
Capital Financing Charges	(174,645)	0	1,600	1,600
Capital Entries	(1,642,664)	(1,877,900)	(1,733,200)	144,700
<b>Capital</b>	<b>(1,817,309)</b>	<b>(1,877,900)</b>	<b>(1,731,600)</b>	<b>146,300</b>

<b>Total Finance &amp; Performance</b>	<b>(148,368)</b>	<b>907,800</b>	<b>1,567,400</b>	<b>659,600</b>
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**Finance & Performance Portfolio**  
**Revenue Budget 2014-15**

**Major Variances in Net Controllable Expenditure:**

**Organisational Development**

Variance due to a review of staffing structures, a saving on Employee Advertising and a one off contribution from Nottinghamshire County Council for Covalent licensing.

**Audit, Risk Management, Health & Safety**

Variance due to a reduction in Health and Safety operational budgets and a review of staffing structures.

**Corporate Management**

Variance due to a reduction in Superannuation costs.

**Emergency Planning**

No variance.

**Legal Services**

Variance due to 1% pay award and an increase in Superannuation costs.

**Postages**

No major variance.

**Registration Of Electors**

Variance due to Individual Electoral Registration funding and associated expenditure budget.

**Elections**

Variance due to European Election fully offset by associated government funding.

**Procurement**

No major variance.

**Corporate Administration**

No major variance.

**Financial Services**

Variance due to review of the staffing structures.

**Insurance Premiums**

No major variance.

**Revenues-Local Taxation**

Variance due to additional funding for New Burdens Grant for Local Council Tax Support offset by a contribution to reserves. There has been a reduction in employee expenses due to a review of the staffing structure.

### **Central Provisions**

Variance due to the introduction of a Transformation Reserve and a Budget Reduction Reserve partly offset by the removal of the 2013/14 Pay Award Provision.

### **Non Distributed Costs**

No major variance.

### **Corporate Income & Expenditure**

Variance due to a decrease in investment income and a decrease in interest payments on loans and borrowings, as a result of current cash flow forecasting and reducing interest rates. Anticipated grants for Community Right to Bid and Community Right to Challenge are transferred to an Earmarked Reserve.

### **Movement in Reserves (MiRs)**

Variance due to a reduction in the Minimum Revenue Provision for the repayment of debt following reductions in the capital programme and a decrease in depreciation charges for the use of assets (offset in service budgets).

## Organisational Development

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	307,564	308,000	257,600	(50,400)
Transport Related Expenses	544	700	500	(200)
Supplies & Services	38,191	45,600	22,400	(23,200)
Revenue Income	(14)	0	(9,200)	(9,200)
<b>Controllable</b>	<b>346,285</b>	<b>354,300</b>	<b>271,300</b>	<b>(83,000)</b>
Supplies & Services Related Recharges	3,120	3,200	3,300	100
Central Support and Service Admin	121,619	133,900	106,000	(27,900)
Internal Recharges	(471,024)	(491,400)	(380,600)	110,800
<b>Recharges</b>	<b>(346,285)</b>	<b>(354,300)</b>	<b>(271,300)</b>	<b>83,000</b>
<b>Organisational Development</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Audit, Risk Management, Health & Safety

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	167,517	169,100	163,700	(5,400)
Transport Related Expenses	593	1,100	400	(700)
Supplies & Services	45,053	48,100	37,600	(10,500)
Revenue Income	900	0	0	0
<b>Controllable</b>	<b>214,063</b>	<b>218,300</b>	<b>201,700</b>	<b>(16,600)</b>
Supplies & Services Related Recharges	1,723	1,800	1,900	100
Central Support and Service Admin	38,524	24,000	30,200	6,200
Internal Recharges	(254,311)	(244,100)	(233,800)	10,300
<b>Recharges</b>	<b>(214,063)</b>	<b>(218,300)</b>	<b>(201,700)</b>	<b>16,600</b>
<b>Audit, Risk Management, Health &amp; Safety</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

## Corporate Management

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	572,079	615,900	598,900	(17,000)
Transport Related Expenses	3,034	1,800	2,500	700
Supplies & Services	193,108	158,000	160,500	2,500
Revenue Income	(863)	0	0	0
<b>Controllable</b>	<b>767,359</b>	<b>775,700</b>	<b>761,900</b>	<b>(13,800)</b>
Supplies & Services Related Recharges	6,190	6,500	7,000	500
Central Support and Service Admin	893,703	917,200	854,400	(62,800)
Internal Recharges	(658,373)	(668,100)	(660,900)	7,200
<b>Recharges</b>	<b>241,520</b>	<b>255,600</b>	<b>200,500</b>	<b>(55,100)</b>
<b>Corporate Management</b>	<b>1,008,879</b>	<b>1,031,300</b>	<b>962,400</b>	<b>(68,900)</b>

