



*Castle House
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Wednesday, 27 February 2019

Chairman: Councillor K Walker
Vice-Chairman: Councillor B Crowe

To all Members of the Council:

MEETING: Full Council

DATE: Thursday, 7 March 2019 at 6.00 pm

**VENUE: Civic Suite, Castle House, Great North Road,
Newark, Nottinghamshire, 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 Tel: 01636 655243 Email: Nigel.hill@newark-sherwooddc.gov.uk

AGENDA

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22. Exclusion of the Press and Public None

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 Paragraphs 1, 2, 3 and 7 of part 1 of Schedule 12A of the Act.

NOTES:

- (1) The Conservative Group will meet at 5.00pm in Rooms F1 - F3 prior to the Council Meeting.
- (2) The Labour Group will meet at 5.00pm in Room G1 prior to the Council Meeting.
- (3) The Independent Group will meet at 5.00pm prior to the Council Meeting.
- (4) Tea and coffee will be available in the Civic Suite.

Agenda Item 2

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Full Council** held in the Civic Suite, Castle House, Great North Road, Newark, Nottinghamshire, NG24 1BY on Tuesday, 12 February 2019 at 6.00 pm.

PRESENT: Councillor K Walker (Chairman)
Councillor B Crowe (Vice-Chairman)

Councillor Mrs K Arnold, Councillor R Blaney, Councillor Mrs B Brooks, Councillor Mrs C Brooks, Councillor Mrs I Brown, Councillor M Buttery, Councillor M Cope, Councillor Mrs R Crowe, Councillor Mrs G Dawn, Councillor P Duncan, Councillor K Girling, Councillor P Handley, Councillor B Laughton, Councillor J Lee, Councillor D Lloyd, Councillor Mrs S Michael, Councillor N Mison, Councillor N Mitchell, Councillor D Payne, Councillor P Peacock, Councillor Mrs P Rainbow, Councillor T Roberts, Councillor Mrs S Saddington, Councillor Mrs S Soar, Councillor D Staples, Councillor F Taylor, Councillor Mrs L Tift, Councillor D Thompson, Councillor Mrs A Truswell, Councillor I Walker, Councillor B Wells, Councillor T Wendels and Councillor Mrs Y Woodhead

APOLOGIES FOR ABSENCE: Councillor Mrs M Dobson, Councillor Mrs L Hurst and Councillor R Jackson

Prior to the transaction of business the Council stood in silence in memory of Robin Clay.

51 MINUTES FROM THE MEETING HELD ON 11 DECEMBER 2018

AGREED that that minutes of the meeting held on 11 December 2018 be approved as a correct record and signed by the Chairman.

52 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

NOTED the interests declared as shown in the schedule circulated at the meeting.

53 DECLARATIONS OF ANY INTENTIONS TO RECORD THE MEETING

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

54 COMMUNICATIONS WHICH THE CHAIRMAN OR THE CHIEF EXECUTIVE MAY WISH TO LAY BEFORE THE COUNCIL

The Chairman of the Council advised Members that his Civic Service would be held on the 28 April 2019 at 10.30am at All Saints Church, Elston.

The Chief Executive advised Members of the candidates and agents briefing session ahead of the District and Parish elections. This would be held on Monday, 4 March 2019 at 5.00pm, in the Civic Suite, Castle House, Newark.

55 HOUSING REVENUE ACCOUNT BUDGET AND RENT SETTING 2019/20

The Council considered the joint report of the Director of Governance & Organisational Development and Deputy Chief Executive/Director - Resources concerning the Housing Revenue Account budget for 2019/2020. Under the Council's Constitution the Housing Revenue Account Self Financing Business Plan would be formulated and reviewed by the Policy & Finance Committee and recommended to Council for approval. A major element of the Business Plan comprised the annual Housing Revenue Account budget.

The annual Housing Revenue Account budget for 2019/20 and financial plan to 2022/23, including proposals for rent levels for 2019/20, was considered by the Policy & Finance Committee at their meeting held on 24 January 2019.

The report considered by the Policy & Finance Committee on 24 January 2019 was attached as an appendix to the report. This provided the actual outturn of the HRA for 2017/18; examined the proposed income and expenditure on the HRA for 2019/20 in accordance with Section 76 of the Local Government and Housing Act 1989, to avoid a deficit on the Housing Revenue Account; provided the indicative figures of income and expenditure for the financial years 2020/21 to 2022/23; set rent levels and service charges for Council housing properties with effect from 1 April 2019; set charges for garage rents, plots and garage ports with effect from 1 April 2019; set housing support service charges and all other service charges with effect from 1 April 2019; set rent levels for the Councils temporary accommodation with effect from 1 April 2019; detailed the annual management fee payable to Newark and Sherwood Homes, in accordance with the Management Agreement.

In respect of the annual management fee payable to Newark and Sherwood Homes it was reported that this was still to be formally agreed with the Council. Therefore delegated authority had been given to the Director of Governance and Organisational Development to agree this with Newark and Sherwood Homes which would inform an updated HRA Budget once finalised

In the report to the Policy & Finance Committee it was also noted that in 2019/20, 53 Mondays fell in the financial year, which had created an issue with rent collection when a tenant was in receipt of Universal Credit and whilst these matters were being considered the HRA budget had been prepared on a 52 week rent basis.

AGREED (unanimously) that:

- (a) the Housing Revenue Account budget for 2019/20 as set out in Appendix A to the Policy & Finance report, noting the delegation to the Director of Governance and Organisational Development to agree the 2019/20 Management Fee with Newark and Sherwood Homes, be approved;
- (b) additional payments for the management of Gladstone House be made to Newark and Sherwood Homes, subject to the Homes & Communities Committee approval;

- (c) the rent of all properties in the Housing Revenue Account, as at 31 March 2019, be decreased by 1% in accordance with Welfare Reform and Works Act with effect from 1 April 2019;
- (d) the rent on temporary accommodation be increased by CPI plus 1% (3.4%) with effect from 1 April 2019;
- (e) all services charges and support charges be increased by CPI plus 1% (3.4%) with effect from April 2019; and
- (f) garage, garage plot and garage port rents be increased by CPI plus 1% (3.4%) with effect from 1st April 2019.

56 TREASURY MANAGEMENT 2018/19 - MID YEAR REPORT

The Council considered the report of Deputy Chief Executive/Director – Resources which provided an update on the Council’s treasury activity and prudential indicators for the first half of 2018/19. It was reported that none of the Prudential Indicators had been breached and a prudent approach had been taken in relation to the investment activity, with priority given to security and liquidity over yield.

Following consultation in 2017, CIPFA published new versions of the Prudential Code for Capital Finance in Local Authorities (Prudential Code) and the Treasury Management Code of Practice but had yet to publish the local authority specific Guidance Notes to the latter. In England revised Investment Guidance came into effect from April 2018. The updated Prudential Code included a new requirement for local authorities to provide a Capital Strategy, which was a summary document approved by Full Council covering capital expenditure and financing, treasury management and non-treasury investments.

The Code also recommended that Members were informed of Treasury Management activities at least twice a year. The report provided a number of regulatory updates on Treasury Management, Investment and Borrowing Strategies.

AGREED (unanimously) that:

- (a) the new Prudential Indicator for Interest Rate Exposure contained within the Treasury Management Strategy, as detailed in Section 5 of the report, be approved;
- (b) the treasury activity be noted;
- (c) the Prudential Indicators, as detailed in Section 10 of the report, be noted;
- (d) the business model applied to all current investment relating to IFRS9 (Sections 4.5 and 9.2 of the report refer) was to ‘achieve objectives by collecting contractual cash flows’; and
- (e) the Lloyds Set Off agreement, as detailed at Section 12.1 and 12.2 of the report, be noted and approved.

57 ECONOMIC PROSPERITY COMMITTEE

The Council considered the report of Chief Executive which sought approval of amendments to the Nottinghamshire Economic Prosperity Committee's Terms of Reference. The Terms of Reference could only be amended by resolution of each of the constituent authorities and given the joint committee had delegated powers this required approval by the Council.

The proposed amendments were designed to reflect changes in the operating environment since the Economic Prosperity Committee was established in 2013. The main substantive addition would enable discussion of issues that cut across local authority boundaries and to agree to align activity where this would benefit local authorities and citizens. A copy of the revised constitution for the committee was attached as appendix A to the report.

AGREED (unanimously) that:

- (a) the proposed amended Terms of Reference for the Joint Economic Prosperity Committee be approved; and
- (b) the Director – Governance & Organisational Development be given delegated authority to carry out the necessary amendments to the Council's Constitution.

58 KINGS CLIPSTONE NEIGHBOURHOOD PLANNING REFERENDUM

The Council considered the report of the Director – Growth & Regeneration which advised Members of the result of the Kings Clipstone Neighbourhood Plan Referendum and sought approval to formally adopt the Plan.

The Referendum was held on 31 January 2019 with the question 'Do you want Newark and Sherwood District Council to use the neighbourhood plan for Kings Clipstone to help it decide planning applications in the neighbourhood area?' The result was 97 yes and 16 no. In order for the neighbourhood plan to be 'made' it required formal adoption by the Council.

AGREED (unanimously) that:

- (a) the report be noted; and
- (b) the Council 'make' the referendum version of the Kings Clipstone Neighbourhood Plan confirming that it forms part of the Development Plan for Newark & Sherwood District.

59 NOTICE OF MOTION

In accordance with Council Procedure Rule No 13.1 Councillor K. Girling moved and Councillor D. Staples seconded a motion to the following effect:

“Though it’s approaching 200 years since the abolition of the slave trade, it is estimated that there are more slaves today than ever before. Figures from the International Labour Organisation (ILO) suggest that there are more than 40 million people in modern slavery across the world, with nearly 25 million in forced labour.

There were 5145 victims of modern slavery submitted to the National Referral Mechanism in 2017, a 35% increase on 2016. A rising number but still well below the 10,000 and 13,000 potential victims estimated by the Home Office.

Modern slavery is happening nationwide and within Nottinghamshire, traffickers and slave masters use whatever means they have at their disposal to coerce, deceive and force individuals into a life of abuse, servitude and inhumane treatment. This can include sexual and criminal exploitation.

Newark & Sherwood District Council resolves to:

- Raise public awareness about modern slavery, working with the media and local partners to highlight the prevalence of modern slavery.
- Regularly train our staff to identify victims of slavery and to ensure they are referred for suitable support.
- Work proactively with Nottinghamshire Police and other enforcement agencies to prevent and disrupt modern slavery, taking a robust response against perpetrators.
- Investigate how best to ensure that the Council’s procurement arrangements minimise the risk of modern slavery within its own supply chain.”

The motion, on being put to the vote was declared carried unanimously.

