Castle House
Great North Road
Newark
NG24 1BY

Tel: 01636 650000
www.newark-sherwooddc.gov.uk

Wednesday, 26 February 2025

Chair: Councillor J Hall
Vice-Chair: Councillor L Tift

To: All Members of the Council

MEETING:	Full Council
DATE:	Thursday, 6 March 2025 at 6.00 pm
VENUE:	Civic Suite, Castle House, Great North Road, Newark, NG24 1BY

You are hereby requested to attend the above Meeting to be held at the time/place and on the date mentioned above for the purpose of transacting the business on the Agenda as overleaf.

If you have any queries please contact Nigel Hill on Tel: 01636 655243 Email: Nigel.hill@newark-sherwooddc.gov.uk

AGENDA

In accordance with Rule No. 3.3.3 the following question has been submitted to the Council from Councillor Johno Lee:

"Given that we are moving towards a unitary system where services will likely be amalgamated rather than separated, is now really the right time to be relocating the camera system hub? Has there been any communication with other councils either by yourself or by Councillor Paul Peacock about whether this is a financially wise decision in the context of future service integration?"

Warmer Homes in Newark and Sherwood

In accordance with the Rule No. 3.4.3, Councillor K Melton will move and Councillor M Spoors will second a motion to the following effect:

Council notes that:

1. The incoming Labour Government has announced a plan to ensure it can … "*lift over one million households out of fuel poverty by consulting on boosting minimum energy efficiency standards for all renters by 2030, delivering warmer homes and cheaper bills*." **Minister for Energy Consumers Miatta Fahnbulleh – November 2024**
2. In October 2024 … "The National Wealth Fund (NWF), Barclays, and the Lloyds Banking Group partnered to provide loans for social housing energy efficiency projects. The loans are intended to help housing associations meet their net zero targets and improve the quality of life for residents."
3. The MCS* Foundation, whose vision is to "*Make every home in the UK Carbon free*…" is working with our East Midlands Regional organisation N2D2 and the regional mayor, Claire Ward, to help establish decarbonisation projects in the East Midlands.
4. Newark and Sherwood District Council has initiated a few small-scale grant-aided projects to decarbonize some social homes. However, a date has not yet been set for the decarbonization and insulation of the majority of our 5500 social homes.

Council reaffirms its commitment to using the UN Sustainable Development Goals as a guide, and roadmap, for generating Local Action that works towards achieving the UN SDGs.

In view of the accelerating speed of global over-heating and the consequent impact of extreme weather events (*e.g. very cold winters*), plus the availability of funding streams which mean decarbonisation and insulation work should now be undertaken without all capital expenditure responsibility falling to a Local Authority, this Council now resolves:-

A. To instruct the Director of Housing Health and Wellbeing to investigate incorporating and accelerating decarbonisation of NSDC housing stock.
B. To instruct the Director of Housing Health and Wellbeing to explore available funding options to fulfil objective A as soon as possible.
C. To investigate the implications of all NSDC new build social housing in the District being built to net zero carbon standards.

(**MCS = Microgeneration Certification Scheme*)

17. Minutes for Noting

	(b)	Policy and Performance Improvement Committee - 10 February 2025	167 - 173
	(c)	Policy and Performance Improvement Committee - 17 February 2025	174 - 175
	(d)	Planning Committee - 13 February 2025	176 - 179
	(e)	Audit and Governance Committee - 19 February 2025	180 - 186
18.	Exclusion of the Press and Public		

To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

None

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Full Council** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Tuesday, 11 February 2025 at 6.00 pm.

PRESENT:	Councillor J Hall (Chair) Councillor L Tift (Vice-Chair) Councillor N Allen, Councillor A Brazier, Councillor L Brazier, Councillor C Brooks, Councillor I Brown, Councillor R Cozens, Councillor S Crosby, Councillor L Dales, Councillor D Darby, Councillor A Freeman, Councillor S Forde, Councillor P Harris, Councillor S Haynes, Councillor R Holloway, Councillor R Jackson, Councillor J Kellas, Councillor K Melton, Councillor S Michael, Councillor D Moore, Councillor P Peacock, Councillor C Penny, Councillor M Pringle, Councillor P Rainbow, Councillor K Roberts, Councillor N Ross, Councillor S Saddington, Councillor T Smith, Councillor M Shakeshaft, Councillor P Taylor and Councillor T Wendels
APOLOGIES FOR ABSENCE:	Councillor P Farmer, Councillor J Lee, Councillor E Oldham, Councillor M Spoors, Councillor T Thompson and Councillor T Wildgust

45 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Chair advised the Council that the meeting was being recorded and streamed online in accordance with usual practice.

46 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

The interests previously declared by Members in Agenda Item No. 13 – Minutes for Noting – were noted.

47 MINUTES FROM THE MEETING HELD ON 17 DECEMBER 2024

AGREED that the minutes of the meeting held on 17 December 2024 be approved as a correct record and signed by the Chair.

48 COMMUNICATIONS WHICH THE CHAIR, LEADER, CHIEF EXECUTIVE OR PORTFOLIO HOLDERS MAY WISH TO LAY BEFORE THE COUNCIL

The Chair advised that the Christmas raffle had raised £641 for her chosen charities for the year (Nottinghamshire Wildlife Trust, Nottinghamshire MIND and Newark Women's Aid) and to raise further monies she was to undertake her 'Chair's Challenge' of walking / cycling around the District and encouraged other Members to join her.

The Chair also informed the Council of various events she had recently including an Armed Forces Network, Bilsthorpe Breakfast Club, Sterling Memorial Anniversary in Ashfield, Plough Sunday, Burns Night, 100 years of the Rotary Club, 'Last Night at the Proms' at the Palace Theatre and a coffee morning at Willam Ghent House.

The Leader of the Council referred to the cards on Members desks, provided by the Transformation team, which had been provided to signpost constituents to the Residents Panel and Green Rewards initiatives.

The Leader of the Council also provided the Council with an update on Local Government Reorganisation (LGR), advising that all Councils were required to submit plans to the government by 21 March. He reminded all Members of the briefing meeting which had been convened for Wednesday 12 February to explore potential options, which would help inform his discussions with Leaders of the other Nottinghamshire authorities.

The Leader also confirmed that the Corporate Peer Challenge Report had now been published and a working group would be established to consider an action plan to address the report recommendations.

The Portfolio Holder for Housing advised that the project at Dale Lane, Blidworth had been a finalist at the recent national LABC Building Excellence Awards 2024 in the Best Small Social Housing Development category.

49 QUESTIONS FROM MEMBERS OF THE PUBLIC AND COUNCIL

In accordance with Rule No. 3.3.3, two questions had been submitted from Members of the Council. One question from Councillor R Jackson to the Portfolio Holder for Sustainable Economic Development and one from Councillor S Saddington to the Portfolio Holder for Health, Wellbeing & Leisure.

Details of the two questions put forward and the responses given by Councillors C Penny and S Crosby are attached as Appendix A to these minutes.

50 2025/2026 HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING

The Council considered the joint report of the Deputy Chief Executive, Director – Resources and Section 151 Officer and Director – Housing, Health & Wellbeing which set out the proposed income and expenditure on the Housing Revenue Account (HRA) budget for both revenue and capital for the 2025/26 financial year, provided indicative amounts of income and expenditure for the 2026/27 to 2028/29 financial years; and sought approval for rent levels and service charges for 2025/26 (with effect from the first Monday in April 2025) as detailed in Appendices A, B, C and D to the report.

The Cabinet, at their meeting held on 21 January 2025, recommended approval of the HRA budget for 2025/26, with an increase of 2.7% on rents of all properties in the HRA, and service charges as detailed.

In accordance with Rule 3.4.3 (b), Councillor T Wendels proposed and Councillor J Kellas seconded an amendment that Council approve:

a) the HRA budget for 2025/26, as set out in Appendix A to the report, subject to the addition of a £250,000 budget to create an Improving Places Fund. This would enable Members and tenant groups to bid for works to enhance our estates and complement the additional budget allocations to our repairs and maintenance service and the existing community chest fund. Members can feed in proposals identified through casework, estate walkabouts or other observations and this would feed into the existing estate improvement process for prioritisation and approval of bids. This will include tenant consultation on proposals which will ensure that money is being spent in areas that our tenants value. Detailed criteria for the Fund will be produced and agreed following budget approval;

b) an increase of 2.7% in the 2025/26 rents of all current HRA tenancies will be applied from 7 April 2025;

c) the 2025/26 service charges, as set out in Appendix C to the report; and

d) the Capital Budget set out in Appendix D to the report are committed expenditure in the Capital Programme for 2025/26 to 2028/29.

In accordance with Rule 4.7.3 the proposed amendment was accepted by Councillor L Brazier as the Portfolio Holder and proposer of the report recommendations.

AGREED (unanimously) that:

a) the HRA budget for 2025/26, as set out in Appendix A to the report, subject to the addition of a £250,000 budget to create an Improving Places Fund. This would enable Members and tenant groups to bid for works to enhance our estates and complement the additional budget allocations to our repairs and maintenance service and the existing community chest fund. Members can feed in proposals identified through casework, estate walkabouts or other observations and this would feed into the existing estate improvement process for prioritisation and approval of bids. This will include tenant consultation on proposals which will ensure that money is being spent in areas that our tenants value. Detailed criteria for the Fund will be produced and agreed following budget approval;

b) an increase of 2.7% in the 2025/26 rents of all current HRA tenancies will be applied from 7 April 2025;

c) the 2025/26 service charges, as set out in Appendix C to the report; and

d) the Capital Budget set out in Appendix D to the report are committed expenditure in the Capital Programme for 2025/26 to 2028/29.

51 AUDIT & GOVERNANCE COMMITTEE ANNUAL REPORT

The Council considered the report of the Deputy Chief Executive, Director – Resources and Section 151 Officer, which informed the Council of the activity undertaken by the Audit & Governance Committee between 27 September 2023 and 31 July 2024. The report detailed how the Committee has discharged its responsibilities throughout the year in accordance with the Constitution.

AGREED (unanimously) that the report be noted.

52 REVISION TO THE COUNCIL'S CONSTITUTION

The Council considered the report of the Assistant Director Legal & Democratic Services and Monitoring Officer proposing an amendment to the Council's Constitution in respect of annual budget meetings. The Audit & Governance Committee had considered that the Procedure Rules for the Council's General Fund Budget and Precept or Housing Revenue Account Budget and Rent Setting would benefit from greater clarity in relation to motions for amendment. The proposed amendments were set out in the appendices to the report.

AGREED (unanimously) that the Council adopts the amendments to the Constitution as set out in the appendices to the report.

53 POLITICAL COMPOSITION OF THE COUNCIL AND ALLOCATION OF SEATS ON COMMITTEES

The Council considered the report of the Chief Executive informing the Council of the political composition of the Council following a further change and sought to approve the allocation of seats on Committees and changes to the Audit & Government Committee.

The changes were required following the notice given by Councillor J Lee that he would sit as an Independent non-aligned Member on the Council and the report findings of the Corporate Peer Challenge team in relation to improvements to the Audit & Governance Committee.

In accordance with Rule 4.6.1, Councillor K Melton proposed and Councillor K Roberts seconded that recommendation (b) be deleted and an additional recommendation (f) be inserted 'to consider the appointment of a new Chair of the Policy & Performance Improvement Committee and a new vice-Chair be appointed should the current vice-chair take up the role of Chair.

This proposed amendment on being put to the vote was lost with 3 votes for and 29 against.

AGREED that:

(a) the allocation of seats to political groups (as set out in Appendix B to these minutes) be approved (unanimous);

(b) the appointment of Councillor R Holloway as Chair of the Audit & Governance Committee to replace Councillor P Harris be approved (28 votes for, 3 against and 1 abstention);

(c) the appointment of Councillor S Michael as Vice-Chair of the Audit & Governance Committee to replace Councillor S Forde be approved (29 votes for and 3 abstentions);

(d) the changes to other appointments to Committees (as set out in the Schedule at Appendix C to these minutes) be approved (unanimous); and

(e) endorses the Constitution review work outlined in paragraph 2.7 of the report (unanimous).

54 MINUTES FOR NOTING

54a CABINET - 10 DECEMBER 2024

54b CABINET - 21 JANUARY 2025

Minute No. 232 – Update on Jubilee Bridge – Condition of Bridge and Usage

Councillor P Peacock highlighted to the Council the cost savings achieved following a further review of the condition and use of Jubilee Bridge.

54c PLANNING COMMITTEE - 16 JANUARY 2025

54d AUDIT & GOVERNANCE COMMITTEE - 11 DECEMBER 2024

54e GENERAL PURPOSES COMMITTEE - 12 DECEMBER 2024

54f LICENSING COMMITTEE - 12 DECEMBER 2024

Meeting closed at 7.30 pm.

Chair

APPENDIX A

FULL COUNCIL MEETING – 11 FEBRUARY 2025

QUESTIONS FROM MEMBERS OF THE COUNCIL

In accordance with Rule No. 3.3.3 the following question was submitted to the Council from Councillor Roger Jackson:

Due to the fact that only electric cars are to be built after 2030, more and more people will be converting to electric vehicles. Does this Council have any planning policies in place for houses with no off-road parking for their cars, to allow them to create a parking space in front of their house by removing a fence or a wall, especially in conservation areas, so that they can charge their cars?

Reply from Councillor Claire Penny – Portfolio Holder for Sustainable Economic Development

I thought it would firstly be helpful to firstly clarify the position of the Government. Since the election, and building upon the Manifesto pledge, there remains a commitment to phasing out by 2030 new purely petrol and diesel cars as part of the transition to zero emission vehicles. As part of this ambition a consultation with industry was launched in December 2024 across the Department for Transport, Department for Energy Security and Net Zero, Department for Business and Trade, and Office for Zero Emission Vehicles.

The consultation covers a range of topics, including which hybrid cars can be sold alongside zero emission models between 2030 and 2035 and the removal of barriers to EV ownership, including charging infrastructure, improving grid connection processes, changes to planning permitted development rights, and available solutions for on-street parking such as cross-pavement street works. This Council will play a role in some of this moving forward, particularly as a Local Planning Authority.

At a local level the Council will incorporate future policies to support EV provision through its new Development Plan, something this Council has committed to progressing under the Council's Local Development Scheme. National guidance on the new Development Plan process is expected this summer. The Development Plan will, of course, consider a range of sustainability and climate change ambitions beyond EV charging infrastructure. In the interim the Council continues to be pragmatic when dealing with EV charging requests, whether it be from a conservation/Listed Building perspective or in considering on-street EV charging solutions. On the latter this Council is working with Nottinghamshire County Council as part of the LEVI project - Local Electric Vehicle Infrastructure, a nation-wide initiative funded by the Department for Transport which is looking to install new infrastructure in order to give access to on-street EV charge points to residents without the ability to have home charging facilities. Alongside this public and workplace charging facilities continue to come forward which offer charging capabilities.

In accordance with Rule No. 3.3.3 the following question was submitted to the Council from Councillor Sue Saddington:

Could the Portfolio Holder update the Council on what work she has done regarding local hospital provision?

Reply from Councillor Susan Crosby – Portfolio Holder for Health, Wellbeing and Leisure

Thank you, Councillor Saddington, for your request that I update the Council on what work I have done regarding local hospital provision.

This question is timely as a meeting was held on the 4th of February 2025 attended by the Chief Executive of the Integrated Care Board and two other senior leaders, myself, Cllrs Peacock and Cllr Ross and the Director of Housing, Health and Wellbeing.
This meeting was to discuss how we ensure that Newark receives the access to health services that it needs, at the time they are needed. The discussion was positive with the ICB taking away they need to do more to help residents understand the full range of services including overnight healthcare that is available, so residents are reassured that the services they need ARE available.

Health Service delivery has changed, and we will work together to make sure members can talk to residents about what services there are including access to out of hours/ overnight home visits, out of hours GP services and how these are accessed through 111.
We agreed a number of actions including a written response from the ICB to confirm services in place and new services coming soon. There will also be training for members to follow.

The Council have already supported Newark Hospital with enabling access to land for additional on-site parking for the hospital.

Supplemental Question from Councillor Sue Saddington

Can I ask what you have done? Are you aware that the minor treatment centre hours have changed permanently and why aren't you looking at alternative providers. Have you spoken to appropriate stakeholders?

Reply from Councillor Susan Crosby – Portfolio Holder for Health, Wellbeing and Leisure

There is nothing to add to what I referred to in my presentation to the Policy & Performance Improvement Committee last evening. We are working with the Integrated Care Board to ensure there is overnight care.

APPENDIX B

ALLOCATION OF SEATS TO POLITICAL GROUPS

Committee	Conservative	Labour	Independents for Newark & District	Liberal Democrats	Newark & Sherwood District Independents	Green	Independent N/A - Amer	Independent N/A - Brown	Independent N/A - Dales	Independent N/A - Holloway	Independent N/A - Lee	Total Seats By Committee
Policy & Performance Improvement	4	4	3	1	1	1				1		**15**
Planning	4	4	2	2		1	1		1			**15**
General Purposes	5	4	2	1	1	1					1	**15**
Licensing	5	4	2	1	1	1					1	**15**
Audit & Governance*	3	3	3	1	1					1		**12**
Board of Gilstrap Trustees+	2	1					1	1				**5**
Total Seats by Group	23	20	12	6	4	4	2	1	1	2	2	**77**

*Note The Audit & Governance Committee includes one independent co-opted member acting in an advisory capacity

+Note The Board of Trustees of the Gilstrap Charity includes up to four non-voting co-opted Members (Newark Wards)

MEMBERSHIP OF COMMITTEES **APPENDIX C**

POLICY & PERFORMANCE IMPROVEMENT COMMITTEE						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. N. Allen	1. A. Brazier	1. J. Hall	1. K. Roberts	1.T. Thompson	1. M. Spoors	1. R. Holloway
2. R. Jackson	2. C. Brooks	2. D. Moore				
3. P. Rainbow	3. A. Freeman	3. N. Ross (V/C)				
4. T. Wendels	4. M. Pringle (C)					
SUBSTITUTES	SUBSTITUTES	SUBSTITUTES	SUBSTITUTES	SUBSTITUTES	SUBSTITUTES	SUBSTITUTES
1. P. Farmer	1. L. Tift		1. P. Harris	1.D. Darby	1. -	
2. S. Michael	2. -					
PLANNING COMMITTEE						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. P. Rainbow	1. C. Brooks	1. S. Forde	1. P. Harris		1. E. Oldham	1. A. Amer
2. S. Saddington	2. A. Freeman (C)	2. D. Moore (V/C)	2. K. Melton			2. L. Dales
3. T. Smith	3. M. Shakeshaft					
4. T. Wildgust	4. L. Tift					
LICENSING COMMITTEE						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. N. Allen	1. A. Brazier	1. J. Hall (C)	1. K. Roberts	1. D. Darby	1. M. Spoors	1. J. Lee
2. R. Jackson	2. L. Brazier	2. D. Moore				
3. S. Michael	3. P. Taylor					
4. S. Saddington	4. L. Tift (V/C)					
5. T. Wildgust						
GENERAL PURPOSES COMMITTEE						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. N. Allen	1. A. Brazier	1. J. Hall (C)	1. K. Roberts	1. D. Darby	1. M. Spoors	1. J. Lee
2. R. Jackson	2. L. Brazier	2. D. Moore				
3. S. Michael	3. P. Taylor					
4. S. Saddington	4. L. Tift (V/C)					
5. T. Wildgust						

AUDIT & GOVERNANCE COMMITTEE						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. P. Farmer	1. A. Freeman	1. R. Cozens	1. P. Harris	1. T. Thompson		1. R. Holloway (C)
2. S. Haynes	2. C. Penny	2. S. Forde				
3. S. Michael (V/C)	3. M. Shakeshaft	3. J. Hall				
BOARD OF GILSTRAP TRUSTEES^						
CONSERVATIVE	LABOUR	INDEPENDENTS FOR NEWARK & DISTRICT	LIBERAL DEMOCRATS	N&S INDS	GREEN	IND - NON-ALIGNED
1. S. Haynes	1. P. Taylor					1. A. Amer (C)
2. J. Kellas						2. I. Brown
MANSFIELD AND DISTRICT CREMATORIUM JOINT COMMITTEE#						
CABINET						
1. L. Brazier						
2. S. Crosby						
3. P. Peacock						

TENANT ENGAGEMENT BOARD
Membership to comprise of the Portfolio Holder with responsibility for housing and three representatives to be appointed by the Policy & Performance Improvement Committee (plus three tenant representatives).
PLANNING POLICY BOARD
Membership to comprise of the Portfolio Holder with responsibility for planning policy and three representatives to be appointed by the Planning Committee and three representatives to be appointed by the Policy & Performance Improvement Committee.

Notes:
1. C = Chair
2. V/C = Vice-Chair

^ Newark Ward Members not appointed to sit on the Trustee Board as non-voting co-optees.

The Mansfield Crematorium Joint Committee is an Executive Function which does not need to reflect political balance and will comprise of Executive Members.

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Full Council Meeting – 6 March 2025
Portfolio Holder:	Councillor Paul Peacock, Strategy, Performance & Finance
Director Lead:	Sanjiv Kohli – Deputy Chief Executive / Director – Resources / Section 151 Officer
Lead Officers:	Nick Wilson, Business Manager - Financial Services, Ext. 5317 Phil Ward, Business Manager - Revenues & Benefits, Ext. 5347

Report Summary	
Report Title	Revenue Budget and Council Tax Setting for 2025/26
Purpose of Report	The functions of calculating the Council Tax requirement and the District element of the Council Tax, and the function of setting the Council Tax are the responsibility of the Full Council. This report provides members of the Council with the information required to set a Council Tax for 2025/26 in accordance with statutory regulations.
Recommendations	That Council: a) note the proposals under section 2 of the report; b) approve the proposals under section 3 of the report; c) note sections 4, 5 and 6 of the report; d) note the proposal in section 7 of the report; and e) note the determination in section 8 of the report.
Reason for Recommendation	To ensure the Council fulfils its statutory duty, under Section 30 of the Local Government Act 1992, to set a Council Tax for 2025/26.

1.0 Background

1.1 The Council is required by the Local Government Finance Act 1992 to set a Council Tax for 2025/2026.

1.2 The Council Tax Base for the Council, together with the Council Tax Base for all Parish Councils within the District and the Business Rates Base, have been determined in accordance with the regulations. These figures (for noting) are shown in 2.2 (a), (b) and (c) of this report.

1.3 In setting the level of Council Tax for 2025/2026 it is necessary to consider the requirements of the Council Tax Collection Fund for 2025/2026. This incorporates the District Council's Council Tax Requirement, Parish Council Precepts, and the Council Tax requirements of Nottinghamshire County Council, the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Fire and Rescue Service.

1.4 The Cabinet meeting held on the 18 February 2025, recommended that the District Council's Net Budget Requirement for 2025/2026 should be £20,900,860.

1.5 As part of the budget process, the views of the operational committees have been taken into account.

1.6 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 require that "immediately after any vote is taken at a budget decision meeting of an authority there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting". Members will be aware that this applies to all parts of Proposals 3 a-i in this report.

1.7 All Parish Council precepts have now been received. Parish precepts total £4,091,219.49. Individual Parish Council precepts are shown in the table below.

	Parish	**Precept 2025-26 £**
1	Alverton	-
2	Averham	*
3	Balderton	383,718.00
4	Barnby in the Willows	5,241.78
5	Bathley	1,792.00
6	Besthorpe	8,450.00
7	Bilsthorpe	96,070.66
8	Bleasby	20,401.00
9	Blidworth	98,051.00
10	Bulcote	11,000.00
11	Carlton-on-Trent	8,032.00
12	Caunton	7,050.00
13	Caythorpe	8,600.00
14	Clipstone	174,793.00
15	Coddington	18,306.00
16	Collingham	51,437.00
17	Cotham	-
18	Cromwell	1,050.00
19	Eakring	8,500.00

	PARISH	PRECEPT 2025-26 £
20	East Stoke	****
21	Edingley	13,500.00
22	Edwinstowe	221,600.00
23	Egmanton	5,500.00
24	Elston	30,975.00
25	Epperstone	18,630.00
26	Farndon	64,254.00
27	Farnsfield	91,129.00
28	Fiskerton-cum-Morton	9,765.00
29	Girton and Meering	1,225.00
30	Gonalston	-
31	Grassthorpe	-
32	Gunthorpe	24,675.00
33	Halam	8,000.00
34	Halloughton	-
35	Harby	6,491.00
36	Hawton	1,300.00
37	Hockerton	5,000.00
38	Holme	-
39	Hoveringham	16,800.00
40	Kelham	*
41	Kersall	**
42	Kilvington	-
43	Kirklington	9,500.00
44	Kirton	8,000.00
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	4,830.00
48	Lowdham	86,000.00

	Parish	Precept 2025-26 £
49	Lyndhurst	-
50	Maplebeck	-
51	Meering	-
52	Newark	1,299,163.00
53	North Clifton	2,008.00
54	North Muskham	18,883.00
55	Norwell	9,914.00
56	Ollerton and Boughton	539,185.00
57	Ompton	**
58	Ossington	-
59	Oxton	21,000.00
60	Perlethorpe-cum-Budby	1,800.00
61	Rainworth	70,000.00
62	Rolleston	10,297.05
63	Rufford	4,000.00
64	South Clifton	3,050.00
65	South Muskham	13,922.00
66	South Scarle	5,430.00
67	Southwell	294,754.00
68	Spalford	-
69	Staunton	-
70	Staythorpe	*
71	Sutton-on-Trent	28,980.00
72	Syerston	-
73	Thorney	3,200.00
74	Thorpe	****
75	Thurgarton	17,555.00
76	Upton	8,900.00
77	Walesby	50,847.00

	Parish	Precept 2025-26 £
78	Wellow	8,200.00
79	Weston	4,917.00
80	Wigsley	1,000.00
81	Winkburn	-
82	Winthorpe	***
83	Fernwood	107,410.00
84	Kings Clipstone	10,890.00

Parishes Grouped for Precept Purposes

*	Averham, Kelham, Staythorpe	5,330.00
**	Kneesall, Kersall, Ompton	3,168.00
***	Winthorpe, Langford	14,000.00
****	East Stoke, Thorpe	3,750.00
	Total	**4,091,219.49**

1.8 The Government Grants and net retained Business Rates (including pool surplus) form part of the District Council's General Fund and are not part of the Collection Fund. These amounts total £12,906,738 for 2024/25 and are shown at 3(d).

1.9 In setting the level of Council Tax for 2025/2026, it is necessary to assess whether any adjustment is necessary due to the level of Council Tax levy prior to 2025/2026. This involves calculations according to the provisions of the Local Authorities (Funds)(England) Regulations 1992, as subsequently amended. The position of the Council Tax Collection Fund was examined on 15 January, 2025, as required by the Regulations. After calculation, it is considered that there is a deficit on the Council Tax Collection Fund and therefore an adjustment is necessary to the level of Council Tax for 2025/2026 in respect of this.

1.10 Any deficit on the Collection Fund has, by law, to be apportioned between the District Council, the County Council, the Police and Crime Commissioner and the Fire Authority in proportion to their respective calls on the Collection Fund for the previous year.

1.11 The proportion of the deficit relating to Newark & Sherwood District Council is £173,900, this reduction is shown at 3 (e).

1.12 The amount shown at 3(f) of £403,670 is the amount that the Council has determined to contribute to usable reserves.

1.13 The amount shown at 3(g) of £8,571,692.00 is the Council Tax requirement for Newark and Sherwood District Council (excluding parish precepts) net of revenue support grant and business rates income as shown at 3(d).

1.14 The basic level of tax (i.e. the level of tax for Band D properties) required to fund District Council Services in areas where no parish charge is levied is £200.65 as shown at 3(h).

1.15 There are no District Council Special Expenses for 2025/2026. The amount shown at 3(i) of £4,091,219.49 for special items relates to Parish Precepts only.

1.16 The basic level of tax i.e. the level of tax for Band D properties for District Council Services and the average of all parish precepts is shown at 3(j).

1.17 The basic level of tax for Band D properties in each parish, including parish charges (where appropriate) is shown at 3(k).

1.18 The basic level of tax for Band D properties is then multiplied by the appropriate statutory factor for each valuation band in order to arrive at the level of tax for District and Parish services for each valuation band. The resulting figures are shown at 3(l).

1.19 These figures then have to be added to the level of tax set by Nottinghamshire County Council, the Nottinghamshire Police & Crime Commissioner and the Nottingham and Nottinghamshire Fire and Rescue Service, for the provision of its services.

1.20 Nottinghamshire County Council has set a precept on Newark and Sherwood District Council's collection fund for 2025/2026 of £80,936,000.00, equivalent to a Band D Council Tax of £1,894.54. Council Tax figures for each Band are set out in section 4.

121 The Nottinghamshire Police & Crime Commissioner has set a precept on Newark and Sherwood District Council's Collection fund for 2025/2026 of £12,649,587.43, equivalent to a Band D Council Tax of £296.10. Council Tax figures for each Band are set out in section 5.

1.22 The Nottingham and Nottinghamshire Fire and Rescue Service (the "Combined Fire Authority") has set a precept on Newark and Sherwood District Council's Collection fund for 2025/2026 of £4,152,875.36 equivalent to a Band D Council Tax of £97.21. Council Tax figures for each Band are set out in section 6.

1.23 The total levels of Council Tax for 2025/2026 for each Council Tax valuation band in each parish is shown in section 7.

1.24 The level of Council Tax for Newark and Sherwood District Council services only is:

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30

1.25 From 2012/13, the Government replaced the former Council Tax Capping provisions with regulations requiring a Council Tax referendum to be held where a Council proposes a Council Tax increase in excess of a level set by the Secretary of State. For 2025/26, the level of Council Tax increase that would trigger a referendum has been set at the higher of 3.0% or more than £5.00. Having carried out the necessary calculation, the Council's budget and Council Tax do not exceed the threshold and so do not trigger a referendum. This is reflected in section 8.

1.26 The total level of Council Tax, including the requirements of Nottinghamshire County Council, the Nottinghamshire Police & Crime Commissioner and the Nottinghamshire Fire and Rescue Service, for areas where there is no parish precept is:

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00

2.0 Proposals for Noting

2.1 **it be noted that the following amounts have been determined for the year 2025/2026 in accordance with regulations made under Section 31(B) of the Local Government Finance Act 1992:-**

(a) 42,720.66 **being the amount calculated by the Council in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year;**

(b) £47,762,186 **being the net business rate yield after transitional arrangements and rate retention;**

(c) Part of the Council's Area

	PARISH	TOTAL LOCAL TAX BASE
1	Alverton	26.82
2	Averham	121.41
3	Balderton	3,080.34
4	Barnby in the Willows	110.25
5	Bathley	118.08
6	Besthorpe	83.07
7	Bilsthorpe	1,143.81
8	Bleasby	403.74
9	Blidworth	1,180.89

	PARISH	TOTAL LOCAL TAX BASE
10	Bulcote	177.03
11	Carlton-on-Trent	102.96
12	Caunton	208.26
13	Caythorpe	141.30
14	Clipstone	1,692.90
15	Coddington	569.70
16	Collingham	1,272.78
17	Cotham	44.73
18	Cromwell	110.34
19	Eakring	208.80
20	East Stoke	74.07
21	Edingley	191.43
22	Edwinstowe	2,047.68
23	Egmanton	131.67
24	Elston	285.03
25	Epperstone	275.94
26	Farndon	823.41
27	Farnsfield	1,335.24
28	Fiskerton-cum-Morton	428.76
29	Girton and Meering	57.15
30	Gonalston	53.91
31	Grassthorpe	29.43
32	Gunthorpe	315.09
33	Halam	205.11
34	Halloughton	39.96
35	Harby	125.28
36	Hawton	31.77
37	Hockerton	107.01
38	Holme	43.38
39	Hoveringham	175.86

	PARISH	TOTAL LOCAL TAX BASE
40	Kelham	87.03
41	Kersall	20.97
42	Kilvington	14.22
43	Kirklington	170.73
44	Kirton	133.02
45	Kneesall	96.30
46	Langford	42.39
47	Laxton & Moorhouse	117.54
48	Lowdham	1,011.87
49	Lyndhurst	7.65
50	Maplebeck	45.45
51	Meering	-
52	Newark	9,294.84
53	North Clifton	74.43
54	North Muskham	418.32
55	Norwell	230.31
56	Ollerton and Boughton	3,057.84
57	Ompton	21.15
58	Ossington	40.59
59	Oxton	270.36
60	Perlethorpe-cum-Budby	75.60
61	Rainworth	1,954.35
62	Rolleston	165.15
63	Rufford	236.25
64	South Clifton	128.97
65	South Muskham	194.94
66	South Scarle	98.10
67	Southwell	3,053.16
68	Spalford	41.31
69	Staunton	29.61

	PARISH	TOTAL LOCAL TAX BASE
70	Staythorpe	45.09
71	Sutton-on-Trent	555.93
72	Syerston	96.93
73	Thorney	102.78
74	Thorpe	35.10
75	Thurgarton	252.81
76	Upton	199.89
77	Walesby	446.13
78	Wellow	194.22
79	Weston	145.89
80	Wigsley	53.01
81	Winkburn	50.40
82	Winthorpe	287.01
83	Fernwood	1,421.28
84	Kings Clipstone	127.35
	Total Rounded	42,720.66

Parishes Grouped For Precept Purposes

	Averham, Kelham, Staythorpe	253.53
	Kneesall, Kersall, Ompton	138.42
	Winthorpe, Langford	329.40
	East Stoke, Thorpe	109.17

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax base for the year for dwellings in those parts of its area to which one or more special items relate.