## Emergency Planning

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	1,979	500	500	0
Third Party Payments	7,493	9,200	9,200	0
<b>Controllable</b>	<b>9,472</b>	<b>9,700</b>	<b>9,700</b>	<b>0</b>
Central Support and Service Admin	18,491	3,900	4,700	800
<b>Recharges</b>	<b>18,491</b>	<b>3,900</b>	<b>4,700</b>	<b>800</b>
<b>Emergency Planning</b>	<b>27,963</b>	<b>13,600</b>	<b>14,400</b>	<b>800</b>

## Legal Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	254,894	263,200	269,400	6,200
Transport Related Expenses	632	600	400	(200)
Supplies & Services	57,115	48,800	48,800	0
Revenue Income	(7,857)	(8,400)	(8,600)	(200)
<b>Controllable</b>	<b>304,784</b>	<b>304,200</b>	<b>310,000</b>	<b>5,800</b>
Premises Related Recharges	0	0	0	0
Supplies & Services Related Recharges	2,581	2,700	3,000	300
Central Support and Service Admin	75,128	91,000	66,900	(24,100)
Internal Recharges	(382,493)	(397,900)	(379,900)	18,000
<b>Recharges</b>	<b>(304,784)</b>	<b>(304,200)</b>	<b>(310,000)</b>	<b>(5,800)</b>
<b>Legal Services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

## Postages

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	51,505	56,900	53,900	(3,000)
Revenue Income	(191)	(100)	(100)	0
<b>Controllable</b>	<b>51,314</b>	<b>56,800</b>	<b>53,800</b>	<b>(3,000)</b>
Central Support and Service Admin	123	0	1,200	1,200
Internal Recharges	(50,337)	(55,700)	(53,900)	1,800
<b>Recharges</b>	<b>(50,214)</b>	<b>(55,700)</b>	<b>(52,700)</b>	<b>3,000</b>
<b>Postages</b>	<b>1,100</b>	<b>1,100</b>	<b>1,100</b>	<b>(0)</b>



## Registration Of Electors

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	62,763	73,700	72,800	(900)
Transport Related Expenses	0	0	0	0
Supplies & Services	27,239	24,200	44,900	20,700
Revenue Income	(1,315)	(1,900)	(23,400)	(21,500)
<b>Controllable</b>	<b>88,687</b>	<b>96,000</b>	<b>94,300</b>	<b>(1,700)</b>
Supplies & Services Related Recharges	807	800	900	100
Central Support and Service Admin	66,424	76,200	90,500	14,300
<b>Recharges</b>	<b>67,231</b>	<b>77,000</b>	<b>91,400</b>	<b>14,400</b>
Capital Financing Charges	0	0	1,600	1,600
<b>Capital</b>	<b>0</b>	<b>0</b>	<b>1,600</b>	<b>1,600</b>
<b>Registration Of Electors</b>	<b>155,919</b>	<b>173,000</b>	<b>187,300</b>	<b>14,300</b>

## Elections

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	40,096	59,200	45,000	(14,200)
Premises Related Expenses	10,515	8,500	12,000	3,500
Transport Related Expenses	195	0	0	0
Supplies & Services	65,681	55,300	93,000	37,700
Revenue Income	(115,026)	(123,000)	(150,000)	(27,000)
<b>Controllable</b>	<b>1,461</b>	<b>0</b>	<b>0</b>	<b>0</b>
Supplies & Services Related Recharges	0	0	0	0
Central Support and Service Admin	95,917	93,500	71,100	(22,400)
<b>Recharges</b>	<b>95,917</b>	<b>93,500</b>	<b>71,100</b>	<b>(22,400)</b>
<b>Elections</b>	<b>97,378</b>	<b>93,500</b>	<b>71,100</b>	<b>(22,400)</b>

## Procurement

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Third Party Payments	21,020	20,700	20,700	0
<b>Controllable</b>	<b>21,020</b>	<b>20,700</b>	<b>20,700</b>	<b>0</b>
Central Support and Service Admin	492	900	1,900	1,000
Internal Recharges	(21,512)	(21,600)	(22,600)	(1,000)
<b>Recharges</b>	<b>(21,020)</b>	<b>(20,700)</b>	<b>(20,700)</b>	<b>0</b>
<b>Procurement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Corporate Administration