60 MINUTES FOR NOTING

60a POLICY & FINANCE COMMITTEE – 24 JANUARY 2019

60b ECONOMIC DEVELOPMENT COMMITTEE – 16 JANUARY 2019

Minute No. 48 – LDF Update

Councillor R Blaney informed the Council of the ongoing delay in respect of the receipt of the Amended Core Strategy report from the Planning Inspector for fact-checking. He advised that the ongoing delay would impact upon the Local Development Scheme timetable given the now close proximity of the District Council elections and start of the purdah period. He confirmed that the LDF Task and Finish Group had requested the Director of Growth & Regeneration to write to the Planning Inspectorate to complain about the delay.

Councillor K. Girling agreed that the Director of Growth & Regeneration should write to the Planning Inspectorate in the strongest possible terms.

- 60c HOMES & COMMUNITIES COMMITTEE – 14 JANUARY 2019
- 60d LEISURE & ENVIRONMENT COMMITTEE – 22 JANUARY 2019
- 60e AUDIT & ACCOUNTS COMMITTEE – 6 FEBRUARY 2019
- 60f SHAREHOLDER COMMITTEE – 17 DECEMBER 2019
- 60g PLANNING COMMITTEE – 15 JANUARY 2019
- 60h PLANNING COMMITTEE – 5 FEBRUARY 2019

Meeting closed at 6.26 pm.

Chairman

COUNCIL MEETING – 7 MARCH 2019

REVENUE BUDGET AND COUNCIL TAX SETTING FOR 2019/2020

- 1.0 The Council is required by the Local Government Finance Act 1992 to set a Council Tax for 2019/2020.
- 2.0 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 are shown in recommendation 2 of this report.
- 3.0 In setting the level of Council Tax for 2019/2020 it is necessary to consider the requirements of the Council Tax Collection Fund for 2019/2020. 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.
- 4.0 The Policy and Finance Committee meeting held on the 21 February 2019, recommended that the District Council's Council Tax Requirement for 2019/2020, excluding Parish Council precepts, should be £11,979,190.00 as detailed in the Council's Budget Book for 2019/2020.
- 5.0 As part of the budget process, the views of the operational committees have been taken into account along with views of the Commercial Ratepayers through the statutory consultation.
- 6.0 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 require that for authorities operating a Committee system, "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 Recommendation 3 a-j in this report.
- 7.0 All Parish Council precepts have now been received. Parish precepts total £2,925,108.18. Consequently the total Council Tax Requirement for the District Council is £14,904,298.18 (ie £11,979,190 plus £2,925,108.18) (recommendations 3(c) and 3(h)). Individual Parish Council precepts are shown in the table below.

	PARISH	PRECEPT 2019-20 £
1	Alverton	-
2	Averham	*
3	Balderton	279,520.00
4	Barnby in the Willows	3,000.00
5	Bathley	1,434.10
6	Besthorpe	6,615.00
7	Bilsthorpe	69,095.00
8	Bleasby	17,658.00
9	Blidworth	75,522.00
10	Bulcote	7,000.00
11	Carlton-on-Trent	3,200.00

	PARISH	PRECEPT 2019-20 £
12	Caunton	5,250.00
13	Caythorpe	2,000.00
14	Clipstone	130,620.00
15	Coddington	15,400.00
16	Collingham	41,209.00
17	Cotham	-
18	Cromwell	1,050.00
19	Eakring	3,697.00
20	East Stoke	****
21	Edingley	5,000.00
22	Edwinstowe	116,988.76
23	Egmanton	2,000.00
24	Elston	18,000.00
25	Epperstone	10,951.00
26	Farndon	53,843.00
27	Farnsfield	75,000.00
28	Fiskerton-cum-Morton	7,400.00
29	Girton and Meering	1,149.00
30	Gonalston	-
31	Grassthorpe	-
32	Gunthorpe	18,304.00
33	Halam	8,200.00
34	Halloughton	400.00
35	Harby	4,462.20
36	Hawton	1,250.00
37	Hockerton	3,000.00
38	Holme	-
39	Hoveringham	12,592.00
40	Kelham	*
41	Kersall	**
42	Kilvington	-
43	Kirklington	6,100.00
44	Kirton	6,000.00
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	4,600.00
48	Lowdham	77,240.00
49	Lyndhurst	-
50	Maplebeck	-
51	Meering	-
52	Newark	927,429.00
53	North Clifton	1,787.00
54	North Muskham	16,270.00
55	Norwell	6,175.00
56	Ollerton and Boughton	99,582.00

	PARISH	PRECEPT 2019-20 £
57	Ompton	**
58	Ossington	-
59	Oxton	10,000.00
60	Perlethorpe-cum-Budby	1,600.00
61	Rainworth	62,500.00
62	Rolleston	6,250.00
63	Rufford	4,000.00
64	South Clifton	2,000.00
65	South Muskham	11,334.00
66	South Scarle	4,640.00
67	Southwell	216,500.00
68	Spalford	-
69	Staunton	-
70	Staythorpe	*
71	Sutton-on-Trent	24,210.00
72	Syerston	1,000.00
73	Thorney	2,200.00
74	Thorpe	****
75	Thurgarton	7,935.00
76	Upton	6,758.00
77	Walesby	38,250.00
78	Wellow	5,690.28
79	Weston	4,125.00
80	Wigsley	-
81	Winkburn	-
82	Winthorpe	***
83	Fernwood	69,507.00
84	Kings Clipstone	9,500.00

PARISHES GROUPED FOR PRECEPT PURPOSES

*	Averham, Kelham, Staythorpe	3,332.00
**	Kneesall, Kersall, Ompton	2,235.84
***	Winthorpe, Langford	8,569.00
****	East Stoke, Thorpe	3,000.00
	Total	2,925,108.18

8.0 The Government Grant and net retained Business Rates form part of the District Council's General Fund, and are not part of the Collection Fund. These amounts total £5,249,590 for 2019/20 and are shown as recommendation 3(d).

- 9.0 In setting the level of Council Tax for 2019/2020, it is necessary to assess if any adjustment is necessary due to the level of Council Tax collection prior to 2019/2020. 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 the 15th January, 2019, as required by the Regulations, and it is considered that no adjustment is necessary to the level of Council Tax for 2019/2020 in respect of the Council Tax Collection Fund. This is shown as recommendation 3(e).
- 10.00 The amount shown in recommendation 3(f) of £6,729,600 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 in recommendation 3(d).
- 11.0 There are no District Council Special Expenses for 2019/2020. The amount shown in recommendation 3(h) of £2,925,108.18 for special items relates to Parish Precepts only.
- 12.0 The basic level of tax (ie the level of tax for Band D properties) for District Council Services in areas where no parish charge is levied is £173.57 as shown in recommendation 3(g).
- 13.0 Recommendation 3(i) shows the basic level of tax for Band D properties in each parish, including parish charges where appropriate.
- 14.0 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 recommendation 3(j).
- 15.0 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.
- 16.0 Nottinghamshire County Council has proposed a precept on Newark and Sherwood District Council's collection fund for 2019/2020 of £57,229,267.00, equivalent to a Band D Council Tax of £1,476.06. Council Tax figures for each Band are set out in recommendation 4.
- 17.0 The Nottinghamshire Police & Crime Commissioner has set a precept on Newark and Sherwood District Council's Collection fund for 2019/2020 of £8,503,783.80, equivalent to a Band D Council Tax of £219.33. Council Tax figures for each Band are set out in recommendation 5.
- 18.0 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 2019/2020 of £3,093,976.91 equivalent to a Band D Council Tax of £79.80. Council Tax figures for each Band are set out in recommendation 6.
- 19.0 The total recommended levels of Council Tax for 2019/2020 for each Council Tax valuation band in each parish is shown in recommendation 7.

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

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14

21.0 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 2019/20, the level of Council Tax increase that would trigger a referendum has been set at 3.0% and £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 recommendation 8.

22.0 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
£	£	£	£	£	£	£	£
1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52

23.0 **RECOMMENDATIONS** that:

1. the revenue estimates for 2019/2020 and schedule of fees and charges, as submitted in the Council's Budget book be approved;
2. it be noted that the following amounts have been determined for the year 2019/2020 in accordance with regulations made under Section 31(B) of the Local Government Finance Act 1992:-
 - (a) **38,771.64** 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) **£41,280,200** 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	23.96
2	Averham	113.45
3	Balderton	3,026.53

	PARISH	TOTAL LOCAL TAX BASE
4	Barnby in the Willows	104.25
5	Bathley	117.22
6	Besthorpe	80.68
7	Bilsthorpe	902.19
8	Bleasby	381.64
9	Blidworth	1,096.13
10	Bulcote	137.71
11	Carlton-on-Trent	92.27
12	Caunton	205.92
13	Caythorpe	142.66
14	Clipstone	1,353.92
15	Coddington	551.92
16	Collingham	1,109.89
17	Cotham	40.89
18	Cromwell	101.38
19	Eakring	184.63
20	East Stoke	53.76
21	Edingley	187.80
22	Edwinstowe	1,699.43
23	Egmanton	129.00
24	Elston	276.31
25	Epperstone	271.16
26	Farndon	806.95
27	Farnsfield	1,232.85
28	Fiskerton-cum-Morton	409.76
29	Girton and Meering	52.47
30	Gonalston	51.48
31	Grassthorpe	25.74
32	Gunthorpe	312.74
33	Halam	191.96
34	Halloughton	38.81
35	Harby	118.40
36	Hawton	33.96
37	Hockerton	83.75
38	Holme	38.71
39	Hoveringham	170.58
40	Kelham	84.64
41	Kersall	22.18
42	Kilvington	13.86
43	Kirklington	168.00
44	Kirton	115.24
45	Kneesall	87.71
46	Langford	40.00
47	Laxton & Moorhouse	110.58
48	Lowdham	997.42
49	Lyndhurst	5.64
50	Maplebeck	49.52

	PARISH	TOTAL LOCAL TAX BASE
51	Meering	-
52	Newark	8,358.87
53	North Clifton	72.76
54	North Muskham	398.67
55	Norwell	212.26
56	Ollerton and Boughton	2,768.14
57	Ompton	22.67
58	Ossington	40.00
59	Oxton	274.53
60	Perlethorpe-cum-Budby	72.96
61	Rainworth	1,830.11
62	Rolleston	156.02
63	Rufford	232.65
64	South Clifton	121.87
65	South Muskham	194.04
66	South Scarle	88.90
67	Southwell	2,872.58
68	Spalford	34.85
69	Staunton	27.62
70	Staythorpe	41.38
71	Sutton-on-Trent	495.59
72	Syerston	91.87
73	Thorney	92.86
74	Thorpe	31.98
75	Thurgarton	233.05
76	Upton	190.38
77	Walesby	422.53
78	Wellow	191.27
79	Weston	135.43
80	Wigsley	45.24
81	Winkburn	33.76
82	Winthorpe	285.32
83	Fernwood	926.14
84	Kings Clipstone	119.89
	Total Rounded	38,771.64

PARISHES GROUPED FOR PRECEPT PURPOSES

	Averham, Kelham, Staythorpe	239.47
	Kneesall, Kersall, Ompton	132.56
	Winthorpe, Langford	325.32
	East Stoke, Thorpe	85.74