3.0 <u>Proposals to be Approved</u>

3.1 **The revenue estimates for 2025/2026 and schedule of fees and charges, as submitted in the Council's Budget book be approved;**

3.2 **That the following amounts be now calculated by the Council for the year 2025/2026 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-**

(a)	**£57,162,110.00**	**being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) to (4) of the Act;**
(b)	**£36,261,250.00**	**being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act;**
(c)	**£20,900,860.00**	**being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with section 31A(4) of the Act, as its Council Tax requirement for the year;**
(d)	**£12,906,738.00**	**being the amount of Government Grants (£2,060,920) and net retained Business Rates (including pool surplus) (£10,845,818) which the Council estimates will be payable for the year into its general fund;**
(e)	**£173,900.00**	**being the amount which the Council has estimated in accordance with regulations issued under Section 97(3) of the Local Government Finance Act 1988 as its proportion of the deficit on the Council Tax Collection Fund;**
(f)	**£403,670.00**	**being the amount that the Council has determined to contribute to usable reserves;**
(g)	**£8,571,692.00**	**being the amount at 3(c) above less the amount at 3(d) above plus the amount at 3(e) above less the amount at 3(f) above calculated by the Council as its' net Council Tax requirement for the year.**
(h)	**£200.65**	**being the amount at 3(g) divided by the amount at 2(a), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.**
(i)	**£4,091,219.00**	**being the aggregate amount of all special items referred to in Section 34(1) of the Act, the Council resolves there being no other special items;**
(j)	**£296.41**	**being the amount at 3(g) above plus the amount at 3(i) above divided by the amount at 2(a) above calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;**
(k)		

	PARISH	BASIC TAX (£)
1	Alverton	200.65
2	Averham	*
3	Balderton	325.22
4	Barnby in the Willows	248.19
5	Bathley	215.83
6	Besthorpe	302.37
7	Bilsthorpe	284.64
8	Bleasby	251.18
9	Blidworth	283.68
10	Bulcote	262.79
11	Carlton-on-Trent	278.66
12	Caunton	234.50
13	Caythorpe	261.51
14	Clipstone	303.90
15	Coddington	232.78
16	Collingham	241.06
17	Cotham	200.65
18	Cromwell	210.17
19	Eakring	241.36
20	East Stoke	****
21	Edingley	271.17
22	Edwinstowe	308.87
23	Egmanton	242.42
24	Elston	309.32
25	Epperstone	268.16
26	Farndon	278.68
27	Farnsfield	268.90
28	Fiskerton-cum-Morton	223.42
29	Girton and Meering	222.08

	PARISH	BASIC TAX (£)
30	Gonalston	200.65
31	Grassthorpe	200.65
32	Gunthorpe	278.96
33	Halam	239.65
34	Halloughton	200.65
35	Harby	252.46
36	Hawton	241.57
37	Hockerton	247.37
38	Holme	200.65
39	Hoveringham	296.18
40	Kelham	*
41	Kersall	**
42	Kilvington	200.65
43	Kirklington	256.29
44	Kirton	260.79
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	241.74
48	Lowdham	285.64
49	Lyndhurst	200.65
50	Maplebeck	200.65
51	Meering	200.65
52	Newark	340.42
53	North Clifton	227.63
54	North Muskham	245.79
55	Norwell	243.70
56	Ollerton and Boughton	376.98
57	Ompton	**
58	Ossington	200.65

	PARISH	BASIC TAX (£)
59	Oxton	278.32
60	Perlethorpe-cum-Budby	224.46
61	Rainworth	236.47
62	Rolleston	263.00
63	Rufford	217.58
64	South Clifton	224.30
65	South Muskham	272.07
66	South Scarle	256.00
67	Southwell	297.19
68	Spalford	200.65
69	Staunton	200.65
70	Staythorpe	*
71	Sutton-on-Trent	252.78
72	Syerston	200.65
73	Thorney	231.78
74	Thorpe	****
75	Thurgarton	270.09
76	Upton	245.17
77	Walesby	314.62
78	Wellow	242.87
79	Weston	234.35
80	Wigsley	219.51
81	Winkburn	200.65
82	Winthorpe	***
83	Fernwood	276.22
84	Kings Clipstone	286.16

	Parishes Grouped for Parish Purposes	Basic Tax (£)
*	Averham, Kelham, Staythorpe	221.67

**	Kneesall, Kersall, Ompton	223.54
***	Winthorpe, Langford	243.15
****	East Stoke, Thorpe	235.00

being the amounts given by adding to the amount at 3(h) above the amounts of the special item or items (if any) relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in parts of its area including those parts to which one or more special items relate.

I **The table below shows the basic level of tax for all property bands in each parish, including parish charges where appropriate. This is shown on the following two pages**.

	Part of the Council's area, being the Parishes of:-	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£
1	Alverton	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
2	Averham	*	*	*	*	*	*	*	*
3	Balderton	216.81	252.95	289.08	325.22	397.49	469.76	542.03	650.44
4	Barnby in the Willows	165.46	193.04	220.61	248.19	303.34	358.50	413.65	496.38
5	Bathley	143.89	167.87	191.85	215.83	263.79	311.75	359.72	431.66
6	Besthorpe	201.58	235.18	268.77	302.37	369.56	436.76	503.95	604.74
7	Bilsthorpe	189.76	221.39	253.01	284.64	347.89	411.15	474.40	569.28
8	Bleasby	167.45	195.36	223.27	251.18	307.00	362.82	418.63	502.36
9	Blidworth	189.12	220.64	252.16	283.68	346.72	409.76	472.80	567.36
10	Bulcote	175.19	204.39	233.59	262.79	321.19	379.59	437.98	525.58
11	Carlton-on-Trent	185.77	216.74	247.70	278.66	340.58	402.51	464.43	557.32

12	Caunton	156.33	182.39	208.44	234.50	286.61	338.72	390.83	469.00
13	Caythorpe	174.34	203.40	232.45	261.51	319.62	377.74	435.85	523.02
14	Clipstone	202.60	236.37	270.13	303.90	371.43	438.97	506.50	607.80
15	Coddington	155.19	181.05	206.92	232.78	284.51	336.24	387.97	465.56
16	Collingham	160.71	187.49	214.28	241.06	294.63	348.20	401.77	482.12
17	Cotham	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
18	Cromwell	140.11	163.47	186.82	210.17	256.87	303.58	350.28	420.34
19	Eakring	160.91	187.72	214.54	241.36	295.00	348.63	402.27	482.72
20	East Stoke	****	****	****	****	****	****	****	****
21	Edingley	180.78	210.91	241.04	271.17	331.43	391.69	451.95	542.34
22	Edwinstowe	205.91	240.23	274.55	308.87	377.51	446.15	514.78	617.74
23	Egmanton	161.61	188.55	215.48	242.42	296.29	350.16	404.03	484.84
24	Elston	206.21	240.58	274.95	309.32	378.06	446.80	515.53	618.64
25	Epperstone	178.77	208.57	238.36	268.16	327.75	387.34	446.93	536.32
26	Farndon	185.79	216.75	247.72	278.68	340.61	402.54	464.47	557.36
27	Farnsfield	179.27	209.14	239.02	268.90	328.66	388.41	448.17	537.80
28	Fiskerton-cum-Morton	148.95	173.77	198.60	223.42	273.07	322.72	372.37	446.84
29	Girton	148.05	172.73	197.40	222.08	271.43	320.78	370.13	444.16
30	Gonalston	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
31	Grassthorpe	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30

32	Gunthorpe	185.97	216.97	247.96	278.96	340.95	402.94	464.93	557.92
33	Halam	159.77	186.39	213.02	239.65	292.91	346.16	399.42	479.30
34	Halloughton	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
35	Harby	168.31	196.36	224.41	252.46	308.56	364.66	420.77	504.92
36	Hawton	161.05	187.89	214.73	241.57	295.25	348.93	402.62	483.14
37	Hockerton	164.91	192.40	219.88	247.37	302.34	357.31	412.28	494.74
38	Holme	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
39	Hoveringham	197.45	230.36	263.27	296.18	362.00	427.82	493.63	592.36
40	Kelham	*	*	*	*	*	*	*	*
41	Kersall	**	**	**	**	**	**	**	**
42	Kilvington	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
43	Kirklington	170.86	199.34	227.81	256.29	313.24	370.20	427.15	512.58
44	Kirton	173.86	202.84	231.81	260.79	318.74	376.70	434.65	521.58
45	Kneesall	**	**	**	**	**	**	**	**
46	Langford	***	***	***	***	***	***	***	***
47	Laxton & Moorhouse	161.16	188.02	214.88	241.74	295.46	349.18	402.90	483.48
48	Lowdham	190.43	222.16	253.90	285.64	349.12	412.59	476.07	571.28
49	Lyndhurst	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
50	Maplebeck	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
51	Meering	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
52	Newark	226.95	264.77	302.60	340.42	416.07	491.72	567.37	680.84

53	North Clifton	151.75	177.05	202.34	227.63	278.21	328.80	379.38	455.26
54	North Muskham	163.86	191.17	218.48	245.79	300.41	355.03	409.65	491.58
55	Norwell	162.47	189.54	216.62	243.70	297.86	352.01	406.17	487.40
56	Ollerton and Boughton	251.32	293.21	335.09	376.98	460.75	544.53	628.30	753.96
57	Ompton	**	**	**	**	**	**	**	**
58	Ossington	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
59	Oxton	185.55	216.47	247.40	278.32	340.17	402.02	463.87	556.64
60	Perlethorpe-cum-Budby	149.64	174.58	199.52	224.46	274.34	324.22	374.10	448.92
61	Rainworth	157.65	183.92	210.20	236.47	289.02	341.57	394.12	472.94
62	Rolleston	175.33	204.56	233.78	263.00	321.44	379.89	438.33	526.00
63	Rufford	145.05	169.23	193.40	217.58	265.93	314.28	362.63	435.16
64	South Clifton	149.53	174.46	199.38	224.30	274.14	323.99	373.83	448.60
65	South Muskham	181.38	211.61	241.84	272.07	332.53	392.99	453.45	544.14
66	South Scarle	170.67	199.11	227.56	256.00	312.89	369.78	426.67	512.00
67	Southwell	198.13	231.15	264.17	297.19	363.23	429.27	495.32	594.38
68	Spalford	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
69	Staunton	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
70	Staythorpe	*	*	*	*	*	*	*	*
71	Sutton-on-Trent	168.52	196.61	224.69	252.78	308.95	365.13	421.30	505.56
72	Syerston	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30

73	Thorney	154.52	180.27	206.03	231.78	283.29	334.79	386.30	463.56
74	Thorpe	****	****	****	****	****	****	****	****
75	Thurgarton	180.06	210.07	240.08	270.09	330.11	390.13	450.15	540.18
76	Upton	163.45	190.69	217.93	245.17	299.65	354.13	408.62	490.34
77	Walesby	209.75	244.70	279.66	314.62	384.54	454.45	524.37	629.24
78	Wellow	161.91	188.90	215.88	242.87	296.84	350.81	404.78	485.74
79	Weston	156.23	182.27	208.31	234.35	286.43	338.51	390.58	468.70
80	Wigsley	146.34	170.73	195.12	219.51	268.29	317.07	365.85	439.02
81	Winkburn	133.77	156.06	178.36	200.65	245.24	289.83	334.42	401.30
82	Winthorpe	***	***	***	***	***	***	***	***
83	Fernwood	184.15	214.84	245.53	276.22	337.60	398.98	460.37	552.44
84	Kings Clipstone	190.77	222.57	254.36	286.16	349.75	413.34	476.93	572.32

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	147.78	172.41	197.04	221.67	270.93	320.19	369.45	443.34
**	Kneesall, Kersall, Ompton	149.03	173.86	198.70	223.54	273.22	322.89	372.57	447.08
***	Winthorpe, Langford	162.10	189.12	216.13	243.15	297.18	351.22	405.25	486.30
****	East Stoke, Thorpe	156.67	182.78	208.89	235.00	287.22	339.44	391.67	470.00

being the amounts given by multiplying the amounts at 3(i) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. **it be noted for the year 2025/2026 that the Nottinghamshire County Council has stated**

the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below;

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
1,263.03	1,473.53	1,684.04	1,894.54	2,315.55	2,736.56	3,157.57	3,789.08

5. **it be noted for the year 2025/2026 that the Nottinghamshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below;**

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
197.40	230.30	263.20	296.10	361.90	427.70	493.50	592.20

6. **it be noted for the year 2025/2026 that the Nottinghamshire Fire and Rescue Service has proposed the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below; and**

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
64.81	75.61	86.41	97.21	118.81	140.41	162.02	194.42

7. **having calculated the aggregate in each case of the amounts at 3(i) and 4, 5 and 6 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amount of Council Tax for the year 2025/2026 for each valuation band shown on the following pages:**

Proposal 7

	Part of the Council's area, being the Parishes of:-	Band A	Band B	Band C	**Band D**	Band E	Band F	Band G	Band H
		£	£	£	**£**	£	£	£	£
1	Alverton	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
2	Averham	1,673.02	1,951.85	2,230.69	2,509.52	3,067.19	3,624.86	4,182.54	5,019.04
3	Balderton	1,742.05	2,032.39	2,322.73	2,613.07	3,193.75	3,774.43	4,355.12	5,226.14

4	Barnby in the Willows	1,690.70	1,972.48	2,254.26	2,536.04	3,099.60	3,663.17	4,226.74	5,072.08
5	Bathley	1,669.13	1,947.31	2,225.50	2,503.68	3,060.05	3,616.42	4,172.81	5,007.36
6	Besthorpe	1,726.82	2,014.62	2,302.42	2,590.22	3,165.82	3,741.43	4,317.04	5,180.44
7	Bilsthorpe	1,715.00	2,000.83	2,286.66	2,572.49	3,144.15	3,715.82	4,287.49	5,144.98
8	Bleasby	1,692.69	1,974.80	2,256.92	2,539.03	3,103.26	3,667.49	4,231.72	5,078.06
9	Blidworth	1,714.36	2,000.08	2,285.81	2,571.53	3,142.98	3,714.43	4,285.89	5,143.06
10	Bulcote	1,700.43	1,983.83	2,267.24	2,550.64	3,117.45	3,684.26	4,251.07	5,101.28
11	Carlton-on-Trent	1,711.01	1,996.18	2,281.35	2,566.51	3,136.84	3,707.18	4,277.52	5,133.02
12	Caunton	1,681.57	1,961.83	2,242.09	2,522.35	3,082.87	3,643.39	4,203.92	5,044.70
13	Caythorpe	1,699.58	1,982.84	2,266.10	2,549.36	3,115.88	3,682.41	4,248.94	5,098.72
14	Clipstone	1,727.84	2,015.81	2,303.78	2,591.75	3,167.69	3,743.64	4,319.59	5,183.50
15	Coddington	1,680.43	1,960.49	2,240.57	2,520.63	3,080.77	3,640.91	4,201.06	5,041.26
16	Collingham	1,685.95	1,966.93	2,247.93	2,528.91	3,090.89	3,652.87	4,214.86	5,057.82
17	Cotham	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
18	Cromwell	1,665.35	1,942.91	2,220.47	2,498.02	3,053.13	3,608.25	4,163.37	4,996.04
19	Eakring	1,686.15	1,967.16	2,248.19	2,529.21	3,091.26	3,653.30	4,215.36	5,058.42
20	East Stoke	1,681.91	1,962.22	2,242.54	2,522.85	3,083.48	3,644.11	4,204.76	5,045.70
21	Edingley	1,706.02	1,990.35	2,274.69	2,559.02	3,127.69	3,696.36	4,265.04	5,118.04
22	Edwinstowe	1,731.15	2,019.67	2,308.20	2,596.72	3,173.77	3,750.82	4,327.87	5,193.44
23	Egmanton	1,686.85	1,967.99	2,249.13	2,530.27	3,092.55	3,654.83	4,217.12	5,060.54
24	Elston	1,731.45	2,020.02	2,308.60	2,597.17	3,174.32	3,751.47	4,328.62	5,194.34
25	Epperstone	1,704.01	1,988.01	2,272.01	2,556.01	3,124.01	3,692.01	4,260.02	5,112.02
26	Farndon	1,711.03	1,996.19	2,281.37	2,566.53	3,136.87	3,707.21	4,277.56	5,133.06
27	Farnsfield	1,704.51	1,988.58	2,272.67	2,556.75	3,124.92	3,693.08	4,261.26	5,113.50
28	Fiskerton-cum-Morton	1,674.19	1,953.21	2,232.25	2,511.27	3,069.33	3,627.39	4,185.46	5,022.54
29	Girton	1,673.29	1,952.17	2,231.05	2,509.93	3,067.69	3,625.45	4,183.22	5,019.86
30	Gonalston	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
31	Grassthorpe	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
32	Gunthorpe	1,711.21	1,996.41	2,281.61	2,566.81	3,137.21	3,707.61	4,278.02	5,133.62
33	Halam	1,685.01	1,965.83	2,246.67	2,527.50	3,089.17	3,650.83	4,212.51	5,055.00
34	Halloughton	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00

35	Harby	1,693.55	1,975.80	2,258.06	2,540.31	3,104.82	3,669.33	4,233.86	5,080.62
36	Hawton	1,686.29	1,967.33	2,248.38	2,529.42	3,091.51	3,653.60	4,215.71	5,058.84
37	Hockerton	1,690.15	1,971.84	2,253.53	2,535.22	3,098.60	3,661.98	4,225.37	5,070.44
38	Holme	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
39	Hoveringham	1,722.69	2,009.80	2,296.92	2,584.03	3,158.26	3,732.49	4,306.72	5,168.06
40	Kelham	1,673.02	1,951.85	2,230.69	2,509.52	3,067.19	3,624.86	4,182.54	5,019.04
41	Kersall	1,674.27	1,953.30	2,232.35	2,511.39	3,069.48	3,627.56	4,185.66	5,022.78
42	Kilvington	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
43	Kirklington	1,696.10	1,978.78	2,261.46	2,544.14	3,109.50	3,674.87	4,240.24	5,088.28
44	Kirton	1,699.10	1,982.28	2,265.46	2,548.64	3,115.00	3,681.37	4,247.74	5,097.28
45	Kneesall	1,674.27	1,953.30	2,232.35	2,511.39	3,069.48	3,627.56	4,185.66	5,022.78
46	Langford	1,687.34	1,968.56	2,249.78	2,531.00	3,093.44	3,655.89	4,218.34	5,062.00
47	Laxton & Moorhouse	1,686.40	1,967.46	2,248.53	2,529.59	3,091.72	3,653.85	4,215.99	5,059.18
48	Lowdham	1,715.67	2,001.60	2,287.55	2,573.49	3,145.38	3,717.26	4,289.16	5,146.98
49	Lyndhurst	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
50	Maplebeck	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
51	Meering	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
52	Newark	1,752.19	2,044.21	2,336.25	2,628.27	3,212.33	3,796.39	4,380.46	5,256.54
53	North Clifton	1,676.99	1,956.49	2,235.99	2,515.48	3,074.47	3,633.47	4,192.47	5,030.96
54	North Muskham	1,689.10	1,970.61	2,252.13	2,533.64	3,096.67	3,659.70	4,222.74	5,067.28
55	Norwell	1,687.71	1,968.98	2,250.27	2,531.55	3,094.12	3,656.68	4,219.26	5,063.10
56	Ollerton and Boughton	1,776.56	2,072.65	2,368.74	2,664.83	3,257.01	3,849.20	4,441.39	5,329.66
57	Ompton	1,674.27	1,953.30	2,232.35	2,511.39	3,069.48	3,627.56	4,185.66	5,022.78
58	Ossington	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
59	Oxton	1,710.79	1,995.91	2,281.05	2,566.17	3,136.43	3,706.69	4,276.96	5,132.34
60	Perlethorpe-cum-Budby	1,674.88	1,954.02	2,233.17	2,512.31	3,070.60	3,628.89	4,187.19	5,024.62
61	Rainworth	1,682.89	1,963.36	2,243.85	2,524.32	3,085.28	3,646.24	4,207.21	5,048.64
62	Rolleston	1,700.57	1,984.00	2,267.43	2,550.85	3,117.70	3,684.56	4,251.42	5,101.70
63	Rufford	1,670.29	1,948.67	2,227.05	2,505.43	3,062.19	3,618.95	4,175.72	5,010.86
64	South Clifton	1,674.77	1,953.90	2,233.03	2,512.15	3,070.40	3,628.66	4,186.92	5,024.30

65	South Muskham	1,706.62	1,991.05	2,275.49	2,559.92	3,128.79	3,697.66	4,266.54	5,119.84
66	South Scarle	1,695.91	1,978.55	2,261.21	2,543.85	3,109.15	3,674.45	4,239.76	5,087.70
67	Southwell	1,723.37	2,010.59	2,297.82	2,585.04	3,159.49	3,733.94	4,308.41	5,170.08
68	Spalford	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
69	Staunton	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
70	Staythorpe	1,673.02	1,951.85	2,230.69	2,509.52	3,067.19	3,624.86	4,182.54	5,019.04
71	Sutton-on-Trent	1,693.76	1,976.05	2,258.34	2,540.63	3,105.21	3,669.80	4,234.39	5,081.26
72	Syerston	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
73	Thorney	1,679.76	1,959.71	2,239.68	2,519.63	3,079.55	3,639.46	4,199.39	5,039.26
74	Thorpe	1,681.91	1,962.22	2,242.54	2,522.85	3,083.48	3,644.11	4,204.76	5,045.70
75	Thurgarton	1,705.30	1,989.51	2,273.73	2,557.94	3,126.37	3,694.80	4,263.24	5,115.88
76	Upton	1,688.69	1,970.13	2,251.58	2,533.02	3,095.91	3,658.80	4,221.71	5,066.04
77	Walesby	1,734.99	2,024.14	2,313.31	2,602.47	3,180.80	3,759.12	4,337.46	5,204.94
78	Wellow	1,687.15	1,968.34	2,249.53	2,530.72	3,093.10	3,655.48	4,217.87	5,061.44
79	Weston	1,681.47	1,961.71	2,241.96	2,522.20	3,082.69	3,643.18	4,203.67	5,044.40
80	Wigsley	1,671.58	1,950.17	2,228.77	2,507.36	3,064.55	3,621.74	4,178.94	5,014.72
81	Winkburn	1,659.01	1,935.50	2,212.01	2,488.50	3,041.50	3,594.50	4,147.51	4,977.00
82	Winthorpe	1,687.34	1,968.56	2,249.78	2,531.00	3,093.44	3,655.89	4,218.34	5,062.00
83	Fernwood	1,709.39	1,994.28	2,279.18	2,564.07	3,133.86	3,703.65	4,273.46	5,128.14
84	Kings Clipstone	1,716.01	2,002.01	2,288.01	2,574.01	3,146.01	3,718.01	4,290.02	5,148.02

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	1,673.02	1,951.85	2,230.69	2,509.52	3,067.19	3,624.86	4,182.54	5,019.04
**	Kneesall, Kersall, Ompton	1,674.27	1,953.30	2,232.35	2,511.39	3,069.48	3,627.56	4,185.66	5,022.78
***	Winthorpe, Langford	1,687.34	1,968.56	2,249.78	2,531.00	3,093.44	3,655.89	4,218.34	5,062.00
****	East Stoke, Thorpe	1,681.91	1,962.22	2,242.54	2,522.85	3,083.48	3,644.11	4,204.76	5,045.70

8. determine that the Council's basic amount of council tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 and that the referendum provisions in Chapter4ZA do not apply for 2025/26. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2025/26 is excessive and that the billing authority is not

required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.

5.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Legal Implications (LEG2425/3117)

5.1 It is a legal requirement for the Council to complete and approve its budget and set a council tax before 11 March each year. Approval of the Financial Strategy (including the revenue budget and council tax setting) is a function reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Budget Book 2025/26 available at https://www.newark-sherwooddc.gov.uk/budgets/
Local Government Finance Act 1992
Local Government Finance Act 2012
Localism Act 2012
Regulations and Directions issued annually under the above Acts

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Full Council Meeting – 6 March 2025
Relevant Portfolio Holder:	Councillor Paul Peacock, Strategy, Performance & Finance
Director Lead:	Sanjiv Kohli, Deputy Chief Executive / Director – Resources / Section 151 Officer
Lead Officers:	Nick Wilson, Business Manager - Financial Services, Ext 5317

Report Summary	
Report Title	Capital Programme Budget 2025/26 to 2028/29
Purpose of Report	To approve the Council's Capital Programme for 2025/26 to 2028/29.
Recommendations	That: a) the General Fund schemes shown in Appendix A be approved as committed expenditure in the Capital Programme; b) the Capital Programme be managed in accordance with Financial Regulation 6.2.3; c) in accordance with the delegation to the Section 151 Officer in the Council's Constitution to arrange financing of the Council's Capital Programme, the Capital Programme for the financial years 2025/26 to 2028/29 be financed to maximise the resources available, having regard to the provisions of the Local Government and Housing Act 1989 and subsequent legislation; and d) any changes above the limit delegated to the Section 151 Officer (i.e., £10,000), either in funding or the total cost of the capital scheme, be reported to the Cabinet for consideration.
Reason for Recommendations	The Capital Programme to be approved by Council in accordance with Financial Regulation 6.2.3 following recommendation from Cabinet.

1.0 Background

1.1 At its meeting on 18 February 2025, Cabinet considered the proposed Capital Programme and agreed to recommend it to Council. A copy of the report is attached at **Appendix 1**.

2.0 Proposal/Options Considered

2.1 The General Fund Capital Programme for 2025/26 to 2028/29 proposes investment of £51.240m over the 4 year period.

2.2 This expenditure is financed by a combination of Government Grants, Third Party Contributions, Capital Receipts, Revenue Support and borrowing.

3.0 Implications

In writing this report and in putting forward the recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Legal Implications LEG2425/1012

Approval of the Budget (including the Capital Programme) is reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

APPENDIX 1

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Cabinet Meeting: 18 February 2025
Portfolio Holder:	Councillor Paul Peacock, Strategy, Performance & Finance
Director Lead:	Sanjiv Kohli, Director – Resources and Deputy Chief Executive
Lead Officer:	Jenna Norton, Senior Accountant – Financial Services Extension 5327

Report Summary	
Type of Report	Open, Key Decision
Report Title	Capital Programme Budget 2025/26 to 2028/29
Purpose of Report	In accordance with the Financial Regulations 6.2.3, Cabinet is required to consider the Capital Programme and recommend to the Council the final Programme for approval. This report details the proposed capital schemes over the medium term, together with the available resources to finance this.
Recommendations	It is recommended that Cabinet recommend to full Council on 6 March 2025 the General Fund schemes set out at **Appendix A** to the report as committed expenditure in the Capital Programme for 2025/26 to 2028/29.
Alternative Options Considered	If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the community plan.
Reason for Recommendations	To enable the Capital Programme to be considered by Cabinet in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

1.0 Background

1.1 The Capital Strategy was approved by Council on 7 March 2024. It contains the Capital Appraisal form template and the prioritisation criteria, which is in two stages. The schemes need to meet the criteria in stage 1, to progress to stage 2.

1.2 Capital Appraisal forms were circulated to all Business Managers during summer 2024 to enable bids for new Capital schemes. Completed forms were scored in conjunction with the prioritisation criteria. Senior Leadership Team considered the results of this exercise and the proposed Capital Programme included within this report, contain those schemes that were agreed to be appropriate.

2.0 Capital Expenditure – General Fund

2.1 The Council intends to spend £51.240m in general fund capital expenditure from 2025/26 to 2028/29.

2.2 The major schemes in this programme are:

Scheme Name	Summary of Proposed Financing
Yorke Drive Regeneration and Community Facility	Borrowing plus external grant
Provision of 3G Pitches	Borrowing and Capital Receipts
Vehicles and Plant Replacement (Including Commercial Food Waste Vehicle)	Capital Receipts and Capital Provision
Information Technology Investment	Capital Receipts and Capital Provision
Clipstone Holding Centre Development	Borrowing and Change Management Reserve
Disabled Facility Grants	Wholly funded by Grant
Former Belvoir Iron Works Acquisition	Wholly funded from Change Management Reserve
A1 Overbridge	Community Infrastructure Levy
Arkwood Developments Regeneration Loan Facility	Borrowing
Castle Gatehouse	£3.3m contribution from the Towns Fund, £1.254m NLHF and the remainder borrowing.
32 Stodman Street – Towns Fund	£3.980m Town Fund, £284k One Public Estate, £400k Shared Prosperity Fund with the remainder supplemented Reserves and borrowing

2.3 Two new schemes have been added to the Capital Programme as part of the capital bid process. The total over the period of 2025/26 to 2028/29 of £0.322m in General Fund. Details of which can be found labelled 'New' at Appendix A and are summarised below:

Scheme Name	Summary of Proposed Financing
Essential works at the Palace Theatre	Borrowing
Cuckstool Wharf Lighting	Capital Reserve

2.4 The impacts of all borrowing have been included in the Treasury Management Strategy and the Medium Term Financial Plan. Details of individual schemes are shown in **Appendix A**.

3.0 Resources Available

3.1 External Grants and Contributions can provide additional resources to the Capital Programme. Grant funding is subject to a detailed bidding process. Officers continue to liaise with external parties to secure the maximum available inward investment in order to contribute towards the delivery of the capital programme.

3.2 The most significant grants currently forecast over the medium term are from the Towns Fund, and the Better Care Fund (BCF) for Disabled Facilities Grants (DFG's). In addition to this, grants held from previous years for specific purposes are due to be utilised. For example, the Towns Fund projects, where grant instalments were received during 2022/23 to 2024/25, which is forecast to be utilised over the next financial year.

3.3 Capital Receipts

	General Fund £'m
Estimated Balance @ 1 Apr 2025	0.630
Estimated Receipts 2025/26 – 2028/29	5.966
Approved for Financing 2025/26 – 2028/29	6.491
Unallocated Capital Receipts Balance	**0.105**

3.6 The general fund capital estimated receipts of £5.966m are made up of the sale of the residential properties on Stodman Street and land at Lowfield Lane, due to be sold to Arkwood Developments along with a nominal amount each year for sale of vehicles that are due for replacement.

3.7 Where appropriate, the use of existing capital resources is prioritised. Borrowing is utilised for assets with longer asset lives, where the impact of interest and Minimum Revenue Provision (MRP) can be spread over the useful economic life of the asset, whilst minimising the impact on the General Fund. Leasing is also tightly controlled within the revenue budgets for the same reason and is rarely used as the interest rates remain low, therefore borrowing is currently a more attractive means of financing capital expenditure.

Subject to the approval of the proposals outlined in section 2.0 and 3.0 above, the current plan for financing the capital programme is shown below.

4.0 Financing

4.1 Subject to the approval of the proposals outlined in section 3.0 above, the current plan for financing the capital programme is shown below.

General Fund Capital Programme Financing Summary

General Fund Financing	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m
Government Grants	7.040	0.860	0.860	0.860
Contributions from Third Parties	1.300	0.000	0.000	0.000
Community Infrastructure Levy	2.500	3.000	0.000	0.000
Capital Receipts	2.355	1.694	2.190	0.252
Capital Reserve	0.426	0.100	0.045	0.045
RCCO	2.574	1.500	1.602	0.859
Borrowing	19.295	0.800	0.378	0.706
Total	**35.489**	**7.954**	**5.075**	**2.722**

4.2 At the end of the financial year, once all capital expenditure has been finalised (including accrued expenditure) the financing of the Capital Programme as a whole is arranged by the Section 151 Officer, in line with the Council's Constitution.