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	86,808	87,300	89,300	2,000
Supplies & Services	1,188	1,400	1,400	0
<b>Controllable</b>	<b>87,996</b>	<b>88,700</b>	<b>90,700</b>	<b>2,000</b>
Supplies & Services Related Recharges	1,000	1,000	1,100	100
Central Support and Service Admin	27,948	34,700	21,900	(12,800)
Internal Recharges	(116,944)	(124,400)	(113,700)	10,700
<b>Recharges</b>	<b>(87,996)</b>	<b>(88,700)</b>	<b>(90,700)</b>	<b>(2,000)</b>
<b>Corporate Administration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Financial Services

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	530,977	566,700	543,400	(23,300)
Transport Related Expenses	138	100	100	0
Supplies & Services	47,799	19,900	21,300	1,400
Revenue Income	(46,528)	(46,300)	(49,800)	(3,500)
<b>Controllable</b>	<b>532,387</b>	<b>540,400</b>	<b>515,000</b>	<b>(25,400)</b>
Supplies & Services Related Recharges	6,105	6,400	6,800	400
Central Support and Service Admin	185,547	180,200	159,100	(21,100)
Internal Recharges	(696,202)	(727,000)	(680,900)	46,100
<b>Recharges</b>	<b>(504,549)</b>	<b>(540,400)</b>	<b>(515,000)</b>	<b>25,400</b>
<b>Financial Services</b>	<b>27,837</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Insurance Premiums

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Supplies & Services	322,796	277,400	279,700	2,300
Revenue Income	(145,095)	0	0	0
<b>Controllable</b>	<b>177,701</b>	<b>277,400</b>	<b>279,700</b>	<b>2,300</b>
Central Support and Service Admin	0	0	0	0
Internal Recharges	(270,001)	(277,400)	(279,700)	(2,300)
<b>Recharges</b>	<b>(270,001)</b>	<b>(277,400)</b>	<b>(279,700)</b>	<b>(2,300)</b>
<b>Insurance Premiums</b>	<b>(92,300)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

## Revenues-Local Taxation

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	406,784	396,300	368,700	(27,600)
Transport Related Expenses	1,636	2,600	1,600	(1,000)
Supplies & Services	196,132	203,300	265,600	62,300
Revenue Income	(452,961)	(400,100)	(475,000)	(74,900)
<b>Controllable</b>	<b>151,592</b>	<b>202,100</b>	<b>160,900</b>	<b>(41,200)</b>
Transport Related Recharges	3,952	3,400	3,800	400
Supplies & Services Related Recharges	4,663	4,800	4,500	(300)
Central Support and Service Admin	408,125	467,200	385,100	(82,100)
Internal Recharges	(56,572)	(69,000)	(55,500)	13,500
<b>Recharges</b>	<b>360,168</b>	<b>406,400</b>	<b>337,900</b>	<b>(68,500)</b>
<b>Revenues-Local Taxation</b>	<b>511,760</b>	<b>608,500</b>	<b>498,800</b>	<b>(109,700)</b>

## Concessionary Fares

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Revenue Income	(33)	0	0	0
<b>Controllable</b>	<b>(33)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Concessionary Fares</b>	<b>(33)</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Central Provisions Account

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	0	(109,000)	10,000	119,000
Premises Related Expenses	0	10,000	5,000	(5,000)
Supplies & Services	30,244	(10,000)	560,000	570,000
Revenue Income	(888,334)	0	0	0
<b>Controllable</b>	<b>(858,090)</b>	<b>(109,000)</b>	<b>575,000</b>	<b>684,000</b>
<b>Central Provisions Account</b>	<b>(858,090)</b>	<b>(109,000)</b>	<b>575,000</b>	<b>684,000</b>

## Non Distributed Costs

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	173,336	134,400	134,400	0
Supplies & Services	0	0	0	0
<b>Controllable</b>	<b>173,336</b>	<b>134,400</b>	<b>134,400</b>	<b>0</b>
Central Support and Service Admin	769	800	0	(800)
<b>Recharges</b>	<b>769</b>	<b>800</b>	<b>0</b>	<b>(800)</b>
<b>Non Distributed Costs</b>	<b>174,105</b>	<b>135,200</b>	<b>134,400</b>	<b>(800)</b>