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. that the following amounts be now calculated by the Council for the year 2019/2020 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £47,478,210.00 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) £35,499,020.00 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) £11,979,190.00 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) £5,249,590.00 being the amount of Revenue Support Grant and Rural Services Delivery Grant (£120,780) and net retained Business Rates (£5,128,810) which the Council estimates will be payable for the year into its general fund;
- (e) £0.00 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 surplus on the Council Tax Collection Fund;
- (f) £6,729,600 being the amount at 3(c) above less the amount at 3(d) above less the amount at 3(e) above calculated by the Council as its' net Council Tax requirement for the year.
- (g) £173.57 being the amount at 3(f) 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.
- (h) £2,925,108.18 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;
- (i) £249.01 being the amount at 3(f) above plus the amount at 3(h) 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;

	PARISH	BASIC TAX (£)
1	Alverton	173.57
2	Averham	*
3	Balderton	265.62
4	Barnby in the Willows	202.35
5	Bathley	185.80
6	Besthorpe	255.56
7	Bilsthorpe	250.16
8	Bleasby	219.84
9	Blidworth	242.47
10	Bulcote	224.40
11	Carlton-on-Trent	208.25
12	Caunton	199.07
13	Caythorpe	187.59
14	Clipstone	270.05
15	Coddington	201.47
16	Collingham	210.70
17	Cotham	173.57
18	Cromwell	183.93
19	Eakring	193.59
20	East Stoke	****
21	Edingley	200.19
22	Edwinstowe	242.41
23	Egmanton	189.07
24	Elston	238.71
25	Epperstone	213.96
26	Farndon	240.29
27	Farnsfield	234.40
28	Fiskerton-cum-Morton	191.63
29	Girton and Meering	195.47
30	Gonalston	173.57
31	Grassthorpe	173.57
32	Gunthorpe	232.10
33	Halam	216.29
34	Halloughton	183.88
35	Harby	211.26
36	Hawton	210.38
37	Hockerton	209.39
38	Holme	173.57
39	Hoveringham	247.39
40	Kelham	*
41	Kersall	**
42	Kilvington	173.57
43	Kirklington	209.88
44	Kirton	225.64
45	Kneesall	**
46	Langford	

	PARISH	BASIC TAX (£)
47	Laxton & Moorhouse	215.17
48	Lowdham	251.01
49	Lyndhurst	173.57
50	Maplebeck	173.57
51	Meering	173.57
52	Newark	284.52
53	North Clifton	198.13
54	North Muskham	214.38
55	Norwell	202.66
56	Ollerton and Boughton	308.52
57	Ompton	**
58	Ossington	173.57
59	Oxton	210.00
60	Perlethorpe-cum-Budby	195.50
61	Rainworth	207.72
62	Rolleston	213.63
63	Rufford	190.76
64	South Clifton	189.98
65	South Muskham	231.98
66	South Scarle	225.76
67	Southwell	248.94
68	Spalford	173.57
69	Staunton	173.57
70	Staythorpe	*
71	Sutton-on-Trent	222.42
72	Syerston	184.45
73	Thorney	197.26
74	Thorpe	****
75	Thurgarton	207.62
76	Upton	209.07
77	Walesby	264.10
78	Wellow	203.32
79	Weston	204.03
80	Wigsley	173.57
81	Winkburn	173.57
82	Winthorpe	***
83	Fernwood	248.62
84	Kings Clipstone	252.81

PARISHES GROUPED FOR PRECEPT PURPOSES

	Parish	Basic Tax (£)
*	Averham, Kelham, Staythorpe	186.35
**	Kneesall, Kersall, Ompton	190.44
***	Winthorpe, Langford	199.91
****	East Stoke, Thorpe	208.56

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.

Recommendation 3(k) 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.

3k

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	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
2	Averham	*	*	*	*	*	*	*	*
3	Balderton	177.08	206.59	236.11	265.62	324.65	383.67	442.70	531.24
4	Barnby in the Willows	134.90	157.38	179.87	202.35	247.32	292.28	337.25	404.70
5	Bathley	123.87	144.51	165.16	185.80	227.09	268.38	309.67	371.60
6	Besthorpe	170.37	198.77	227.16	255.56	312.35	369.14	425.93	511.12
7	Bilsthorpe	166.77	194.57	222.36	250.16	305.75	361.34	416.93	500.32
8	Bleasby	146.56	170.99	195.41	219.84	268.69	317.55	366.40	439.68
9	Blidworth	161.65	188.59	215.53	242.47	296.35	350.23	404.12	484.94
10	Bulcote	149.60	174.53	199.47	224.40	274.27	324.13	374.00	448.80
11	Carlton-on-Trent	138.83	161.97	185.11	208.25	254.53	300.81	347.08	416.50
12	Caunton	132.71	154.83	176.95	199.07	243.31	287.55	331.78	398.14
13	Caythorpe	125.06	145.90	166.75	187.59	229.28	270.96	312.65	375.18
14	Clipstone	180.03	210.04	240.04	270.05	330.06	390.07	450.08	540.10
15	Coddington	134.31	156.70	179.08	201.47	246.24	291.01	335.78	402.94
16	Collingham	140.47	163.88	187.29	210.70	257.52	304.34	351.17	421.40
17	Cotham	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
18	Cromwell	122.62	143.06	163.49	183.93	224.80	265.68	306.55	367.86
19	Eakring	129.06	150.57	172.08	193.59	236.61	279.63	322.65	387.18
20	East Stoke	****	****	****	****	****	****	****	****
21	Edingley	133.46	155.70	177.95	200.19	244.68	289.16	333.65	400.38
22	Edwinstowe	161.61	188.54	215.48	242.41	296.28	350.15	404.02	484.82
23	Egmanton	126.05	147.05	168.06	189.07	231.09	273.10	315.12	378.14
24	Elston	159.14	185.66	212.19	238.71	291.76	344.80	397.85	477.42
25	Epperstone	142.64	166.41	190.19	213.96	261.51	309.05	356.60	427.92
26	Farndon	160.19	186.89	213.59	240.29	293.69	347.09	400.48	480.58
27	Farnsfield	156.27	182.31	208.36	234.40	286.48	331.58	380.20	468.80

28	Fiskerton-cum-Morton	127.75	149.05	170.34	191.63	234.21	276.80	319.38	383.26
29	Girton	130.31	152.03	173.75	195.47	238.91	282.35	325.78	390.94
30	Gonalston	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
31	Grassthorpe	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
32	Gunthorpe	154.73	180.52	206.31	232.10	283.68	335.26	386.83	464.20
33	Halam	144.19	168.23	192.26	216.29	264.35	312.42	360.48	432.58
34	Halloughton	122.59	143.02	163.45	183.88	224.74	265.60	306.47	367.76
35	Harby	140.84	164.31	187.79	211.26	258.21	305.15	352.10	422.52
36	Hawton	140.25	163.63	187.00	210.38	257.13	303.88	350.63	420.76
37	Hockerton	139.59	162.86	186.12	209.39	255.92	302.45	348.98	418.78
38	Holme	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
39	Hoveringham	164.93	192.41	219.90	247.39	302.37	357.34	412.32	494.78
40	Kelham	*	*	*	*	*	*	*	*
41	Kersall	**	**	**	**	**	**	**	**
42	Kilvington	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
43	Kirklington	139.92	163.24	186.56	209.88	256.52	303.16	349.80	419.76
44	Kirton	150.43	175.50	200.57	225.64	275.78	325.92	376.07	451.28
45	Kneesall	**	**	**	**	**	**	**	**
46	Langford	***	***	***	***	***	***	***	***
47	Laxton & Moorhouse	143.45	167.35	191.26	215.17	262.99	310.80	358.62	430.34
48	Lowdham	167.34	195.23	223.12	251.01	306.79	362.57	418.35	502.02
49	Lyndhurst	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
50	Maplebeck	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
51	Meering	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
52	Newark	189.68	221.29	252.91	284.52	347.75	410.97	474.20	569.04
53	North Clifton	132.09	154.10	176.12	198.13	242.16	286.19	330.22	396.26
54	North Muskham	142.92	166.74	190.56	214.38	262.02	309.66	357.30	428.76
55	Norwell	135.11	157.62	180.14	202.66	247.70	292.73	337.77	405.32
56	Ollerton and Boughton	205.68	239.96	274.24	308.52	377.08	445.64	514.20	617.04
57	Ompton	**	**	**	**	**	**	**	**
58	Ossington	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
59	Oxton	140.00	163.33	186.67	210.00	256.67	303.33	350.00	420.00
60	Perlethorpe-cum-Budby	130.33	152.06	173.78	195.50	238.94	282.39	325.83	391.00
61	Rainworth	138.48	161.56	184.64	207.72	253.88	300.04	346.20	415.44
62	Rolleston	142.42	166.16	189.89	213.63	261.10	308.58	356.05	427.26
63	Rufford	127.17	148.37	169.56	190.76	233.15	275.54	317.93	381.52
64	South Clifton	126.65	147.76	168.87	189.98	232.20	274.42	316.63	379.96
65	South Muskham	154.65	180.43	206.20	231.98	283.53	335.08	386.63	463.96
66	South Scarle	150.51	175.59	200.68	225.76	275.93	326.10	376.27	451.52
67	Southwell	165.96	193.62	221.28	248.94	304.26	359.58	414.90	497.88
68	Spalford	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14

69	Staunton	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
70	Staythorpe	*	*	*	*	*	*	*	*
71	Sutton-on-Trent	148.28	172.99	197.71	222.42	271.85	321.27	370.70	444.84
72	Syerston	122.97	143.46	163.96	184.45	225.44	266.43	307.42	368.90
73	Thorney	131.51	153.42	175.34	197.26	241.10	284.93	328.77	394.52
74	Thorpe	****	****	****	****	****	****	****	****
75	Thurgarton	138.41	161.48	184.55	207.62	253.76	299.90	346.03	415.24
76	Upton	139.38	162.61	185.84	209.07	255.53	301.99	348.45	418.14
77	Walesby	176.07	205.41	234.76	264.10	322.79	381.48	440.17	528.20
78	Wellow	135.55	158.14	180.73	203.32	248.50	293.68	338.87	406.64
79	Weston	136.02	158.69	181.36	204.03	249.37	294.71	340.05	408.06
80	Wigsley	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
81	Winkburn	115.71	135.00	154.28	173.57	212.14	250.71	289.28	347.14
82	Winthorpe	***	***	***	***	***	***	***	***
83	Fernwood	165.75	193.37	221.00	248.62	303.87	359.12	414.37	497.24
84	Kings Clipstone	168.54	196.63	224.72	252.81	308.99	365.17	421.35	505.62