6.0 <u>Implications</u>

In writing this report and in putting forward recommendation's officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

Capital Strategy 2025/26 report to Audit and Governance on 19 February 2025

APPENDIX A

						PROPOSED BUDGET			
CODE	SCHEME	EXTERNAL FUNDING	NSDC COSTS	TOTAL SCHEME COST	BEFORE 2025/26 INC FORECAST FOR 2024/25	2025/26 £	2026/27 £	2027/28 £	2028/29 £
TB2253	Vehicles & Plant	0	5,205,656	5,205,656		1,512,285	1,501,040	1,390,130	802,200
TB2261	Brunel Drive Redevelopment Phase 1	0	669,000	669,000		669,000			
TC3155	Woodland Planting Contribution	0	309,915	309,915		309,915			
TF3227	Lowdham Flood Alleviation	140,000	160,000	300,000	200,000	100,000			
SUB TOTAL CLIMATE AND THE ENVIRONMENT		**140,000**	**6,344,571**	**6,484,571**	**200,000**	**2,591,200**	**1,501,040**	**1,390,130**	**802,200**
TA1224	Provision of 3G Pitches	0	2,000,000	2,000,000		400,000	800,000	800,000	
TA3097	Yorke Drive Regeneration and Community Facilities	80,000	3,378,001	3,458,000	119,294	0	500,000	1,980,000	858,706
SUB TOTAL HEALTH WELLBEING AND LEISURE		**80,000**	**5,378,001**	**5,458,000**	**119,294**	**400,000**	**1,300,000**	**2,780,000**	**858,706**
New	Essential works at the Palace Theatre	0	220,831	220,831		220,831			
TA3065	Kiddey Stones	0	87,430	87,430		87,430			
TB3154	Castle Gatehouse Project	4,563,620	981,240	5,544,860	739,624	4,805,236			
SUB TOTAL HERITAGE CULTURE AND ARTS		**4,563,620**	**1,289,501**	**5,853,121**	**739,624**	**5,113,497**	**0**	**0**	**0**
TF6011	Private Sector Disabled Facilities Grants	2,800,000	0	2,800,000		700,000	700,000	700,000	700,000
TF6012	Discretionary DFG	360,000	0	360,000		90,000	90,000	90,000	90,000
TF6807	Warm Homes on Prescription	280,000	0	280,000		70,000	70,000	70,000	70,000
SUB TOTAL HOUSING		**3,440,000**	**0**	**3,440,000**	**0**	**860,000**	**860,000**	**860,000**	**860,000**
New	Cuckstool Wharf Lighting	0	101,040	101,040		101,040			
TF2000	CCTV Replacement Programme	0	143,780	143,780		8,780	45,000	45,000	45,000
TF2001	CCTV Control Room Relocation	0	740,000	740,000		740,000			
SUB TOTAL PUBLIC PROTECTION AND COMMUNITY RELATIONS		**0**	**984,820**	**984,820**	**0**	**849,820**	**45,000**	**45,000**	**45,000**
TA3060	Beacon - New Boiler	0	61,525	61,525		61,525			
TA3286	Information Technology Investment	0	1,186,060	1,186,060		782,030	248,210		155,820
TC2007	Clipstone Holding Centre Purchase & Works	0	8,413,251	8,413,251	886,147	6,527,104	1,000,000		
TC2009	Former Belvoir Iron Works	0	1,750,000	1,750,000	904,624	845,376			
TC3156	Jubliee Bridge Works	0	60,278	60,278	278	60,000			
TC3160	14 Market Place	0	373,000	373,000	153,000	220,000			
TG1003	Housing Regeneration Loan Facility	0	11,408,071	11,408,071	8,000,000	3,408,071			
SUB TOTAL STRATEGY PERFORMANCE AND FINANCE		**0**	**23,252,184**	**23,252,184**	**9,944,048**	**11,904,106**	**1,248,210**	**0**	**155,820**

APPENDIX A

						PROPOSED BUDGET			
CODE	**SCHEME**	**EXTERNAL FUNDING**	**NSDC COSTS**	**TOTAL SCHEME COST**	**BEFORE 2025/26 INC FORECAST FOR 2024/25**	**2025/26 £**	**2026/27 £**	**2027/28 £**	**2028/29 £**
TI1002	A1 Overbridge Improvements	5,600,000	0	5,600,000	100,000	2,500,000	3,000,000		
TT1000	Towns Fund - 32 Stodman Street Regeneration	4,380,000	8,500,000	12,880,000	5,269,345	7,610,655			
TT1005	Towns Fund - Cycle Town	245,900	4,100	250,000	200,000	50,000			
TT1006	Towns Fund - Cultural Heart of Newark	3,610,000	0	3,610,000		3,610,000			
SUB TOTAL SUSTAINABLE ECONOMIC DEVELOPMENT		**13,835,900**	**8,504,100**	**22,340,000**	**5,569,345**	**13,770,655**	**3,000,000**	**0**	**0**
GRAND TOTAL GENERAL FUND		**22,059,520**	**45,753,176**	**67,812,696**	**16,572,312**	**35,489,278**	**7,954,250**	**5,075,130**	**2,721,726**

Report to: Full Council Meeting – 6 March 2025

Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive /Director - Resources / Section 151 Officer

Lead Officer: Nick Wilson, Business Manager - Financial Services, Ext. 5317

Report Summary	
Report Title	2025/26 to 2028/29 Medium Term Financial Plan
Purpose of Report	To approve the Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2025 and 31 March 2029 (2025/26 to 2028/29).
Recommendations	That the Medium Term Financial Plan (MTFP) for 2025/26 to 2028/29 be approved.
Reason for Recommendations	The Medium Term Financial Plan (MTFP) provides a clear financial framework for delivering the Council's objectives and is an essential pre-requisite to the annual budget setting process.

1.0 2025/26 to 2028/29 Medium Term Financial Plan (MTFP)

1.1 The Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2024 and 31 March 2028 (2024/25 to 2027/28) was approved by Full Council on 7 March 2024.

1.2 This document seeks to update the MTFP's assumptions on expenditure, income and financing for the four years between 2025/26 and 2028/29.

1.3 The main aims of the MTFP are to:

a) deliver the Council's Community Plan objectives over the life of the relevant Community Plan;
b) clearly present the Council's current predictions of its financial position between 2025/26 and 2028/29; and
c) enable Members to make decisions which ensure the Council's future financial sustainability.

1.4 The MTFP tries to do this by:

a) bringing together in one place all known factors which will affect the Council's financial position; and

b) matching how the Council plans to spend to deliver its Community Plan objectives with the expected resources available to fund that spend.

Financial Projections

1.5 The table below shows high level budget projections for the next four years, assuming annual increases of 2.99% in the rate of average band D council tax (excluding local precepts), together with annual increases in the Council tax base based on forecast housing growth.

Table 1

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)
Net Service Expenditure (less capital charges)	20.722	21.046	21.149	21.750
Total Other Expenditure	0.178	0.786	1.046	1.107
Total Expenditure	**20.900**	**21.832**	**22.195**	**22.857**
Business Rates: receivable annually	(10.593)	(9.785)	(9.785)	(9.785)
Business Rates: other adjustments	(0.252)	0.000	0.000	0.000
Council Tax: receivable annually	(8.572)	(8.911)	(9.262)	(9.627)
Council Tax: other adjustments	0.174	0.000	0.000	0.000
Other Grants	(2.061)	(0.819)	(0.770)	(0.716)
Contribution (to) or from Reserves	0.404	0.174	0.174	0.174
Funding Shortfall prior to Mitigations	**0.000**	**2.491**	**2.552**	**2.903**

Financial Landscape

1.6 The Government has had plans to reform the local government finance system for several years. The Government initially intended for these reforms to take effect from 2020/21. It now appears likely that the funding reforms will be implemented during 2026/27.

1.7 The reforms will build on the framework set out in the previous government's abandoned review of the Relative Needs and Resources (originally Fair Funding Review).

1.8 The reforms of the system are principally to increase the proportion of non-domestic rates (NDR) ('business rates') retained locally; and to make fairer the Government's annual funding allocations for local authorities.

1.9 The impact of the Government's decision to delay the reform to the system has been positive on the funding position of Newark and Sherwood District Council. The delay in re-setting the NDR baseline has meant that expected NDR income for the years 2022/23 to 2025/26 is c£12.278m higher than forecast within the MTFP that was approved in March 2022.

1.10 It is of course, proper that we plan for the worst but the triggering of savings that impact on the provision of services needs to be appropriately timed and with the knowledge about the certainty of future central government funding. As it is not known how exactly the local government finance system will change or from when these changes will take effect from, the Council's current modelling of funding projections for 2026/27 and future years are subject to high levels of volatility. It is anticipated that any change in funding model will include transitional support and the Government will consult on how to design on the transitional arrangements as well as the major changes in the funding formula.

1.11 Officers will closely monitor the Government's announcements relating to the local government finance system and assess the implications of these on the Council's funding for 2026/27 and future years.

Review of Relative Needs and Resources

1.12 The Government is reviewing how it assesses the relative needs and resources of English local authorities, so that it can distribute funding to councils based on a more robust and up-to-date approach. Its review aims to address concerns that the current formula for determining each council's Baseline Funding Level (BFL) is unfair, out of date and overly complex.

1.13 The Government now plans to use an updated approach to distributing funding to councils expected from 2026/27. Much of the data that Government hold in relation to the current formula relates to 2013/14 and before hence significant work is necessary to recalibrate the formulae.

1.14 The Review will have an enormous effect on the Council's budget because it will affect the amount of BFL the Government will give the Council in future years, and thus also the amount of business rates the Council can retain. As per the table in section 1.1, business rates are expected to account for a large proportion of the Council's total expenditure (excluding capital charges) in each year of the Council's MTFP.

Retained Business Rates

1.15 The introduction of the current 50% business rates retention system in 2013/14 has allowed councils which have increased their locally raised business rates income since this time to benefit from the additional income generated.

1.16 The Government plans to implement a reformed business rates retention system, though for changes not to take place until 2026/27 at the earliest. The reforms aim to:

- give local authorities greater control over the money it raises;
- support local economic growth;
- update the balance of risk (of loss) and reward (for growth) in the system; and
- make the system simpler and income less volatile.

1.17 Two main changes have been proposed for the business rates retention system. These are:

1) to increase the proportion of business rates retained locally from 50% to 75% or 100%; and
2) to reset the Business Rates Baseline (BRB).

1.18 The BRB is the Government's prediction of how much each council can raise locally in business rates.

1.19 As the Government intends to reform the business rates retention system in a way which is fiscally neutral, councils currently benefitting from growth in locally raised business rates income could see some of this income transferred to councils with reduced Business Rates Baselines.

1.20 Nonetheless, the planned increase in proportion of NDR retained locally means that promoting economic growth and inward investment will become ever more crucial to ensuring the Council's sustainability going forward.

1.21 The Council's MTFP accounts for planned reforms to the NDR retention system, though amounts for 2026/27 and future years are subject to higher levels of volatility. These have been modelled with the assistance of Pixel, the Council's external advisors who assist many authorities on national funding.

1.22 The Government expects to consult on the baseline reset "early in 2025", but at the time of writing this report it is yet to do so.

2025/26 Business Rates

1.23 Under the NDR system, businesses pay councils based on the open market rental value of their business property, as estimated by the Government's Valuation Office Agency (VOA). The rate payable by small businesses in 2025/26 will be 49.9p per pound (49.9%) of their property's rateable value, and the rate payable by other businesses will be 55.5p (55.5%).

1.24 In the 2024/25 LGFS the Government changed the mechanism for the multiplier. Previously all businesses paid the small business multiplier, with those businesses with a rateable value (RV) of over 51,000 then paying an additional supplement. In the 2024/25 LGFS, government un-coupled the multipliers to enable them to be inflated separately. This enables government to increase the charges to businesses occupying premises with an RV of over 51,000 whilst either freezing, or increasing by a separate amount, the charges to businesses occupying premises with an RV less than 51,000. For 2025/26 they have chosen to freeze the multiplier at 49.9p for those properties with an RV less than 51,000, but increase the multiplier paid by those with an RV over 51,000 by 0.9p from 54.6p to 55.5p.

1.25 Legislation sets out that the multiplier should increase by CPI for September in each year, but in practice the multipliers had been frozen from 2021/22 until 2025/26. It had also not increased by CPI, but RPI, in some of the preceding years.

1.26 The Government compensates local authorities for their decisions relating to business rates through s31 grants, and hence the Council does not lose out for the decision to freeze the multiplier (and in previous years applied RPI increases rather than CPI).

1.27 The Government has also made further changes to discounts for 2025/26. Since the onset of COVID-19, government has underpinned the retail, hospitality & leisure sectors by providing discounts, for businesses operating in those sectors, against their business rates liability. During 2024/25 the discount provided has been set at 75%, this will reduce to 40% in 2025/26. The discount available to each business is capped at £110,000 per economic actor.

1.28 The Council is budgeting to retain £9.593m of business rates for 2025/26. This includes the £4.832m from the LGFS (£4.753m during 2024/25); additional income, such as local growth above this baseline and from relevant renewable energy projects; and offset by additional expenditure; such as the levy on additional income.

1.29 Below are some of the key risks which could affect the amount of business rates income collected and thus retained in future years:

- slower than anticipated local economic growth, or local economic growth at a rate less than the change in Consumer Price Index (CPI) used to determine annual business rates payable;
- successful backdated appeals from businesses regarding the amounts of business rates payable in previous years;
- uncollectable debts which need to be written off; and
- unpredictable increases in the amounts of discretionary reliefs granted to businesses.

1.30 Currently, the Council use external consultants Analyse local, who assist the Council with forecasting losses in RV based on future appeals that may come forward. For the 2025/26 financial year £0.414m has been set aside in order to provide for any successful appeals (£0.400m for 2024/25). The Council's share of this is 40% and hence this has reduced income for the Council by £0.166m.

1.31 If appeals that the Council has provided for (set money aside) are unsuccessful or are successful but cost the Council less than the amount set aside for these appeals, the Council can release the surplus provisions back into the Collection Fund, in order that this may then be re-distributed back to the Council and its preceptors. Similarly, where appeals are settled higher than funds set aside, an additional charge would need to be levied from the Council and its preceptors in order to fund the deficit arising.

1.32 Annually in January each year, the Council has to declare its expectations of the 31st March outturn position for the Business Rates collection Fund. This includes a revision to the expected amount of income into the collection fund and similarly a revision to the expected losses due to bad debts and appeals. As such, it is expected that the Collection Fund will close for 2024/25 with a surplus balance of £630,898 of which 40% relates to this Council (£252,359). This declared surplus will therefore be released to all preceptors during 2025/26. Any variation to this figure when the year has finished will be adjusted for and distributed or clawed back during 2026/27.

1.33 In addition to the above, as the Council is part of the Nottinghamshire Business Rates Pool, the Council gains from pooling its resources locally. It has currently been forecast that the return funding from the pool for the 2025/26 financial year will be £1.000m which has been built into the Council's Medium Term Financial Plan within the Business Rates total.

Local Government Finance Settlement: Settlement Funding Assessment (SFA) and Core Spending Power

1.34 The annual Local Government Finance Settlement provides councils with the amount of government grant and other information pertinent for setting the next financial year's budget. The final settlement was announced on 3 February 2025, and the final settlement is still to be announced.

1.35 Core Spending Power (CSP) is a measure of the resources made available to local authorities to fund service delivery, based on the Government's annual Local Government Finance Settlement (LGFS). Government makes assumptions within this based on levels of Council Tax and growth in an authorities Tax Base (the Band D equivalent number of properties to charge Council Tax over).

1.36 As part of the final LGFS Government an increase of almost £3.9bn or 6% in cash terms in CSP over and above the 2024/25 settlement was announced nationally. The table below shows the Core Spending Power for Newark and Sherwood (as assumed by Government) together with the proposed actual Core Spending power. The Governments assumption works out to be cash flat (hence a zero percent increase) compared with the 2024/25 settlement, whilst the proposed budget actually shows a decrease of 0.87% or £0.134m in cash terms. This compares against an increase of 0.32% when compared with other Shire Districts. Districts have had the lowest increases in CSP for a number of years.

1.37 The reason for the difference between the Governments assumption and the proposed budget is the calculation of additional properties chargeable for Council Tax. The Government has assumed an increase of 2% on the Council's Council Tax Base which equates to an increase of 15% compared with last years' increase (740.79 increase in CTB in 2024/25 whilst assumed 851.85 increase in CTB in 2025/26).

	2024/25	**2025/26 Final LGFS**	**2025/26 Proposed Budget**
Business Rates funding	£3.986m	£4.030m	£4.030m
Compensation for under-indexing the Business Rates multiplier	£0.767m	£0.802m	£0.802m
Revenue Support Grant	£0.243m	£0.287m	£0.287m
Council Tax	£8.286m	£8.705m	£8.571m
New Homes Bonus	£0.327m	£0.987m	£0.987m
Minimum Funding Guarantee (now named Funding Floor)	£1.612m	£0.205m	£0.205m
Services Grant	£0.026m	£0m	£0m
Rural Services Delivery Grant	£0.052m	£0m	£0m
Domestic Abuse Safe Accommodation Grant	£0.033m	£0.034m	£0.034
Recovery Grant	£0m	£0.321m	£0.321m
Grants rolled in	£0.039m	£0m	£0m
Total	**£15.371m**	**£15.371m**	**£15.237m**

Council Tax

1.38 Chapter IVA (Limitation of Council Tax and Precepts) of the *Local Government Finance Act 1992* requires billing authorities to hold referenda if their relevant basic amount of council tax for a financial year is in excess of a set of principles determined by the Secretary of State.

1.39 An authority's relevant basic amount of council tax is its average band D council tax excluding local precepts. The relevant basic amount of council tax for Newark & Sherwood District Council includes the levy that Internal Drainage Boards charge the Council. These are the Upper Witham Internal Drainage Board and the Trent Valley Internal Drainage Board.

1.40 Since 2016/17, shire district councils have been able to increase council tax by the greater of the core principle or £5.00 without holding referenda. For 2018/19 and 2019/20, the core principle was 3%; and for all other years, the core principle was 2%.

1.41 The proposed core principle for 2025/26 is 3%. The Government's proposed council tax referendum principle for shire district councils therefore permits increases in the Council's 2024/25 relevant basic amount of council tax of up to (and including) the greater of 2.99% or £5.00 without holding a referendum.

1.42 The Council calculates how much annual council tax income it can receive by multiplying the Council tax base (CTB) by the average band D council tax rate. The Council tax base is the total number of properties equivalent to band D which are liable for council tax after discounts, exemptions and premia.

1.43 The Council's MTFP assumes that the 2025/26 CTB will be 0.9% higher than the 2024/25 CTB, and that there will be an increase of 400 band D equivalents in CTB for 2026/27 and subsequent years.

1.44 The table below shows the additional income the Council would expect to receive over the four years of the MTFP, based on council tax increases of 2.99% in 2025/26, compared to if council tax was frozen at the 2024/25 level during 2025/26 but increased by 2.99% annually thereafter:

Table 2

Effect of council tax changes	**2025/26 (£m)**	**2026/27 (£m)**	**2027/28 (£m)**	**2028/29 (£m)**	**MTFP (£m)**
Additional income from 2.99% increase in all years	0.249	0.259	0.269	0.279	**1.056**

1.45 Annually in January each year, the Council has to declare its expectations of the 31st March outturn position for the Council Tax collection Fund. This includes a revision to the expected amount of income into the collection fund and similarly a revision to the expected losses due to bad debts and appeals. As such, it is expected that the Collection Fund will close for 2024/25 with a deficit balance of £1.500m of which 11.59% (this includes Town and Parish Council precepts) relates to this Council (£173,900). This declared deficit will therefore be clawed back from all preceptors during 2025/26. Any variation to this figure when the year has finished will be adjusted for and distributed or clawed back during 2026/27.

New Homes Bonus (NHB)

1.46 New Homes Bonus (NHB) is a government grant paid to councils to incentivise local housing growth, based on the extra council tax income raised from new homes. NHB is paid to councils with growth in their housing stock above 0.4% of their existing council tax base.

1.47 The Government plans to consult on the future of NHB, with a view to implementing reform in 2026/27. It was anticipated as part of the previous version of the MTFP that NHB would be phased out during 2025/26 and hence the Council would not receive an allocation.

1.48 Details of the Government's final NHB allocations for 2025/26 and the three years previous are in the table below.

Table 3

Year	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Total	1.573	0.888	0.327	0.987

1.49 NHB is not ring-fenced, and thus can be used to fund either revenue or capital expenditure. To-date, the Council has not needed to budget to use NHB to fund its General Fund revenue expenditure, as budgeted funding from council tax, business rates and other sources has been sufficient.

1.50 In previous years, NHB has been used to fund key regeneration projects. The assumption for 2025/26 was that the Minimum Funding Guarantee (now Funding Floor (FF) (described in the next section)) grant would continue at a similar level to 2024/25. As NHB has increased for its final year and subsequently the FF grant has reduced, it is therefore necessary to use 100% of this NHB grant to fund the revenue budget for 2025/26.

1.51 As per section 1.2, NHB is within scope of the proposed reforms to the local government finance system. There have now been six one-off NHB allocations, starting in 2020/21 but it is likely that NHB will end after the 2025/26 allocation, although the design of a replacement is no clearer than it was when the Government issued its consultation almost three years ago.

1.52 **Other Grants**

- Recovery Grant – This grant will distribute £600m using a formula that focusses resources on authorities that have high levels of deprivation and relatively low ability to generate Council Tax income. Jim McMahon MP suggested the purpose of this grant is to "to get Councils back on their feet". This is partly about giving additional funding to those councils who have had the largest cuts in funding since 2010/11 and about anticipating the changes in funding in 2026/27.
- Services Grant – This grant will be abolished in 2025/26
- Rural Services Delivery Grant – This grant will be abolished in 2025/26
- Minimum Funding Guarantee – This grant has been renamed "the Funding Floor". It ensures that every authority is no lower in cash terms (based on the Governments assumptions) than it was in 2024/25.

- National Insurance Grant –The Government also announced that Public Sector authorities would receive a grant to compensate them for the additional cost. Based on modelling it is expected that the grant will not fully cover the additional cost of the NI contributions. £184,000 grant is currently forecast to be received in 2025/26, which has been split proportionately between the HRA and the General Fund. £141,680 has been budgeted for within the GF. The additional cost of the increase to the GF is £412,000 and therefore there is a deficit in the increase estimated costs of £270,320 More details regarding the additional cost of this to the GF is in the Employee Costs section.

<u>Income from Fees and Charges</u>

1.53 The Council's income from fees and charges for statutory and discretionary services is an essential part of the Council's General Fund revenue budget. Section 93 (Power to charge for discretionary services) of the *Local Government Act 2003* requires charges to be set such that taking one financial year with another, the income from charges for a service does not exceed its costs of provision.

1.54 Discretionary services are those for which the Council has the power, but not duty, to provide; though also include additions or enhancements to statutory services that the Council provides above standards legislated for.

1.55 The Action Plan to the Commercial Strategy approved at Policy and Finance Committee on 27 January 2022 set the expectation that new areas for charging and understanding price elasticity of demand on existing charges would be reviewed to ensure that discretionary charges are set at the right levels and for the right activities. The Council should ensure that fees and charges for discretionary services are set which:

- ensure the maximum revenues possible;
- are allowed by the Council's Corporate Fees and Charges Policy; and
- are socially and politically acceptable.

1.56 The tables in section 5 identifies further fees and charges income as key to bridging the Council's funding gap. It is anticipated that new annual income of £0.093m will be generated by delivering the Commercial Strategy. This may be by stretching existing fees and charges income targets, new income streams, and/or a combination of both. Individual projects which will contribute to this target are described at table 5 in section 5 below.

<u>Reserves and Balances</u>

1.57 Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the Council's proposed budget and robustness of estimates made.

1.58 The Council has reviewed the adequacy of its useable financial reserves to ensure that these are neither too low (imprudent) or too high (over prudent) based on their purpose and likely use.

1.59 Councils generally hold useable reserves for three purposes:

- as a working balance, to mitigate the impact of uneven cash flows;
- as a contingency, to mitigate the impact of unexpected events or emergencies; and
- as earmarked reserves, to pay for known or predicted future requirements.

1.60 The Council's £1.500m General Fund balance has been set aside to pay for exceptional items. Officers consistently review the appropriateness (prudence) of this amount considering internal and external risks identified. For the Council to maintain this balance, it is intended that it will only be used to fund expenditure once other appropriate reserves have been fully utilised.

1.61 **Appendix A** shows the balances which comprised the Council's total reserves at the end of 2023/24. It also shows the balances expected to comprise the Council's total reserves at the end of 2024/25 to 2028/29.

1.62 Over the years, the Council's reserves have been used, for reasons such as to: cover the cost of one-off events not budgeted for; and support and improve service delivery. Whilst this principle still exists, the Council has set up a Medium-Term Financial Plan (MTFP) Reserve, in order to mitigate future pressures based on the uncertainty over local government funding. This reserve will be released over the medium-term to smooth the impact of anticipated funding reductions arising from changes in the local government funding formula.

1.63 Members and officers are required to ensure the Council operates as a going concern: that the Council will continue to fulfil its functions for the foreseeable future. If this were not the case, for example, because of an imprudent use of council reserves, the Council's external auditors would be required to express a going concern opinion (GCO). A GCO would be the external auditor's way of expressing significant doubt on the Council's ability to operate longer-term.

Robustness of Estimates and Adequacy of Reserves

1.64 The *Local Government Act 2003* requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves.

1.65 The Council's total forecast General Fund revenue and capital reserves and fund balance to 31 March 2026 is £32,274,035.

1.66 The budget has been prepared in accordance with the budget strategy approved by Cabinet on 24 September 2024. The same strategy has been adopted for the period of the MTFP.

1.67 The Section 151 Officer also notes that in the future, all local authorities, and in particular district councils, will face a reduction in core funding from the Government once changes to the current funding regime (in particular New Homes Bonus and Business Rates). The Section 151 Officer is closely monitoring the progress of the Fair Funding Review, the Government's departmental multi-year Spending Review and the redesign of the national Business Rates Retention System. The Council's current projections within the Medium-Term Financial Plan (MTFP) make prudent and robust assumptions around the likely level of funding in light of these government-led reviews.

<u>Assumptions made within the MTFP</u>

1.68 Finance officers and budget holders have developed detailed budgets for 2025/26 and future years. Officers have used the information available to them (past, present and future), and have made appropriate assumptions where the relevant information has been unavailable to them.

1.69 A 3% increase in basic pay has been assumed for 2025/26 and 3% for each subsequent year of the Council's MTFP.

1.70 If the 2025/26 pay award is agreed at a higher rate than the 3% increase in basic pay assumed, and if reductions in employee costs elsewhere cannot offset the increase in pay award costs, the additional costs unbudgeted for will need to be funded from council reserves. Section 1.11 examines this in more detail.

1.71 Most non-pay expenditure budgets have been uplifted by 2% in each year of the Council's MTFP. Some costs, such as insurance and utilities, are expected to increase by more than 5%; and others, such as fixed-price goods and services, have been increased in line with contractual obligations.

1.72 The Council's General Fund revenue budget is charged for the purchase or creation of fixed assets where capital resources are unavailable at the time. These charges will be in line with the Council's Minimum Revenue Provision (MRP) policy for 2025/26, which is recommended by the Audit and Governance Committee on 19 February 2025 for approval by Full Council on 6 March 2025.

1.73 This MTFP also assumes currently that the proposed Local Government Reorganisation has no impact on the spending plans for this authority in so much as any income and expenditure that this authority would spend, would be replicated into any new authority. It would be for the new authority to dictate resource allocation and levels of Council Tax, and therefore and the time of writing this report, this is a long way from being the case.

1.74 As such expenditure and income has been forecast based on the Council's current Community Plan commitments as far as is usual when building its MTFP.

Assumptions not made in the MTFP

1.75 The Council recently received notification that it will receive £1.427m in Extended Producer Responsibility payment from DEFRA for 2025/26, in relation to estimated net efficient costs associated with collection of household packaging waste from kerbside and communal collections. Whilst this receipt is budgeted for, it has been transferred directly to reserves. It is expected that this funding will be used for the food waste collection service that is due to be rolled out across Nottinghamshire from October 2027. Officers continue to work with colleagues in the Environmental Services Business Unit to understand the impact of the roll out of the service and how this will impact the MTFP.

1.76 The Council also received (during 2024/25) £983,377 from DEFRA in respect of the capital funding to purchase the refuse freighters and other equipment necessary to roll out the food waste service. Latest assumptions are that the capital cost would equate to £1.570m being £0.586m short from the capital grant. The Council has also been notified of a further grant of £1.427m in revenue funding in respect of the Extended Producer Responsibilities. The notification letter describes this funding to cover estimated net efficient costs associated with collection of household packaging waste from kerbside and communal collections, and waste brough to bring sites only. It is expected that this funding will continue throughout the life of the MTFP, albeit the size of the payment is undeterminable. The shortfall of £0.586m in capital expenditure will be funded by this grant with remaining balance of £0.841m being held in reserves pending further detail regarding the capital funding required for the replacement of the refuse freighters and equipment at the end of their useful life (circa 7 years).

Proposed strategy for bridging the funding gap

1.77 The table below shows the contributions to and from reserves currently projected for each year of the Council's MTFP (as described at the table in paragraph 1.1), and the actions currently proposed to mitigate the annual contributions from reserves projected for 2025/26 through to 2028/29:

Table 4

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)
Funding Shortfall prior to Mitigations	**0.000**	**2.491**	**2.552**	**2.903**
Previous Year Mitigation			**(0.885)**	**(1.148)**
Dividends from Arkwood Developments Ltd	-	-	(0.250)	-
Target saving for borrowing costs and MRP	-	(0.300)	-	-
Savings from Leisure Management review	-	(0.142)	(0.013)	(0.005)
Savings from service reviews	-	(0.098)	-	-
Savings/efficiencies from making business processes more efficient	-	(0.252)	-	-
Increased income from the Council becoming more commercial	-	(0.093)	-	-
Use of MTFP reserve to offset contributions from reserves in future years	-	(1.606)	(1.404)	(1.750)
Proposed General Fund Funding Gap	**0.000**	**0.000**	**0.000**	**0.000**

1.78 As per **Appendix A** the MTFP reserve is expected to have a closing balance at the end of March 2025 of £8.261m. As per table 4 above the proposed utilisation of balances from the MTFP reserve during 2025/26 to 2028/29 will leave a balance of £3.502m at the end of March 2029.

1.79 The Councils projected General Fund revenue budget monitoring outturn variance as at 30 September 2024 was a favourable variance of £0.719m. The favourable variance could be utilised for replacing borrowing within the current capital programme financing to help towards the target saving of £0.300m for the borrowing costs and MRP.

1.80 The Council's Leisure facilities are currently managed by Active4Today. The savings expected from the Leisure Management Review relate to a recent successful litigation by Chelmsford City Council (and others) which confirmed all supplies of local authority leisure services are non-business that were previously taxable or exempt. The Council in 2024/25 received a VAT refund of £213,676 from HMRC for the period 1st April 2007 to 30 April 2011. Following on from this, an opportunity has arisen to change the status or capacity at which A4T provide the services, which could create savings for A4T and therefore their level of Management Fee could reduce. Once the review has taken place, a report detailing the potential changes will be reported to Cabinet for approval.

1.81 The previous years MTFP had a mitigation target of £0.170m within financial year 2026/27 for the savings from service reviews and currently the Council has achieved £0.072m of the target from departments, therefore there is still £0.098m as a target by 2026/27.

1.82 During the financial year the Council has expanded the Private Sector Lifeline service, further detail is in table 5 below and generated an additional £0.107m net income for the financial year 2026/27 which is contributing towards the previous MTFP target of £0.200m increased income from commercial activities, hence the table above having a target if £0.093m for increased income from the Council becoming more commercial.

1.83 Officers will continue to work with elected Members to review the inherent deficit and address the longer-term financial sustainability of the authority.

1.84 As the Council has received, for a number of years, return funding from the Nottinghamshire Business Rates Pool in relation to the local growth retained (split with Nottinghamshire County Council), a forecast of the additional funding to be generated next financial year has been made of £1.000m. This has now been budgeted for within the main budget, and hence is now not shown in the table above.

1.85 The Council's wholly owned development company – Arkwood Developments Ltd are expected to pay a dividend during 2025/26 equivalent to £500,000. This has therefore been budgeted for during 2025/26 and the remaining figure in the table above is the iterative additional figure expected in 2026/27 and beyond.

1.86 Each update to this MTFP will therefore report on progress against each of the headings in the table above, to ensure that each year's budget is balanced.

1.87 Since 2010, the Council has made significant savings in line with government grant reductions. Though further savings may become harder to identify and deliver, particularly from spend not on employees (as mentioned in section 6 below), it is essential that the Council continues to identify areas where spend can be reduced and/or income increased. This is so that the Council can continue to operate sustainably over the longer-term and into any newly created authority.

1.88 The Council's total income will need to increase significantly, if it is to continue delivering and improving the services it currently provides and not use its reserves to cover the deficits currently anticipated for 2026/27 and future years.

1.89 Councils are severely restricted in how much funding they can raise from council tax increases without holding referenda. As mentioned in section 1.6, the Council can increase council tax in 2025/26 by the greater of 2.99% or £5.00 without holding a referendum. A 1% decrease in council tax is equivalent to £83,228 of net expenditure.

1.90 The Council's Commercial Strategy and Action Plan, approved by Policy and Finance Committee on 27 January 2022, aims to make Newark and Sherwood an *"innovative and* *entrepreneurial Council that continually achieves positive annual financial contributions; by generating new revenue and delivering cost reductions, through trading and business improvements"*. The Council has begun to benefit from the projects which have been completed to date since the Commercial Plan 2017-18 to 2020-21 was approved in October 2017 and expects to increasingly benefit in future years from the implementation of the current strategy, however the task of identifying and implementing new streams of income generation is challenging. The Council's work across the district (externally) and with services council-wide (internally) will be crucial to enabling the Council's future sustainability and growth. This is particularly as changes to the local government finance system increase the rewards for councils able to facilitate local economic growth.