## Corporate Income & Expenditure

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Employee Expenses	(38,217)	0	0	0
Premises Related Expenses	15,666	16,500	16,500	0
Supplies & Services	452,965	20,000	36,400	16,400
Capital Interest	396,485	436,100	395,400	(40,700)
Revenue Income	(692,324)	(241,000)	(180,000)	61,000
<b>Controllable</b>	<b>134,576</b>	<b>231,600</b>	<b>268,300</b>	<b>36,700</b>
Central Support and Service Admin	0	300	0	(300)
<b>Recharges</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>(300)</b>
<b>Corporate Income &amp; Expenditure</b>	<b>134,576</b>	<b>231,900</b>	<b>268,300</b>	<b>36,400</b>

## Movement in Reserves (MiRs)

	Actual 2012-13 £	Original Budget 2013-14 £	Original Budget 2014-15 £	Variance to Original Budget 2013-14 £
Capital Interest	481,524	606,600	587,800	(18,800)
Revenue Income	(1,676)	0	0	0
<b>Controllable</b>	<b>479,848</b>	<b>606,600</b>	<b>587,800</b>	<b>(18,800)</b>
Capital Financing Charges	(174,645)	0	0	0
Capital Entries	(1,642,664)	(1,877,900)	(1,733,200)	144,700
<b>Capital</b>	<b>(1,817,309)</b>	<b>(1,877,900)</b>	<b>(1,733,200)</b>	<b>144,700</b>
<b>Movement in Reserves (MiRs)</b>	<b>(1,337,462)</b>	<b>(1,271,300)</b>	<b>(1,145,400)</b>	<b>125,900</b>

**Budget Reduction Proposals Summarised by Type**

Summary 2014 - 2019	Efficiency £	New Ways of Working £	Income Generation £	Cut £	Total
Community Development	22,600	167,600		23,500	213,700
Health & Housing	94,700			22,000	116,700
Public Protection & Communication	164,900	5,000	10,000	53,600	233,500
Environment	221,400	135,300	75,000	66,800	498,500
Leisure & Development	147,200	43,800	122,500	210,600	524,100
Finance	162,800	67,400	606,400	35,000	871,600
<b>Total</b>	<b>813,600</b>	<b>419,100</b>	<b>813,900</b>	<b>411,500</b>	<b>2,458,100</b>

**Analysed by Year**

A) 2014/15	Efficiency £	New Ways of Working £	Income Generation £	Cut £	Total
Community Development	22,600	33,500		-25,000	31,100
Health & Housing	85,300			15,000	100,300
Public Protection & Communication	118,000	5,000	5,000	45,600	173,600
Environment	206,400	48,000	69,000	66,800	390,200
Leisure & Development	122,200	43,800	122,500	146,700	435,200
Finance	123,800	1,800	19,000	35,000	179,600
<b>Total</b>	<b>678,300</b>	<b>132,100</b>	<b>215,500</b>	<b>284,100</b>	<b>1,310,000</b>

B) 2015/16	Efficiency £	New Ways of Working £	Income Generation £	Cut £	Total
Community Development		134,100		48,500	182,600
Health & Housing	9,400			7,000	16,400
Public Protection & Communication	36,100		5,000	8,000	49,100
Environment	15,000	40,000	3,000		58,000
Leisure & Development	25,000			63,900	88,900
Finance	39,000	65,600	128,200		232,800
<b>Total</b>	<b>124,500</b>	<b>239,700</b>	<b>136,200</b>	<b>127,400</b>	<b>627,800</b>

C) 2016/17-2018/19	Efficiency £	New Ways of Working £	Income Generation £	Cut £	Total
Community Development					0
Health & Housing					0
Public Protection & Communication	10,800				10,800
Environment		47,300	3,000		50,300
Leisure & Development					0
Finance			459,200		459,200
<b>Total</b>	<b>10,800</b>	<b>47,300</b>	<b>462,200</b>	<b>0</b>	<b>520,300</b>

<b>Grand Total</b>	<b>813,600</b>	<b>419,100</b>	<b>813,900</b>	<b>411,500</b>	<b>2,458,100</b>
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**Community Development Portfolio**