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	124.23	144.94	165.64	186.35	227.76	269.17	310.58	372.70
**	Kneesall, Kersall, Ompton	126.96	148.12	169.28	190.44	232.76	275.08	317.40	380.88
***	Winthorpe, Langford	133.27	155.49	177.70	199.91	244.33	288.76	333.18	399.82
*** *	East Stoke, Thorpe	139.04	162.21	185.39	208.56	254.91	301.25	347.60	417.12

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 2019/2020 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 of the categories of dwellings shown below;

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
984.04	1,148.05	1,312.05	1,476.06	1,804.07	2,132.09	2,460.10	2,952.12

5. it be noted for the year 2019/2020 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 of the categories of dwellings shown below;

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
146.22	170.59	194.96	219.33	268.07	316.81	365.55	438.66

6. it be noted for the year 2019/2020 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 of the categories of dwellings shown below; and

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
53.20	62.07	70.93	79.80	97.53	115.27	133.00	159.60

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 2019/2020 for each of the categories of dwellings shown on the following pages:

Recommendation 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	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
2	Averham	1,307.69	1,525.65	1,743.58	1,961.54	2,397.43	2,833.34	3,269.23	3,923.08
3	Balderton	1,360.54	1,587.30	1,814.05	2,040.81	2,494.32	2,947.84	3,401.35	4,081.62
4	Barnby in the Willows	1,318.36	1,538.09	1,757.81	1,977.54	2,416.99	2,856.45	3,295.90	3,955.08
5	Bathley	1,307.33	1,525.22	1,743.10	1,960.99	2,396.76	2,832.55	3,268.32	3,921.98
6	Besthorpe	1,353.83	1,579.48	1,805.10	2,030.75	2,482.02	2,933.31	3,384.58	4,061.50
7	Bilsthorpe	1,350.23	1,575.28	1,800.30	2,025.35	2,475.42	2,925.51	3,375.58	4,050.70
8	Bleasby	1,330.02	1,551.70	1,773.35	1,995.03	2,438.36	2,881.72	3,325.05	3,990.06
9	Blidworth	1,345.11	1,569.30	1,793.47	2,017.66	2,466.02	2,914.40	3,362.77	4,035.32
10	Bulcote	1,333.06	1,555.24	1,777.41	1,999.59	2,443.94	2,888.30	3,332.65	3,999.18
11	Carlton-on-Trent	1,322.29	1,542.68	1,763.05	1,983.44	2,424.20	2,864.98	3,305.73	3,966.88
12	Caunton	1,316.17	1,535.54	1,754.89	1,974.26	2,412.98	2,851.72	3,290.43	3,948.52
13	Caythorpe	1,308.52	1,526.61	1,744.69	1,962.78	2,398.95	2,835.13	3,271.30	3,925.56
14	Clipstone	1,363.49	1,590.75	1,817.98	2,045.24	2,499.73	2,954.24	3,408.73	4,090.48
15	Coddington	1,317.77	1,537.41	1,757.02	1,976.66	2,415.91	2,855.18	3,294.43	3,953.32
16	Collingham	1,323.93	1,544.59	1,765.23	1,985.89	2,427.19	2,868.51	3,309.82	3,971.78
17	Cotham	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
18	Cromwell	1,306.08	1,523.77	1,741.43	1,959.12	2,394.47	2,829.85	3,265.20	3,918.24

19	Eakring	1,312.52	1,531.28	1,750.02	1,968.78	2,406.28	2,843.80	3,281.30	3,937.56
20	East Stoke	1,322.50	1,542.92	1,763.33	1,983.75	2,424.58	2,865.42	3,306.25	3,967.50
21	Edingley	1,316.92	1,536.41	1,755.89	1,975.38	2,414.35	2,853.33	3,292.30	3,950.76
22	Edwinstowe	1,345.07	1,569.25	1,793.42	2,017.60	2,465.95	2,914.32	3,362.67	4,035.20
23	Egmanton	1,309.51	1,527.76	1,746.00	1,964.26	2,400.76	2,837.27	3,273.77	3,928.52
24	Elston	1,342.60	1,566.37	1,790.13	2,013.90	2,461.43	2,908.97	3,356.50	4,027.80
25	Epperstone	1,326.10	1,547.12	1,768.13	1,989.15	2,431.18	2,873.22	3,315.25	3,978.30
26	Farndon	1,343.65	1,567.60	1,791.53	2,015.48	2,463.36	2,911.26	3,359.13	4,030.96
27	Farnsfield	1,339.73	1,563.02	1,786.30	2,009.59	2,456.16	2,902.75	3,349.32	4,019.18
28	Fiskerton-cum-Morton	1,311.21	1,529.76	1,748.28	1,966.82	2,403.88	2,840.97	3,278.03	3,933.64
29	Girton	1,313.77	1,532.74	1,751.69	1,970.66	2,408.58	2,846.52	3,284.43	3,941.32
30	Gonalston	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
31	Grassthorne	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
32	Gunthorpe	1,338.19	1,561.23	1,784.25	2,007.29	2,453.35	2,899.43	3,345.48	4,014.58
33	Halam	1,327.65	1,548.94	1,770.20	1,991.48	2,434.02	2,876.59	3,319.13	3,982.96
34	Halloughton	1,306.05	1,523.73	1,741.39	1,959.07	2,394.41	2,829.77	3,265.12	3,918.14
35	Harby	1,324.30	1,545.02	1,765.73	1,986.45	2,427.88	2,869.32	3,310.75	3,972.90
36	Hawton	1,323.71	1,544.34	1,764.94	1,985.57	2,426.80	2,868.05	3,309.28	3,971.14
37	Hockerton	1,323.05	1,543.57	1,764.06	1,984.58	2,425.59	2,866.62	3,307.63	3,969.16
38	Holme	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
39	Hoveringham	1,348.39	1,573.12	1,797.84	2,022.58	2,472.04	2,921.51	3,370.97	4,045.16
40	Kelham	1,307.69	1,525.65	1,743.58	1,961.54	2,397.43	2,833.34	3,269.23	3,923.08
41	Kersall	1,310.42	1,528.83	1,747.22	1,965.63	2,402.43	2,839.25	3,276.05	3,931.26
42	Kilvington	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
43	Kirklington	1,323.38	1,543.95	1,764.50	1,985.07	2,426.19	2,867.33	3,308.45	3,970.14
44	Kirton	1,333.89	1,556.21	1,778.51	2,000.83	2,445.45	2,890.09	3,334.72	4,001.66
45	Kneesall	1,310.42	1,528.83	1,747.22	1,965.63	2,402.43	2,839.25	3,276.05	3,931.26
46	Langford	1,316.73	1,536.20	1,755.64	1,975.10	2,414.00	2,852.93	3,291.83	3,950.20
47	Laxton & Moorhouse	1,326.91	1,548.06	1,769.20	1,990.36	2,432.66	2,874.97	3,317.27	3,980.72
48	Lowdham	1,350.80	1,575.94	1,801.06	2,026.20	2,476.46	2,926.74	3,377.00	4,052.40
49	Lyndhurst	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
50	Maplebeck	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
51	Meering	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
52	Newark	1,373.14	1,602.00	1,830.85	2,059.71	2,517.42	2,975.14	3,432.85	4,119.42
53	North Clifton	1,315.55	1,534.81	1,754.06	1,973.32	2,411.83	2,850.36	3,288.87	3,946.64
54	North Muskham	1,326.38	1,547.45	1,768.50	1,989.57	2,431.69	2,873.83	3,315.95	3,979.14
55	Norwell	1,318.57	1,538.33	1,758.08	1,977.85	2,417.37	2,856.90	3,296.42	3,955.70
56	Ollerton and Boughton	1,389.14	1,620.67	1,852.18	2,083.71	2,546.75	3,009.81	3,472.85	4,167.42
57	Ompton	1,310.42	1,528.83	1,747.22	1,965.63	2,402.43	2,839.25	3,276.05	3,931.26
58	Ossington	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
59	Oxton	1,323.46	1,544.04	1,764.61	1,985.19	2,426.34	2,867.50	3,308.65	3,970.38
60	Perlethorpe-cum-Budby	1,313.79	1,532.77	1,751.72	1,970.69	2,408.61	2,846.56	3,284.48	3,941.38
61	Rainworth	1,321.94	1,542.27	1,762.58	1,982.91	2,423.55	2,864.21	3,304.85	3,965.82
62	Rolleston	1,325.88	1,546.87	1,767.83	1,988.82	2,430.79	2,872.75	3,314.70	3,977.64

63	Rufford	1,310.63	1,529.08	1,747.50	1,965.95	2,402.82	2,839.71	3,276.58	3,931.90
64	South Clifton	1,310.11	1,528.47	1,746.81	1,965.17	2,401.87	2,838.59	3,275.28	3,930.34
65	South Muskham	1,338.11	1,561.14	1,784.14	2,007.17	2,453.20	2,899.25	3,345.28	4,014.34
66	South Scarle	1,333.97	1,556.30	1,778.62	2,000.95	2,445.60	2,890.27	3,334.92	4,001.90
67	Southwell	1,349.42	1,574.33	1,799.22	2,024.13	2,473.93	2,923.75	3,373.55	4,048.26
68	Spalford	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
69	Staunton	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
70	Staythorpe	1,307.69	1,525.65	1,743.58	1,961.54	2,397.43	2,833.34	3,269.23	3,923.08
71	Sutton-on-Trent	1,331.74	1,553.70	1,775.65	1,997.61	2,441.52	2,885.44	3,329.35	3,995.22
72	Syerston	1,306.43	1,524.17	1,741.90	1,959.64	2,395.11	2,830.60	3,266.07	3,919.28
73	Thorney	1,314.97	1,534.13	1,753.28	1,972.45	2,410.77	2,849.10	3,287.42	3,944.90
74	Thorpe	1,322.50	1,542.92	1,763.33	1,983.75	2,424.58	2,865.42	3,306.25	3,967.50
75	Thurgarton	1,321.87	1,542.19	1,762.49	1,982.81	2,423.43	2,864.07	3,304.68	3,965.62
76	Upton	1,322.84	1,543.32	1,763.78	1,984.26	2,425.20	2,866.16	3,307.10	3,968.52
77	Walesby	1,359.53	1,586.12	1,812.70	2,039.29	2,492.46	2,945.65	3,398.82	4,078.58
78	Wellow	1,319.01	1,538.85	1,758.67	1,978.51	2,418.17	2,857.85	3,297.52	3,957.02
79	Weston	1,319.48	1,539.40	1,759.30	1,979.22	2,419.04	2,858.88	3,298.70	3,958.44
80	Wigsley	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
81	Winkburn	1,299.17	1,515.71	1,732.22	1,948.76	2,381.81	2,814.88	3,247.93	3,897.52
82	Winthorpe	1,316.73	1,536.20	1,755.64	1,975.10	2,414.00	2,852.93	3,291.83	3,950.20
83	Fernwood	1,349.21	1,574.08	1,798.94	2,023.81	2,473.54	2,923.29	3,373.02	4,047.62
84	Kings Clipstone	1,352.00	1,577.34	1,802.66	2,028.00	2,478.66	2,929.34	3,380.00	4,056.00

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	1,307.69	1,525.65	1,743.58	1,961.54	2,397.43	2,833.34	3,269.23	3,923.08
**	Kneesall, Kersall, Ompton	1,310.42	1,528.83	1,747.22	1,965.63	2,402.43	2,839.25	3,276.05	3,931.26
***	Winthorpe, Langford	1,316.73	1,536.20	1,755.64	1,975.10	2,414.00	2,852.93	3,291.83	3,950.20
*** *	East Stoke, Thorpe	1,322.50	1,542.92	1,763.33	1,983.75	2,424.58	2,865.42	3,306.25	3,967.50

8. **determine that the Council's basic amount of council tax for 2019/20 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992 and that the referendum provisions in Chapter 4ZA do not apply for 2019/20. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2019/20 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.**

Background Papers

Local Government Finance Act 1992

Local Government Finance Act 2012

Localism Act 2012

Regulations and Directions issued annually under the above Acts

For further information please contact Sanjiv Kohli, Deputy Chief Executive / Director - Resources and s151 Officer on 01636 655303.