1.91 At the Cabinet meeting 24 September 2024, an update report was presented, informing Members of progress against the Commercial Plan. The table below updates further progress against those major projects identified:

Table 5

Project/Activity	Business Unit Lead	Detail	Expected income/savings (£)	January 2025 Update
Development of Clipstone Holdings	Corporate Property	The project has now been submitted for Planning determination with an expected date of February 2025. At the same time work is progressing on the tender documents ready to go out in February 2025. It is expected tenants could occupy from Summer 2026.	£0.224m	Moved from 25/26 and included in MTFP £0.112 26/27 full £0.224 27/28 onwards
Industrial Units at Crew Lane, Southwell	Corporate Property	This project has been reviewed by officers and it is currently not viable from a financial perspective, and hence would not generate a return to the Council. Therefore this project has been ceased for the time being.	£0	Not reflected within the MTFP
Reduction in Management Fee to Active 4 Today	Regeneration and Housing Strategy	The forecast budget within the MTFP for 2024/25 to 2027/28 for the Management Fee to Active4Today over 2025/26 to 2027/28 equates to £1.75m. This has now been reduced to £0.408m due to reductions in utilities cost and additional income generated from partner sites.	£0.650m in year one and £0.350m in years post this	Included in the MTFP in all years
Expansion of Private Sector Lifeline service	Housing Services	The Council has been successful in expanding its offer for its private careline service and grown market share within the District whilst also expanding into the Mansfield area and taking on circa 1,000 additional customers there.	£0.155m reduced to £0.107m in future years	Included in all years in the MTFP

Amalgamation of Building cleaning contracts	Corporate Property	Currently there are a number of cleaning contracts across the Council at individual sites. Corporate Property have consolidated this into one contract (for which the tender is currently being evaluated).	£0.050m	Currently not reflected in the MTFP
Biodiversity Net Gain Monitoring fee	Planning Development	A charge was introduced during 2024/25. Currently determining applications prior to any receipts.	£0.450m	Currently not reflected in the MTFP

1.92 The table below shows which areas have the biggest increases in expenditure budgets in each of the last three years of the Council's MTFP, compared to the equivalent budget in the year before:

Pressures	**Increase in 2026/27 budget, compared to 2025/26 budget (£m)**	**Increase in 2027/28 budget, compared to 2026/27 budget (£m)**	**Increase in 2028/29 budget, compared to 2027/28 budget (£m)**
Employees	0.420	0.538	0.681
Electricity and gas costs	0.040	0.041	0.036

Risks Associated with the Budget Process

1.93 Budgets are only as accurate as the data available at the time they are developed. There are therefore risks that the proposed budgets in the Council's MTFP will differ significantly from reality (actual expenditure and income). Some of the factors which could cause adverse variances are:

- higher than expected inflation and/or interest rates;
- the Council receiving lower than expected amounts of grant funding and/or other income;
- the future differing significantly from the initial budgets proposed at the time of developing the MTFP;
- volatility of certain budget lines between years;
- underachievement of expected savings and/or efficiencies;
- unforeseen events and emergencies;
- unforeseen insurance costs or legal claims;
- lower than expected business rates growth.

1.94 Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the Council's proposed budget and robustness of estimates made. This section fulfils that requirement.

1.95 In considering the Council's proposed budget for 2025/26 and the sensitivity of expenditure and income to changes, it should be noted that:

a) a 1% increase in Council Tax is equivalent to £83,228 of net expenditure; and
b) a £1 increase in Council Tax is equivalent to £42,721 of net expenditure.

1.96 Various assumptions were required to be made when preparing the proposed MTFP budgets. The two areas where it seems that variations between the proposed budget and reality could be greatest are employee pay and income receivable. Further details on each of these are below.

Employee Costs

1.97 Employee costs form a significant proportion of all district council budgets. Employee costs comprise 52% of the Council's proposed controllable service expenditure budget for 2025/26 (total spend, excluding spend on capital costs, internal recharges and Housing Benefit payments).

1.98 This makes it less likely to achieve savings solely by reducing non-employee spend. It also means that the Council would need to use a greater proportion of its reserves if the costs of future years' pay awards exceed the 3% pay award currently budgeted for 2025/26 and/or the 3% pay awards currently budgeted for subsequent years.

1.99 A vacancy provision of 4% of the total salary budget for 2025/26 will be made to allow for natural savings being made from posts remaining vacant before being filled. With the challenges in recruiting that have been seen over the last two financial years, this appears to be a reasonable approach. The actual outturn of savings from vacancies amounted to 3.52% for 2023/24. As it is not possible to predict precisely which business units will experience vacancies in the year, an overall saving will be set aside.

1.100 National Insurance Contributions - From the 1st April 2025 the National Insurance (NI) rate for employers will increase from 13.8% to 15%. Additionally, the level at which employers will start paying NI contributions will reduce from £9,100 to £5,000. The impact of this on the General Fund is expected to be £412,000. The Government also announced that Public Sector authorities would receive a grant to compensate them for the additional cost. Based on modelling it is not expected that the grant will fully cover the additional cost of the NI contributions. £184,000 grant is currently forecast to be received in 2025/26, which has been split proportionately between the HRA and the General Fund. £141,680 has been budgeted for within the GF, hence leaving an additional cost to the authority of £270,320.

Income

1.101 A significant part of the Council's annual net budget is dependent on income from rents; sales, fees and charges; and other receipts. Officers have reviewed the income that services have achieved against the current and previous years' budgets and have considered factors expected to affect future income levels, to ensure the 2025/26 income budgets for services have been set at levels considered achievable. Officers will monitor this closely over the coming year and revised forecasts over the medium term will be updated for the MTFP to be developed for the 2025/26 - 2028/29 years.

1.102 Significant underperformance against budgeted income would increase the Council's annual net expenditure, and thus place unbudgeted demand on council reserves. A 1% reduction in council income from fees and charges would cost around £54,000 in 2025/26.

Interest rates

1.103 The proposed MTFP budgets include amounts for interest payable and interest receivable. This is because the Council expects that it will both borrow money and invest money throughout the four years of the MTFP.

1.104 The Council anticipates that it will use fixed interest rate loans when borrowing. This is so that the Council knows exactly how much its loans will cost over their durations, and this mitigates against the risk of interest rates changes and thus costs rising significantly over the loan period. As borrowing would be for longer than four years, the risk of the Council being unable to borrow to repay existing debt (refinancing risk) does not apply.

1.105 The budgeted amounts have accounted for factors such as the amount of council funds expected to be available and the time during the year for which cash is needed. The actual amounts of interest payable and receivable for 2025/26 will likely differ from those budgeted due to actual income and expenditure occurring at different time periods to that forecast.

1.106 The impact of a 1% change in interest rate would be insignificant on the Council's overall budget.

Inflation

1.107 Most income budgets and non-pay expenditure budgets have been uplifted by 2%. Some costs, such as insurance and utilities, are expected to increase by more than 5%; and others, such as fixed-price goods and services, have been increased in line with contractual obligations.

1.108 The most recent month for which inflation data was available at the time of writing, December 2024, had a 2.6% increase in inflation (Consumer Prices Index (CPI)) from December 2023.

1.109 The small differences anticipated between actual inflation rates and the 2% budgeted for are expected to have insignificant impact on the Council's budget.

Capital Programme and Funding

1.110 The overall proposed General Fund Capital Programme for the period from 2025/26 and 2028/29 totals £50.190m. £10.920m is financed by external grant funding for Towns Fund Project and Disabled Facilities Grant (DFG's). The DFG funding is received via the Better Care Fund (BCF) and is subject to an annual bidding process.

1.111 Council internal capital resources employed amount to £12.592m, which relates to the Council's contribution to the acquisition of the former Belvoir Iron Works, the redevelopment of Clipstone Holding Centre, Yorke Drive Pavilion, the remaining remedial works required at Southwell Leisure Centre and replacing parts of the Council's refuse fleet and other equipment.

1.112 In 2025/26 to 2026/27 Community Infrastructure Levy receipts will be used to finance the cost of £5.5m to improve the A1 overbridge at Fernwood. This bridge is part of the highways mitigation work to deliver the expansion of Fernwood.

1.113 Borrowing is the balancing figure for the capital expenditure at £21.179m. This type of financing attracts a charge to revenue called the Minimum Revenue Provision (MRP) calculated using the asset life method as approved by Council within the Treasury Management Strategy each year. The current method approved is the asset life method. This apportions notional borrowing incurred over the life of the asset, which is in line with the timeline for receiving economic benefits generated by the asset.

2.0 Proposal/Options Considered

2.1 The MTFP shows that the Council is able to set a balanced budget for 2025/26, though will need to reduce expenditure and/or increase income in order to mitigate future anticipated shortfalls in funding.

2.2 The Council will need to continually consider how best to manage demand for its services, as well as continually monitor and review how it best delivers each service.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Legal Implications LEG2425/996

Approval of the Financial Strategy (including the Medium Term Financial Plan) is reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Revenue Budget and Council Tax Setting for 2025/26
Capital Programme 2025/26 to 2028/29
Statement of Accounts 2023/24

Appendix A

General Fund Revenue Reserves	Estimated Balance at 31st March 2024	Estimated Balance at 31st March 2025	Estimated Balance at 31st March 2026	Estimated Balance at 31st March 2027	Estimated Balance at 31st March 2028	Estimated Balance at 31st March 2029
Council Funds						
MTFP Reserve	(8,461,368)	(8,261,918)	(8,261,918)	(6,655,918)	(5,251,918)	(3,501,918)
Collection Fund Budget	(1,377,235)	0	0	0	0	0
Total Budget Funding Reserves	**(9,838,603)**	**(8,261,918)**	**(8,261,918)**	**(6,655,918)**	**(5,251,918)**	**(3,501,918)**
Election Expenses Fund	(115,247)	(155,947)	(155,947)	(155,947)	(155,947)	(155,947)
Insurance Fund Excesses & Self Insured	(106,895)	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
ICT & Digital Services	(110,325)	(110,325)	(110,325)	(110,325)	(110,325)	(110,325)
Repairs And Renewals Fund	(2,463,791)	(2,242,062)	(2,112,887)	(1,912,887)	(1,712,887)	(1,512,887)
Domestic Homicide Review	(9,820)	(10,820)	(10,820)	(10,820)	(10,820)	(10,820)
Training Provision	(281,300)	(376,910)	(332,271)	(332,271)	(332,271)	(332,271)
Planning Costs Fund	(201,140)	(39,940)	(39,940)	(39,940)	(39,940)	(39,940)
Growth And Prosperity Fund	(60,000)	(60,000)	0	0	0	0
CSG/Enforcement Reserve	(95,237)	(95,237)	(70,987)	(70,987)	(70,987)	(70,987)
Management Carry Forwards	(770,808)	(126,130)	0	0	0	0
Flood Defence Reserve	(250,000)	(220,000)	(120,000)	(120,000)	(120,000)	(120,000)
NNDR Volatility Reserve	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Community Initiative Fund	(110,888)	(100,888)	(100,888)	(100,888)	(100,888)	(100,888)
Asset Maintenance Fund	(350,550)	(350,550)	(17,328)	(17,328)	(17,328)	(17,328)
Capital Project Feasibility Fund	(223,011)	(242,719)	(148,210)	(148,210)	(148,210)	(148,210)
Community Engagement	(41,891)	(41,891)	(41,891)	(41,891)	(41,891)	(41,891)
Theatre Centenary Legacy	(17,321)	(17,321)	(17,321)	(17,321)	(17,321)	(17,321)
Commercial Plan Invest to Save	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)
Workforce Development Reserve	(169,610)	0	0	0	0	0
Energy Efficiency East Midlands	0	(49,325)	(49,325)	(49,325)	(49,325)	(49,325)
Capital Financing Provison	(1,270,243)	(461,978)	(110,788)	(55,473)	(55,473)	(55,473)
Total Earmarked for Known Pressures	**(7,348,077)**	**(5,492,043)**	**(4,228,928)**	**(3,973,613)**	**(3,773,613)**	**(3,573,613)**
Building Control Surplus	(61,839)	(61,839)	(61,839)	(61,839)	(61,839)	(61,839)
Museum Purchases Fund	(58,299)	(58,299)	(58,299)	(58,299)	(58,299)	(58,299)
Community Safety Fund	(136,508)	(134,008)	(134,008)	(134,008)	(134,008)	(134,008)
Homelessness Fund	(110,769)	(346,619)	(346,619)	(346,619)	(346,619)	(346,619)
Revenue Grants Unapplied	(976,830)	(551,107)	(487,412)	(487,412)	(487,412)	(487,412)
Energy & Home Support Reserve	(103,171)	(103,171)	(103,171)	(103,171)	(103,171)	(103,171)
Community Lottery Fund	(18,078)	(18,078)	(18,078)	(18,078)	(18,078)	(18,078)
Homes for Ukraine Fund	(353,256)	(348,256)	(348,256)	(348,256)	(348,256)	(348,256)
Mansfield Crematorium	(158,386)	(158,386)	(158,386)	(158,386)	(158,386)	(158,386)
Total Ring Fenced Reserves	**(1,977,136)**	**(1,779,763)**	**(1,716,067)**	**(1,716,067)**	**(1,716,067)**	**(1,716,067)**
Change Management/Capital Fund	(11,986,697)	(7,686,020)	(4,505,368)	(3,005,368)	(1,403,368)	(544,662)
General Fund Working Balance	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Un-ringfenced Reserves	**(13,486,697)**	**(9,186,020)**	**(6,005,368)**	**(4,505,368)**	**(2,903,368)**	**(2,044,662)**
Total General Fund Revenue Reserves	**(32,650,513)**	**(24,719,743)**	**(20,212,282)**	**(16,850,967)**	**(13,644,967)**	**(10,836,261)**
General Fund Capital Receipts	(39,000)	(289,989)	(1,680,324)	(32,389)	(252,259)	0
GF Grants & Contributions Unapplied	(11,157,429)	(11,981,429)	(10,381,429)	(8,281,429)	(9,181,429)	(10,081,429)
Total Capital Reserves	**(11,196,429)**	**(12,271,418)**	**(12,061,753)**	**(8,313,818)**	**(9,433,688)**	**(10,081,429)**
Total General Fund Revenue and Capital Reserve	**(43,846,943)**	**(36,991,162)**	**(32,274,035)**	**(25,164,785)**	**(23,078,655)**	**(20,917,690)**

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to: Full Council Meeting – 6 March 2025

Relevant Committee Chair: Councillor Rhona Holloway, Audit & Governance Committee

Director Lead: Sanjiv Kohli, Deputy Chief Executive / Director – Resources / Section 151 Officer

Lead Officers: Nick Wilson, Business Manager - Financial Services, Ext 5317

Report Summary	
Report Title	Treasury Management Strategy 2025/26
Purpose of Report	This report seeks approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.
Recommendations	That Council approve: a) The Treasury Management Strategy 2025/26, incorporating the Borrowing Strategy and the Annual Investment Strategy **Appendix A;** b) the Treasury Prudential Indicators and Limits, contained within **Appendix A;** c) the Authorised Limit Treasury Prudential Indicator contained within **Appendix A**.
Reason for Recommendation	It is a legislative requirement for a Local Authority to approve a Treasury Management Strategy and the attached appendices meet that requirement. In addition, the External Auditors (Forvis Mazars) may pass comment in their Report to those charged with governance should relevant strategies not be approved.

1.0 Background

1.1 At its meeting on 18 February 2025 the Audit and Governance Committee considered the proposed Treasury Management Strategy 2025/26 and agreed to recommend it to Council. A copy of the report is attached at **Appendix 1**.

2.0 Proposal/Options Considered

2.1 This report seeks approval for the Treasury Management Strategy 2025/26 (Appendix A), which encompasses the Treasury Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance.

3.0 <u>Implications</u>

In writing this report and in putting forward the recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 All the financial implications are contained within the appendices to this report.

Legal Implications LEG2425/8177

3.2 Approval of the Budget (including the Treasury Management Strategy) is a function reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

APPENDIX 1

Report to:	Audit & Governance Committee Meeting 19 February 2025
Director or Business Manager Lead:	Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer
Lead Officer:	Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Treasury Management Strategy 2025/26
Purpose of Report	This report seeks approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.
Recommendations	That Committee approves each of the following key elements and recommends these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: • The Treasury Management Strategy 2025/26, incorporating the Borrowing Strategy and the Annual Investment Strategy **Appendix A,** • The Treasury Prudential Indicators and Limits, contained within **Appendix A,** and • The Authorised Limit Treasury Prudential Indicator contained within **Appendix A**.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background

1.1 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."

1.2 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury

Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes to set Treasury Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

- The Act therefore requires the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

1.3 CIPFA Requirements:

The primary requirements of the Code are as follows:

- The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;

- The creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives;

- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy, a Mid-year Review Report and an Annual Report covering activities during the previous year;

1.4 This report seeks approval for the Treasury Management Strategy 2025/26 (Appendix A), which encompasses the Treasury Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance as follows:

2.0 <u>Summary of Investment Limits and Indicators</u>

2.1 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). No investment limits have been amended for the financial year 2025/26. Also, it is proposed to use the same prudential indicators for the investing activity, further details are in **Appendix A.**

3.0 <u>Summary of Borrowing Limits and Indicators</u>

3.1 The Council's borrowing limits are directly affected by the Council's approved capital programme and any capital expenditure financed by borrowing will therefore increase the Capital Financing Requirement (CFR). In respect of the tables within the documents, these reflect the proposed capital programme that will be presented to Cabinet on 18 February 2025 to be approved at Council on 6 March 2025. Where changes occur, these will be reflected in the documents as appropriate. The CFR is the level of expected borrowing and when compared to the actual external debt the variance represents the over or under borrowing position.

3.2 The Council is currently in an under borrowed position which means that previous capital expenditure financed by borrowing hasn't yet required actual external debt due to the timing of cash backed reserves that haven't yet been utilised. However, this is always a temporary position as ultimately when the cash backed reserves are used there will be a requirement for actual external borrowing.

3.3 The table below shows the Councils increasing CFR due to capital expenditure financed by borrowing less the actual external debt, with no new borrowing assumptions, less the cash backed reserves and working capital (debtors less creditors), further details are in **Appendix A**.

	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Loans CFR	**183,075**	**197,258**	**205,118**
Less: External borrowing	-103,857	-100,812	-94,766
Internal (over) borrowing	**79,218**	**96,446**	**110,352**
Less: Usable reserves	-42,921	-36,078	-34,239
Less: Working capital	-10,500	-10,500	-10,500
Investments / -New borrowing	**-25,797**	**-49,868**	**-65,613**

The table indicates that between 2025/26 and 2027/28 it is estimated that there will potentially be a minimum requirement to borrow an additional £66m.

3.4 Within the borrowing strategy the following key limits are proposed for the operational boundary and authorised limit over the same period, further details in **Appendix A.**

	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Operational Boundary	190,075	204,258	212,118
Authorised Limit	195,075	209,258	217,118

3.5 In the proposed borrowing strategy of the Treasury Management Strategy 2025/26, prudential indicator 4 (maturity structure of borrowing) has been revised to increase the upper limit on the first three exposure periods by 10%. This change is intended to enhance flexibility in a high-interest rate environment, allowing for shorter borrowing periods instead of being constrained to commit to long-term borrowing while interest rates are elevated.

Background Papers and Published Documents

CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2011 Edition and the 2017 revised Edition
CIPFA Prudential Code Local Government Act 2003
CIPFA Standard of Professional Practice on Treasury Management

APPENDIX A

TREASURY MANAGEMENT STRATEGY STATEMENT 2025/26

Introduction

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

This strategy covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC (now MHCLG) MRP Guidance, the CIPFA Treasury Management Code and DLUHC (now MHCLG) Investment Guidance.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

Treasury Management Reporting

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

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital forecast summary;
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how treasury investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the treasury position, amending prudential indicators as necessary, and whether any policies require revision.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

The above reports and strategies are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

Quarterly Reports

In addition to the three major reports detailed above, from 2024/25 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but are required to be adequately scrutinised. This role is undertaken by the Cabinet and the Prudential Indicators form part of the Quarterly Budget Monitoring Reports.

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. Treasury Management training has been undertaken by members on 9 December 2024 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the finance department. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by democratic services.

Treasury Management Consultants

The Council uses MUFG Corporate Markets, formally known as Link Group, Treasury solutions as its external treasury management advisors.

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 services of external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, treasury advisers.

It 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.

Capital Summary and Liability Benchmark

On 31 December 2024, the Council held £95m of borrowing and £47m of investments. Forecast changes in these sums are shown in the balance sheet analysis table below.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure and financing:

	2023/24 Actual £'000	2024/25 Forecast £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund services	41,350	19,470	32,081	7,954	5,075
Council housing (HRA)	14,035	21,270	23,295	23,850	18,033
Capital Loan (GF)	0	8,000	3,408	0	0
TOTAL	**55,385**	**48,740**	**58,784**	**31,804**	**23,108**
Capital Grants	33,845	6,245	7,787	1,378	1,675
Other Contributions	1,284	4,573	2,451	0	0
CIL	0	76	2,500	3,000	0
Capital Receipts	2,184	2,404	3,639	1,916	2,444
Revenue/ Major Repairs	14,814	12,417	10,545	7,204	4,413
Borrowing	3,258	23,025	31,862	18,306	14,576
TOTAL	**55,384**	**48,740**	**58,784**	**31,804**	**23,108**

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

	2023/24 Actual £'000	2024/25 Forecast £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund CFR	34,591	45,335	63,910	63,634	63,343
HRA CFR	101,067	111,637	119,165	133,624	141,775
Total CFR	**135,658**	**156,972**	**183,075**	**197,258**	**205,118**
Less: External borrowing	-84,935	-108,897	-103,857	-100,812	-94,766
Internal (over) borrowing	**50,723**	**48,075**	**79,218**	**96,446**	**110,352**
Less: Usable reserves	-58,217	-48,637	-42,921	-36,078	-34,239
Less: Working capital	-9,575	-10,500	-10,500	-10,500	-10,500
Investments / - New borrowing	**17,069**	**11,062**	**-25,797**	**-49,868**	**-65,613**

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The CFR is simply 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 indebtedness and so it's underlying borrowing need. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council has an increasing CFR due to the proposed capital programme and diminishing investments and will therefore be required to borrow up to a minimum of an additional £90m over the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2025/26.

Liability benchmark: A liability benchmark has been calculated showing the lowest level of borrowing required. This assumes the same forecasts as the table above, but that cash and investment balances are kept to a minimum level of £10m, as per MiFID II, at each year-end to maintain sufficient liquidity but minimise credit risk.

	2023/24 Actual £'000	**2024/25 Forecast £'000**	**2025/26 Estimate £'000**	**2026/27 Estimate £'000**	**2027/28 Estimate £'000**
Loans CFR	135,658	156,972	183,075	197,258	205,118
Less: Usable reserves	-58,217	-48,637	-42,921	-36,078	-34,239
Less: Working capital	-9,575	-10,500	-10,500	-10,500	-10,500
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	**77,866**	**107,835**	**139,654**	**160,680**	**170,379**

Borrowing Strategy

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 service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions.

Objectives: The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Current Borrowing portfolio position

The Council's treasury portfolio position, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2023/24 Actual £'000	**2024/25 Forecast £'000**	**2025/26 Estimate £'000**	**2026/27 Estimate £'000**	**2027/28 Estimate £'000**
Debt at 1 April	90,429	84,935	108,897	103,857	100,812
Expected change in Debt	-5,494	23,962	-5,040	-3,045	-6,046
Actual gross debt at 31	**84,935**	**108,897**	**103,857**	**100,812**	**94,766**
The Capital Financing Requirement	**135,658**	**156,972**	**183,075**	**197,258**	**205,118**
Under / (over) borrowing	**50,723**	**48,075**	**79,218**	**96,446**	**110,352**

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to 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 2025/26 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 or speculative purposes.

The Director of Resources/Deputy Chief Executive reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

IFRS16 – Leasing

The CIPFA LAASAC Local Authority Accounting Code Board deferred implementation of IFRS16 until 1 April 2024, the 2024/25 financial year. Where off-balance sheet leased assets have been brought onto the balance sheet in 2024/25.

The Council is presently assessing the effects of implementing the IFRS16 standard. To accommodate the necessary amendments in accordance with the standard, prudent assumptions and forecasts have been incorporated within the strategy limits

Treasury Indicators: limits to borrowing activity

Prudential Indicator 1: Operational Boundary for External Debt: The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise of finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Borrowing	161,972	188,075	202,258	210,118
Impact of IFRS16	2,000	2,000	2,000	2,000
Total Debt	**163,972**	**190,075**	**204,258**	**212,118**

Prudential Indicator 2 and 3: Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Borrowing	166,972	193,075	207,258	215,118
Impact of IFRS16	2,000	2,000	2,000	2,000
Total Debt	**168,972**	**195,075**	**209,258**	**217,118**

Separately, following the removal of the HRA Debt cap set by Government on 30 October 2018, the Council chose to use the Interest Cover Ratio (ICR) as its borrowing boundary for the HRA. The ICR represents the cover that the HRA has against its interest cost liabilities in any year. The ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest payments. The typical lending covenants used with the ratio varies between 1.10 and 1.50, the lower rate represents less cover and higher rate represents more cover, the Council will use the most prudent approach and therefore use 1.50 within the ratio to provide the most comfort of interest costs cover. The ICR has been modelled into the current HRA 30 year business plan and the maximum additional debt capacity set is £14,946m in order to maintain affordability in each financial year:

HRA Debt Limit	2024/25 Revised £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
HRA CFR	111,637	119,165	133,624	141,775
Additional ICR Debt	41,314	14,946	14,946	14,946
HRA Authorised Limit	**152,951**	**134,111**	**148,570**	**156,721**

Prudential Indicator 4: Maturity structure of borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed and variable rate borrowing will be:

	Upper	Lower
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Strategy: The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt. Instead, cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains relatively elevated in 2025 even if some rate cuts arise.

Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Director of Resources/Deputy Chief Executive will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Link will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2025/26 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2025/26, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow (normally for up to one to six months) short-term loans to cover unplanned cash flow shortages. Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

Sources of borrowing: Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following additional sources.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- UK Municipal Bonds Agency plc any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds
- capital market bond investors
- Finance Leases

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

LOBOs: The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £3.5m of these LOBOs have options during 2025/26, and although the Council understands that lenders are unlikely to exercise their options in the current interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £0m.

Short-term and variable rate loans: These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. Rescheduling of current borrowing in our debt portfolio is unlikely to occur. If rescheduling was done, it will be reported to Council, at the earliest meeting following its action.

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

Policy on internal borrowing interest to the HRA: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other.

Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (capital financing requirement) will result in an internal borrowing situation. The internal borrowing on the HRA will charged at the 25 year fixed maturity interest rate for PWLB for the 31 March for the relevant financial year with the credit going to the General Fund balance.

Investment Strategy

Management of Risk

The Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy and Investment Strategy.

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

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

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk.

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's investment balance has ranged between £30 and £54 million. Levels available for investment are affected by capital expenditure and use of reserves, both will continue to be monitored throughout the financial year.

Objectives: As the CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Strategy: Given the continued risk and market volatility, the Council aims to continue investing into secure and/or higher yielding asset classes during 2025/26. This is especially the case for he estimated £15m that is potentially available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds.

Business models: As a result of the change in accounting standards under IFRS 9, the Council must consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. On 18 December 2024, The Ministry of Housing, Communities and Local Government (MHCLG) issued a consultation on the provisional Local government finance settlement for 2025/26, which included the IFRS9 statutory override (Pooled Investment Fund Override – Regulation 30k), which they are minded not to extend beyond 31 March 2025. The override has been in place since 2018/19 for an initial five-year period to 31 March 2023 and was subsequently extended for a further two years to 31 March 2025.

During this seven-year period, the council has been prohibited from charging the fair value movements on the Council's pooled investment funds to the Comprehensive Income and Expenditure Statement (CIES) and have instead charged these to the Pooled Fund Investment Override account on the balance sheet, which was set up solely for the purpose of recognising fair value gains and losses on pooled investment funds.

In order to mitigate the impact of fair value movements on pooled investment funds, following the demise of the IFRS9 override, the Council will review the requirement for an earmarked reserve for the purpose of smoothing fair value movements on these funds during 2025/26.

Creditworthiness Policy; The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

1. It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security; and
2. It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Resources/Deputy Chief Executive will maintain a counterparty list in compliance with the following criteria in the table below and will revise the criteria and submit them to Council for approval as necessary.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the below criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows:

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£8m 5 years	£10m 20 years	£20m 50 years	£5m 20 years	£5m 20 years
AA+	£6m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£6m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£6m 3 years	£10m 4 years		£5m 4 years	£5m 10 years
A+	£6m 2 years	£10m 3 years		£5m 3 years	£5m 5 years
A	£6m 13 months	£10m 2 years		£5m 2 years	£5m 5 years
A-	£5m 6 months	£10m 13 months		£5m 13 months	£5m 5 years
None		n/a			£5m 5 years
Pooled funds and real estate investment trusts		£15m per fund or trust			

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

Pooled funds: Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational bank accounts: The Council will incur operational exposures through its current accounts, with Lloyds Bank. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £850,000 net in the bank with an overdraft facility of £100,000. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

Country and sector limits: Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA (excluding UK) from Fitch (or equivalent). This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

Investment limits: In order to limit the amount of reserves that will be potentially put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£15m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£15m in total

Local Authorities	£15m each
Money market funds	£12m each
Real estate investment trusts	£10m in total

Liquidity management: The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Policy on internal investment interest to the HRA: On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Interest receivable for HRA balance sheet resources available for investment will result in a notional cash balance. This balance will be measured at the end of the financial year and interest transferred from the General Fund to the HRA at the average investment rate for a DMO investment for the financial year due to the General Fund carrying all the credit risk per investment.

Investment returns expectations: The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2024/25 (residual)	4.20%
2025/26	3.90%
2026/27	3.50%
2027/28	3.25%
2028/29	3.25%

Treasury Indicators: limits to investing activity

The Council measures and manages its exposures to treasury management risks using the following indicators.

Prudential Indicator 5: Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target
Portfolio average credit rating	A

Prudential Indicator 6: Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a banding period, without additional borrowing.

Liquidity risk indicator	Target	Limit
Total cash available within;		
3 months	30%	100%
3 – 12 months	30%	80%
Over 12 months	40%	60%

Prudential Indicator 7: Interest rate exposures: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	£400,000
Upper limit on one-year revenue impact of a 1% fall in interest rates	£400,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

Prudential Indicator 8: Principal sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2025/26	2026/27	2027/28
Limit on principal invested beyond year end	£15m	£15m	£15m

Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Resources/Deputy Chief Executive has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments.
- The principles to be used to determine the maximum periods for which funds can be committed.

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in institutions.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Link Group as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Resources/Deputy Chief Executive, and if required new counterparties which meet the criteria will be added to the list.

<u>Treasury Management Scheme of Delegation</u>

(i) Full Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;

(ii) Audit and Governance Committee

- reviewing the treasury management policy and procedures and making recommendations to the responsible body;
- receiving and reviewing regular monitoring reports and acting on recommendations; and
- approving the selection of external service providers and agreeing terms of appointment.

The Treasury Management Role of the Section 151 Officer

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same 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;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above; and
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

Economic Background and Interest Rate Forecast

The third quarter of 2024 (July to September) saw:

- GDP growth stagnating in July following downwardly revised Q2 figures (0.5% q/q)
- A further easing in wage growth as the headline 3myy rate (including bonuses) fell from 4.6% in June to 4.0% in July;
- CPI inflation hitting its target in June before edging above it to 2.2% in July and August;
- Core CPI inflation increasing from 3.3% in July to 3.6% in August;
- The Bank of England initiating its easing cycle by lowering interest rates from 5.25% to 5.0% in August and holding them steady in its September meeting;
- 10-year gilt yields falling to 4.0% in September.

Over the aforementioned period, the economy's stagnation in June and July pointed more to a mild slowdown in UK GDP growth than a sudden drop back into a recession. However, in the interim period, to 12 December, arguably the biggest impact on the economy's performance has been the negative market sentiment in respect of the fallout from the Chancellor's Budget on 30 October.

If we reflect on the 30 October Budget, our central case is that those policy announcements will prove to be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be elevated at 2.7% y/y (Q4 2025) before dropping back to sub-2% in 2027. Nonetheless, since the Budget, the October inflation print has shown the CPI measure of inflation bouncing up to 2.3% y/y with the prospect that it will be close to 3% by the end of the year before falling back slowly through 2025. The RPI measure has also increased significantly to 3.4% y/y.

How high inflation goes will primarily be determined by several key factors. First amongst those is that the major investment in the public sector, according to the Bank of England, will lift UK real GDP to 1.7% in 2025 before growth moderates in 2026 and 2027. The debate around whether the Government's policies lead to a material uptick in growth primarily focus on the logistics of fast-tracking planning permissions, identifying sufficient skilled labour to undertake a resurgence in building, and an increase in the employee participation rate within the economy.

There are inherent risks to all the above. The worst-case scenario would see systemic blockages of planning permissions and the inability to identify and resource the additional workforce required to deliver large-scale IT, housing and infrastructure projects. This would lead to upside risks to inflation, an increased prospect of further Government borrowing & tax rises in the June 2025 Spending Review (pushed back from the end of March), and a tepid GDP performance.

Regarding having a sufficiently large pool of flexible and healthy workers, the initial outlook does not look bright. Research from Capital Economics has alluded to an increase of some 500,000 construction workers being needed to provide any chance of the Government hitting its target of 300,000 new homes being built in each of the next five years (234,000 net additional dwellings in England in 2022/23). But the last time such an increase was needed, and construction employment is currently at a nine-year low, it took 12 years to get there (1996 to 2008). Also note, as of October 2024, job vacancies in the construction sector were still higher than at any time in the 20 years preceding the pandemic.

Currently, it also seems likely that net inward migration is set to fall, so there is likely to be a smaller pool of migrant workers available who, in the past, have filled the requirement for construction worker demand. The Government plans to heavily promote training schemes, particularly to the one million 16- to 24-year-olds who are neither in education nor work. But it is arguable as to whether the employee shortfall can be made up from this source in the requisite time, even if more do enter the workforce.