Service Area	Description	Reduction Type				Inclusion in 2014/15 Budgets and MTFP			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £	2014/15 £	2015/16 £	2016/17 £	Total £
Community Grants	Redesign of Grant Aid budget - Increase in Members Pot from £500 to £1,500 per member (funded by a reduction in specific grants across portfolios see Finance & Perf, Leisure and Dev and Environment).				7,500	-26,000	33,500		7,500
Committee Services	Review of Members Services Staffing Reduction in the number of printed agendas	11,100 1,500				11,100 1,500			12,600
Community Centres	Pursue Asset Transfer to Community Organisation		167,600			33,500	134,100		167,600
Democratic Mgt and Representation	Procurement of Civic Transport and Other Civic Expenses	10,000	0		15,000	10,000	15,000		25,000
Twining	Delete Miscellaneous Grant				1,000	1,000			1,000
<b>TOTAL</b>		<b>22,600</b>	<b>167,600</b>	<b>0</b>	<b>23,500</b>	<b>31,100</b>	<b>182,600</b>	<b>0</b>	<b>213,700</b>

**Health & Housing Portfolio**

Service Area	Description	Reduction Type				Inclusion in 2014/15 Budgets and MTFP			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £	2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
Housing Strategy	Shared Housing Strategy Officer with Rushcliffe	14,500				14,500			14,500
Housing Needs	Review of Housing Needs Staffing Structure	25,100				25,100			59,100
	Housing Project Reductions				22,000	15,000	7,000		
	Potential Shared Out of Hours/Housing Register/Housing Advice joint working with Other Local Authorities	11,000				11,000			
	Savings on Repairs	1,000				1,000			
Housing Benefit Admin	Review of Housing Benefit Staff Structure	43,100				33,700	9,400		43,100
<b>TOTAL</b>		<b>94,700</b>	<b>0</b>	<b>0</b>	<b>22,000</b>	<b>100,300</b>	<b>16,400</b>	<b>0</b>	<b>116,700</b>

**Public Protection and Communication Portfolio**

Service Area	Description	Reduction Type				Inclusion in 2014/15 Budgets and MTFP			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £	2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
Community Protection	Renegotiation of CCTV contract Reduction in Technical Books and Publications	9,000			2,500	9,000 2,500			11,500
Licensing and Hackney Carriages	Increase general licensing fees to full cost recovery.			10,000		5,000	5,000		10,000
Environmental Protection	duties now satisfied through completion of survey work therefore ongoing budget not required. Any future site remediation/emergency issues arising will be funded from earmarked reserves				18,000	10,000	8,000		18,000
Food, Health and Safety	Review of Environmental Health Staffing Reduction of Administrative support	5,000			33,100	33,100 5,000			38,100
Communications and Publicity	Minor staffing changes Reduce Corporate Consultation budget	5,000	5,000			5,000 5,000			10,000
Customer Services & IT	Redesign of IT Staffing Redesign of Customer Services working practices and staffing structure Reduce Operational Budgets	18,800 120,200 6,900				18,800 73,300 6,900	36,100	10,800	145,900
<b>TOTAL</b>		<b>164,900</b>	<b>5,000</b>	<b>10,000</b>	<b>53,600</b>	<b>173,600</b>	<b>49,100</b>	<b>10,800</b>	<b>233,500</b>



**Environment Portfolio**

Service Area	Description	Reduction Type				Inclusion in 2014/15 Budgets and MTFP			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £	2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
Public Clocks	Reduce Maintenance of Public Clocks				1,000	1,000			1,000
Programmed Maintenance	Review of Christmas Tree Procurement				5,000	5,000			5,000
Technical Services	Consolidate Orders for Street Nameplates		5,000			5,000			5,000
Car Parks	Maintenance Reduction		0		1,000	1,000			1,000
	Increase Choice of Car Parking Tariffs			15,000		15,000			15,000
	Shared Car Parking Mgmt Arrangements	30,000				15,000	15,000		46,000
Assets & Sustainability	Redesign of Assets & Sustainability Management Arrangements	45,000				45,000			45,000
Public Offices	Rental of Space at Depot			2,000		2,000			2,000
	Increase Replacement Cycles for Maintenance and Equipment				12,700	12,700			14,700
Parks and Street Care	Review of Management Structures	44,000				44,000			44,000
	Reduce Frequency of Grass Cuts from 10-12 to 9-10 per annum				22,100	22,100			22,100
	Introduce Open Grassland Habitat Area in Parks		107,300		0	20,000	40,000	47,300	20,000
	Review of Call Out Arrangements	7,000				7,000			7,000
	Improve Procurement of Small Plant and Protective Clothing	24,100				24,100			24,100
	Move from Proactive to Reactive Repairs and Maintenance		23,000			23,000			23,000
Waste Management	External Tree Maintenance Service			25,000		25,000			25,000
	Reduce Garden Waste Winter Collection Service				10,000	10,000			10,000
	Review of Waste Services Structure	66,200				66,200			66,200
	Charging Developers for Bins on New Housing Developments			16,000		10,000	3,000	3,000	10,000
	Efficiencies in Equipment and Printing	4,000				4,000			4,000
Community Grants	Increase in Garden Waste Membership			17,000		17,000			17,000
	Reduce Projects and Activities Budget	1,100				1,100			1,100
Community Grants	Redesign of parks related grants				15,000	15,000			15,000
<b>TOTAL</b>		<b>221,400</b>	<b>135,300</b>	<b>75,000</b>	<b>66,800</b>	<b>390,200</b>	<b>58,000</b>	<b>50,300</b>	<b>498,500</b>