D. Lloyd
Leader of the Council

COUNCIL MEETING – 7 MARCH 2019

CAPITAL PROGRAMME 2019/20 TO 2022/23

1.0 Purpose of Report

1.1 To approve the Council's Capital Programme for 2019/20 to 2022/23.

2.0 Background Information

2.1 At its meeting on 21 February 2019 the Policy & Finance Committee considered the proposed Capital Programme and agreed to recommend it to Council. A copy of the report to the Policy & Finance Committee is attached at **Appendix 1** and it has been used to prepare the Capital Programme section of the budget booklet.

3.0 Proposals

3.1 The Capital Programme for 2019/20 to 2022/23 proposes investment of £91.3m over the 4 year programme. Housing Services £58.0m (made up of Property Investment and the New Build Programme) and General Fund £33.3m (made up of various general fund projects).

3.2 This expenditure is financed by a combination of Government Grants, Third Party Contributions, Capital Receipts, Revenue Support (through the Major Repairs Reserve) and borrowing.

4.0 RECOMMENDATIONS that:

- a) **the General Fund schemes shown in Appendix A and the housing services programme shown in Appendix B 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 2019/20 to 2022/23 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 Policy & Finance Committee for consideration.**

Background Papers

Nil

For further information please contact Jenna Norton - Accountant on ext. 5327.

Sanjiv Kohli
Deputy Chief Executive / Director – Resources and S151 Officer

CAPITAL PROGRAMME 2019/20 TO 2022/23

1.0 Purpose of Report

1.1 In accordance with Financial Regulation 6.2.3, Policy & Finance Committee is required to consider the Capital Programme and recommend to Council the final Programme. This report details the available resources, the Council's existing committed programme and the priority schemes identified.

2.0 Capital Expenditure and Financing

2.1 The current plan for Capital Expenditure and the financing of the capital programme is shown below, a full scheme by scheme breakdown is attached at **Appendix A** for General Fund and **Appendix B** for the Housing Revenue Account.

	2019/20	2020/21	2021/22	2022/23	Total
COMMITTED SCHEMES EXPENDITURE	£'000	£'000	£'000	£'000	£'000
Total General Fund Capital Expenditure	15,048	11,908	4,368	1,998	33,322
CAPITAL EXPENDITURE FINANCING					
Borrowing Approval	1,897	3,546	1,275	1,399	8,117
Government Grants	3,806	3,433	3,047	599	10,886
Contributions from Third Parties	0	3,750	0	0	3,750
Capital Receipts	1,416	429	46	0	1,891
Capital Reserve	999	0	0	0	999
Revenue Contributions to Capital Outlay (RCCO)	6,930	750	0	0	7,680
Total Resources Available	15,048	11,908	4,368	1,998	33,322

	2019/20	2020/21	2021/22	2022/23	Total
COMMITTED SCHEMES EXPENDITURE	£'000	£'000	£'000	£'000	£'000
Total HRA Capital Expenditure	16,439	18,607	14,661	8,261	57,969
CAPITAL EXPENDITURE FINANCING					
Borrowing Approval	3,000	7,250	6,500	4,500	21,250
Government Grants	1,560	520	0	0	2,080
Capital Receipts	4,371	1,520	1,563	1,424	8,878
Housing Services Revenue Support (MRR)	7,507	9,317	6,598	2,337	25,761
Total Resources Available	16,438	18,607	14,661	8,261	57,969

2.2 Once the capital expenditure has been incurred, the financing of the Capital Programme as a whole is arranged by the Section 151 Officer, in line with the Council's Constitution.

- 2.3 All bids for new capital projects are allocated scores in accordance with the Capital Prioritisation Process (details of which are provided in the Capital Strategy 2019/20 to 2022/23).
- 2.4 The process is designed to demonstrate a level of objectivity in the selection of projects. It is numerically based, and allocates points to projects dependent on the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests.

3.0 Capital Expenditure – General Fund

- 3.1 As per section 2.1, the Council intends to spend £33.3m in general fund capital expenditure from 2019/20 to 2022/23.
- 3.2 The major schemes making up this total are the addition of a Modular Pool at the Dukeries Leisure Centre, Southwell Leisure Centre Improvements, the rolling replacement programme for Vehicles, Plant, Equipment and Technology, the Southern Link Road contribution, Disabled Facilities Grants and investment in Arkwood Developments Ltd.
- 3.3 The investment in Arkwood Developments Ltd was reported to the Committee on 25 January 2018, following that meeting, an earmarked reserve was created in the Statement of Accounts 2017/18 and a corresponding budget has been added to the Capital Programme. This budget will be reviewed following the formulation of a business case if required.
- 3.4 It should also be noted that in addition to the above schemes, the Castle Gatehouse project and the Homeless Hostel have been included in the Capital Programme in future years and more detailed reports will be brought to future meetings of the Committee.

4.0 Capital Expenditure - Housing Revenue Account (HRA)

- 4.1 As per section 2.1, the Council intends to spend £57.9m on the HRA from 2019/20 to 2022/23. This made up of £20.9m on existing property investment and £37m on Affordable Housing.
- 4.2 The Management Agreement is the overarching legal agreement between the Council and Newark and Sherwood Homes (NSH) and one of its annual requirements is that the Company will submit to the Council its written proposals for the next year's arrangements for a number of operational and strategic activities including, an Asset Management Programme.
- 4.3 The annual Asset Management Programme is informed by the HRA Asset Management Strategy, developed by the Company and reviewed as part the annual reporting arrangements. Following the successful completion of the decent homes programme, there is an ongoing requirement to continue investment in Council properties. Details of the proposed investment can be found at **Appendix B**.

- 4.4 Newark and Sherwood Homes have been commissioned by the Council to deliver an initial 5 year HRA new build programme of indicatively 335 new units over the period. Phase 1 of the programme started in August 2017 with the final 5 units reaching practical completion in January 2019. Initial modelling was based on an estimated figure of £100,000 per unit. Actual costs per unit were closer to £133,000 per unit. The additional costs for this phase were covered by the successful grant submission to Homes England.
- 4.5 Phase 2 is progressing and the first cluster in Coddington has started on site during January 2019. Planning applications for two sites are still to be determined. A grant application has been submitted to Homes England in relation to phase 2 sites with planning approval, with the possibility of a further claim subject to the outcome of the two pending Planning applications. The results of which are not yet known, therefore no assumptions for grant have been made for phase 2 onwards in the Capital programme 2019/20 – 2022/23.
- 4.6 Ollerton & Boughton Extra Care scheme is progressing and the grant application was successful for this scheme. Details of the full development programme are available at **Appendix B**.
- 4.7 NSH will receive income for managing the HRA element of the Council’s Capital Programme. The fee payable for the delivery of the Asset Management Programme is 8% of contract costs. With regards to the new development programme, fees have been agreed at a variable rate. The base being £2,160 per unit with variable add-ons.

5.0 Resources Available

- 5.1 Any capital schemes that are subject to funding by external parties are subject to a detailed bidding process. If successful, these can provide additional funding for the capital programme.
- 5.2 The most significant grants currently expected over the medium term are from the Better Care Fund (BCF) for Disabled Facilities Grants (DFG’s), Homes England (HE) for Ollerton & Boughton Extra Care Scheme, and Section 106 (S106) monies. In addition to this, grants held from previous years for specific purposes are due to be utilised i.e. Local Enterprise Partnership (LEP) Grant that has been received in relation to the Southern Link Road.
- 5.3 Capital Receipts

	General Fund £’000	HRA £’000	1-4-1 £’000	Total £’000
Balance @ 1 Apr 19	1,734	1,340	1,373	4,447
Estimated Receipts 2019/20 – 2022/23	350	3,364	3,151	6,865
Approved for Financing 2019/20 – 2022/23	-1,891	-4,704	-4,524	-11,119
Unallocated Capital Receipts Balance	193	0	0	193

This report leaves an unallocated balance of General Fund capital receipts of only £193k to consider other schemes as they emerge during the coming financial year. This will, of course be added to as further general fund capital receipts are generated.

5.4 The HRA capital receipts and 1-4-1 figures above relate to Right to Buy (RTB) sales. The 1-4-1's are restricted for replacement homes and must be used as follows:

- Amount to no more than 30% of the total scheme cost
- Spent within 3 years of receipt, or returned to Government with interest

5.5 In keeping to the Council's Capital Strategy, unsupported borrowing is minimised to prevent any destabilisation of the General Fund from the interest and Minimum Revenue Provision (MRP) that results from borrowing. Leasing is also tightly controlled within the revenue budgets for the same reason, and is rarely used, as the interest rates over the last few years has meant that the costs of borrowing are lower than leasing costs.

6.0 RECOMMENDATIONS that:

- (a) **the Committee supports the General Fund Capital Programme 2019/20 – 2022/23 totalling £33.322m as detailed at Appendix A, and recommends these to Full Council on 7 March 2019; and**
- (b) **the Committee supports the Housing Revenue Account Capital Programme 2019/20 – 2022/23 totalling £57.969m as detailed at Appendix B, and recommends these to Full Council on 7 March 2019.**

Reasons for Recommendations

To enable the Capital Programme to be considered by the Policy & Finance Committee in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

Background Papers

Nil

For further information please contact Jenna Norton on Ext 5327.