Against, this backdrop, there may be a near-term boost to inflation caused by a wave of public sector cash chasing the same construction providers over the course of the next year or so, whilst wages remain higher than the Bank currently forecasts because of general labour shortages, including in social care where Government accepts there is a 150,000 shortfall at present.

Unemployment stands at a low 4.3% (September), whilst wages are rising at 4.3% y/y (including bonuses) and 4.8% (excluding bonuses). The Bank would ideally like to see further wage moderation to underpin any further gradual relaxing of monetary policy. Indeed, over the next six months, the market is currently only pricing in Bank Rate reductions in February and May – which would see Bank Rate fall to 4.25% - but further cuts, thereafter, are highly likely to be even more data-dependent.

If we focus on borrowing, a term we are likely to hear throughout 2025 is “bond vigilante”. Essentially, this represents a generic term for when the market is ill at ease with the level of government borrowing and demands a higher return for holding debt issuance. In the UK, we do not need to go back too far to recall the negative market reaction to the Truss/Kwarteng budget of 2022. But long-term borrowing rates have already gradually moved back to those levels since their recent low point in the middle of September 2024. Of course, the UK is not alone in this respect. Concerns prevail as to what the size of the budget deficit will be in the US, following the election of Donald Trump as President, and in France there are on-going struggles to form a government to address a large budget deficit problem too. Throw into the mix the uncertain outcome to German elections, and there is plenty of bond investor concern to be seen.

Staying with the US, Donald Trump’s victory paves the way for the introduction/extension of tariffs that could prove inflationary whilst the same could be said of further tax cuts. Invariably the direction of US Treasury yields in reaction to his core policies will, in all probability, impact UK gilt yields. So, there are domestic and international factors that could impact PWLB rates whilst, as a general comment, geo-political risks continue to abound in Europe, the Middle East and Asia.

In the past month, the US Core CPI measure of inflation has indicated that inflation is still a concern (3.3% y/y, 0.3% m/m), as has the November Producer Prices Data (up 3.0 y/y v a market estimate of 2.6% y/y, 0.4% m/m v an estimate of 0.2% m/m) albeit probably insufficient to deter the FOMC from cutting US rates a further 0.25% at its December meeting. However, with Trump's inauguration as President being held on 20 January, further rate reductions and their timing will very much be determined by his policy announcements and their implications for both inflation and Treasury issuance.

Looking at gilt movements in the first half of 2024/25, and you will note the 10-year gilt yield declined from 4.32% in May to 4.02% in August as the Bank's August rate cut signalled the start of its loosening cycle. More recently, however, 10 year gilt yields have spiked back up to 4.35%.

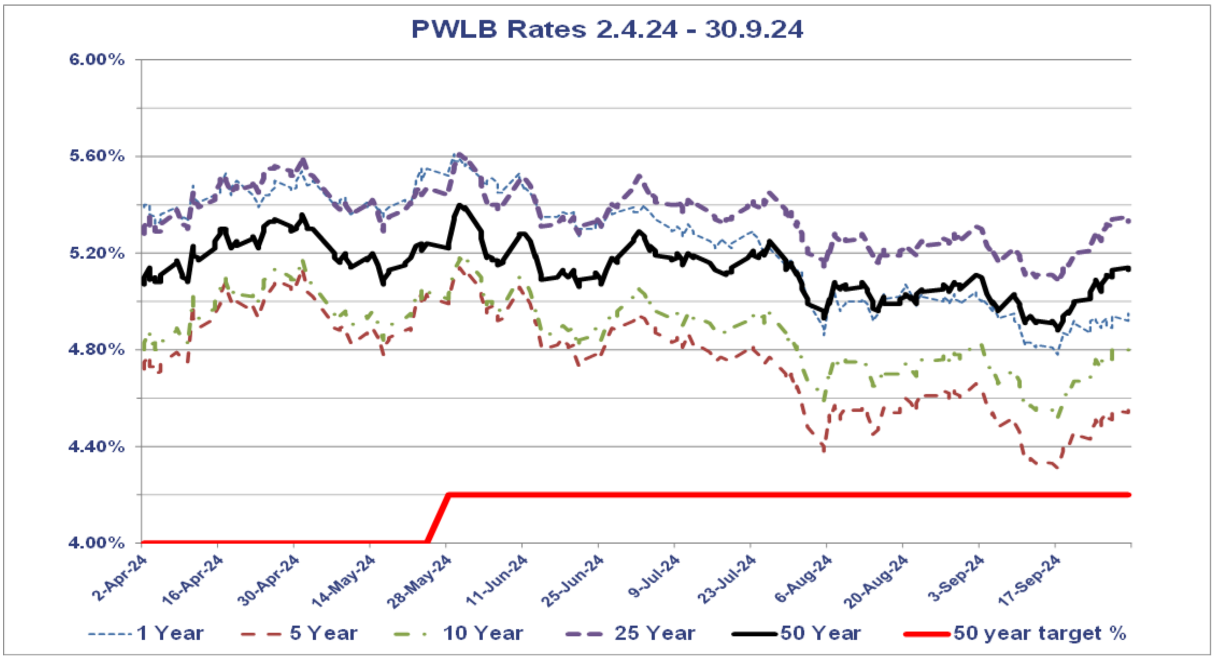
The FTSE 100 reached a peak of 8,380 in the third quarter of 2024 (currently 8.304), but its performance is firmly in the shade of the US S&P500, which has breached the 6,000 threshold on several occasions recently, delivering returns upwards of 25% y/y. The catalyst for any further rally (or not) is likely to be the breadth of AI's impact on business growth and performance.

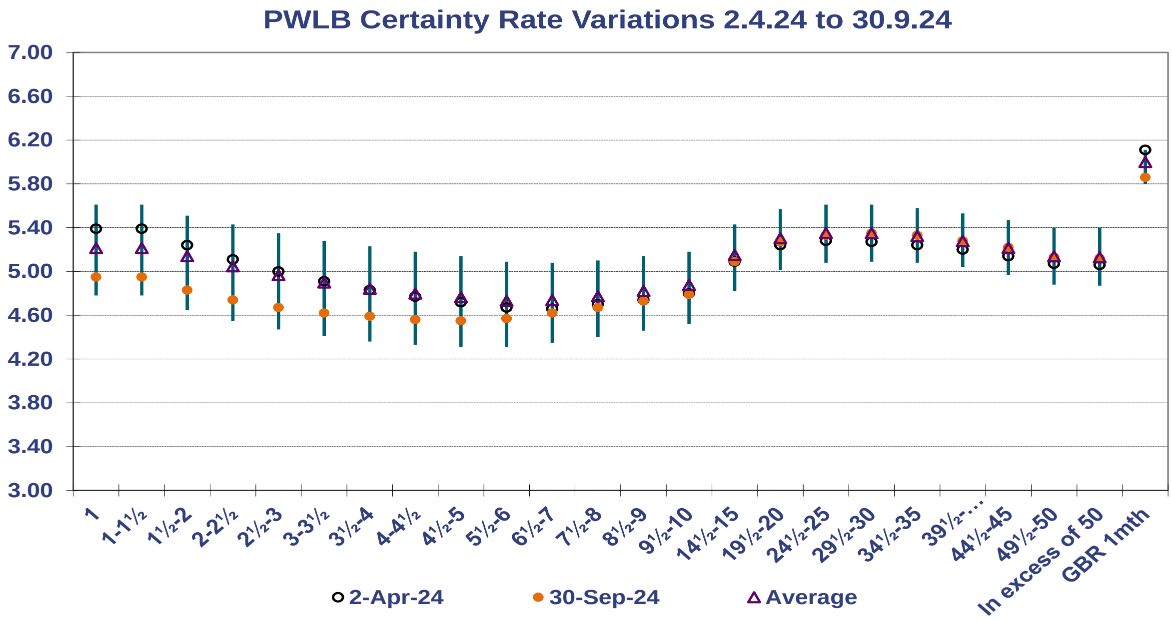
MPC meetings: 9 May, 20 June, 1 August, 19 September, 7 November 2024

- On 9 May, the Bank of England's Monetary Policy Committee (MPC) voted 7-2 to keep Bank Rate at 5.25%. This outcome was repeated on 20th June.
- However, by the time of the August meeting, there was a 5-4 vote in place for rates to be cut by 25bps to 5%. However, subsequent speeches from MPC members have supported Governor Bailey's tone with its emphasis on "gradual" reductions over time.
- Markets thought there may be an outside chance of a further Bank Rate reduction in September, following the 50bps cut by the FOMC, but this came to nothing.
- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut but the language used by the MPC emphasised "gradual" reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.

In the chart below, despite a considerable gilt market rally in mid-September, rates started and finished the six-month period under review in broadly the same position.

PWLB RATES 02.04.24 - 30.09.24





HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 30.09.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
30/09/2024	4.95%	4.55%	4.79%	5.33%	5.13%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.14%	5.18%	5.61%	5.40%
High date	29/05/2024	01/05/2024	01/05/2024	01/05/2024	01/05/2024
Average	5.21%	4.76%	4.88%	5.35%	5.14%
Spread	0.83%	0.83%	0.66%	0.53%	0.52%

INTEREST RATE FORECASTS

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Authority to formulate a view on interest rates. Link provided the following forecasts on 11 November 2024. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	11.11.24												
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

The Council can access a Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1 November 2012. Please note, the lower Housing Revenue Account (HRA) PWLB rate started on 15 June 2023 for those authorities with an HRA (standard rate minus 60 bps), until March 2026.

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Full Council Meeting – 6 March 2025
Relevant Committee Chair:	Councillor Rhona Holloway, Audit & Governance Committee
Director Lead:	Sanjiv Kohli, Deputy Chief Executive / Director – Resources / Section 151 Officer
Lead Officers:	Nick Wilson, Business Manager - Financial Services, Ext 5317

Report Summary	
Report Title	Capital Strategy 2025/26
Purpose of Report	This report seeks approval to the Capital Strategy 2025/26, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.
Recommendations	That Council approve: a) the Capital Strategy 2025/26, contained within **Appendix A**; b) the Capital Prudential Indicators and Limits for 2025/26, contained within **Appendix A**; c) the Minimum Revenue Provision (MRP) Policy Statement as contained within **Appendix C**, which sets out the Council's policy on MRP; d) the Flexible Use of Capital Receipts Strategy, contained with **Appendix D**;
Reason for Recommendation	It is a legislative requirement for a Local Authority to approve a Capital strategy and the attached appendices meet that requirement. In addition, the External Auditors (Mazars) may pass comment in their Report to those charged with governance should relevant strategies not be approved.

1.0 Background

1.1 At its meeting on 18 February 2025, the Audit & Governance Committee considered the proposed Capital Strategy 2025/26 and agreed to recommend it to Council. A copy of the report is attached at **Appendix 1**.

2.0 Proposal/Options Considered

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

3.0 Implications

In writing this report and in putting forward the recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 All the financial implications are contained within the appendices to this report.

3.2 Legal Implications LEG2425/740

Approval of the Capital Strategy is reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

APPENDIX 1

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Audit & Governance Committee Meeting 19 February 2025
Director or Business Manager Lead:	Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer
Lead Officer:	Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Capital Strategy 2025/26
Purpose of Report	To seek Committee approval to the Capital Strategy 2025/26, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.
Recommendations	That Committee approves each of the following key elements and recommends these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: • The Capital Strategy 2025/26 **Appendix A;** • The Capital Prudential Indicators and Limits for 2025/26, contained within **Appendix A;** • The Minimum Revenue Provision (MRP) Policy Statement as contained within **Appendix C**, which sets out the Council's policy on MRP; and • The Flexible Use of Capital Receipts Strategy, contained with **Appendix D**.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 <u>Background</u>

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

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

1.3 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Capital Prudential Indicators each financial year to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

1.4 CIPFA Requirements:

- The Prudential Indicators set out the expected capital activities during the financial year (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).

- Delegation by the Council of the role of scrutiny of Capital Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Accounts Committee.

2.0 Summary of Capital Expenditure and Financing

2.1 The table below summaries the total forecasted capital expenditure and financing over the next three years, further breakdown is contained within the Strategy;

	2025/26 Budget	2026/27 Budget	2027/28 Budget
Total Capital Expenditure	**58,784**	**31,804**	**23,108**
Capital Grants	7,787	1,378	1,675
Other Contributions	2,451	0	0
CIL	2,500	3,000	0
Capital Receipts	3,639	1,916	2,444
Revenue/ Major Repairs Reserve	10,545	7,204	4,413
Borrowing	31,862	18,306	14,576
Total Capital Financing	**58,784**	**31,804**	**23,108**

3.0 Changes to Previous Year Capital Strategy

3.1 The primary change in the proposed Capital Strategy 2025/26 involves revising the MRP policy wording to align with the newly updated regulations.

Background Papers and Published Documents
CIPFA Prudential Code Local Government Act 2003
CIPFA Treasury Management Code of Practice

Appendix A

Capital Strategy Report 2025/26

Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance stakeholders' understanding of these sometimes technical areas.

As well as detailing the approved capital programme, the document also sets out the Councils ambitions over the medium to longer term.

The basic elements of the Strategy therefore include:

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

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

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

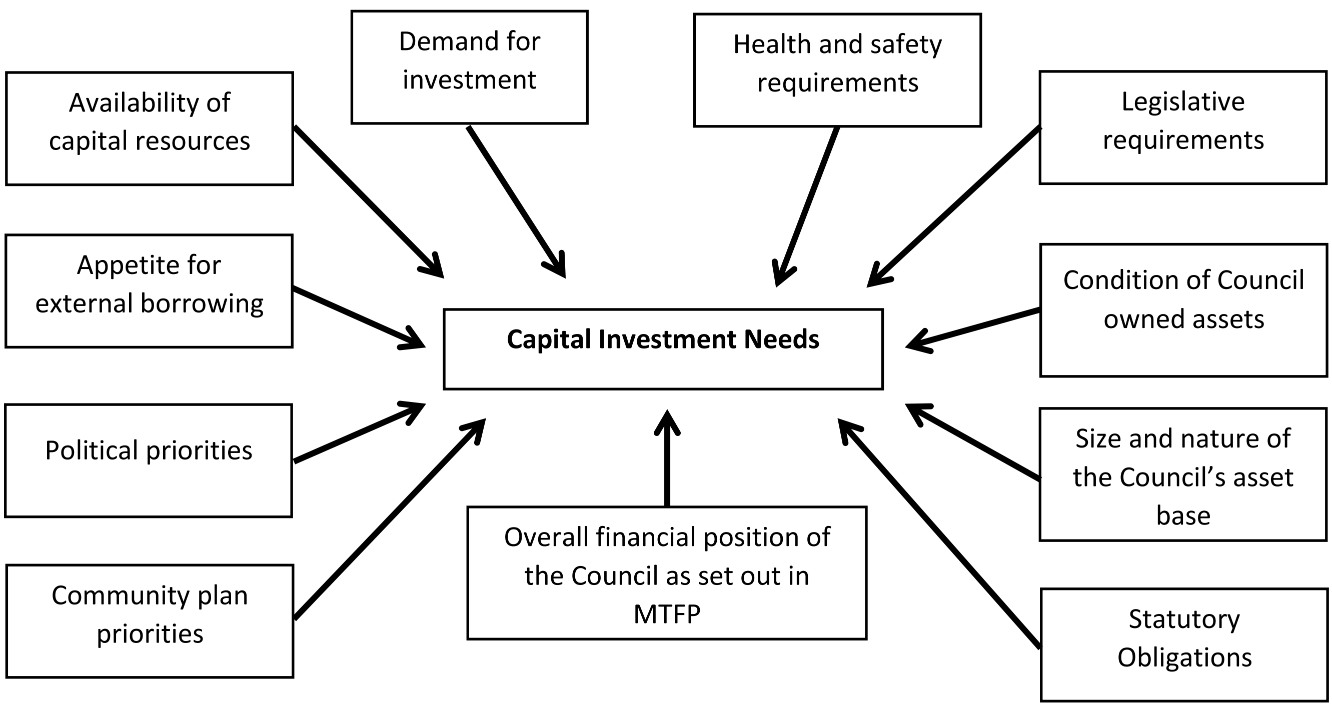
CAPITAL INVESTMENT PRIORITIES

Newark and Sherwood's Community Plan covers the period from 2023 to 2027 and sets out what the Council intends to achieve over the next four years providing a focus for activities and prioritisation of public money.

The Council's Purpose and Values:

- ***Ambitious and forward thinking*****:** Focused on achieving the very best and always looking to improve and innovate.
- ***Caring and compassionate*****:** Sensitive to the different needs and circumstances of others; seeks to empower people to fulfil their potential.
- ***Commercial and business-like*****:** Careful and creative with resources; securing value for money.
- ***Professional and trustworthy*****:** Open, honest, and transparent. Consistently delivering on promises; providing good quality and demonstrating integrity.
- ***Welcoming and responsive*****:** Approachable, friendly, and inclusive. Open to feedback and challenge and swift to act.

Capital investment should be directly linked to the objectives as outlined in the Community Plan. There are however a number of other factors that affect the need for capital investment both internal and external. The diagram below identifies a number of these:



Capital Expenditure and Financing

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £15,000 are not capitalised and are charged to revenue in year in accordance with its de minimus limits as set out in the Financial Regulations.

- For details of the Council's policy on capitalisation, see: Accounting Policy 1.17 under note 1 of the Councils Statement of Accounts.

In 2025/26, the Council is planning capital expenditure of £57.7m as summarised below:

Prudential Indicator 9: Estimates of Capital Expenditure in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
General Fund services	41,350	19,470	32,081	7,954	5,075
Council housing (HRA)	14,035	21,270	23,295	23,850	18,033
Capital Loan (GF)	0	8,000	3,408	0	0
TOTAL	**55,385**	**48,740**	**58,784**	**31,804**	**23,108**

The General Fund Capital Programme with a proposed budget for 2025/26 of £32m and £3.4m of capital funding in the form of capital loans to the Councils housing development company for regeneration purposes.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and has a proposed budget for 2025/26 of £23.2m, which supports the maintenance of the Councils circa 5,550 council houses.

Governance: During early July a 'Capital Bid Request Form' is sent to all Business Managers and Directors. Each bid is required to include details of the nature of the scheme and how it meets the priorities within the Community Plan. It must also include detailed costs for expenditure and all financing costs (which can be nil if the project is fully externally financed) in order to assess the viability of each scheme against the available resources. All bids are required to be authorised by the relevant director and then collated by the Capital Finance team.

The Senior Leadership Team appraises all bids based on a comparison of service priorities against financing costs. Criteria can be found at **Appendix E**. Based on this assessment a final

Capital Programme report is prepared for submission to Cabinet in February before final approval by Council in March.

- Full details of the 'Capital Bid Request Form' and the prioritisation criteria can be found at **Appendix E**.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

Prudential Indicator 10: Capital financing in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
External sources					
Capital Grants	33,845	6,245	7,787	1,378	1,675
Other Contributions	1,284	4,573	2,451	0	0
Own resources					
CIL	0	76	2,500	3,000	0
Capital Receipts	2,184	2,404	3,639	1,916	2,444
Revenue/ Major Repairs Reserve	14,814	12,417	10,545	7,204	4,413
Debt					
Borrowing	3,258	23,025	31,862	18,306	14,576
Leasing	0	0	0	0	0
TOTAL	**55,385**	**48,740**	**58,784**	**31,804**	**23,108**

Debt is only a temporary source of finance, since loans and leases must be repaid this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). This is a charge to the General Fund Balance and is mandated by legislation to ensure that a prudent charge for the repayment of debt be made by the revenue account. An MRP Statement which sets out how this charge should be calculated each year must be produced which is appended at **Appendix C**.

As the HRA account is self-financing there is no requirement for an MRP charge as the actual debt repayments are made as the loans mature. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The forecast General Fund MRP charge and the HRA actual debt loan repayments are below:

Replacement of debt finance in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
General Fund - MRP	1,139	673	719	1,076	1,092
HRA - Debt Repayment	5,534	3,037	5,041	3,044	**6,046**

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and loan debt repayments and capital receipts used to replace debt. The CFR is expected to increase by £26.1m during 2025/26. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Prudential Indicator 11: Estimates of Capital Financing Requirement in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
General Fund services	34,591	37,335	52,502	52,226	51,935
Council housing (HRA)	101,067	111,637	119,165	133,624	141,775
Capital investments	0	8,000	11,408	11,408	11,408
TOTAL CFR	**135,658**	**156,972**	**183,075**	**197,258**	**205,118**

Asset management: The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio consists of operational property and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:

- Operational purposes e.g. assets that support core business and service delivery e.g. office buildings.
- Parks, playgrounds and open spaces.
- Regeneration, enabling strategic place shaping and economic growth.

Asset management is an important part of the council's business management arrangements and is crucial to the delivery of efficient and effective services, the ongoing management and maintenance of capital assets will be considered as part of this strategy. The asset management planning includes an objective to optimise the council's land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

Asset disposal: The Council will continue to realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the prevailing market conditions in order to maximise the sale proceeds, known as capital receipts, which can then be spent on new assets or repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2025/26, although the Council does not expect to utilise this ability during 2025/26. Repayments of capital grants, loans and investments also generate capital receipts.

- The Council's Flexible Use of Capital Receipts Policy is available at **Appendix D**.

Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council typically has a surplus of cash in the short-term as revenue income is received before it is spent, but a shortfall of cash in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council at 31 December 2024 had £95m borrowing at an average interest rate of 5.59% and £47m treasury investments at an average rate of 4.65%.

Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 4.75%) and long-term fixed rate loans where the future cost is known but higher (currently between 4.5% to 5.0% depending on the length of the loan).

The table below shows the Council's actual debt position against the forecasted capital financing requirement, where no additional borrowing has been included based on the proposed capital program.

Gross Debt and the Capital Financing Requirement in £'000

Debt	**2023/24 Actual**	**2024/25 Forecast**	**2025/26 Budget**	**2026/27 Budget**	**2027/28 Budget**
External Debt at 1 April	90,429	84,935	108,897	103,857	100,812
Expected change in Debt	-5,494	23,962	-5,040	-3,045	-6,046
Actual gross debt at 31 March	**84,935**	**108,897**	**103,857**	**100,812**	**94,766**
The Capital Financing Requirement	**135,658**	**156,972**	**183,075**	**197,258**	**205,118**
Under / (over) borrowing	**26,795**	**48,075**	**79,218**	**96,446**	**110,352**

Statutory guidance is that debt should remain below the capital financing requirement, except in exceptional circumstances that may incur for a short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Authorised limit and operational boundary for external debt in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget
Authorised limit – total external debt	168,972	195,075	209,258	217,118
Operational boundary – total external debt	163,972	190,075	204,258	212,118

- Further details on borrowing are in pages 4 to 7 of the treasury management strategy.

Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons may be for purely financial gain or in order to stimulate the local economy and are not generally considered to be part of treasury management.

The Council's policy on treasury investments is to prioritise security and liquidity over yield, which is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent over the short - term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property funds, to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Treasury management investments in £'000

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
Short-term investments	50,292	39,310	30,395	25,605	24,317
Longer-term investments	7,500	9,827	13,026	10,973	10,422
TOTAL	**57,792**	**49,137**	**43,421**	**36,578**	**34,739**

- Further details on treasury investments are in pages 8 to 13 of the treasury management strategy.

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources/Deputy Chief Executive and treasury staff, who must act in line with the Treasury Management Strategy approved by Full Council. Half yearly reports on treasury management activity are presented to the Audit and Governance committee and then to Full Council. The Audit and Governance committee is responsible for scrutinising treasury management decisions. Quarterly reporting against the Prudential Indicators will be included within Budget Monitoring and Forecasting reports from April 2023 which will be presented to the Audit and Governance Committee.

Investments for Service Purposes

The Council makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

Governance: Decisions on service investments are made by the relevant Business Manager in consultation with the Director of Resources/Deputy Chief Executive and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are contained within the investment strategy.

Commercial Activities

With central government financial support for local public services declining, the Council has the ability to invest in commercial property if it meets both wider Council objectives and provides a financial return that can be used to support Council services.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus/financial return. The council may fund the purchase of the property by borrowing money. The rental income paid by the tenant should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position, and enables the council to continue to provide services for local people. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. In order that commercial investments remain proportionate to the size of the council, these are subject to an overall maximum investment limit of £15m. However, the Council does not hold any investment properties on its balance sheet and has no plans to invest in these types of assets.

Governance: Property and most other commercial investments would be classed as capital expenditure and purchases will therefore be approved as part of the capital programme.

- Further details on commercial investments and limits on their use are contained within the investment strategy.

Liabilities

In addition to debt of £95m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £11.9m 2023/24).

Governance: Decisions on incurring new discretionary liabilities are taken by Business Managers in consultation with the Director of Resources/Deputy Chief Executive. The risk of liabilities crystallising and requiring payment is monitored by the corporate finance team. New liabilities are reported to full Council for approval/notification as appropriate.

- Further details on liabilities and guarantees are on pages 86 to 90 of the 2023/24 statement of accounts.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

Prudential Indicator 12: Proportion of financing costs to net revenue stream in £'000

	2022/23 Actual	2023/24 Forecast	2024/25 Budget	2025/26 Budget	2026/27 Budget
General Fund					
MRP Charge	1,139	673	719	1,076	1,092
Interest Payable	51	326	461	827	1,026
Less: Investment Income	-3,917	-2,146	-1,980	-1,959	-1,966
Total GF Financing costs	**-2,727**	**-1,147**	**-800**	**-56**	**152**
Proportion of net revenue stream	-16.00%	-7.06%	-7.13%	-5.80%	-4.74%

Housing Revenue Account					
Interest Payable	3,879	3,399	4,294	4,656	5,193
Depreciation	5,784	6,388	6,369	6,740	6,790
MRR contributions including debt repayments	5,009	4,081	2,249	1,906	2,023
Less: Investment Income	-4	-5	-51	-20	-20
Total HRA Financing costs	**14,668**	**13,863**	**12,861**	**13,282**	**13,986**
Proportion of net revenue stream	52.75%	46.28%	41.03%	41.30%	42.07%

- Further details on the revenue implications of capital expenditure are contained within the 2025/26 revenue budget.

Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for potentially up to 50 years into the future. The Director of Resources/Deputy Chief Executive is satisfied that the proposed capital programme is prudent, affordable and sustainable.

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Resources/Deputy Chief Executive is a qualified accountant with 20 years' experience, the Business Manager – Corporate Property is a qualified Chartered Surveyor and also has 11 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, AAT, ACT (treasury) and actively encourages staff to attend relevant training courses and seminars.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Group as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- The Council's policy on the use of temporary agency workers and consultants is available on the Councils Intranet.

APPENDIX B

MANAGING THE CAPITAL PROGRAMME

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

The Council maintains comprehensive and robust procedures for managing and monitoring its Capital Programme. Ongoing monitoring arrangements for the delivery of the approved programme consist of:

- Project Managers are identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- The Deputy Chief Executive/Director of Resources and S151 Officer co-ordinates high level monthly reporting and detailed quarterly reporting to the Management Senior Leadership Team and Cabinet;
- The quarterly capital monitoring where project managers report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken; and
- Business Managers are responsible for ensuring that their Project Manager’s monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet for approval of variations where necessary.

PROCUREMENT

The purchase of capital assets should be conducted in accordance with the Contract Procedure Rules, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write off of assets are contained in the Constitution which is consistently reviewed.

VALUE FOR MONEY

The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of our capital strategy. Specifically, we will seek to strengthen the outcome indicators as part of post project reviews.

APPENDIX C

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2025/25

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (the minimum revenue provision - MRP). The Council is required by statute to make a prudent provision for the repayment of its debt. It is also required to 'have regard' to guidance on how to calculate this provision, issued by the Ministry of Housing, Communities and Local Government, most recently in 2024.

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

In developing this policy statement, the Council is satisfied that the guidelines for their annual amount of MRP will result in it making a prudent provision.

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Council's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

The Council reserves the right to determine alternative MRP approaches in particular cases, in the interests of making a prudent provision, where this is material, taking account of local circumstances, including specific project timetables and revenue-earning profiles.

The Council is recommended to approve the following MRP Statement:

Where capital expenditure was incurred before 1 April 2008, the guidance suggests writing down the remaining Capital Financing Requirement by providing MRP of 4% per annum on a reducing balance method.

However, due to the lack of financial information on capital expenditure financed by borrowing incurred before 1 April 2016, the MRP Policy will be:

- **2% Straight Line Basis** - as the Council deems it more prudent MRP will be charged on a 2% straight line basis, net of 'Adjustment A'. This ensures that the debt will be repaid within 50 years, which will be far sooner than under the 4% reducing balance method.

From 1 April 2016 for all unsupported borrowing the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, with a maximum of 50 years life, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's useful life.

Capital expenditure incurred during 2024/25 will not be subject to an MRP charge until 2025/26 or the first year following the date that an asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

The Council has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

For the following types of capital expenditure, the Council has determined that an alternative methodology for determining the annual MRP charge should be adopted:

- MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than the PFI contract, where MRP will be calculated on an asset life basis.
- MRP in respect of leases where a right of use asset is on the balance sheet will equal the repayment amount in year that writes down the balance sheet liability.

Capital Loans

For capital expenditure on loans to third parties which were made primarily for service purposes, the Council will make nil MRP except where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Instead, the Council will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value of any repayments of loan principal received during the financial year with the capital receipts received applied to finance the expenditure instead.

Capital Receipts

Capital receipts - proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Council decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.

MRP Overpayments

Under the MRP guidance, charges made more than the statutory MRP can be made and are known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made up to 31 March 2024 are £1.793m.

Each year a new MRP statement will be presented.

APPENDIX D

FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY

Introduction and Background

Traditionally, capital receipts could only be used for specific purposes as set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) regulations 2003 made under section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure. The use of capital receipts to support revenue expenditure is not permitted by the regulations.

The proposals within this Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

The government allows local authorities further flexibilities to fund revenue costs from capital sources including allowing borrowing to fund general cost pressures (with a commitment to future efficiency savings), funding specific invest to save revenue costs from borrowing, and allowing authorities to use the proceeds from selling investment assets to fund revenue pressures or increase reserves or repay debt.

The current government directive allowing the flexible use of capital receipts ends on 31 March 2030.

In summary, the key elements of the MHCLG guidance on the flexible use of capital receipts are:

Types of qualifying expenditure

1. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.

2. Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure. In addition, one off costs, such as banking savings against temporary increases in costs/pay cannot be classified as qualifying expenditure.

Financing of the qualifying expenditure

1. Up to 100% of capital receipts from property, plant and equipment disposals received from 2025/26 (excluding Right to Buy receipts) can be used to finance qualifying expenditure (existing capital receipts in hand prior to 2025/26 are not permitted to be used).

2. Local authorities may not borrow to finance qualifying expenditure.

3. The guidance will apply for 2025/26.

APPENDIX E

NEWARK & SHERWOOD DISTRICT COUNCIL
CAPITAL PROJECT APPRAISAL FORM

PORTFOLIO	
DIRECTORATE	
BUSINESS MANAGER	
PROJECT OFFICER	
PROJECT TITLE	

1. DESCRIPTION OF PROJECT

2. DEMONSTRATION OF NEED (is a statutory requirement to carry out the works, can you provide evidence to support this)

3. DETAIL HOW THE PROJECT LINKS TO THE COMMUNITY PLAN

4. DESCRIBE THE IMPACT OF THIS PROJECT ON OTHER BUSINESS UNITS (including officers in other BU's involvement in the project) *Particularly Legal and Asset Management.*

5. PROJECT DEPENDANCIES

6. RESOURCE REQUIREMENTS

6a. LAND/BUILDINGS CURRENTLY IN COUNCIL OWNERSHIP (State whether General Fund or HRA).

6b. ESTIMATED CAPITAL COSTS INCLUDING PROFILE OF SPEND OVER FINANCIAL YEARS (best estimates should be given which can be firmed up when details scoping has been completed)

***Consideration to be given to inflation and contingency**

2026/27 £	2027/28 £	2028/29 £	2029/30 £

6d. FUNDING AVAILABLE

Source	2026/27 £	2027/28 £	2028/29 £	2029/30 £

6e. REVENUE IMPLICATIONS (this should include costs associated with implementation, ongoing revenue costs and ongoing savings and should be agreed with relevant accountant).

6f. VAT IMPLICATIONS (do we need to consider an option to tax?) Please do not assume no, for advice on this please contact Jenna Norton, Financial Services.

7. OTHER INFORMATION

7a. HEALTH & SAFETY ISSUES

7b. EQUALITIES IMPLICATIONS

7c. CRIME & DISORDER ISSUES

7d. PLANNING IMPLICATIONS (if a planning application is required, has this cost been factored into the cost in section 6?)

7e. LISTED BUILDING IMPLICATIONS

7f. PROJECT RISKS AND UNCERTAINTIES

7f. HAVE ALTERNATIVE PROCUREMENT STRATEGIES SUCH AS JOINT PROCUREMENT BEEN EXPLORED?