**Leisure and Development Portfolio**

Service Area	Description	Reduction Type			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £
Leisure Centres	Redesign of Leisure Centre Management arrangements.	59,600			
	Redesign of Leisure Centre working practices. (membership)	50,000		122,500	
Arts and Tourism	Reduce Projects and Activities Budgets				4,100
Leisure Development	Reduction in Sports Development/Coaching Activity				27,700
	Delete Exercise Promotion Officer Post				11,400
	Reduce Youth Activities Budget (Note: a development bid for £20,000 Youth Engagement Work in Localities is proposed)				40,000
Leisure Services	Review of Community Leisure Structure				45,300
	Review of Leisure Admin Structure				54,800
Development Management	Redesign of working practices		43,800		
	Delete Tree Preservation Officer Post (Vacant)				20,500
Development Support Service	Redesign of working practices and staffing structure	37,600			
Community Grants	Redesign of Leisure related grants for Arts and Sports.				6,800
<b>TOTAL</b>		<b>147,200</b>	<b>43,800</b>	<b>122,500</b>	<b>210,600</b>

Inclusion in 2014/15 Budgets and MTFP			
2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
59,600			232,100
25,000	25,000		
122,500			
4,100			4,100
13,850	13,850		79,100
11,400			
40,000			
22,650	22,650		100,100
27,400	27,400		
43,800			64,300
20,500			
37,600			37,600
6,800			6,800
<b>435,200</b>	<b>88,900</b>	<b>0</b>	<b>524,100</b>

**Finance & Performance Portfolio**

Service Area	Description	Reduction Type			
		Efficiency £	New Ways of Working £	Income Generation £	Cut £
Registration of Electors	Reduced Office Expenses	800			
Organisational Development	Review of Organisational Development Service	78,000	0		
	Reduce Corporate Training Budget	2,800			
	New Training Income			3,000	
	Reduce Occupational Health Budget	1,000			
	Reduce Work Phones	200			
Audit & Risk Mgmt	Reduce Externally procured Internal Audit Resource	5,100			
	Review Health & Safety Staffing and Operational Budgets	10,000			
Postage	Increase use of Prepaid Mail		4,800		
Corporate Admin	Review of Staffing Structures		2,600		
Maintenance	Delete Building Maintenance Provision				10,000
Financial Services	Redesign of working practices	33,400			
Debtors	Delete Overtime Budget	3,000			
Revenues - Local Tax	Review of Staffing Structures	28,500			
Corporate Financing	Sale of non-operational surplus assets to generate a capital receipt which will be used to finance the Council's capital programme and reduce revenue borrowing costs.	0	60,000	603,400	
Community Grants	Redesign of Grant Aid Budget, Incorporation of Community Fund into Members Pot (see Comm Dev Portfolio)				25,000

Inclusion in 2014/15 Budgets and MTFP			
2014/15 £	2015/16 £	2016/17 - 2018/19 £	Total £
800			800
42,300	35,700		
2,800			
3,000			
1,000			
200			85,000
5,100			
10,000			15,100
1,800	3,000		4,800
	2,600		2,600
10,000			10,000
30,100	3,300		33,400
3,000			3,000
28,500			28,500
16,000	188,200	459,200	663,400
25,000			25,000

**TOTAL**

**162,800    67,400    606,400    35,000**

**179,600    232,800    459,200    871,600**

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## Report to Cabinet

**Subject:** Capital Programme 2014/15  
**Date:** 20 February 2014  
**Author:** Senior Leadership Team on behalf of the Leader

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### Wards Affected

Borough-wide.

### Purpose

This report summarises the proposed capital programme for 2014/15 and future years in light of the Council's priorities and the resources available.