Sanjiv Kohli

Director - Resources, Deputy Chief Executive and Section 151 Officer

CAPITAL PROGRAMME 2019/20 - 2022/23									
		For Information only							
	SCHEME	External Funding	Total Scheme Cost	Actual Spend Pre 2018/19	2018/19 Forecast	2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
GENERAL FUND									
TC1000	New Council Offices	68,500	7,676,128	7,371,531	7,575	297,022			
TC3131	Extension to London Road Car Park		115,000		15,000	100,000			
TC3134	Works to SFACC		250,000		50,000	200,000			
TC3135	Works to Buttermarket		250,000		50,000	200,000			
	RESOURCES	68,500	8,291,128	7,371,531	122,575	797,022	0	0	0
TA1216	Modular Pool		2,500,000			2,500,000			
TA1217	Southwell Leisure Centre Improvements		1,500,000				1,500,000		
TA1218	Leisure Equipment Purchase		760,000						760,000
TA3286	Information Technology Investment		1,942,270		191,270	625,000	84,000	427,000	615,000
TB2250	Vehicles & Plant (NSH)		667,000		667,000				
TB2253	Vehicles & Plant (NSDC)		6,555,070	3,116,625	434,845	1,674,000	843,000	462,600	24,000
TF3221	Southwell Flood Mitigation	233,421	453,421			453,421			
TF3222	Lowdham Flood Alleviation	140,000	200,000			200,000			
TF3227	Homeless Hostel		3,000,000			1,000,000	2,000,000		
TF6011	Private Sector Disabled Facilities Grants	3,813,898	4,413,256	1,315,824	700,000	599,358	599,358	599,358	599,358
TB6159	CCTV Replacement Programme		160,000			66,000	48,000	46,000	
	COMMUNITIES & ENVIRONMENT	4,187,319	22,151,017	4,432,449	1,993,115	7,117,779	5,074,358	1,534,958	1,998,358
TA3053	Museum Improvements		750,000	288,236	161,764	300,000			
TB3154	Castle Gatehouse Project	3,094,600	4,195,600	12,354	183,246		4,000,000		
TE3268	Southern Link Road Contribution	9,114,779	9,519,215	1,019,215		2,833,333	2,833,333	2,833,333	
	GROWTH	12,209,379	14,464,815	1,319,805	345,010	3,133,333	6,833,333	2,833,333	0
TG1001	Investment in Arkwood Developments		4,000,000			4,000,000			
	CAPITAL INVESTMENT	0	4,000,000	0	0	4,000,000	0	0	0
	TOTAL GENERAL FUND	16,465,198	48,906,960	13,123,785	2,460,700	15,048,134	11,907,691	4,368,291	1,998,358

CAPITAL PROGRAMME 2019/20 - 2022/23									
SCHEME	External Funding	For information only				2019/20 Budget	2020/21 Budget	2021/22 Budget	2022/23 Budget
		Total Scheme Cost	Actual Spend Pre 2018/19	2018/19 Forecast					
HOUSING REVENUE ACCOUNT									
PROPERTY INVESTMENT PROGRAMME									
S91100	Roof Replacements		2,160,000		432,000	432,000	432,000	432,000	432,000
S91200	Kitchen & Bathroom Conversions		8,100,000		1,620,000	1,620,000	1,620,000	1,620,000	1,620,000
S91300	External Fabric		1,620,000		324,000	324,000	324,000	324,000	324,000
S91400	Doors & Windows		918,000		183,600	183,600	183,600	183,600	183,600
S91500	Other Structural		270,000		54,000	54,000	54,000	54,000	54,000
S91511	Walls Re-Rendering		270,000		54,000	54,000	54,000	54,000	54,000
S93100	Electrical		3,240,000		648,000	648,000	648,000	648,000	648,000
S93205	Carbon Monoxide Detectors		540,000					270,000	270,000
S93500	Heating		2,970,000		594,000	594,000	594,000	594,000	594,000
S93600	Energy Efficiency		825,000		177,000	162,000	162,000	162,000	162,000
S95100	Garages, Footpaths, Walkways		405,000		81,000	81,000	81,000	81,000	81,000
S95109	Garages		135,000		27,000	27,000	27,000	27,000	27,000
S95200	Environmental Works		810,000		162,000	162,000	162,000	162,000	162,000
S95250	Communal Lighting		108,000		21,600	21,600	21,600	21,600	21,600
S95252	Flood Defence Systems		54,000		10,800	10,800	10,800	10,800	10,800
S95253	Play Areas		108,000		21,600	21,600	21,600	21,600	21,600
S95254	Estate Remodelling		336,000		55,200	70,200	70,200	70,200	70,200
S97100	Asbestos		324,000		108,000	54,000	54,000	54,000	54,000
S97200	Fire Safety		270,000		54,000	54,000	54,000	54,000	54,000
S97300	Dda Improvements		108,000		21,600	21,600	21,600	21,600	21,600
S97400	Disabled Adaptations		2,200,000		472,000	432,000	432,000	432,000	432,000
S97500	Legionella		97,200		32,400	32,400	32,400		
S99100	Property Investment Contingency		230,000		14,000	54,000	54,000	54,000	54,000
	SUB TOTAL PROPERTY INVESTMENT	0	26,098,200	0	5,167,800	5,113,800	5,113,800	5,351,400	5,351,400
AFFORDABLE HOUSING									
SA1013	25 supported dwellings - Bilsthorpe	1,558,845	2,386,915	2,344,614	42,301				
SA1015	Affordable Rural Housing Grant		250,000	250,000					
SA1016	Site A - Wolfit Avenue, Balderton	229,011	313,344	287,161	26,183				
SA1017	Site B - Wolfit Avenue, Balderton	273,619	357,952	333,022	24,930				
SA1018	Coronation Street/Grove View Rd, Balderton	68,351	728,351	682,233	46,118				
SA1019	Lilac Close	560,544	747,544	695,065	52,479				
SA1020	Second Avenue, Edwinstowe	356,145	493,203	446,651	46,553				
SA1023	Bowbridge Road	5,325,000	8,841,734	7,911,142	930,592				
SA1030	HRA Site Development		400,000	387,034	12,966				
SA1031	Site Acquisition (Incl RTB)		1,411,029		811,029	600,000			
SA1034	Former ASRA Properties Purchase		588,971		588,971				
SA1041	Phase 1 Cluster 1, Newark	1,270,993	2,163,867	1,709,027	454,840				
SA1042	Phase 1 Cluster 2, Farndon HCA	675,319	2,147,636	1,039,437	1,108,199				
SA1043	Phase 1 Cluster 2, Farndon 1-4-1		206,745	136,911	69,834				
SA1044	Phase 1 Cluster 3, West	2,085,280	2,472,892	319,171	2,153,721				
SA1045	Phase 1 Cluster 4, Collingham	441,950	1,381,105	153,575	1,227,530				
SA1046	Phase 1 Cluster 5, Balderton	470,920	1,501,978	303,379	1,198,600				
SA1047	New Build Programme Contingency		609,864	70,482	183,556	355,826			
SA1048	Ollerton Extra Care Scheme		7,600,000			2,386,500	5,213,500		
SA1050	Phase 2 Cluster 1 - Coddington		1,168,073		817,651	350,422			
SA1051	Phase 2 Cluster 1 - 1-4-1 Coddington		1,096,111		767,278	328,833			
SA1052	Phase 2 Cluster 2 - Southwell		523,841		366,689	157,152			
SA1053	Phase 2 Cluster 3 - Hawtonville		1,935,334		1,160,248	775,086			
SA1054	Phase 2 Cluster 3 - 1-4-1 Hawtonville		1,159,855		811,899	347,956			
SA1055	Phase 2 Cluster 4 - Sherwood		1,410,960		987,672	423,288			
SA1060	Phase 3		8,000,000			5,600,000	2,400,000		
SA1070	Phase 4		8,400,000				5,880,000	2,520,000	
SA1080	Phase 5		9,700,000					6,790,000	2,910,000
	SUB TOTAL AFFORDABLE HOUSING	13,315,977	67,997,304	17,068,903	13,889,839	11,325,063	13,493,500	9,310,000	2,910,000
	TOTAL HOUSING REVENUE ACCOUNT	13,315,977	94,095,504	17,068,903	19,057,639	16,438,863	18,607,300	14,661,400	8,261,400

COUNCIL MEETING – 7 MARCH 2019

TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

1.0 Purpose of Report

1.1 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. A copy of the Strategy is attached as Appendix A to the report.

2.0 Background Information

2.1 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.”

2.2 Statutory Requirements:

- It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level that is affordable for the foreseeable future, after taking into account the following issues:
 - Increases in interest payments caused by increased borrowing to finance additional capital expenditure.
 - Any increases in running costs from new capital projects.
- 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.

2.3 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;
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions;
- Delegation by the Council of the role of scrutiny of Treasury Management Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Account Committee.

2.4 This report seeks approval for the updated Treasury Management Strategy 2019/20 which encompasses the Treasury Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance as follows:

- The Treasury Management Strategy determines the manner in which the Council's treasury function is managed;
- The Treasury 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). The treasury management prudential indicators are now included as treasury indicators in the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. The key indicator is the Authorised Limit, i.e. the maximum amount of debt the Council could afford in the short term, but which would not be sustainable in the longer term. This is required by paragraph 3 of the Local Government Act 2003, and is calculated in accordance with the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes and the CIPFA Prudential Code.
- The Borrowing Strategy sets out how the Council's treasury service will support the capital decisions taken; the day to day treasury management activity; and the limitations on activity through treasury prudential indicators;
- The Annual Investment Strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss.

3.0 **RECOMMENDATIONS that:**

- (a) **the Treasury Management Strategy 2019/20, incorporating the Borrowing Strategy and the Annual Investment Strategy be approved;**
- (b) **the Treasury Prudential Indicators and Limits be approved; and**
- (c) **the Authorised Limit Treasury Prudential Indicator be approved.**

Background Papers

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

For further information please contact Andrew Snape on Ext 5523.

Sanjiv Kohli
Deputy Chief Executive / Director – Resources and S151 Officer

TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

Introduction

Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code.

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

External Context

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.

The rise in quarterly GDP growth to 0.6% in Q3 from 0.4% in the previous quarter was due to weather-related factors boosting overall household consumption and construction activity over the summer following the weather-related weakness in Q1. At 1.5%, annual GDP growth continues to remain below trend. Looking ahead, the BoE, in its November Inflation Report, expects GDP growth to average around 1.75% over the forecast horizon, providing the UK's exit from the EU is relatively smooth.

Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.

While US growth has slowed over 2018, the economy continues to perform robustly. The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the current 2%-2.25% in September. Markets continue to expect one more rate rise in December, but expectations are fading that the further hikes previously expected in 2019 will materialise as concerns over trade wars drag on economic activity.

Credit outlook: The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ring fencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ring fenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ring fenced banks generally being better rated than their non-ring fenced counterparts.

The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

Interest rate forecast: Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity. As such, the risks to the interest rate forecast are considered firmly to the downside.

Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose's interest rate projections, due to the strength of the US economy and the ECB's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 1%, and that new long-term loans will be borrowed at an average rate of 2.5%.