8. ANTICIPATED START AND END DATES FOR PROJECT ONCE APPROVED

9. ANY ADDITIONAL INFORMATION (results of tenant survey, cost breakdown per site or type of work etc)

FORM COMPLETED BY: ______________________________

DATE: ____________________

SIGNATURE OF SPONSORING DIRECTOR: ______________________________

PRIORITISATION CRITERIA

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
1	**Key Priorities** Scheme must link to at least one of the Council's priorities and be an objective contained within a Service Plan.	If a scheme does not clearly relate to these areas it will not be considered further.	Each scheme to be marked as to how well it fits with the Community Plan	**35%**
2	**Evidence of Need** Service Strategy National Strategy or Guidelines Statutory Obligation	In some cases local demands are in excess of national guidelines and strategies and this tries to acknowledge that the two must be balanced. This will cover Health and Safety related schemes.	The following factors will receive equal weighting :- • Statutory Obligation • National Strategy • Validity of consultation in relation to project. e.g. How specific to this project? Who was consulted, was this comprehensive? • Quality of evidence of need for project .e.g. size of sample base, date of evidence, format of evidence	**10%**
3	**Partnership** Eligibility under existing criteria can be demonstrated.	Show that work has been done to ensure that the obtaining of external finance is realistic. The degree to which the partnership will add value to the project.	The proportion of finance which will be met by third party. The likelihood of receiving support. Assessment of the value the partner will add to the project.	**15%**

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
4	**Outputs and Outcomes** These have been clearly identified and can be justified from supporting evidence. Specific comments should be made as to how the scheme represents value for money when compared to other options	This will enable the council to improve the way it reports its work and clearly show what is being achieved. The comments should refer to any performance indicators which the proposal is addressing specifying what the improvement target is.	Assessment then made on what the scheme will achieve.	**15%** Assessment of all factors or group of factors
5	**Financial** Capital costs have been based on internal or external professional advice Revenue implications have been properly developed	Capital costs include both works and land purchase and cover all associated costs. Try and avoid “guesstimates” which result in schemes requiring increased finance or having to be reduced to meet finance available.	<u>Capital</u> will be based on the quality of work which has been put into estimate. e.g. costed feasibility studies. <u>Revenue</u> will be based on whether the effect is positive, neutral or negative on the revenue budget. Positive effect scores 10 Neutral effect scores 3 Negative effect scores 0	**5%** **10%**

6	**Risk Assessment** Identify the level of risk in a project not being able to proceed. For example planning appeals, listed building consent. Over subscription of partnership funds	Try and ensure that not all schemes selected are high risk with the danger that there will be delays in delivery or no-delivery.	The following will all need to be considered:- Technical Issues Financial Uncertainty Partnership uncertainty Planning Issues Legal issues Timescale	**10%**

Report to: Full Council Meeting – 6 March 2025

Relevant Committee Chair: Councillor Rhona Holloway, Audit & Governance Committee

Director Lead: Sanjiv Kohli, Deputy Chief Executive / Director – Resources / Section 151 Officer

Lead Officers: Nick Wilson, Business Manager - Financial Services, Ext 5317

Report Summary	
Report Title	Investment Strategy 2025/26
Purpose of Report	This report seeks approval for the Investment Strategy, meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.
Recommendations	That Council approve: a) the Non-Treasury Investment Strategy 2025/26 **Appendix A**; and b) the Investment Prudential Indicators and Limits for 2025/26, contained within **Appendix A.**
Reason for Recommendation	It is a legislative requirement for a Local Authority to approve an Investment Strategy and the attached appendices meet that requirement. In addition, the External Auditors (Forvis Mazars) may pass comment in their Report to those charged with governance should relevant strategies not be approved.

1.0 Background

1.1 At its meeting on 18 February 2025 the Audit and Governance Committee considered the proposed Investment Strategy 2025/26 and agreed to recommend it to Council. A copy of the report is attached at **Appendix 1**.

2.0 Proposal/Options Considered

2.1 The definition of an investment covers all of the financial assets of the Council as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

3.0 <u>Implications</u>

In writing this report and in putting forward the recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 All the financial implications are contained within the appendices to this report.

3.2 Legal Implications LEG2425/4484

Approval of the Investment Strategy is reserved to Full Council.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

APPENDIX 1

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Audit & Governance Committee Meeting 19 February 2025
Director or Business Manager Lead:	Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer
Lead Officer:	Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Investment Strategy 2025/26
Purpose of Report	This investment strategy is for 2025/26, meeting the requirements of statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance in January 2018.
Recommendations	That Committee approves each of the following key elements and recommends these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: • The Investment Strategy 2025/26 **Appendix A,** and • The Investment Prudential Indicators and Limits for 2025/26, contained within **Appendix A**.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background

1.1 The definition of an investment covers all of the financial assets of the Council as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.

1.2 A loan is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

1.3 Statutory Requirements:

- The MHCLG Investment Guidance is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003. Under that section local authorities are required to "have regard" to "such guidance as the Secretary of State may issue".

- For each financial year, a local authority should prepare at least one Investment Strategy ("the Strategy"). The Strategy should contain the disclosures and reporting requirements specified in this guidance. The Strategy should be approved by the full council.

2.0 Summary of Limits

2.1 The below table summarises the proposed limits within the Investment Strategy 2025/26 for the non-treasury investments, each category has further details within **Appendix A**;

Category of Borrower	2023/24 Actual			2025/26
	Balance Owing £m	Loss Allowance £m	Net figure in Accounts £m	Approved Limit £m
Service Investments: Loans	0.021	0	0.021	**16.500**
Service Investments: Shares	4.404	-0.365	4.039	**5.000**
Commercial Investments: Property	0	0	0	**0**

Background Papers and Published Documents
MHCLG Investment Guidance 3rd Edition

APPENDIX A

Investment Strategy Report 2025/26

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to, or buying shares in, other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories. This investment strategy has been created in line with the Councils Treasury Management Strategy Statement and the Councils Capital Strategy. The initial strategy may be replaced with a revised strategy at any time during the year in cases where any treasury management issues (including investment issues) need to be brought to the attention of Full Council.

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £20m and £65m during the 2025/26 financial year.

Treasury Management Investments

Contribution: The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

Further details: Full details of the Council’s policies and its plan for 2025/26 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council can lend money to its subsidiaries, local businesses, local charities and any other bodies to support local public services and stimulate local economic growth. The Council currently does not intend to invest further in service loans.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Prudential Indicator 13: Loans for service purposes

Category of borrower	2023/24 actual			2024/25	2025/26
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Forecast Actual £m	Approved Limit £m
Subsidiaries	0	0	0	8.000	15.000
Local businesses	0	0	0	0.000	0.500
Local charities	0	0	0	0	0.500
Other Bodies	0.021	0	0.021	0.018	0.500
TOTAL	**0.021**	**0**	**0.021**	**8.018**	**16.500**

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

Prudential Indicator 14: Net income from service investments to net revenue stream

	2023/24 Actual	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
General Fund					
Total GF Service Investment Income	3.917	2.146	1.980	1.959	1.966
Proportion of net revenue stream	16.00%	7.06%	7.13%	5.80%	4.74%

Housing Revenue Account					
Total Service Investment Income	0.004	0.005	0.051	0.020	0.020
Proportion of net revenue stream	0.01%	0.02%	0.16%	0.06%	0.06%

Risk assessment: The Council assesses the risk of loss before entering into service loans by assessing the counterparty's resilience, the service users' needs that the loan is designed to help meet, and how these will evolve over time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Director of Resources/Deputy Chief Executive or Business Manager for Financial Services. All loans will be subject to contract agreed by the Legal Business Unit and the credit risk will be determined by reference to the "expected credit loss" model for loans and receivables as set out in International Reporting Standard (IFRS) 9 Financial Instruments. All loans must be approved by full Council and will be monitored by the Director of Resources/Deputy Chief Executive, or Business Manager for Financial Services.

Service Investments: Shares

Contribution: The Council can invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. Currently the Council does not intend to invest further in any shares with suppliers or local businesses; however the Council has invested £4m of equity funding into Arkwood Development Limited for which it has received 100% of the share capital issued, making it wholly owned by the Council.

Security: One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recoverable. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Prudential Indicator 15: Shares held for service purposes

Category of company	Original Investment £m	Previous Years Accumulated Gains or -Losses £m	2023/24 Actual			2025/26
			Amounts invested £m	Gains or -Losses £m	Value in accounts £m	Approved Limit £m
Subsidiaries	4.000	0.404	4.404	-0.365	4.039	5.000
Suppliers	0	0	0	0	0	0
Local businesses	0	0	0	0	0	0
TOTAL	**4.000**	**0.404**	**4.404**	**-0.365**	**4.039**	**5.000**

Shares are classed as capital expenditure and purchases will therefore be approved as part of the capital programme.

Risk assessment: The Council would assess the risk of loss before entering into and whilst holding shares by going through an extensive process of risk analysis. The risk analysis will include an assessment of the market that the subsidiary will be active in; including the nature and level of competition, how the market/customer needs will evolve over time, the barriers to entry and exit and any ongoing investment requirements. The Council will use external advisors as thought appropriate by Director of Resources/Deputy Chief Executive, or Business Services Manager for Finance.

Liquidity: Although this type of investment is fundamentally illiquid, in order to limit this the Council, when it sets a limit in this area, will initially set out the maximum periods for which funds may prudently be committed and how the Council will ensure it stays within its stated investment limits.

Non-specified Investments: Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

Contribution: The Council can invest in local, regional and UK commercial and residential property with the intention of making a profit that will be spent on local public services. Currently none of the Council properties meet the investment property definition as defined in International Accounting Standard 40: Investment Property.

Security: In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by ensuring they are prudent and has fully considered the risk implications, with regard to both the individual property and that the cumulative exposure of the council is proportionate and prudent. The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place, before entering into any commercial property investment and the business case will balance the benefits and risks. All investments of this type will be agreed by Cabinet.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The investment strategy for the Council for 2025/26 is proposed to remain broadly unchanged as it is considered overall to be well structured to limit any undue risks to the security of assets and preservation of liquidity whilst also allowing the council and delegated officers to access suitable investment opportunities.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands at the point of entry, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not provide such commitments and guarantees, and this strategy does not include them for 2025/26.

Borrowing in Advance of Need

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £217 million. The maximum period between borrowing and expenditure is expected to be two years.

Capacity, Skills and Culture

Elected members and statutory officers: The Council recognises that those elected Members and statutory officers involved in the investments decision making process must have appropriate capacity, skills and information to enable them to:

- take informed decisions as to whether to enter into a specific investment;
- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

The Council establishes project teams from all the professional disciplines from across the Council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.

The investment decisions are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Governance Committee.

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management, which includes investment decisions, receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Members of the Audit and Governance Committee received training from the Council's treasury advisers, Link Group, on 9 December 2024. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Commercial deals: The Council will ensure that the Audit and Governance Committee, Cabinet and officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.

Corporate governance: Any investment decisions will be scrutinised by Senior Leadership Team before final approval by Members.

Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Total investment exposure	**2023/24 Actual £m**	**2024/25 Forecast £m**	**2025/26 Forecast £m**
Treasury management investments	34.410	33.641	17.466
Service investments: Loans	0.021	8.018	11.408
Service investments: Shares	4.039	4.000	4.000
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	**38.470**	**45.659**	**32.874**
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	**38.470**	**45.659**	**32.874**

How investments are funded: Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Investments funded by borrowing in year	**2023/24 Actual £m**	**2024/25 Forecast £m**	**2025/26 Forecast £m**
Treasury management investments	0	0	0
Service investments: Loans	0.000	8.000	3.408
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	**0**	**8.000**	**3.408**

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Investments net rate of return	**2023/24 Actual £m**	**2024/25 Forecast £m**	**2025/26 Forecast £m**
Treasury management investments	4.74%	4.44%	4.00%
Service investments: Loans	5.64%	6.51%	6.51%
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	**5.19%**	**5.48%**	**5.26%**

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Full Council Meeting - 6 March 2025
Portfolio Holder:	Councillor Paul Peacock, Strategy, Performance & Finance
Director Lead:	Deb Johnson, Director - Customer Services and Organisational Development
Lead Officer:	Sarah Lawrie, Business Manager - HR & Training, Ext. 5447

Report Summary	
Report Title	Pay Policy Statement 2025/26
Purpose of Report	To approve the proposed Pay Policy Statement for 2025/26 which we are required to produce annually in accordance with Section 38 (1) of the Localism Act 2011.
Recommendations	That Council approve the Pay Policy Statement for 2025/26 for publication.
Reason for Recommendation	To ensure compliance with Section 38 (1) of the Localism Act 2011.

1.0 Background

1.1 In accordance with Section 38 (1) of the Localism Act 2011, Newark and Sherwood District Council along with all other English and Welsh local authorities were required to produce a Pay Policy Statement each financial year commencing April 2012. In complying with the duties in respect of pay accountability the Council must have regard to any guidance issued or approved by the Secretary of State in summary. At the time of writing the pay award for 2025/26 has not been finalised. Once the 2025/26 pay award has been finalised this Statement will be revised to reflect the new rates.

1.2 However, pay claims for the period of 20256/26 have been received as follows:

- NJC - £3k on all points plus a clear plan to reach £15/hr minimum, 1 extra day leave & reduction in working week to 35 with no loss of pay
- Craft – 9% increase plus a reduction in working week to 35 with no loss of pay & 2 extra days leave
- Chief Officers – 6% or an increase no less favourable than NJC claim plus 1 extra day holiday

- Chief Executives – increase equivalent to the same % increase on the top of NJC (same in all coming years)

Pay Issues

1.2 The National Employers for Local Government Services (LGS) represent the employers of over 1.5m local government workers in England, Wales and Northern Ireland. The local government workforce is the largest public sector workforce in the country and on average is also one of the lowest paid. Employees work in all parts of the community delivering vital public services for councils, schools, fire authorities, social care and thousands of other areas.

1.3 Since its introduction in 2014, the National Living Wage (NLW) has proven to be a challenge because of its constant close proximity to the bottom end of the LGS national pay spine, which is used by most councils. This has led to pay increases over the past few years to be bottom loaded at the bottom of the pay spine and has eroded the differentials in pay.

Recruitment & Retention

1.4 Recruitment and retention remains somewhat challenging in certain roles and business units. Numbers of available jobs in the UK are starting to reduce with the burden of the significant year on year increases in minimum wage salaries and proposed changes to employers NI contributions; however, Jobseekers are still being choosy and have high expectations on pay and benefits. Whilst some of our benefits are generous, we are behind on base pay in the jobs market across a range of roles. Some sectors are also experiencing skills shortages which fuels higher levels of pay in the private sector to compete, which has an impact in some business units.

Review of Pay and Market Supplements

1.5 Full Council approved the recommendation to review pay and market supplements alongside the 2023/24 Pay Policy Statement. Following extensive research, the Recruitment and Retention Project commenced in 2024 reviewing all aspects of pay and benefits. The project is expected to complete in 2025/26.

2.0 Proposal/Details of Options Considered

2.1 On 18 February2025, the Cabinet recommended approval of the Statement to Full Council. A copy of the full Pay Policy Statement has been appended to this report for review (refer to **Appendix A**). Please note that where the Statement includes links to other policies these will be set up once the document is published on the Council's website.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications

3.1 Increases in employment costs have been accounted for in the 2025/26 budget.

Equality Implications

3.2 Due regard has been given to equality in relation to this document.

Legal Implications (LEG2425/2125)

3.3 Approving the Pay Policy Statement is a function reserved to Full Council.

Background Papers and Published Documents
Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

APPENDIX A

NEWARK & SHERWOOD DISTRICT COUNCIL

Pay Policy Statement 2025/26

2. Introduction

2.1 This document sets out a Statement of Pay Policy for Newark & Sherwood District Council (the Council) for 2025/26 as required under Section 38 (1) of the Localism Act 2011. The Pay Policy Statement includes details about the remuneration of Chief Officers at the time of recruitment as well as arrangements relating to increases and additions to remuneration, the level and elements of remuneration including salary, bonuses and benefits in kind, the use of performance related pay and bonuses as well as the approach to the payment of Chief Officers on ceasing to hold office. The Statement also considers the lowest pay and median pay levels in the organisation. Pay details within this Statement are shown at rates as of 1 April 2024.

2.2 At the time of writing the pay award for 2025/26 has not been finalised. Once the 2025/26 pay award has been finalised this Statement will be revised to reflect the new rates.

3. Objectives of the Policy

2.1 The objectives of the policy are to ensure:

- transparency in respect of the arrangements for rewarding staff in the organisation and fairness in respect of the reward relationship between the highest and lowest paid; and
- that all decisions on pay and reward for Chief Officers comply with the parameters defined within this Pay Policy Statement.

4. Policy Statement

3.1 The Council recognises the importance of administering pay in a way that:

- attracts, motivates and retains appropriately talented people needed to maintain and improve the Council’s performance and meet future challenges;
- reflects the market for comparable jobs, with skills and competencies required to meet agreed delivery and performance outcomes;
- operates within the provisions of Chief Officers pay and conditions as set out in the Joint Negotiating Committee for Chief Executives and Chief Officers of Local Authorities;
- operates within the provisions of the national agreement on pay and conditions of service as set out in the National Joint Council for Local Government Services; and
- is affordable and transparent.

5. Scope of the Policy

5.1 Individuals Affected

This policy covers all employees within the organisation including those defined as Chief Officers within Section 2 of the Local Government and Housing Act 1989.

5.2 Council Policies

4.2.1 This statement sets out the Council's policy with regards to:

- the remuneration of the authority's lowest-paid employees (together with a definition of "lowest-paid employees") and the reasons for adopting that definition;
- the relationship between remuneration of Chief Officers and that of other officers (pay multiples); and
- the remuneration of Chief Officers.

4.2.2 The statement also sets out the Council's policy on:

a) the levels and elements of remuneration for each Chief Officer;
b) remuneration of Chief Officers on recruitment;
c) increases and additions to remuneration for each Chief Officer;
d) the use of performance related pay for each Chief Officer;
e) the use of bonuses for each Chief Officer;
f) the approach to the payment of Chief Officers on their ceasing to hold office or being employed by the authority, and
g) the publication of and access to information relating to remuneration of Chief Officers.

4.3 Pay Bargaining - the National Context

4.3.1 The Council is a member of the Local Government Employers Association for national collective bargaining purposes in respect of Chief Executives, Chief Officers, and other employees of the Council. Separate negotiations and agreements are in place for each of these groups. Changes arising from national negotiations linked to remuneration generally take effect from 1 April each year and on occasions when negotiations conclude after this day any amendments to pay become retrospective to 1 April.

4.3.2 In accordance with the terms and conditions of employment for Council employees it is the Council's policy to implement national agreements regarding pay. In circumstances where nil pay is awarded as part of the collective bargaining process the Council will apply the same principle.

4.4 Remuneration of the Council's Lowest Paid Employees

4.4.1 All posts with the exception of Chief Officers engaged on JNC terms are evaluated using the Greater London Provincial Council (GLPC) Job Evaluation Scheme. This scheme was introduced during 2005 following the conclusion of single status negotiations. At the same time the Council also introduced a new grading structure to establish the link between evaluated posts and the Council's pay scales.

4.4.2 For the purpose of this policy the Council's "lowest paid employees" are defined as those employees on the lowest pay point available for use by the Council for substantive roles as determined through use of the approved job evaluation scheme and grading structure. This does not include grades or pay points set aside as apprentice/trainee or development scales but relates to the minimum point for a competent employee appointed into a defined role.

4.4.3 In accordance with the current pay scales the lowest substantive point at which a Council officer can be paid is £23,656 for a full-time post. This is in accordance with the nationally approved pay scales which are subject to change in line with the national collective bargaining arrangements as detailed above.

4.6 Pay Multiples

4.6.1 The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. Nor can it ensure that employees are treated fairly and equitably in respect of the value and level of a role that they undertake.

4.6.2 In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect the level of responsibility in line with the approved job evaluation scheme or as determined locally for Chief Officers engaged on JNC terms.

4.6.3 In determining pay for Chief Officers engaged on JNC terms, the Council would not expect remuneration of its highest paid employee to exceed **10** times that of the lowest group of employees, nor would the Council expect the remuneration of the highest paid employee to exceed **7** times that of the median[1] average earnings across the Council.

Pay multiples document (link to be inserted when published)

5. Remuneration of Chief Officers

5.1 For the purpose of this policy Chief Officer includes Chief and Deputy Chief Officers as defined by Section 2 of the Local Government and Housing Act 1989, some of whom may not be employed on Chief Officers' terms and conditions of service. For ease of reference a list of posts to which this policy applies along with the relevant sub sections of the Local Government and Housing Act 1989 has been set out below:

- Chief Executive/Head of Paid Service (Section 2 (6) of the Act);

[1] Within the Hutton Review it was suggested that the most appropriate pay multiple to track is that of top executive earnings to the median earnings of each organisation's workforce. Refer to para 2 Hutton Review of Fair Pay in the Public Sector: Final report (March 2011).

- Deputy Chief Executive (Section 2 (6) and (7) of the Act);
- Directors (Section 2 (7) of the Act);
- Assistant Director (Section 2 (7) of the Act);
- Statutory Officers (Section 2 (6) of the Act);
- Business Managers on Zone 1 or above (Section 2 (8) of the Act).

5.2 For the purpose of this policy the term remuneration includes:

a) the salaries or the amounts payable to Chief Officers engaged by the authority under contracts of employment and / or contracts for services;
b) payments made by the authority to the Chief Officers for those services;
c) any bonuses payable by the authority to Chief Officers;
d) any charges, fees or allowances payable by the authority to Chief Officers;
e) any benefits in kind to which the Chief Officers are entitled as a result of their office or employment;
f) any increase in or enhancement of pension entitlement where the increase or enhancement is as a result of a resolution of the Authority, and
g) any amounts payable by the authority to a Chief Officer on ceasing to hold office under or be employed by the authority, other than Amounts that may be payable by virtue of any enactment.

5.3 <u>Chief Executive/Head of Paid Service</u>

5.3.1 <u>Terms and Conditions of Service</u>

The Chief Executive is engaged on Local Authority Chief Executives' conditions of service, negotiated by the Joint Negotiating Committee (JNC). The Chief Executive also assumes the role of Head of Paid Service on behalf of the Council.

Terms and Conditions for Chief Executive (link to be inserted when published)

5.3.2 <u>Remuneration</u>

In line with the nationally agreed terms the salary paid to a Chief Executive is determined locally by the employing authority. The salary scale for the post of Chief Executive was approved by the Chief Officers Appointments Panel. Details of the salary scale are included below:

Chief	Scale Point	Salary £
	1	121,753.00
	2	126,357.00
	3	130,962.00
	4	135,567.00
	5	140,172.00

Note: The role of Head of Paid Service forms an integral part of the Chief Executive's role and is rewarded as part of the substantive role.

5.3.3 *Remuneration on Recruitment*

When determining the most appropriate scale point at which to offer the post, consideration is given to the individual's qualifications, experience, and current level of remuneration (where appropriate). Having considered all these factors the Chief Officers Appointment Panel will then determine the most appropriate scale point at which to make an offer to the successful candidate so as to ensure that the offer is attractive and one which is likely to be accepted.

If the post of Chief Executive became vacant a report including recommendations relating to the salary scale to be applied would be submitted to the Chief Officers Appointments Panel for their consideration before the post was advertised.

5.3.4 *Increases and Additions to Remuneration*

- Incremental Progression
  Progression through the incremental scale will be subject to performance appraisal by nominated members to be assessed against agreed annual objectives.

- Pay Awards
  Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

- *Expenses*
  In accordance with nationally agreed terms the Council shall pay reasonable out-of- pocket expenses actually incurred.

5.3.5 *Arrangements for the Post of Returning Officer*

In accordance with the agreement the Chief Executive's salary is deemed to be inclusive of all other fees and emoluments except for Returning Officer duties where separate policy arrangements apply. Details of the policy relating to the appointment and remuneration of Returning Officer are set out below.

The Chief Executive has been formally appointed to act as the Council's Returning Officer. This extends to the role of Deputy Acting Returning Officer for UK Parliamentary Elections, Local Returning Officer for the East Midlands Combined Authority Mayor and Nottinghamshire Police and Crime Commissioner Elections and Counting Officer for any national referendums. The fees associated with these elections/referendums are determined nationally by the Cabinet Office and where appropriate the Combined Authority.

The Chief Executive also acts as Deputy Returning Officer for Nottinghamshire County Council elections, fees for which are determined by Nottinghamshire County Council. These appointments are independent of the Council.

For local government elections and any referendums the Returning Officer can claim specific fees which are determined on a county wide basis across Nottinghamshire having regard to the fees set for national elections. These fees were subject to a benchmarking exercise in 2018 to ensure they were comparable with other county areas and are subject to annual review in line with staff annual pay review process.

5.3.6 *General Terms and Conditions*

In accordance with the national agreement the Chief Executive enjoys terms and conditions in all other respects no less favourable than those accorded to other officers employed by the Council.

5.4 Deputy Chief Executive/Directors/Business Managers graded at NS17 on JNC terms

5.4.1 *Terms and Conditions of Service*

The Deputy Chief Executive, Directors and Business Managers graded at NS17 and above are all engaged on the Conditions of Service for Chief Officers of Local Authorities negotiated by the Joint Negotiating Committee (JNC). In addition to the above some of the post holders assume statutory roles which are recompensed in accordance with the Statutory Officers' Honorarium Scheme.

Terms and Conditions for Chief Officers (link to be inserted when published)

Statutory Officers Honorarium Scheme (link to be inserted when published)

5.4.2 *Remuneration*

In line with the nationally agreed terms the salary paid to a Deputy Chief Executive or Director is determined locally by the employing authority.

The current salary scale for Chief Officers engaged on Chief Officer's terms is set out below.

5.4.3 *Pay Scale for Deputy Chief Executives*

Deputy	Scale Point	Salary £
	1	103,784.00
	2	108,643.00
	3	111,880.00
	4	115,580.00

Note: The role of Deputy Head of Paid Service forms an integral part of the Deputy Chief Executive's role and is rewarded as part of the substantive role. The Council's Deputy Chief Executive also holds the title of Director of Resources. No additional remuneration is payable beyond the salary scale as detailed above.

A list of posts included for the purpose of this policy has been set out below:

- Deputy Chief Executive and Director - Resources

5.4.4 *Pay Scale for Directors*

Director	Scale Point	Salary £
	1	82,588.00
	2	85,879.00
	3	88,575.00
	4	91,868.00
	5	94,563.00

A list of posts included for the purpose of this policy has been set out below:

- Director – Customer Services & Organisational Development
- Director – Planning & Growth
- Director – Communities & Environment
- Director – Housing, Health & Wellbeing

5.4.5 *Pay Scale for Assistant Director*

94% Director	Scale Point	Salary £
	1	77,753.00
	2	80,848.00
	3	83,383.00

A list of posts included for the purpose of this policy has been set out below:

- Assistant Director – Law & Democratic Services

5.4.6 *Pay Scale for Business Managers (NS17)* engaged on JNC terms

Zone	Scale Point	Salary £
Zone 1	101	55,937.00
	102	57,135.00
	103	58,333.00
	104	59,528.00
Zone 2	201	60,729.00
	202	61,926.00
	203	63,123.00
	204	64,321.00
Zone 3	301	65,518.00
	302	66,716.00
	303	67,915.00
	304	69,114.00
Zone 4	401	70,313.00
	402	71,512.00
	403	72,712.00

	404	73,911.00

The arrangements for assigning officers to Zones are included in the Pay and Grading Arrangements document for Officers engaged on JNC Chief Officer Terms and Conditions of Service. (link to be inserted when published)

A list of post holders engaged under JNC terms has been included below:

- Business Manager – Financial Services
- Business Manager – Revenues and Benefits
- Business Manager – ICT and Digital Services
- Business Manager – Corporate Property
- Business Manager – Environmental Services
- Business Manager – Public Protection
- Business Manager – Heritage and Culture
- Business Manager – Housing and Estates Management
- Business Manager – Regeneration and Housing Strategy
- Business Manager – Housing Maintenance and Asset Management
- Business Manager – Housing Income and Leaseholder Management
- Business Manager – Elections and Democratic Services
- Business Manager – Customer Services
- Business Manager – HR and Training
- Business Manager – Economic Growth and Visitor Economy
- Business Manager – Planning Policy and Infrastructure
- Business Manager – Planning Development
- Business Manager – Communications & Marketing

5.4.7 *Remuneration on Recruitment/Appointment*

When determining the most appropriate scale point at which to offer a post consideration is given to the individual's qualifications, experience, and current levels of remuneration (where appropriate). Having considered all these factors the panel will then determine the most appropriate scale point at which to make an offer to the successful candidate to ensure that the offer is attractive and one which is likely to be accepted.

In circumstances where Business Managers are offered revised terms of employment on JNC conditions of service they will be aligned to the nearest pay point on the pay scale.

5.4.8 *Increases and additions to Remuneration*

- *Incremental Progression*
  Incremental progression for Directors and Assistant Directors is by annual increment until the top point of the grade is reached.

Full details of the Pay and Grading Arrangements for Officers engaged on JNC Chief officer Terms and Conditions of Service can be accessed using the link provided above.

- Pay Awards
  Pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

- Honoraria and Ex-gratia Payments
  The Council currently operates an honorarium scheme for officers undertaking statutory officer roles. There are three statutory officer roles within the Council, details of which are set out below:

  - Head of Paid Service *
  - Monitoring Officer *
  - Chief Finance Officer* (commonly referred to as the s151 Officer)

  **No Honorarium is paid for carrying out these duties at the substantive level where these are reflected in the terms and conditions of service, but a payment is made to those deputising at this level.*

  In addition to the above the scheme also outlines the arrangements for recompensing officers who assume the role of Deputy Monitoring Officer and Deputy Section 151 Officer.

Details of the scheme including information relating to the post holders that are currently in receipt of such payments Statutory Officers Honorarium Scheme (link to be inserted when published)

- Expenses
  In accordance with the national agreement the Council pays reasonable out-of-pocket expenses actually incurred.

5.4.9 *Arrangements for Election Duties*

In accordance with the national agreement Officers are entitled to receive and retain the personal fees arising from carrying out the duties of Deputy Returning Officer and/or Deputy Acting Returning Officer (where applicable) and Deputy Counting Officer.

5.4.10 *General Terms and Conditions*

In accordance with the national agreement except whether other terms and conditions are referred to in the agreement the Deputy Chief Executive and Directors shall enjoy terms and conditions not less favourable than those accorded to other officers employed by the Council.

5.4.11 Appointment of Officers to JNC Terms and Conditions of Appointment

In circumstances where a Business Manager post is evaluated under the Council's approved Job Evaluation Scheme and receives a score of 739, they will be offered a revised contract of employment on JNC terms. If they accept the offer, they will be subject to the Pay and Grading Arrangements for Officers engaged on JNC Chief Officer Terms and Conditions of Service.

5.5 Business Managers

5.5.1 Terms and Conditions of Service

One Business Manager is engaged on the National Agreement on Pay and Conditions of Service negotiated by the National Joint Council for local government services commonly referred to as NJC or Green Book terms.

The post holder engaged under NJC terms has been included below.

- Business Manager – Administrative Services

  Terms and conditions relating to Business Managers is available within the National Agreement on Pay and Conditions of Service document. (link to be inserted when published)

5.5.2 Remuneration

In line with the nationally agreed terms the Council have adopted the Greater London Provincial Council (GLPC) Job Evaluation Scheme. The scheme became effective on the 1 October 2005 following completion of the negotiations relating to single status. The Council also has policies outlining arrangements in respect of:

- Protection of Earnings
- Standby Payments
- Call-out Payments
- Weekend Working
- Night Working
- Shift Allowances
- Overtime Rates
- Bank Holiday Working

The current salary scale for the Business Manager engaged on NJC terms is set out below.

Scale/Band	Min Salary £	Medium Salary £	Maximum Salary £
NS13	43,693	44,711,	45,718

Note: Changes to grade may occur in year because of revisions to job descriptions requiring re-evaluation of the posts under the terms of the current job evaluation scheme.

5.5.3 *Remuneration on Recruitment*

When determining the most appropriate scale point at which to offer a post consideration is given to the individuals qualifications, experience, and current levels of remuneration (where appropriate). Having considered all these factors the panel compromising of a Deputy Chief Officer or above will then determine the most appropriate scale point at which to make an offer to the successful candidate to ensure that the offer is attractive and one which is likely to be accepted.

5.5.4 *Increases and Additions to Remuneration*

- *Incremental Progression*
  Once an officer has been appointed, they will receive annual increments until such time that they reach the top of the salary scale.

- *Pay Awards*
  Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.

- *Other*
  Officers engaged on NJC conditions of service may in some circumstances receive honoraria/ex gratia payments because of undertaking duties in part or full at a higher level. The amount payable will differ according to each individual set of circumstances to be determined by the respective Director in conjunction with the Business Manager - HR & Training. Further details relating to the terms outlined within the NJC conditions of service can be accessed using the link above.

- *Market Supplements*
  The Council recognises that financial pressures and pay restraints have impacted on the ability of public sector employers to compete in the labour market for some posts. Where the Council finds it difficult to recruit to specific posts and / or retain employees in those posts, the payment of a Market Supplement to base salary may be necessary as set out within the single status agreement. Typically, a Market Supplement is paid where the 'going rate' for a specific job or specialism is higher than that offered by the Council. In circumstances where this does occur the Council will follow the approved policy. Market Supplements Policy (Link to be inserted when published)

- *Expenses*
  In accordance with the agreement the Council pays reasonable out-of-pocket expenses actually incurred.