The capital programme determined by Cabinet at this meeting will be referred to the Council Budget meeting on the 3 March 2014 for final approval. The detailed capital programme proposals are shown in Appendix 1 to this report.

### Key Decision

This is a Key Decision.

### 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 sets out the following key objectives:
  - The capital investments 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 implications for external borrowing.
  - Treasury management decisions are taken in accordance with good professional practice.
  - Local strategic planning, asset management and proper option appraisal are supported.

## Proposal

### 2.1 Draft Capital Programme

The following table summarises the proposed Capital Programme for 2014/15. The full programme of schemes is presented in Appendix 1.

<b>Portfolio</b>	<b>2014/15 £</b>	<b>2015/16 £</b>	<b>2016/17 £</b>
Community Development	0	0	0
Health & Housing	686,000	596,000	596,000
Public Protection and Communication	0	0	0
Environment	1,575,500	1,134,000	790,000
Leisure & Development	490,600	0	0
Finance & Performance	150,000	150,000	150,000
Future Equipment Replacement	0	150,000	150,000
Future Service Development Bids	0	100,000	100,000
<b>Total Capital Programme</b>	<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>

### 2.2 The proposed capital programme includes:

- Replacement equipment/vehicles to ensure continuation of existing service provision;
- Approved ongoing budgets i.e. Disabled Facilities Grants and the Asset Management Fund which is used to maintain the Council's assets to a safe and usable standard;
- Schemes funded by specific grants e.g. Gedling Country Park funded by S106 contributions;
- Provisions for future equipment replacement and development bids in 2015/16 and 2016/17;
- 2013/14 schemes approved for slippage to 2014/15 (including slippage considered by Cabinet at its meeting on 13 February 2014);
- Schemes approved in 2013/14 with spend profiled for completion in 2014/15 i.e. Public Offices Alterations for DWP occupation and Arnold Leisure Centre Refurbishment.

## 2.3 Capital Resources

- 2.3.1 Sources of finance for the capital programme have been under increasing pressure in recent years with the withdrawal of Government Grants and fewer general capital receipts being available. In the recent history of the capital programme there has been an increasing reliance on prudential borrowing to fund capital projects which has to be financed by revenue contributions to repay the principal and interest.

As the revenue budget remains under significant pressure as a result of the reduced Government Grant Settlement the level of borrowing is restricted to that which is assessed as affordable.

### 2.3.2 Capital Receipts

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

A major review of the revenue budget has recently been undertaken, as detailed in the Gedling Plan 2014/15 report (an item elsewhere on this agenda), with the objective of addressing the revenue grant reductions and delivering a sustainable medium term financial plan. As part of that review, one strategy that has been identified to reduce the pressure on the revenue budget is the sale of surplus non-operational land holdings to generate capital receipts. The capital receipts will be used to finance the capital programme and therefore avoid planned borrowing which in turn reduces pressure on the revenue budget by reducing principal and interest payments.

Estimated Capital receipts to be generated over the next 3 years from the sale of surplus non-operational land holdings totals £4.8m.

In addition to the sale of land and buildings the Council also generates capital receipts from improvement grant repayments, mortgage repayments and preserved Right To Buy (RTB) receipt, which together are estimated to generate £154,000 per annum over the next 3 years. Preserved RTB receipts are those that the Council has negotiated to retain, for a period of 10 years, as part of the LSVT of housing stock. Preserved RTB receipts are not subject to usual housing pooling requirements, requiring a proportion to be paid to Central Government, and are fully usable to finance capital expenditure.

Estimated usage of capital receipts is detailed in the table at paragraph 2.3.5 below.

### 2.3.3 Capital Grants and Contributions

External funds such as the Disabled Facilities Grant and contributions from other authorities continue to be important in the funding of capital expenditure and schemes partly financed in this way are included in the programme.

Grants and contributions secured for financing the 2014/15 programme total £1,211,000 and include:

Disabled Facilities Grant	£371,000
Sport England Grant – Arnold Leisure Centre Refurbishment	£200,000
Performance Reward Grant – Shopmobility	£100,000
S106 Developer Contribution – Gedling Country Park and Affordable Housing	£540,000

With effect from 2015 Disabled Facilities grant funding will be paid to top tier authorities. Early indications from Nottinghamshire County Council suggest that they plan to passport future grant allocations from 2015/16 to District Councils to continue its administration. This is assumed in the forward programme.