Local Context

On 31st December 2018, the Council held £90m of borrowing and £46m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Balance sheet summary and forecast

	31.3.18 Actual £'000	31.3.19 Estimate £'000	31.3.20 Forecast £'000	31.3.21 Forecast £'000	31.3.22 Forecast £'000
General Fund CFR	24,215	25,263	26,632	29,613	30,184
HRA CFR	100,466	105,006	105,982	109,206	112,677
Total CFR	124,681	130,269	132,614	138,819	142,861
Less: Other debt liabilities	-224	-224	-224	-224	-224
Loans CFR	124,457	130,045	132,390	138,595	142,637
Less: External borrowing	-86,102	-85,080	-83,056	-79,030	-76,001
Internal (over) borrowing	38,355	44,965	49,334	59,565	66,636
Less: Usable reserves	-44,877	-41,370	-26,049	-22,911	-23,515
Less: Working capital	-14,537	-14,500	-14,500	-14,500	-14,500
Investments (or New borrowing)	21,059	10,905	-8,785	-22,154	-28,621

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 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 capital programme, but minimal investments and will therefore be required to borrow up to a minimum of £28m 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 2019/20.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 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.

Liability benchmark

	31.3.18 Actual £'000	31.3.19 Estimate £'000	31.3.20 Forecast £'000	31.3.21 Forecast £'000	31.3.22 Forecast £'000
Loans CFR	124,457	130,045	132,390	138,595	142,637
Less: Usable reserves	-44,877	-41,370	-26,049	-22,911	-23,515
Less: Working capital	-14,537	-14,500	-14,500	-14,500	-14,500
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	75,043	84,175	101,841	111,184	114,622

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. 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 at 31 March 2018, 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.

	2017/18 Actual £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
External Debt					
Debt at 1 April	87,123	86,326	85,304	83,280	79,254
Expected change in Debt	-1,021	-1,246	-2,248	-4,250	-3,253
Other long-term liabilities	224	224	224	224	224
Actual gross debt at 31 March	86,326	85,304	83,280	79,254	76,225
The Capital Financing Requirement	124,681	130,269	132,614	138,819	142,861

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 2018/19 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.

Treasury Indicators: limits to borrowing activity

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 finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2018/19 Revised £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Borrowing	135,269	137,614	143,819	147,861
Other long-term liabilities	400	400	400	400
Total Debt	135,669	138,014	144,219	148,261

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	2018/19 Limit £'000	2019/20 Limit £'000	2020/21 Limit £'000	2021/22 Limit £'000
Borrowing	140,269	142,614	148,819	152,861
Other long-term liabilities	600	600	600	600
Total Debt	140,869	143,214	149,419	153,461

Separately, the Council has previously been limited to a maximum HRA CFR through the HRA self-financing regime and the Government set HRA Debt cap, however on 30 October 2018 the Government removed the HRA Debt cap. Therefore the limit below is just for guidance purposes:

HRA Debt Limit	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000	2021/22 Estimate £'000
Previous HRA Debt Cap	112,475	112,475	112,475	112,475
HRA CFR	105,006	105,982	109,206	112,677
HRA Headroom	7,469	6,493	3,269	-202

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	15%	0%
12 months and within 24 months	15%	0%
24 months and within 5 years	30%	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: Given the significant cuts to public expenditure and in particular to local government funding, the Council’s borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. 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. Arlingclose 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 2019/20 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 2019/20, 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 month) short-term loans to cover unplanned cash flow shortages.

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

- Public Works Loan Board (PWLB) and any successor body
- 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
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues

Other sources of debt finance: In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local Council loans and bank loans, that may be available at more favourable rates.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Full Council.

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 2019/20, and although the Council understands that lenders are unlikely to exercise their options in the current low 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 below.

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. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

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 be charged at the 25

year fixed maturity interest rate for PWLB for the 31st March for the relevant financial year with the credit going to the General Fund balance.

Investment Strategy

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £22 and £48 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: 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.

Negative interest rates: If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to diversify into more secure and/or higher yielding asset classes during 2019/20. This is especially the case for the estimated £10m 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. This diversification will represent a substantial change in strategy over the coming year, in line with the Council's approved Investment Plan and Commercialisation Strategy.

Business models: Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost. However, each new financial instrument will be reviewed prior to investment and then the appropriate "business model" identified will be allocated.

Approved counterparties: The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.

Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£5m 5 years	£10m 20 years	£20m 50 years	£5m 20 years	£5m 20 years
AA+	£5m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£5m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£5m 3 years	£10m 4 years		£5m 4 years	£5m 10 years
A+	£5m 2 years	£10m 3 years		£5m 3 years	£5m 5 years
A	£5m 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		£10m 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 taken into account.

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 their 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 £500,000 net in the bank. 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.

Risk assessment and credit ratings: Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other information on the security of investments: The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment limits: The Council's revenue reserves available to cover investment losses are forecast to be £18 million on 31st March 2019. In order to limit the amount of reserves 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 £10 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	£10m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£10m per group
Any group of pooled funds under the same management	£10m 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	£40m in total
Real estate investment trusts	£10m in total

Liquidity management: This diversification will represent a substantial change in strategy over the coming year, in line with the Council's approved Investment Plan and Commercialisation Strategy. 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.

Treasury Indicators: limits to investing activity

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

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

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	50%	80%
Over 12 months	20%	40%

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% <u>rise</u> in interest rates	£200,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£200,000

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

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	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£10m	£10m	£10m

Related Matters

The CIPFA Code requires the Council to include the following in its treasury management strategy.

Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Housing Revenue Account: 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 (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.

Markets in Financial Instruments Directive: The Council has opted up to professional client status with its providers of financial services, including advisers, banks and brokers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Director of Resources believes this to be the most appropriate status.

Appendix A – Arlingclose Economic & Interest Rate Forecast December 2018

Underlying assumptions:

- Our central interest rate forecasts are predicated on there being a transitional period following the UK's official exit from the EU.
- The MPC has a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. We believe that MPC members consider that: 1) tight labour markets will prompt inflationary pressure in the future, 2) ultra-low interest rates result in other economic problems, and 3) higher Bank Rate will be a more effective policy weapon if downside risks to growth crystallise.
- Both our projected outlook and the increase in the magnitude of political and economic risks facing the UK economy means we maintain the significant downside risks to our forecasts, despite the potential for slightly stronger growth next year as business investment rebounds should the EU Withdrawal Agreement be approved. The potential for severe economic outcomes has increased following the poor reception of the Withdrawal Agreement by MPs. We expect the Bank of England to hold at or reduce interest rates from current levels if Brexit risks materialise.
- The UK economic environment is relatively soft, despite seemingly strong labour market data. GDP growth recovered somewhat in the middle quarters of 2018, but more recent data suggests the economy slowed markedly in Q4. Our view is that the UK economy still faces a challenging outlook as the country exits the European Union and Eurozone economic growth softens.
- Cost pressures are easing but inflation is forecast to remain above the Bank's 2% target through most of the forecast period. Lower oil prices have reduced inflationary pressure, but the tight labour market and decline in the value of sterling means inflation may remain above target for longer than expected.
- Global economic growth is slowing. Despite slower growth, the European Central Bank is conditioning markets for the end of QE, the timing of the first rate hike (2019) and their path thereafter. More recent US data has placed pressure on the Federal Reserve to reduce the pace of monetary tightening – previous hikes and heightened expectations will, however, slow economic growth.
- Central bank actions and geopolitical risks have and will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

- The MPC has maintained expectations of a slow rise in interest rates over the forecast horizon, but recent events around Brexit have dampened interest rate expectations. Our central case is for Bank Rate to rise twice in 2019, after the UK exits the EU. The risks are weighted to the downside.
- Gilt yields have remained at low levels. We expect some upward movement from current levels based on our central case that the UK will enter a transitional period following its EU exit in March 2019. However, our projected weak economic outlook and volatility arising from both economic and political events will continue to offer borrowing opportunities.

	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.17
Arlingclose Central Case	0.75	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.13
Downside risk	0.00	-0.50	-0.75	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-0.85
3-mth money market rate														
Upside risk	0.10	0.10	0.10	0.10	0.15	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.17
Arlingclose Central Case	0.90	0.95	1.10	1.30	1.40	1.40	1.40	1.35	1.35	1.35	1.35	1.35	1.35	1.27
Downside risk	-0.20	-0.45	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.76
1-yr money market rate														
Upside risk	0.20	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.33
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.70	1.60	1.50	1.40	1.35	1.35	1.35	1.35	1.35	1.40
Downside risk	-0.35	-0.50	-0.60	-0.80	-0.90	-0.90	-0.90	-0.85	-0.85	-0.85	-0.85	-0.85	-0.85	-0.77
5-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.15	1.25	1.35	1.50	1.50	1.40	1.35	1.35	1.30	1.30	1.30	1.30	1.30	1.33
Downside risk	-0.50	-0.60	-0.65	-0.80	-0.80	-0.70	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.66
10-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.50	1.65	1.70	1.80	1.80	1.75	1.75	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Downside risk	-0.55	-0.70	-0.70	-0.80	-0.80	-0.75	-0.75	-0.70	-0.70	-0.70	-0.70	-0.70	-0.70	-0.71
20-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	2.00	2.10	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.18
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
50-yr gilt yield														
Upside risk	0.25	0.30	0.30	0.35	0.35	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.37
Arlingclose Central Case	1.90	1.95	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.99
Downside risk	-0.60	-0.70	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

PWLB Infrastructure Rate (Maturity Loans) = Gilt yield + 0.60%

Treasury Management Scheme of Delegation

(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 Accounts 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; and
- recommending the appointment of external service providers.

COUNCIL MEETING – 7 MARCH 2019

CAPITAL STRATEGY 2019/20

1.0 Purpose of Report

- 1.1 To seek approval for the Capital Strategy 2019/20. This incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance. A copy of the Capital Strategy is attached as **Appendices** to this report.

2.0 Background Information

- 2.1 The Capital Strategy outlines the principles and framework that shape the Council's capital decisions. The principle 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.
- 2.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed.

2.3 Statutory Requirements:

- It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level that is affordable for the foreseeable future, after taking into account the following issues:
 - Increases in interest payments caused by increased borrowing to finance additional capital expenditure.
 - Any increases in running costs from new capital projects.
- 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.

2.4 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.

2.5 The report also seeks approval for the Council's Minimum Revenue Provision (MRP) Policy (**Appendix C**), which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007).

3.0 RECOMMENDATIONS

That Council approves each of the following key elements:

- (a) the Capital Strategy 2019/20;**
- (b) the Capital Prudential Indicators and Limits for 2019/20, contained within Appendix A to the report;**
- (c) the Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C to the report, which sets out the Council's policy on MRP; and**
- (d) the Flexible Use of Capital Receipts Strategy as contained with Appendix D to the report.**

Background Papers

CIPFA Prudential Code Local Government Act 2003

CIPFA Treasury Management Code of Practice

For further information please contact Andrew Snape on Ext 5523.

Sanjiv Kohli

Deputy Chief Executive / Director – Resources and S151 Officer

Capital Strategy Report 2019/20

Introduction

This capital strategy is a new report for 2019/20, giving 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 Council's ambitions over the medium to longer term.

The basic elements of the Strategy therefore include:

- A direct relationship to the Corporate 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 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 Policy and Strategy, and the limitations on activity through the treasury management Prudential Indicators.