- *Meals and Accommodation Charges*
  Officers may receive subsistence rates based upon the approved rates. Further details in relation to current rates can be found in the Travel and Subsistence Policy. (Link to be inserted when published)

5.5.5 Arrangements for Election Duties

In accordance with the national agreement Officers are entitled to receive and retain the personal fees arising from carrying out the duties of Deputy Returning Officer and/or Deputy Acting Returning Officer (where applicable).

5.5.6 General Terms and Conditions

Parts 2 and 3 of the green book including local arrangements can be found in the National Agreement on Pay and Conditions of Service document. _(Link to be inserted when published)

5.6 General Policies on Remuneration and Recruitment

These policies apply irrespective of status and/or terms that officers of the Council are engaged on.

5.6.1 Performance Related Pay and Bonuses

The Council does not currently operate any form of performance-related pay or bonus schemes.

5.6.2 Benefits in Kind

As part of the Workforce Development Strategy a review of benefits has been undertaken and to support employees with the Cost of Living from 01/04/24 the Council will provide benefits in kind to employees for a trial period of 1 year, as follows:

- Health Cash Plan – benefit value of £66/year per person
- Enhanced Mileage Rate – benefit value of 5p/mile

The Council will make appropriate deductions from salary at source in respect of Tax and NI contributions, avoiding the requirement for P11d.

5.6.3 The Local Government Pension Scheme and Policies with regard to exercise of discretion.

All employees of the Council have the option to join the Local Government Pension Scheme (LGPS). The scheme is a statutory scheme and operates based on employee/employer contributions with employee contribution rates differing according to earnings. Details of the scheme including current contribution rates can be accessed by following the attached link. http://www.lgpsregs.org_(Link to be inserted when published)

The scheme provides for exercise of discretion to allow for retirement benefits to be enhanced. The Council will consider each case on its own merits in accordance with the parameters defined within the policy. Details can be found in the Redundancy and Discretionary Compensation Policy. (Link to be inserted when published). This policy applies to all officers of the Council irrespective of their status provided they have at least two years continuous service.

5.6.4 *Payment of Chief Officers on their Ceasing to Hold Office or being employed by the Council*

Arrangements relating to the provision of termination payments for the loss of office for Chief Officers and all other officers leaving the authority on the grounds of redundancy, efficiency and early retirement are outlined in the Council's policy. Details in relation to any discretion that may be afforded in respect of pension enhancements can be found in the Redundancy and Discretionary Compensation Policy using the link above. This policy applies to all officers of the Council irrespective of their status provided they have at least two years continuous service.

5.6.5 *Severance Packages over £75,000*

Where a member of staff applies for voluntary redundancy, early retirement, termination on the grounds of efficiency or is made compulsorily redundant the pension and redundancy entitlements are determined by the Chief Executive in consultation with the Discretionary Payments Panel which is made up of the Chief Executive, the Section 151 Officer, and another Chief Officer. Where appropriate the panel may comprise the nominated deputy for the Chief Executive or the Section 151 Officer.

Appeals against the decisions of the Discretionary Payments Panel will normally be determined by an appeal panel comprising either the Chief Executive, their nominated deputy, the Section 151 Officer, their nominated deputy, or another Chief Officer provided they have not been involved in the initial determination. However, in the case of Chief Officers any appeal shall be determined by the Policy & Finance Committee, or a sub-committee appointed on their behalf acting as an appeals panel.

In the case of any voluntary redundancy, compulsory redundancy, efficiency, or early retirement (including health-related which falls short of meeting the ill health early retirement regulations) in respect of a member of staff where the cost to the Council exceeds £75,000, the Chief Executive shall not determine the matter until he has first consulted a Member Panel comprising the Leaders of all political groups of the Council.

In determining the *"cost to the Council"* for the purposes of this policy, the following will be included:

- the cost of early release of pension (pension strain);
- the cost of any pension enhancement;
- the cost of any redundancy payment (statutory and discretionary);
- the cost of any holiday pay, other fees or pay in lieu of notice.

In determining the *"cost to the Council"*, pension benefits which have been purchased by the employee will be disregarded.

Note: The Council will have regard to the Statutory Instrument laid before parliament on the 24 January 2017 which brought s41 of the Enterprise Act 2016 into force on 1 February 2017 (this is an enabling provision which allows the cap regulations to be made). Final details regarding the regulations and associated guidance are now awaited from East Midlands Councils and once received the Statement along with any other associated policies/procedures will be updated to reflect legislative requirements.

5.6.6 *Settlement Agreements*

The Chief Executive and Deputy Chief Executive have delegated authority to determine the terms of Settlement Agreements relating to any member of staff.

In the case of any proposed Settlement Agreement in respect of a Chief Officer, the Chief Executive or Deputy Chief Executive shall not determine the terms of the Settlement Agreement until he has first consulted a Member Panel comprising the Leaders of all political groups of the Council.

5.6.7 *Recruitment of Officers in receipt of Local Government / Fire Fighters Pension, Severance, or Termination Payments*

When considering whether to employ individuals in receipt of local government pension or fire fighter pensions the Council is required to have regard to the policy on Pension Abatement as determined by the relevant Administrative Body for the Pension Scheme. It should be noted that the Administrative Body for the purposes of discretion may differ according to where the individual was previously employed.

The Council's current policy on the appointment of former staff as consultants requires that any ex-employee who has taken voluntary redundancy or early retirement not be engaged as a consultant (including under a contract for services) without a formal committee resolution.

The Council will not refrain from re-employing former employees who have received payments for redundancy, severance or any other reasons defined under the terms of a settlement agreement or those individuals who have received similar payments from organisations listed on the Redundancy Modifications Order if it is satisfied that the individuals are the best candidates for the posts.

Where appropriate the Council will also have regard to the regulations and any associated guidance notes produced concerning Exit Pay Recovery for officers returning to the public sector following exit.

This policy applies to all posts that are advertised within the Council irrespective of their status and is in-keeping with the Council's policy on Recruitment and Selection in respect of ensuring equality of opportunity.

5.6.8 *<u>Use of "Off Payroll" Arrangements</u>*

For the purpose of this policy "off payroll" arrangements refer to individuals engaged directly under a contract for services (rather than being employed direct by the Council) operating at the Chief Officer level. The Council will only engage individuals under contracts for services in exceptional circumstances and only for a temporary period.

6. Publication and Access to Information

6.1 A copy of this document will be published on the Council's website along with any supporting documents referenced in it.

6.2 Local authorities must display details of the following data on their websites:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000;
- the name of each employee and details of their remuneration, for employees whose salary is at least £150,000;
- details of remuneration and job title of certain senior employees whose salary is between £50,000 and £150,000 and a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) for all employees whose salaries exceeds £50,000.

7. Equality Implications

7.1 This policy has been developed with due regard and consideration to Equalities matters and other policies, procedures, and agreements currently in operation within the Council.

8. Approval/Review

8.1 Before it takes effect, the Pay Policy Statement must be approved by a resolution of the Council.

8.2 In accordance with existing Constitutional arrangements proposed amendments to terms and conditions of employment are referred to Cabinet for consideration and approval, before being referred through to the Joint Consultative Committee (JCC) to allow for consultation and/or negotiation (where appropriate). Approval of Human Resources policies and procedures is delegated to the Head of Paid Service after prior consultation at the JCC.

8.3 Given that the Pay Policy Statement relates to terms and conditions of employment as well as referring to Human Resources policies and procedures it is appropriate for it to be considered by Cabinet and any amendments made thereto before it is referred on to Full Council for approval.

8.4 Any proposed changes to terms and conditions of employment including salaries arising from collaboration activities (e.g. shared services) will be subject to the prior approval of Cabinet.

8.5 A review of the Pay Policy Statement will take place annually. It will be referred to Full Council for approval in advance of the financial year to which it relates. In certain circumstances it may be necessary to review the policy in year because of changes to legislation and/or organisational requirements. In the case of legislative changes where the Council has no discretion the Pay Policy Statement will be automatically amended to reflect the revised legislation. In any case where there is discretion or where it is proposed to make in year changes to reflect organisational requirements such changes may be approved by Cabinet.

NEWARK & SHERWOOD DISTRICT COUNCIL

Report to:	Full Council Meeting – 6 March 2025
Portfolio Holder:	Councillor Paul Peacock, Strategy, Performance & Finance
Director Lead:	Sanjiv Kohli, Deputy Chief Executive / Director - Resources / Section 151 Officer
Lead Officer:	Nick Wilson, Business Manager - Financial Services, Ext. 5317

Report Summary	
Report Title	Council Tax Second Home Premium and Short-term Empty Discount
Purpose of Report	• To update Council with the current position relating to Second Homes in the district and enable Members to consider options to charge a premium on Second Homes. • To enable Council to consider changing the discount available for short-term empty properties.
Recommendations	That Council: a) note the position in relation to Second Homes and short-term empty properties; and b) approve a levy on Second Homes with effect from 1 April 2026, in line with recent legislative changes and to amend the discount for short-term empty properties from 1 April 2025.
Reason for Recommendations	To assist the Council with achieving its objectives of creating more and better-quality homes through our roles as landlord, developer and planning authority and reducing crime and anti-social behaviour within our communities.

1.0 Background

1.1 In the Local Government Act 2012 Local Authorities in England were given delegated powers, under Section 11A of the Local Government Finance Act 1992 (as amended), to replace Class C 6-month exemptions for properties becoming vacant and 10% discount on second homes with locally determined discounts or levies of up to 100%. This is known as the short-term empty property discount and second homes charge.

1.2 In a report to Cabinet on 6 December 2012, it was agreed to implement a local discount of 100% for vacant (empty and unfurnished) properties for a maximum period of up to four weeks and thereafter no discount.

1.3 In the same report, it was agreed to remove the 10% discount for second homes and levy the full 100% charge.

2.0 Proposal/Details of Options Considered

Second Home Charges

2.1 As of 1 December 2024 the Council is levying Second Home charges for 183 properties in respect of the 2024/25 charge period. The total charge levied is £400,287.

2.2 Of the £400k levied, 11.6% (approximately £46,400) is retained locally by the district and parish councils. 7.9%, approximately £31,600, is retained by the district council and forms part of our service budget income.

2.3 The Levelling-up & Regeneration Act 2023 introduced new powers for councils to charge premiums on second homes. Councils have the discretion to decide whether to introduce a premium in their local area or parts of the area on second homes. They also have the discretion to decide on the level of the premium, up to the maximum statutory threshold of 100%.

2.4 A council must make its first determination to charge a second homes premium at least 1 year before the financial year to which it will apply. This is to provide owners of these dwellings sufficient notice to make any appropriate changes. When using these powers, councils can determine the second homes to which they will apply a premium. This enables councils to tailor the determination to local circumstances.

2.5 The Government has made regulations to provide exceptions to these premiums. These exceptions to the premium are mandatory and councils may not disapply any exceptions. Exceptions include, properties actively being marketed for sale or to let (limited to 12-month exception), job related dwellings and seasonal homes where year-round, permanent occupation is prohibited.

2.6 The proposal is to apply a 100% second home premium (the maximum permitted level) with effect from 1 April 2026. This proposal would best support Council and Government policy in helping to reduce the number of empty homes by giving the highest incentive to owners to bring the properties back in to use, by either selling or renting the property.

2.7 In a report to Cabinet in December 2023, it was agreed to charge the maximum long-term empty home premiums available after properties have been empty for one year. Since this was agreed, several properties have been furnished by the owners and claimed as second homes to avoid the premium. This proposed move will counter that tax avoidance tactic.

2.8 This proposal would also maximise income to the Council Tax preceptors: Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, the Nottinghamshire Fire Authority, Newark & Sherwood District Council and the numerous town and parish councils.

Short-term Empty Property Charges

2.9 At 7 October 2024 the Council is granting a 100% discount to 126 empty properties for a period of up to 28 days. The purpose of this discount is to allow Council Tax payment 'grace' to owners where they are moving from one property to another or to enable landlords to complete repair or improvement work between tenancies.

2.10 The period of discount granted has proven unpopular, particularly with landlords, as tenants often move out prior to the end of their tenancy and the landlord then loses a period of discount and hence has less time to complete works before the full Council Tax becomes due.

2.11 During 2023/24 the short-term empty property discount was granted to 3,369 properties, totalling £311,032. This cost is shared across all preceptors, the cost to NSDC was £24,883.

2.12 There is an option to extend the period a discount is awarded for (up to a maximum of 6 months), but to reduce the discount available, thereby making the award a better option for landlords whose tenants vacate early.

2.13 The proposal for agreement of SLT and referral to Cabinet is to extend the period the discount is award to a maximum of 84 days (12 weeks), making it payable for 3 times as long, but to reduce the awarded discount to 25%. The discount will end on the date the property becomes reoccupied, or after 84 days, whichever falls sooner.

2.14 If this discount was awarded to the same properties as the calculation in 2023, the total discount awarded would have been £233,274, a £77,758 saving to the collection fund and additional income to preceptors. The reduction in NSDC's element from £24,883 to £18,662 would generate a saving of £6,221.

2.15 The proposed change would also appear more attractive to those landlords who have been losing out to tenants moving out early.

2.16 Information has been obtained from each of the 6 other District and Borough councils in Nottinghamshire regarding their policies. There is very little similarity across the districts, the most generous scheme gives one month at 100% discount followed by five months at 25% discount. The least generous gives one month at 50% discount. 2 other authorities currently give 25% discounts for a 6 month period, but any extension in the period of award would seem to go against the aims to get properties back in to use.

3.0 Implications

In writing this report and in putting forward recommendations officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications – FIN24-25/490

3.1 All financial figures provided in this report are based on 2023/24 or 2024/25 Council Tax and precepting charges.

3.2 Based on the current number of second homes and short-term empty properties in Newark & Sherwood District, there would be an increase in the Collection Fund of £478,000. £37,800 would come directly to the Councils budget, the remaining funding would be shared with Council Tax preceptors at proportionate levels.

3.3 Any subsequent increase in homes brought back into occupation following long periods of being empty could attract grant funding from central government under a New Homes Bonus scheme.

Legal Implications - LEG2425/5366

3.4 Charging the premium on second homes and changing the discount awarded to short-term empty homes is in line with the Local Government Finance Act 1992 (as amended).

3.5 In accordance with the regulations. the second home premium will be promoted through a public notice and will come into effect from 1st April 2026, allowing the 12-month lead in period. All owners of second home properties impacted by this decision will be written to, to ensure that they are aware of the change.

3.6 Full Council is the appropriate body to consider the content of this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Cabinet** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Tuesday, 18 February 2025 at 6.00 pm.

PRESENT: Councillor P Peacock (Chair)

Councillor R Cozens, Councillor S Crosby, Councillor L Brazier, Councillor S Forde, Councillor C Penny, Councillor P Taylor and Councillor J Kellas

ALSO IN ATTENDANCE: Councillor N Allen, Councillor S Haynes, Councillor R Jackson and Councillor P Rainbow

237 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Leader advised that the proceedings were being audio recorded and live streamed by the Council.

238 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

Councillor S Forde declared an interest in Agenda Item No. 14 – UK Shared Prosperity Fund Updates – as he had been involved in a project which had been given funding.

Councillor L Brazier declared an Other Registerable Interest in the same item as the Council representative of Newark & Sherwood CVS, who had also been allocated funding.

239 MINUTES FROM THE PREVIOUS MEETING HELD ON 21 JANUARY 2025

The minutes from the meeting held on 21 January 2025 were agreed as a correct record and signed by the Chair.

240 2025/26 PROPOSED GENERAL FUND REVENUE BUDGET (KEY DECISION)

The Business Manager – Financial Services presented a report which enabled Members to consider the spending proposals in the Council's proposed 2025/26 General Fund Revenue Budget. The budget proposals had been prepared in accordance with the Council's budget setting strategy for 2025/26, as approved by Cabinet on 24 September 2024.

The Local Government Finance Settlement provided councils with the amount of government grant and other information pertinent for setting next year's budget. The provisional settlement was announced on 18 December 2024 and the final settlement on 3 February 2025. It was reported that the assumed Council Tax increase within the proposed revenue budget was an increase in the Band D equivalent of 2.99%.

AGREED (with 6 votes for, 1 against and 1 abstention) that Cabinet recommends to Full Council at its meeting on 6 March 2025:

i. the following amounts be now calculated by the Council for the 2025/26 financial year, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:

1.	£57,162,110	being the aggregate of the amounts which the Council estimates for items set out in Section 31A(2)(a) to (f) of the Act, as the District Council's gross expenditure for 2024/25);
2.	£36,261,250	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act, as the District Council's gross income for 2024/25); and
3.	£20,900,860	being the amount by which the aggregate at (b)(i) above exceeds the aggregate at (b)(ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Net Budget Requirement for the year;

ii. the figures shown as i.1. and i.3. above to be increased only by the amount of Parish Precepts for 2025/26;

iii. the budget amounts included in the report be the Council's budget for 2025/26; and

iv. the fees and charges shown in Appendices C1-C22 be implemented with effect from 1 April 2025.

Reasons for Decisions:

To enable Cabinet to make recommendations to Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, for the purposes of setting Council Tax levels for the 2025/26 financial year.

Options Considered:

Not applicable, the Cabinet is required to make recommendations on the budget to the Full Council.

241 CAPITAL PROGRAMME BUDGET 2025/26 TO 2028/29 (KEY DECISION)

The Business Manager – Financial Services presented a report which detailed the proposed capital schemes over the medium term, together with the available resources to finance them. In accordance with the Financial Regulations, Cabinet was required to consider the Capital Programme and recommend to the Council the final Programme for approval on 6 March 2025.

In respect of the general fund capital expenditure, the Council intended to spend £50.190m from 2025/26 to 2028/29 on the schemes set out in Appendix A to the report.

AGREED (with 7 votes for and 1 abstention) that the 2025 General Fund schemes set out at Appendix A to the report, as committed expenditure in the Capital Programme for 2025/26 to 2028/29, be recommended to the Full Council on 6 March 2025.

Reason for Decisions:

To enable the Capital Programme to be considered by Cabinet in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

Options Considered:

If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the Community Plan.

242 2025/26 TO 2028/29 MEDIUM TERM FINANCIAL PLAN (KEY DECISION)

The Business Manager – Financial Services presented a report detailing the Council's Medium Term Financial Plan (MTFP) for the four financial years for 2025/26 to 2028/29. The MTFP provided a clear financial framework for delivering the Council's Community Plan objectives over the plan period and maintaining the Council's MTFP was an essential pre-requisite to the annual budget setting process for future years. The MTFP updated assumptions on expenditure, income and financing for the four-year period.

AGREED (with 6 votes for, 1 against and 1 abstention) the Cabinet recommends the 2025/26 to 2028/29 Medium Term Financial Plan (MTFP) for approval by the Full Council at their meeting to be held on 6 March 2025.

Reason for Decision:

To provide a framework to support the Council's future spending plans.

Options Considered:

Not applicable, the Cabinet is required to make recommendations on the budget to the Full Council.

243 COUNCIL TAX SECOND HOME PREMIUM AND SHORT-TERM EMPTY DISCOUNT

The Business Manager – Financial Services presented a report which set out the current position relating to second homes in the district and pit forward proposals to charge a premium on second homes and changing the discount available for short-term empty properties. The Levelling-Up & Regeneration Act 2023 had introduced new powers for councils to charge premiums on second homes. Councils had discretion to decide whether to introduce the premium and the level up to the maximum threshold of 100%.

The proposal in the report was to apply a 100% second home premium with effect from 1 April 2026, and to extend the discount period for short-term empty property charges to a maximum of 84 days but to reduce the awarded discount to 25%.

AGREED (unanimously) that Cabinet:

a) note the position in relation to Second Homes and short-term empty properties; and

b) recommend to Full Council for approval to levy a Second Homes premium with effect from 1 April 2026, in line with recent legislative changes and to amend the discount for short-term empty properties from 1 April 2025.

Reason for Decision:

To assist the Council with achieving its objectives of creating more and better-quality homes through our roles as landlord, developer and planning authority and reducing crime and anti-social behaviour within our communities.

Options Considered:

The alternative options were detailed in the body of the report.

244 PAY POLICY STATEMENT 2025/26

The Business Manager – HR & Training presented the proposed Pay Policy Statement for 2025/26 which the Council was required to produce annually in accordance with Section 38 (1) of the Localism Act 2011. A copy of the Statement was attached as an appendix to the report.

AGREED (unanimously) that Cabinet recommend the Pay Policy Statement for 2025/26 to Full Council for approval.

Reason for Decision:

To ensure compliance with Section 38 (1) of the Localism Act 2011.

Options Considered:

Not applicable, the publication of the Pay Policy Statement is required by the Localism Act 2011.

245 LOCAL GOVERNMENT ASSOCIATION (LGA) PEER CHALLENGE

The Director – Customer Services & Organisational Development presented a report which updated the Cabinet on the results from the Council's Peer Challenge undertaken by the Local Government Association (LGA) and set out the next steps towards the development of an action plan to tackle the report findings. The full report was attached as an appendix to the report.

The LGA report recommendations were summarised, and it was proposed to convene a member Working Group to discuss the report findings and agree an action plan to respond to any areas that require development. The membership of the Working Group was set out in paragraph 3.2 of the report.

AGREED (unanimously) that Cabinet note:

a) the report at Appendix A and its recommendations; and

b) the formation of a Working Group tasked with forming an action plan to address those findings.

Reasons for Decisions:

The LGA team provided a presentation of key findings on the last day of the Peer Challenge and have now followed this up with a full report. It is now important for the Council to examine those findings and produce an action plan on how we will use the recommendations to improve our performance.

Options Considered:

The review could be delegated to the Policy & Performance Improvement Committee, but it is considered appropriate for the Leader of the council to chair the group and for senior Members of Cabinet, Policy & Performance Improvement and Audit & Governance Committees all to be involved. Work streams can be delegated to Policy & Performance Improvement Committee, Audit & Governance Committee and other Council bodies as appropriate.

246 MAJOR NEW WOODLAND PLANTING SCHEMES (KEY DECISION)

The Director – Communities & Environment presented a report which appraised Members of the potential for the Council to contribute to two major tree planting schemes in Newark & Sherwood with the aim of increasing habitat connectivity and biodiversity, health and wellbeing and with a potential to help offset the Council's future carbon emissions.

Nottinghamshire County Council had purchased two large parcels of land within the district to create significant woodland areas. The sites were in Little Carlton and Torney Abbey Farm near Southwell. The budget commitment required for the development of the two sites was set out in the report.

AGREED (unanimously) that Cabinet:

a) close the capital schemes in relation to climate change and PV solar panels realising a saving of £414,341; and

b) invest £309,915 of the savings identified at a) in creating a new capital scheme in relation to the contribution to Nottinghamshire County Council for the two major, tree planting trees in the District.

Reasons for Decision:

In line with the objectives set out in the Community Plan, this is an opportunity to create 2 significant woodland areas in Newark & Sherwood and to offset some of our future carbon output. The schemes also protect and enhance the district's natural environment and green spaces and reduce the impact of climate change.

Options Considered:

Newark & Sherwood does not currently hold sufficient land to be able to deliver schemes of the size and scale being suggested within this report. This is not a project we could deliver in our own right. We could choose not to allocate funding to the project and this would leave a funding gap for NCC to fill. This would be met in time through NCC selling carbon offsets and would mean the scheme is likely to come to fruition in Newark & Sherwood without NSDC support. However, we would not have played a direct delivery role which would be at odds with aspirations within the Community Plan and mean we would not be able to claim 30% of the carbon as future offsetting.

247 NEWARK AND SHERWOOD FUNDING UPDATES (KEY DECISION)

The Business Manager – Economic Growth & Visitor Economy presented a report which provided an update on the Newark and Sherwood funding programmes, specifically the Long-Term Plan for Towns (Newark); the UK Shared Prosperity Fund (District wide); and the delivery of the remaining Newark Towns fund projects. The report included specific updates on the Newark Castle Gatehouse and Newark Cultural Heart (Newark Market Place improvements) projects.

AGREED (unanimously) that Cabinet:

a) note the update for the Long-Term Plan for Towns Funding opportunity and support the ongoing liaison with the Town Board to review and shape a Newark Investment Plan upon publication of the revised Prospectus;

b) approve £100,000 of additional revenue budget funded from the Capital Feasibility Reserve to allow the continued progression of feasibility and design work for the Newark Market Place improvements, which forms part of the Newark Cultural Heart Towns Fund, as detailed in paragraphs 4.4 of this report;

c) approve an additional capital budget of £1,020,600 for Newark Castle Gatehouse financed by the Change Management Reserve, as noted in paragraph 3.0 of this report; and

d) note the expected contribution of up to £1.345m of UK Shared Prosperity Funding and approve a revenue budget of £433,000 for 2025/2026, as detailed in 2.8 of this report, subject to formal confirmation of the Council's UKSPF allocation. The remaining £912,487 may be added to the Council's capital programme, subject to a future Cabinet report regarding proposed commitments.

Reasons for Decision:

To continue to deliver catalyst regeneration projects for Newark through the delivery of Newark Cultural Heart, Newark Castle Gatehouse, and new opportunities through a revised Long-Term Plan for Towns Fund, as well as support for district wide schemes, with funding available through the UK Shared Prosperity Fund.

Options Considered:

There is the option to not engage in any revised Long-Term Plan for Towns process and to leave any Investment Plan to Newark Towns Board. This has been discounted on the basis that the Council remains an important partner within the Towns Board and will continue to offer insight, influence and ability to deliver in addition to having an ongoing role as accountable body. Moreover, the Council has a track record, with partners of delivering catalyst and transformative regeneration within the Town.

There is the option not to ‘front-load’ support the delivery of the Newark Market Place improvements or to decline to increase the capital budget to allow delivery of the Newark Castle Gatehouse Project. This has been discounted as the alternative would be to return the remaining Towns Fund Grant to Government and not implement schemes that have community and stakeholder support.

248 UK SHARED PROSPERITY FUND 2025/26

The Shared Prosperity Fund Programme Manager presented a report which gave a comprehensive update on the regional and local delivery of the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund from April 2025. The Council had been awarded £1,345,487 for UKSPF in 2025/26 which was assumed by the East Midlands Combined Authority to be split £589,492 capital and £755,995 revenue but it was possible to amend those allocations providing minimum capital thresholds were met. It was therefore proposed to use £912,487 capital and the remaining £433,000 revenue in accordance with the proposed local commitments schedule set out in table 3 of the report.

AGREED (unanimously) that Cabinet:

a) note the report, including the updates associated with the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF);

b) approve the proposed UKSPF revenue commitments detailed in Table 3 of the report, subject to; a) separate Cabinet approval of the budget of £433,000 required in 2025/2026; b) formal confirmation of the Council’s funding allocation; and c) any necessary funding due-diligence checks, including from the East Midlands Combined County Authority (EMCCA);

c) note the ‘in-principle’ capital commitment of £912,487, detailed in Table 3 of the report, subject to; a) a future Cabinet report relating to the relevant project to seek approval to commit the funding within the Council’s Capital programme; b) formal confirmation of the Council’s 2025/2026 UKSPF allocation; and c) any required due-diligence checks from EMCCA; and

d) approve the proposed underspend and change control process, as outlined in 1.15 of this report.

Reasons for Decision:

The recommendations in the report are presented to enable continued delivery of the UKSPF strategic priorities identified by community partners, focussing on the commitment of funding towards projects that deliver the Council's Community Plan objectives, the UKSPF sub-themes as set out by MHCLG, and to avoid gaps in community, skills and business support provision.

Options Considered:

There is the option for the Council not to accept any future UKSPF allocation and decide not to participate in delivery of the scheme. This is not recommended as it represents a missed opportunity to deliver impactful priority projects, that deliver the Councils community plan objectives.

There is also the option not to commit funding to existing priorities identified within the current UKSPF programme. This approach is not recommended as it would likely fail to recognise the strategic investment priorities identified by the Council, and key stakeholders. This would also result in the withdrawal of valued support programmes for businesses and residents, linked to core services and mainstream skills provision.

249 SOUTHWELL AMENDED NEIGHBOURHOOD PLAN

The Director – Planning & Growth presented a report which updated the Cabinet on the progress of the development of the Southwell Amended Neighbourhood Plan and sought to approve the District Council response to the same. Th current Southwell Neighbourhood Plan was adopted in 2016, and since 2020 Southwell Town Council as the 'Qualifying Body' had been carrying out a review of the Plan with the intention of modifying it and replacing it with an Amended Neighbourhood Plan.

Following the first public consultation stage, Southwell Town Council submitted a Submission Draft version of the Neighbourhood Plan to the District Council. Officers had prepared comments on the Submission Draft version of the Amendment Neighbourhood Plan which were attached as Appendix A to the report. It was noted that the proposed Design Code represented one of the more significant areas of concern with the District Council's comments from the previous stage not seeming to have been accepted.

AGREED (unanimously) that Cabinet approve the District Council consultation response to the Southwell Amended Neighbourhood Plan as set out in Appendix A of the report.

Reason for Decision:

To allow the District Council to submit a consultation response on the Southwell Amended Neighbourhood Plan.

Options Considered:

It is necessary for the District Council to run the Regulation 16 Consultation on the Southwell Amended Neighbourhood Plan because Southwell Town Council have submitted a Neighbourhood Plan proposal under Regulation 15 (1) of The Neighbourhood Planning (General) Regulations 2012. Officers' comments are necessary to address issues around consistency with national and local planning policy, and to improve the precision and effectiveness of the Neighbourhood Plan in reaching decisions on development proposals in Southwell Parish.

250 WINTHORPE WITH LANGFORD NEIGHBOURHOOD PLAN

The Director – Planning & Growth presented a report which updated the Cabinet on the progress of the development of the Winthorpe with Langford Neighbourhood Plan and sought to approve the District Council response to the same. Since 2020, a steering group of local residents, had led the production of the Winthorpe with Langford Neighbourhood Plan. The Plan identified key issues relating to development for the community, set out a vision and objectives for development in Winthorpe with Langford Parish and contained a range of policies to be used in the assessment of development proposals.

Following several rounds of consultation, Winthorpe with Langford Parish Council had submitted a Submission Draft version of the Neighbourhood Plan to the District Council. Officers had prepared a consultation response on the Submission Draft version of the Neighbourhood Plan which was attached as Appendix A to the report.

AGREED (unanimously) that Cabinet approve the District Council consultation response to the Winthorpe with Langford Neighbourhood Plan as set out in Appendix A of the report.

Reason for Decision:

To allow the District Council to submit a consultation response on the Winthorpe with Langford Neighbourhood Plan.

Options Considered:

It is necessary for the District Council to run the Regulation 16 Consultation on the Winthorpe with Langford Neighbourhood Plan because Winthorpe with Langford Parish Council have submitted a Neighbourhood Plan proposal under Regulation 15 (1) of The Neighbourhood Planning (General) Regulations 2012. Officers' comments are in some cases necessary to correct inaccurate or misleading material in the Neighbourhood Plan and in other cases intended to make the document easier to understand and use in reaching decisions on development proposals in the Parish.

251 UPDATE ON THE CREATION OF AN IN-HOUSE CCTV CONTROL ROOM (KEY DECISION)

The Portfolio Holder and Director – Communities & Environment presented a report which provided the Cabinet with an update on the project to create an in-house CCTV Control Room based in the District. The report set out the background to the project which was last reported to the Cabinet in March 2024 and the latest funding position given delays to the funding release for the Long-Term Towns Fund in 2026/27 and pending Government guidance. A full review of the internal CCTV system was appended to the report as exempt information given it was commercially sensitive and could pose a cyber risk if disclosed.

The Cabinet debated the merits of going into partnership with other local authorities to share costs.

AGREED (with 7 votes for and 1 abstention) that Cabinet:

a) note the findings of the internal CCTV Review;

b) approve the integration of the internal cameras within the new control room;

c) note the changes in the Long-Term Towns Funding;

d) approve the Capital Budget, financed by the Change Management Reserve as set out in Section 6.3 of the report for the:
- New control room at £700,000
- Integration of internal CCTV systems into the new control room at £40,000; and

e) approve procurement via the ESPO Framework of:
- Consultant costs for complete start-to-finish project management of £39,160 funded from the General Fund favourable variance in 2024/25.

<u>Reasons for Decision:</u>

The creation of the CCTV Control Room previously approved at Cabinet aligns with the Community Plan Objective 4 – Reduce Crime and Anti-Social Behaviour.

Bringing NSDC CCTV Assets centrally into the control room ensures legal compliance and increases the control reach.

<u>Options Considered:</u>

Work with an external existing control room to monitor our cameras – this would not allow for a dedicated Newark & Sherwood monitoring as it would sit within another partnership.

Create a new partnership with shared resources and a new control room – it is possible once the new control is set up that decisions are made to bring in further CCTV cameras from outside of the district for a revenue fee. This would need to be considered in line with the control room aims.

Meeting closed at 7.54 pm.

Chair

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Performance Improvement Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Monday, 10 February 2025 at 6.00 pm.

PRESENT: Councillor M Pringle (Chair)
Councillor N Ross (Vice-Chair)

Councillor N Allen, Councillor A Brazier, Councillor C Brooks, Councillor A Freeman, Councillor J Hall, Councillor R Holloway, Councillor R Jackson, Councillor D Moore, Councillor P Rainbow, Councillor K Roberts, Councillor T Thompson and Councillor T Wendels

IN ATTENDANCE: Councillor S Crosby, Councillor S Michael and Councillor S Saddington

APOLOGIES FOR ABSENCE: Councillor M Spoors

67 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Chair advised that the meeting was being recorded and live streamed from Castle House.