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

#### 2.3.4 Prudential Borrowing

Due to the proposed strategy of generating capital receipts, as detailed in paragraph 2.3.2 above, there are no requirements to use Prudential borrowing to finance the capital programme 2014/15-2016/17.

#### 2.3.5 Capital Resources Summary

An estimate of resources for financing the 2014/15 programme and the following two years is summarised below:

	2014/15	2015/16	2016/17
	£	£	£
Use of Capital Receipts	1,691,100	1,759,000	1,415,000
Capital Grants and Contributions	1,211,000	371,000	371,000
<b>Total Cash Resource</b>	<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>
Prudential Borrowing	0	0	0
<b>Total Financing</b>	<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>



### **Alternative Options**

- 3 As the resources for financing the capital programme are limited there is no capacity to implement new service developments which are not funded by specific grants and/or contributions, therefore no alternative options are available.

### **Financial Implications**

- 4 As detailed in the report.

### **Appendices**

- 5 Appendix 1 – Draft Capital Programme 2014/15 – 2016/17

### **Background Papers**

- Treasury Management Strategy

### **Recommendations**

#### **THAT:**

- (a) The capital financing available for 2014/15 be noted;
- (b) The likely resources available for 2015/16 and 2016/17 be noted;
- (c) The Capital Programme for 2014/15 detailed at Appendix 1 be agreed for referral to Council for approval.

### **Reasons for Recommendations**

- 7 To obtain approval of the draft Capital Programme which supports delivery of the 2014/15 Council Plan.

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**DRAFT CAPITAL PROGRAMME 2014/15 - 2016/17**

SCHEME DESCRIPTION	Ref	CAPITAL BUDGET REQUIREMENT		
		2014/15	2015/16	2016/17
		£	£	£
<b><u>HEALTH AND HOUSING</u></b>				
Affordable Housing	Slip from 13/14	90,000		
Disabled Facilities Grant	Ongoing	596,000	596,000	596,000
<b>Total Health and Housing</b>		<b>686,000</b>	<b>596,000</b>	<b>596,000</b>
<b><u>PUBLIC PROTECTION AND COMMUNICATION</u></b>				
<b>Total Public Protection and Communication</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b><u>ENVIRONMENT</u></b>				
Gedling Country Park		450,000		
Public Offices Alterations DWP (Cab Report 6/6/13)		148,500		
Shopmobility	Slip from 13/14	150,000		
Cemetery Land Purchase	Slip from 13/14		360,000	
<b><u>Vehicle Replacement</u></b>				
Replace VW Caddy FD07 XPL		42,000		
Replace Ford Transit/Tipper YT57FBK		32,000		
Replace Ford Transit/Tipper Crew Cab YT57ZXN		32,000		
Replace VW Transporter Van FL07ZBN		22,000		
Replace Hayter Triple Mower FJ08HJY		28,000		
Replacement trailers		12,000		
Replace Mercedes Econic FN07BVC		170,000		
Replace Mercedes Econic FN07BVG		170,000		
Replace Mercedes Econic FN07BVH		170,000		
Replace VW Caddy FD07XPP		30,000		
Replace Ford Transit/Tipper FH57DYD		27,000		
Replace Ford Transit/Tipper Crew Cab FH56YYT		27,000		
Replace Ford Transit Cub YT57FHU		27,000		
Graffiti Remover		38,000		
Replacement Vehicles			774,000	790,000
<b>Total Environment</b>		<b>1,575,500</b>	<b>1,134,000</b>	<b>790,000</b>
<b><u>LEISURE AND DEVELOPMENT</u></b>				
Gym Equipment - Redhill		95,000		
Leisure Flex System Replacement		80,000		
Arnold Leisure Centre Refurb	Slip 13/14	200,000		
Calverton Gym Equipment	Slip 13/14	33,000		
Carlton Forum Health Suite (Invest to Save)	Slip 13/14	82,600		
<b>Total Leisure and Development</b>		<b>490,600</b>	<b>0</b>	<b>0</b>
<b><u>FINANCE AND PERFORMANCE</u></b>				
Asset Management Fund		150,000	150,000	150,000
<b>Total Finance and Performance</b>		<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Future Equipment Replacement</b>			<b>150,000</b>	<b>150,000</b>
<b>Future Development Bids</b>			<b>100,000</b>	<b>100,000</b>
<b>TOTAL CAPITAL PROGRAMME</b>		<b>2,902,100</b>	<b>2,130,000</b>	<b>1,786,000</b>

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