68 DECLARATION OF INTEREST BY MEMBERS AND OFFICERS

Councillor T Wendels declared an Other Registerable Interest in Agenda Item No. 5 – Bassetlaw and Newark & Sherwood Community Safety Partnership Progress and Performance Update and Review of Priorities as an employee of the Nottinghamshire Police Authority.

Councillor J Hall declared an Other Registerable Interest in Agenda Item No. 5 – Bassetlaw and Newark & Sherwood Community Safety Partnership Progress and Performance Update and Review of Priorities as an elected Member of Balderton Parish Council who had received funding from Safer Streets 5.

69 MINUTES OF THE MEETING HELD ON 25 NOVEMBER 2024

The minutes from the meeting held on 25 November 2024 were agreed as a correct record and signed by the Chair.

70 BASSETLAW AND NEWARK & SHERWOOD COMMUNITY SAFETY PARTNERSHIP PROGRESS AND PERFORMANCE UPDATE AND REVIEW OF PRIORITIES

The Committee considered the report presented by the Business Manager – Public Protection and Inspector Charlotte Ellam from the Nottinghamshire Police Authority which sought to provide Members with an update on the performance data and activities for crime and ASB across the Bassetlaw and Newark & Sherwood Community Safety Partnership.

The report set out the 2024/2025 crime and ASB performance when compared with the previous year and also introduced the new Community Safety Partnership Strategy and Delivery Plan.

In considering the report, Members asked questions of the Business Manager and also Inspector Charlotte Ellam of the Nottinghamshire Police Authority, who was in attendance at the meeting.

In noting the 1.6% increase in all crime but a reduction in ASB, a Member queried whether the reason for this was known. Inspector Ellam advised that there had been a number of burglaries in the town centre together with auto-crime and drugs related offences which had all contributed to the increase in crime.

A Member noted that the replacement programme of CCTV cameras were for those located in the Newark area with one being in Southwell but none for the rest of the district. The Business Manager advised that the oldest cameras were to be replaced first and then a 10 year programme of replacements would commence across the whole estate.

In referring to paragraph 5.4 of the report – Immediate Justice, a Member queried how successful the pilot scheme had been. The Business Manager advised that funding from the Police & Crime Commissioner had enable a dedicated Officer to be engaged to deal with this. Feedback from the scheme was that the interaction with individuals had been profound and that it was hoped that it would continue. Inspector Ellam added that the context for the project had been borne from public opinion that waiting for justice was frustrating. This project had enabled justice for low level crime to be carried out swiftly. A final data analysis was awaited on the success of the scheme.

In noting that speeding was not included as a key theme as reported in paragraph 3.2 of the report, a Member queried as to whether it was not considered a serious enough offence. The Business Manager advised that the use of cameras by community groups continued to be supported and that speeding was still being monitored even though it was not logged as a theme.

In response to whether the Public Spaces Protection Orders/Dispersal Order at Balderton Lakes, Lakeside Shopping Centre, Coronation Park, had resulted in a positive change in relation to ASB, Inspector Ellam confirmed it had resulted in a significant reduction in ASB at that location.

A Member recalled that previously a discussion about the use of microphones in CCTV cameras had been held and queried whether this had ever been agreed. He also queried whether CCTV footage was being used in prosecution cases. The Business Manager advised that footage was frequently used and would look into whether the use of microphones had ever been examined.

A Member noted that a previous report to Cabinet had indicated that the relocation of the CCTV Control Room would be funded from the Newark Town Fund, querying whether this remained unchanged. The Business Manager advised that the funding stream had been amended. She also advised that the current CCTV Control Room partnership with the other local authorities was due to end in 2026. It was confirmed that a report on the amended funding arrangements was being presented to Cabinet on 18 February 2025.

In closing the debate, the Chair sought any comments from Members they wished to be forwarded to Cabinet for consideration prior to their review and adoption of the CSP Strategy and Delivery Plan in April 2025. A Member commented that he would like to request Cabinet to reconsider their decision to relocate the CCTV Control Room from the Police HQ at Sherwood Lodge to Newark and associated loss of revenue.

AGREED that:

a) the Community Safety Partnership performance information be noted; and

b) Cabinet be requested to clarify the source of funding for the relocation of the CCTV Control Room.

71 CUSTOMER FEEDBACK - HALF YEAR 1 - 2024/2025

The Committee considered the report presented by the Director – Customer Services & Organisational Development which sought to provide Members with customer feedback that had been submitted across the whole of the organisation. Appendix A attached to the report provided feedback for the first half of the 2024/2025 year and was a comprehensive look at complaints received, thereby demonstrating that, as an organisation, complaints were taken seriously and learned from.

Prior to opening the debate, the Chair commented that as the Member Responsible for Complaints (MRC) it was his role to oversee complaint handling and that it included ensuring that elected Members reviewed complaints during their quarterly performance assessments and also that there was effective complaint handling. He noted that the Customer Feedback Policy had recently been updated to comply with both the Housing Ombudsman Complaint Handling Code and the Local Government and Social Care Complaints Handling Code.

In considering the report and noting the increase in the number of complaints in relation to the delivery of the repairs service, a Member queried whether the performance of contractors who were responsible for carrying out repairs were monitored against their Service Level Agreements. The Chair advised that clarification on this would be sought and shared with Members.

In closing the debate, the Chair commented that an increase in complaints was not necessarily negative. He noted that responses received were recorded and responded to in accordance with the Customer Feedback Policy but that work continued to improve the number of complaints received.

AGREED that the Customer Feedback Half 1 report be noted.

72 PRESENTATION BY PORTFOLIO HOLDER FOR HEALTH, WELLBEING & LEISURE

The Committee considered the presentation delivered by Councillor Susan Crosby, the Portfolio Holder for Health, Wellbeing and Leisure.

Detailed within the presentation were a number of topics the Portfolio Holder expanded on, including: sporting infrastructure; Play Pitch & Outdoor Sport Strategy; Sport & Recreational Facilities Strategy; Active4Today Leisure Provision; Section 106 Funding Allocations; Tour of Britain; Run Archery; Paddle to the Castle; Park Run; Delivery of NSDC's Health & Wellbeing Strategy; Urgent Care at Newark Hospital; Strategic Partnership with Sherwood Forest Hospital Trust; NCC's Health & Wellbeing Board representation; focus on the preventative angle of the NSH 10-year plan; local public health campaigns; designing services and activities around community need; cost of living activities; and workplace health.

The Portfolio Holder also identified topics for the year ahead; 2025 paddleboard with some 400 competitors; Darwin Park new changing facilities; delivery of 3D pitches; investing in communities place work – expansion into Ollerton; carers support with a roadshow and engagement activities planned; events based on cookery/baking; development of each GP surgery Patient Participation Group to strengthen the patient voice.

A Member submitted a pre-question to the Portfolio Holder querying the latest position in relation to Southwell Leisure Centre, specifically regarding the Council's move to mediation with the Trustees. The Portfolio Holder advised that a meeting had been held between the Council and the Trustees in August 2024. The Trustees had sourced quotations for repairs to the swimming pool and had requested that the Council review those and the Council found the quotations to not offer value for money. The current situation was that the Council had entered into mediation with the Trustees to try to find a resolution. The Member thanked the Portfolio Holder for the update.

In relation to health inequalities across the district and the legacy of the former mining colliery villages impacting on those residents' life expectancies, a Member queried what specific measures were in place to encourage the use of existing facilities including healthy eating promotions. The Portfolio Holder advised that residents were participating in the cookery and baking events but would provide more additional detail on what specific measures were in place. It was noted that Active4Today were also promoting diabetes awareness.

A Member commented that in relation to fitness and health, the Council previously had a team of officers who liaised with grass root sports clubs and ran seated exercise classes, querying whether this was still active. The Portfolio Holder advised she would raise this query with Officers and provide a written response.

In relation to an Urgent Treatment Centre at Newark Hospital, a Member queried whether there was any available data to suggest that this was being used as an alternative when a GP appointment could not be made. The Member also referred to the call for a 24-hour provision, querying whether the Portfolio Holder thought that the funding required to provide that might be better spent at a local level in primary care in local communities and whether there was any available cost analysis for that. The Portfolio Holder advised that discussions had been held with the Integrated Care Team on what facilities were available for residents. She added that she was considering options to inform Members of the various facilities so that they could share the information with their residents. The Integrated Care Team had advised that there was insufficient people/infrastructure to justify an overnight provision. In response, the Member queried whether the Portfolio Holder was actively lobbying for the reinstatement of the shuttle bus service between Newark Hospital and Kings Mill Hospital and that members of staff also be permitted to utilise the service. The Portfolio Holder welcomed the question and suggestion.

In referring to the Yorke Drive redevelopment scheme and the disproportionate life expectancy in deprived areas, a Member queried whether the Portfolio Holder had been invited to be involved with the scheme. In response, the Portfolio Holder advised that the planning application required approval prior to any involvement from her but thanked the Member for the suggestion.

In relation to life expectancy and the use of leisure centres, a Member stated that there was no evidence to support this. She added that someone's life expectancy was determined by other aspects of lifestyle and type 2 diabetes. The Council could note the issue but were not in a position to solve the matter. She referred to the work of the Active Lifestyles Working Group noting that it was about getting people active and not just in a leisure centre and that public transport/access was a contributing factor.

A Member noted that a lack of physical activity was a factor in life expectancy. He queried whether low impact activities, such as Nordic walking, were promoted. This assisted with a person's fitness levels but also contributed to improvement in mental health. In referring to the focus of a provision of an Urgent Treatment Centre over-night at Newark Hospital, he queried whether there were alternative ways of delivering the outputs, noting that a building staffed all night was not necessarily required but access to 24-hour care, 7 days a week was, without having to travel to access treatment was the ultimate aim. The capacity of service provision needed to be reviewed and he requested that the Portfolio Holder raise the suggestion with the Integrated Care Board. The Portfolio Holder thanked the Member for their suggestions.

In relation to an increase in urgent care provision, a Member queried what the next steps were that the Portfolio Holder was to take to facilitate an increase in care at Newark Hospital. The Portfolio Holder stated that there had been improvements in service provision but any increase could only be provided by the health service and not the Council.

A Member noted that the Active4Today Board were interested in the work of the Portfolio Holder and would provide her with details of the work they were undertaking with schools. He noted that leisure centres dealt with a significant number of GP referrals and would like to provide this information to the Portfolio Holder and the Committee for information.

In noting the debate, a Member queried with the Portfolio Holder what she would wish to have achieved at the end of her tenure. The Portfolio Holder commented that health and equality took time to achieve but that she would wish to see the provision of services throughout the night at Newark Hospital.

In closing the debate, the Chair thanked the Portfolio Holder for her attendance and presentation.

73 UPDATE OF DIGITAL STRATEGY REFRESH WORKING GROUP

The Committee considered the verbal update of the Chair of the Review of the Digital Strategy Working Group, Councillor Neil Ross.

Councillor Ross advised that the Working Group had met on four occasions. They had considered the digital landscape in the East Midlands and the County Digital Infrastructure for Nottinghamshire. The final meeting was scheduled when the revised Digital Strategy and associated Action Plan would be created. Councillor Ross also referred to the Local Government Review and how digitisation would play a major part in that. He noted that the Council's digitisation needed to be improved upon but that no customer should be left behind, noting that not every customer of the Council had digital accessibility.

AGREED that the verbal update by the Chair of the Review of the Digital Strategy Working Group be noted.

74 CABINET FORWARD PLAN - JANUARY TO APRIL 2025

NOTED the Forward Plan of the Cabinet for the period January to April 2025.

75 MINUTES OF CABINET

NOTED the Minutes of the Cabinet meetings held on 3 and 10 December 2024 and 21 January 2025.

76 LIFE CHANCES FOR GIRLS

The Committee considered the Topic Request Form to establish a Working Group to develop a full picture of the life chances for girls in Newark & Sherwood by identifying and supplementing with more up to date and relevant data that that the Council held and from partners or wider, national sources too.

AGREED that a Life Chances for Girls Working Group be established with the following Policy & Performance Members expressing an interest in participating in the Group and that Councillor Karen Roberts be appointed as the Working Group's Chair:

Councillor Alice Brazier
Councillor Celia Brooks
Councillor Andy Freeman
Councillor Jean Hall

Councillor David Moore
Councillor Karen Roberts - Chair

77 SCRUTINY OF ACTIVE NSDC OUT OF REMIT COMMITMENTS

The Committee considered the Topic Request Form to establish a Working Group to scrutinise all of the Council's active commitment which sit outside of the remit of a typical district council.

AGREED that a Scrutiny of Active NSDC Out of Remit Commitments Working Group be established with the following Policy & Performance Members expressing an interest in participating in the Group and that Councillor Rhona Holloway be appointed as the Working Group's Chair:

Councillor Neil Allen
Councillor Alice Brazier
Councillor Andy Freeman
Councillor Rhona Holloway - Chair
Councillor David Moore
Councillor Penny Rainbow

78 ITEMS FOR NEXT AGENDA

Presentation by Portfolio Holder for Sustainable Economic Development
Annual Compliance Update – Housing Services
Community Plan Refresh
Social Value Charter
Consultation on the Draft Local Nature Recovery Strategy (tbc)

Meeting closed at 7.35 pm.

Chair

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Extraordinary Meeting of the **Policy & Performance Improvement Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Monday, 17 February 2025 at 6.00 pm.

PRESENT:	Councillor M Pringle (Chair) Councillor N Ross (Vice-Chair) Councillor N Allen, Councillor A Brazier, Councillor C Brooks, Councillor R Jackson, Councillor D Moore, Councillor P Rainbow, Councillor K Roberts, Councillor T Thompson and Councillor T Wendels
IN ATTENDANCE:	Councillor S Michael, Councillor L Dales and Councillor S Haynes
APOLOGIES FOR ABSENCE:	Councillor A Freeman, Councillor J Hall, Councillor R Holloway and Councillor M Spoors

79 DECLARATION OF INTEREST BY MEMBERS AND OFFICERS

There were no declarations of interest.

80 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Chair advised that the meeting was being recorded and live streamed from Castle House.

81 BUDGET REPORTS 2025/26

The Committee considered the report of the Business Manager – Financial Services which provided Members with details of: the spending proposals in the Council's proposed 2025/2026 General Fund Revenue Budget; the Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2024 and 31 March 2028; and the Capital Programme. The information was provided in 3 appendices to the report and was to be considered by Cabinet at their meeting to be held on 18 February 2025 with recommendations being forwarded to full Council for consideration at the meeting scheduled for 6 March 2024.

In presenting the report the Business Manager advised that the report recommendations, as written, had been amended to include that any suggestions made by the Committee would be forwarded to the meeting of Cabinet for consideration.

General Fund Revenue Budget: It was reported that the budget proposals had been prepared in accordance with the Council's budget setting strategy for 2025/26, as approved by Cabinet on 24 September 2024. Accordingly, the budget had been derived from the 2025/26 base budget within the MTFP approved by full Council on 7 March 2024. Growth and efficiencies had been included based on engagement with Portfolio Holders throughout the budget setting process. Changes, as described in the Budget Strategy in relation to pay awards and inflation had also amended the base position.

Medium Term Financial Plan: It was reported that the Council's MTFP for four financial years between 1 April 2024 and 31 March 2028 had been approved by full Council on 7 March 2024. The report sought to update the MTFP's assumptions on expenditure, income and financing for the four years between 2025/2026 and 2028/2029. The main aims of MTFP were to: deliver the Council's Community Plan objectives over the life of the relevant Community Plan; clearly present the Council's current predictions of its financial position between 2025/2026 and 2028/2029; and enable Members to make decisions which ensure the Council's future financial sustainability.

Capital Programme Budget 2026/2026 to 2028/2028: It was reported that the Capital Strategy had been approved by Council on 7 March 2024 and contained the capital appraisal form template and the prioritisation criteria. The capital appraisal forms were circulated to Business Managers to enable bids for new capital schemes. These were then scored in conjunction with the prioritisation criteria with the results considered by the Senior Leadership Team together with the proposed Capital Programme. Details of the capital expenditure in relation to the general fund were included in the report, together with the resources available. Paragraph 4 of the report set out the current plan for financing the proposed capital programme.

In response to queries raised by Members, the Business Manager provided further information in relation to: increases in National Insurance contributions; pay awards; inflation on insurance and utilities; notional savings; and increases to car parking charges.

AGREED (unanimously) that the Policy & Performance Committee note the report and appendices.

Meeting closed at 6.30 pm.

Chair

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Planning Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Thursday, 13 February 2025 at 4.00 pm.

PRESENT:	Councillor A Freeman (Chair) Councillor D Moore (Vice-Chair) Councillor C Brooks, Councillor L Dales, Councillor S Forde, Councillor K Melton, Councillor E Oldham, Councillor P Rainbow, Councillor M Shakeshaft and Councillor L Tift
ALSO IN ATTENDANCE:	Councillor N Allen and Councillor I Brown
APOLOGIES FOR ABSENCE:	Councillor A Amer, Councillor P Harris, Councillor S Saddington, Councillor T Smith and Councillor T Wildgust

106 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

The Chair informed the Committee that the Council was undertaking an audio recording of the meeting and that it was being live streamed.

107 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Councillors L Dales, A Freeman and K Melton declared an other registrable interest for any relevant items, as they were appointed representatives on the Trent Valley Internal Drainage Board.

108 MINUTES OF THE MEETING HELD ON 16 JANUARY 2025

AGREED that the minutes from the meeting held on 16 January 2025 were agreed as a correct record and signed by the Chair.

109 LAND AT YORKE DRIVE AND LINCOLN ROAD PLAYING FIELD, LINCOLN ROAD, NEWARK ON TRENT - 22/01528/RMAM

The Committee considered the report of the Business Manager – Planning Development, which sought reserved matters approval comprising the erection of 207 dwellings including relevant demolition, landscaping and car parking, with new pavilion sports pitches, associated landscaping and associated car parking pursuant to outline planning permission 22/00426/S73M; (redevelopment of parts of the Yorke Drive Estate).

Members considered the presentation from the Business Manager – Planning Development, which included photographs and plans of the proposed development.

A schedule of communication was circulated prior to the meeting which detailed correspondence received following publication of the agenda from Pegasus Group.

Mr C Calvert, agent for the applicant, spoke in support of the application.

Members whilst considering the application sought clarification on the parking arrangement for the leisure facility and whether that was sole use. Clarification was also sought regarding whether the leisure facility was doubling up as a community centre and whether a height barrier was required. The Director for Planning Growth confirmed that the leisure facility would be multi-functional and the car park was for sole use of that facility. The car park barrier needed to be part of the management regime, which could be included in that part of the conditions.

Clarification was sought whether there was any other provision for sport other than football. The Director for Planning Growth confirmed that the cricket pitch had been relocated and Sports England were aware of the pitch provision. The Council had a play pitch strategy and facilities plan and therefore through a Section 106, this could be pursued for further enhancement. It was also confirmed that every dwelling had an electric vehicle charging point and three charging points in the leisure facility car park.

A Member suggested that there was a recreational opportunity around the playing facilities and cycle routes and asked if this could be looked at in greater detail through the active travel plan for cycle routes.

Director for Planning Growth confirmed that there was renewable energy in the new developments. Heat pumps and some solar panels would be installed on suitable roofs within the development.

A Member raised concerns about the loss of trees and sought clarity on tree planting and requested further details regarding the new trees to be planted.

The Director for Planning Growth confirmed the location and type of trees to be planted were detailed on the approved landscape masterplan but generally, trees would be replaced on (at least) a two for one basis.

AGREED (unanimously) that Planning Permission be approved subject to the conditions contained within the report and the amendment to the conditions as detailed in the schedule of communication, including the inclusion of a car parking barrier at the leisure facility, in the management and maintenance regime.

110 OLLERTON HALL, MAIN STREET, OLLERTON - 25/00048/S73

The Committee considered the report of the Business Manager – Planning Development, which sought a variation of Condition 18 (approved plans) attached to planning permission 22/00852/FUL for change of use and conversion of the hall to new residential apartments with new bin and cycle store. The quantum of residential units would change from eight to ten.

Members considered the presentation from the Business Manager – Planning Development, which included photographs and plans of the proposed development.

A schedule of communication was circulated prior to the meeting which detailed correspondence received following publication of the agenda from Planning Case Officer and Ollerton and Boughton Town Council. An amendment to the lime pointing condition was proposed to change it from a pre-commencement condition.

The Business Manager – Planning Development discussed the poor condition of the building and some of the significant structural works required to make the building secure. Consideration was given to the need to make pragmatic changes to the building to ensure its long-term preservation. The Business Manager – Planning Development advised that the changes to the apartments were fairly minor and did not harm the significance of the listed building.

Members considered the application and welcomed the proposed amendments. It was felt that the changes within the building reflected the history of the building, the area and the community. The addition of two further flats was considered acceptable.

In answer to a Member question regarding the maintenance of the grounds, the Business Manager – Planning Development confirmed that the owner would retain ownership of the building and maintain the grounds. There was also a mechanism to maintain a space through a maintenance service charge. He confirmed that the Partner had always been sensitive to the maintenance of the grounds and the Council had ways to address those concerns.

AGREED (unanimously) that Planning Permission be approved subject to the conditions contained within the report and the amendment to Condition 06 as detailed in the schedule of communication.

Councillor E Oldham left the meeting at this point.

111 GREAT NORTH ROAD SOLAR PARK - UPDATE REPORT

The Committee considered the report of the Business Manager – Planning Development, which provided an update on the current statutory consultation for the GNR NSIP Project, which remained at the pre-application stage, but for which the applicant was currently undertaking their statutory consultation for the project. The statutory consultation period for the GNR project commenced on the 9 January and ran until the 20 February 2025. Further information on the applicant's consultation was provided in the report.

Members were asked to highlight any key areas of concern, to be considered by officers in formulating the Council's formal response to the statutory consultation. This could be done in the meeting or after the meeting until close of business, 14 February 2025.

The following comments were raised:

Cumulative Impact and agricultural land, tying up prime agricultural land was of real concern in a rural community. The district was a hub magnet for this, and residents had problems with this, irrespective of this being renewable energy.

Concern was raised that the district was acting in a national capacity for energy supply. The whole country would benefit from this, which was considered like the past with coal. It was questioned what the actual benefit was for the district in relation to the huge loss of amenity. It was felt that the district needed huge investment to improve its water structure, this could be achieved through long term investment to bring the drainage and sewage works back to standard.

The Planning Committee Chair asked for the Council's formal response to be forwarded to him and the Planning Committee Vice-Chair for final sign off.

AGREED that:

(a) the report be noted;

(b) the Council's formal response be forwarded to the Planning Committee Chair and Vice-Chair for final sign off.

112 APPEALS LODGED

The Business Manager – Planning Development informed the Committee that the address was not included in the report for enforcement reference: 23/00013/ENFNOT, the address was confirmed as Yew Tree Way, Coddington.

AGREED that the report be noted.

113 APPEALS DETERMINED

AGREED that the report be noted.

114 QUARTERLY PLANNING ENFORCEMENT ACTIVITY UPDATE REPORT

The Committee considered the report of the Business Manager – Planning Development updating Members as to the activity and performance of the planning enforcement function over the third quarter of the current financial year.

The report provided Members with examples of cases that had been resolved, both through negotiation and via the service of notices and provided detailed and explanations of notices that had been issued during the period covered 1 October 2024 – 31 December 2024.

AGREED that the contents of the report and the ongoing work of the planning enforcement team be noted.

Meeting closed at 6.13 pm.

Chair

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 19 February 2025 at 6.00 pm.

PRESENT:	Councillor R Holloway (Chair) Councillor S Michael (Vice-Chair) Councillor R Cozens, Councillor S Forde, Councillor A Freeman, Councillor S Haynes, Councillor C Penny, Councillor M Shakeshaft and Councillor T Thompson and Mr C Richardson (Non-Voting Co-Optee)
ALSO IN ATTENDANCE:	Councillor N Allen
APOLOGIES FOR ABSENCE:	Councillor J Hall and Councillor P Harris

135 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

136 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

That no Member of Officer declared any interest pursuant to any statutory requirement in any matter discussed or voted upon at the meeting.

137 MINUTES OF THE MEETING HELD ON 11 DECEMBER 2024

AGREED that the minutes from the meeting held on 11 December 2024 be approved as a correct record and signed by the Chair.

The Chair informed the meeting that report items 16 and 17 would be taken first.

138 MEMBER SURVEY

The Committee considered the report from the Director of Customer Services & Organisational Development reporting back on the outcomes of the Member Survey.

The survey was completed by 20 members out of 39 which is just over a 50% completion rate. Of those completing the survey 9 of the members were new members joining the council in May 2023 and 11 were existing members.

AGREED (unanimously) that:

a) Members noted the report; and

b) Members approved officers to undertake work to develop an action plan.

139 CUSTOMER FEEDBACK - HALF YEAR 1 - 2024/2025

The Committee considered the report from the Director of Customer Services & Organisational Development.

The Customer Feedback report is an opportunity for the Committee to see what complaints are being submitted across the organisation for half year 1. It gives an opportunity to understand how the customer is receiving the services we deliver and is a form of performance management to inform how well we are doing and where we can improve.

AGREED (unanimously) that the Audit & Governance Committee meeting noted the Customer Feedback Half 1 report and recommend PPIC conduct a performance review for any areas of concern.

140 INTERNAL AUDIT PROGRESS REPORT 2024/25

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) providing a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.

The report reminded Members of the audits that are in the Internal Audit Plan for 2025/26.

AGREED (unanimously) that:

a) the Members considered and commented upon the internal audit progress report and noted its content; and

b) the Members reviewed the Internal Audit Plan for 2025/26 and made comment where appropriate, providing provisional approval.

141 EXTERNAL AUDITORS ANNUAL AUDIT COMPLETION REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditor's Annual Audit Completion Report for Newark and Sherwood District Council for 2023/24.

The representative from Mazars, Mark Surridge presented the External Auditor's report.

The report confirmed that the External Auditor had issued an unqualified opinion of the 2023/24 Statement of Accounts.

AGREED (unanimously) that:

a) Members received the External Auditors Annual Audit Completion Report for 2023/24;

b) Members noted the adjustments to the financial statements set out in the report: and

c) the letter of representation signed by the Director of Resources – S151 Officer and the Chair of the Committee, be approved.

142 EXTERNAL AUDITORS ANNUAL AUDIT REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditor's Final Annual Audit Completion Report for Newark and Sherwood District Council for 2023/24.

The representative from Mazars, Mark Surridge, presented the report at Appendix A.

The Annual Audit Report confirmed that the External Auditor anticipates issuing an unqualified opinion of the 2023/24 Statement of Accounts. Approval of the Statement of Accounts by this Committee is being taken elsewhere on the agenda.

AGREED (unanimously) that:

a) Members received and noted the External Auditors Final Annual Audit Report for 2023/24; and

b) Members noted the adjustments to the audited financial statements set out in the report.

143 APPROVAL OF THE STATEMENT OF ACCOUNTS

The Committee considered the report from the Business Manager for Financial Services providing the Council's Statutory Accounts for the financial year ended 31 March 2024.

The report informed Members that this would be the final version of the Statement of Accounts, having brought the draft to the Audit & Governance Committee on 31 July 2024.

It was noted to update the final documents with the new Chair's details.

AGREED (unanimously) that:

a) Members approved the Annual Governance Statement for the financial year ended 31 March 2024 ;

b) Members approved the Audited Statement of Accounts for the financial year ended 31 March 2024; and

c) Members noted that as per the previous report the S151 Officer and the Chair have signed the Letter of Representation.

144 BUDGET REPORTS 2025/26

The Committee considered the report from the Business Manager for Financial Services providing Members with reports which have been approved at Cabinet on 18 February 2025:

General Fund Revenue Budget 2025/26
General Fund Medium Term Financial Plan 2025/26 – 2028/29
Capital Programme 2025/26 – 2028/29

AGREED (unanimously) that Members received and noted the reports that were presented to Cabinet on 18 February 2025.

145 CAPITAL STRATEGY 2025/26

The Committee considered the report from the Assistant Business - Manager for Financial Services seeking Committee approval to the Capital Strategy 2025/26, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

AGREED (unanimously) that: the Committee approved each of the following key elements and recommends these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Capital Strategy 2025/26 Appendix A.
- The Capital Prudential Indicators and Limits for 2025/26, contained within Appendix A.
- The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP.
- The Flexible Use of Capital Receipts Strategy, contained with Appendix D.

146 INVESTMENT STRATEGY 2025/26

The Committee considered the report from the Assistant Business Manager - Financial Services providing the Investment strategy for 2025/26, meeting the requirements of statutory guidance issued by the Minister of Housing, Communities and Local Government (MHCLG) Investment Guidance in January 2018.

AGREED (unanimously) that the Committee approved each of the following key elements and recommended these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Investment Strategy 2025/2 Appendix A.
- The Investment Prudential Indicators and Limits for 2025/26, contained within Appendix A.

147 TREASURY MANAGEMENT STRATEGY 2025/26

The Committee considered the report from the Assistant Business Manager - Financial Services seeking approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy and Treasury Prudential Indicators, updated in accordance with latest guidance.

AGREED (unanimously) that the Committee approved each of the following key elements and recommended these to Full Council on 6 March 2025 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:

- The Treasury Management Strategy 2025/26, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A).
- The Treasury Prudential Indicators and Limits, contained within Appendix A.
- The Authorised Limit Treasury Prudential Indicator contained within Appendix A.

148 REVIEW OF SIGNIFICANT ISSUES IN THE ANNUAL GOVERNANCE STATEMENT

The Committee considered the report from the Business Manager for Financial Services providing an update to Members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.

At the meeting of the Audit & Accounts Committee on 31 July 2024, Members approved the draft Annual Governance Statement for the Council for financial year ended 31 March 2024; part of the Council's Statement of Accounts. The Annual Governance Statement has not been amended since that point and is attached to the Audited Statement of Accounts report on this Committee's agenda for final approval. To ensure that Members can undertake their assurance role, this report updates the Committee on the status of the governance issues identified within the Annual Governance Statement.

AGREED (unanimously) that Committee noted the results of the review of significant governance issues as identified in the Annual Governance Statement.

149 WHISTLEBLOWING POLICY ANNUAL REPORT

The Committee considered the report from the Assistant Director - Legal & Democratic Services, Monitoring Officer providing an annual report to update the Committee on the implementation of the Council's Whistleblowing Policy.

The Monitoring Officer informing Members that no whistleblowing concerns had been recorded in the past year.

AGREED (unanimously) that Members noted the report, that the Committee includes an annual review of the operation of the Council's Whistleblowing Policy in the Committee's Work Plan and that an awareness raising exercise be undertaken during the next year.

150 GIFTS AND HOSPITALITY ANNUAL REPORT

The Committee considered the report from the Assistant Director Legal & Democratic Services, Monitoring Officer providing an annual report to update the Committee on the implementation of the Council's Gifts and Hospitality policies.

The report highlighted that there would be a reissuing of the guidance.

AGREED (unanimously) that Members noted the report and that the Committee includes an annual review of the operation of the Council's Gifts and Hospitality arrangements in the Committee's Work Plan and that an awareness raising exercise be undertaken during the next year

151 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) - ANNUAL REPORT

The Committee considered the report from the Principal Legal Officer and RIPA Co-ordinator, reporting to the Committee:

i. Activity by the Council under RIPA from 2023 to December 2024
ii. IPCO Inspection
iii. Relevant minor amendments to the RIPA Policy
iv. An update on mandatory training for officers

The internal policy, including the names of relevant Authorising officers, the Senior Responsible Officer and RIPA Co-ordinator is on the intranet and provides much more detailed information on how surveillance techniques may or may not be used and will be available on the internet and intranet. Minor amendments have been made to the policy to reflect changes in names/job titles of relevant officers and some improvements to level of detail and layout.

AGREED (unanimously) that Members noted the report and agreed the minor amendments.

152 CODE OF CONDUCT - UPDATE AND GOVERNMENT CONSULTATION

The Committee received the report from the Assistant Director Legal & Democratic Services and Monitoring Officer to consider an update on Code of Conduct complaints and the Government Consultation on Strengthening the standards and conduct framework for local authorities in England.

This consultation seeks views on introducing a mandatory minimum code of conduct for local authorities in England, and measures to strengthen the standards and conduct regime in England to ensure consistency of approach amongst councils investigating serious breaches of their member codes of conduct, including the introduction of the power of suspension. The consultation document including proposed response is attached as the Appendix to this report.

The report asked the committee to consider the draft response and Members may also wish to send their own individual responses.

AGREED (unanimously) that:

a) the report be noted; and

b) the Committee approve a Council response to the Government consultation as set out in the Appendix to the report subject to changing the answer to question 12 to 'unsure'.

153 MEETING DAY OF THE AUDIT AND GOVERNANCE COMMITTEE

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer to consider the best day for Committee meetings going forward.

AGREED that the meeting day of the Audit & Governance Committee revert back to a Wednesday and the dates for the meeting schedule in 2025/26 be subject to agreement with the Leader of the Council.

154 AUDIT AND GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the joint report of the Assistant Director Legal & Democratic Services, Monitoring Officer and the Business Manager for Financial Services which attached the Committee's Work Plan for consideration.

AGREED (unanimously) that the Work Plan be noted.

155 DATE OF NEXT MEETING - 19 MARCH 2025

Meeting closed at 7.30 pm.

Chair