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

- for the Policy and Finance Committee 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.

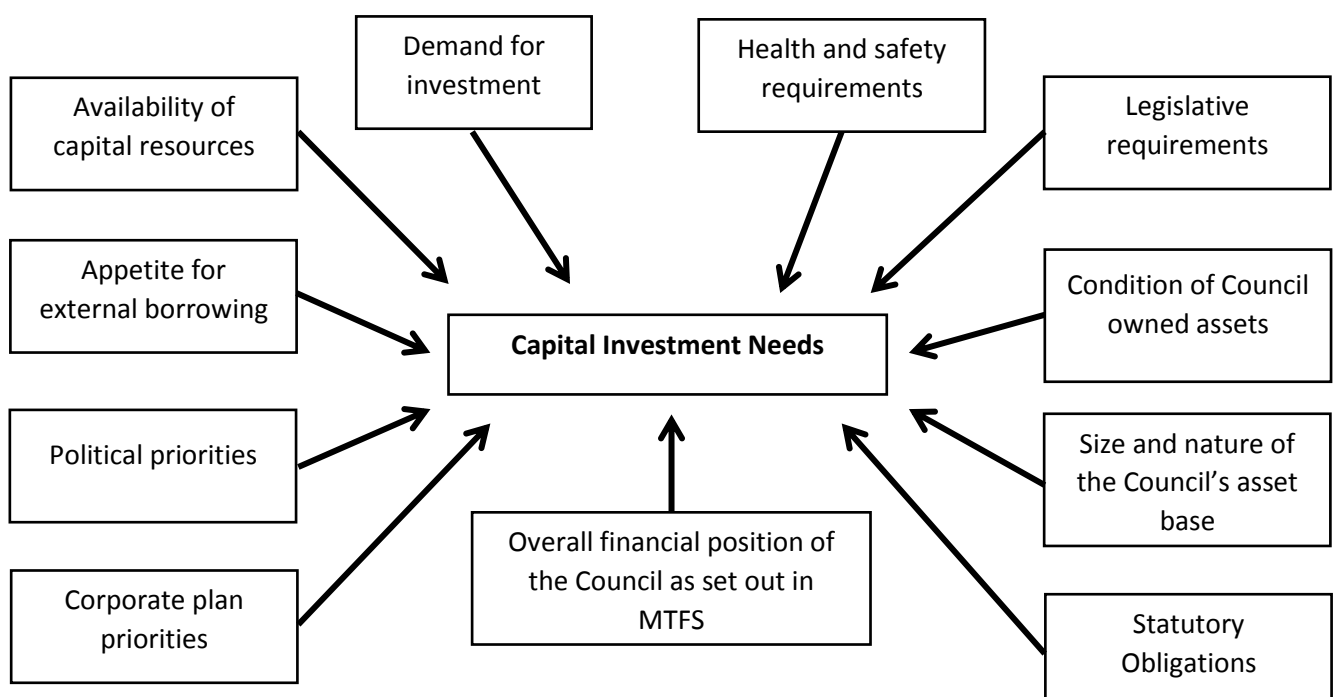
CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Corporate Plan 2019-2023 sets out the vision for Newark and Sherwood. This Vision is intended to be external facing and clearly indicates the Council's ambition for the district and the people within.

Underpinning the Council's contribution to the Corporate Plan vision are eleven Corporate Objectives. These are:

- *Improve the cleanliness and appearance of the local environment;*
- *Reduce crime and anti-social behaviour, and increase feelings of safety in our communities;*
- *Improve transport infrastructure to reduce congestion and facilitate growth;*
- *Accelerate the supply of new homes including associated facilities;*
- *Increase visits to Newark and Sherwood and the use of visitor attractions by local residents;*
- *Protect, promote and enhance the district's natural environment;*
- *Enhance and sustain Newark Town Centre;*
- *Reduce levels of deprivation in target areas and remove barriers to social mobility across the district;*
- *Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes;*
- *Increase participation with the Council and within local communities; and*
- *Generate more income, improve value for money and increase residents' satisfaction with the Council.*

While the aim of the Council for its capital investment is in line with the Corporate Plan the capital need is influenced by a number of other factors both internal and external to the Council. 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.

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

In 2019/20, the Council is planning capital expenditure of £31.4m as summarised below:

Prudential Indicator: Estimates of Capital Expenditure in £'000

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund services	9,774	7,367	11,048	11,908	4,368
Council housing (HRA)	15,247	19,058	16,439	18,607	14,661
Capital investments	0	0	4,000	0	0
TOTAL	25,021	26,425	31,487	30,515	19,029

The General Fund Capital Programme with a proposed budget for 2019/20 of £15.0m. Of this amount, expenditure on the Council's non-housing assets totals £10.4m, and £0.6m will provide Disabled Facilities Grants to a number of private dwellings during the year. Also during 2018/19 the Council also plans to incur £4.0m of capital expenditure on investments.

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 2019/20 of £16.4m, which supports the maintenance of the Councils circa 5,400 council houses.

Governance: During early September a 'Capital Bid Request Form' is sent to all business managers and directors. All bids are required to be authorised by the relevant director and then collated by the Capital Finance team, each bid is required to include all the 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.

Senior Leadership Team appraises all the 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 will be prepared for submission to Policy and Finance Committee in December before final approval by Council.

- 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:

Capital financing in £'000

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
<u>External sources</u>					
Capital Grants	3,220	2,173	5,366	3,953	3,047
Other Contributions	5,210	3,230	0	3,750	0
<u>Own resources</u>					
Capital Receipts	2,000	4,630	5,787	1,949	1,609
Revenue/ Major Repairs Reserve	2,958	9,289	15,437	10,067	6,598
<u>Debt</u>					
Borrowing	11,633	7,103	4,897	10,796	7,775
Leasing	0	0	0	0	0
TOTAL	25,021	26,425	31,487	30,515	19,029

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP) within the General Fund account and is mandated by a MRP Statement. As for the HRA account due to self-financing there is no concept of a MRP charge just actual debt loan repayments as they 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

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
General Fund - MRP	421	492	528	566	704
HRA - Debt Repayment	1,020	1,022	2,024	4,026	3,029

- The Council's full General Fund Minimum Revenue Provision statement is available here at **Appendix C**.

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 £2.3m during 2019/20. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

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

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
General Fund services	24,215	25,263	26,632	29,613	30,184
Council housing (HRA)	100,466	105,007	105,983	109,206	112,677
Capital investments	0	0	0	0	0
TOTAL CFR	124,681	130,270	132,615	138,819	142,861

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 the 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 2021/22. Repayments of capital grants, loans and investments also generate capital receipts.

- The Council's Flexible Use of Capital Receipts Policy is available here 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 is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor 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 31st December had £90m borrowing at an average interest rate of 3.4% and £46m treasury investments at an average rate of 0.7%.

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 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.0 to 3.0%).

Projected levels of the Council's total outstanding debt which comprises borrowing, PFI liabilities, leases are shown below, compared with the capital financing requirement.

Prudential Indicator: Gross Debt and the Capital Financing Requirement in £'000

Debt	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
External Debt					
Debt at 1 April	87,123	86,326	85,304	83,280	79,254
Expected change in Debt	-1,021	-1,246	-2,248	-4,250	-3,253
Other long-term liabilities (OLTL)	224	224	224	224	224
Actual gross debt at 31 March	86,326	85,304	83,280	79,254	76,225
The Capital Financing Requirement	124,681	130,269	132,614	138,819	142,861
Under / (over) borrowing	38,355	44,965	49,334	59,565	66,636

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end. This benchmark is currently £75m and is forecast to rise to £114m over the next four years.

Borrowing and the Liability Benchmark in £'000

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Outstanding borrowing	124,681	130,269	132,614	138,819	142,861
Liability benchmark	75,043	84,175	101,841	111,184	114,622

The table shows that the Council expects to remain borrowed above its liability benchmark. This is because cash outflows to date have been below the assumptions made when the loans were borrowed.

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.

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

	2018/19 limit	2019/20 limit	2020/21 limit	2021/22 limit
Authorised limit – total external debt	140,869	143,214	149,419	153,461
Operational boundary – total external debt	135,669	138,014	144,219	148,261

- 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 or for pure financial gain 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 in the near 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, to balance the risk of loss against the risk of receiving returns below inflation. Both near-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

	31.3.2018 actual	31.3.2019 forecast	31.3.2020 budget	31.3.2021 budget	31.3.2022 budget
Near-term investments	39,046	36,875	24,618	22,108	22,591
Longer-term investments	0	9,219	6,155	5,527	5,648
TOTAL	39,046	46,094	30,773	27,635	28,239

- 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 and 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 Accounts and Audit committee and then to Full Council. The Accounts and audit committee is responsible for scrutinising treasury management decisions.

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 service manager in consultation with the Director of Resources 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 will potentially invest in commercial property purely or mainly for financial gain.

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, normally from the Public Works Loan Board. 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 £10m.

Governance: Decisions on commercial investments are made by the Deputy Chief Executive/Director of Resources, S151 Officer in line with the criteria and limits approved by Council in the investment strategy. Property and most other commercial investments are also capital expenditure and purchases will therefore also 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 £90m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £68.9m 2017/18). It has also set aside a Collection Fund provision of £2.8m to cover risks of Non Domestic Rates Appeals.

Governance: Decisions on incurring new discretionary liabilities are taken by business managers in consultation with the Director of Resources. 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 89 to 95 of the 2017/18 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: Proportion of financing costs to net revenue stream in £'000

	2017/18 actual	2018/19 forecast	2019/20 budget	2020/21 budget	2021/22 budget
<u>General Fund</u>					
Financing costs	-120	-25	-47	-22	80
Proportion of net revenue stream	-0.61%	-0.17%	-0.33%	-0.19%	0.68%
<u>Housing Revenue Account</u>					
Financing costs	13,243	12,046	11,758	12,939	13,614
Proportion of net revenue stream	58.74%	53.76%	51.37%	54.32%	54.92%

- Further details on the revenue implications of capital expenditure are contained within the 2019/20 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 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 is a qualified accountant with 16 years' experience, the Business Manager – Asset Management is a qualified Quantity Surveyor, Chartered to MRICS level and also has 17 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, 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 Arlingclose Limited 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.

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 Team, Audit & Accounts Committee, and Policy and Finance Committee;
- 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 Project Manager monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Corporate Management Team and Policy and Finance Committee.

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.

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2019/20

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement:

For capital expenditure incurred before 1 April 2016 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (option 1);

These options provide for an approximate 4% reduction in the borrowing need (CFR) each year. However 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.

From 1 April 2016 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be either:

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

These options provide for a reduction in the borrowing need over approximately the asset's life.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

Repayments included in annual PFI or finance leases are applied as MRP.

FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY**Introduction and Background**

Following the Spending Review 2015, the Department for Communities and Local Government (CLG) recently issued guidance on the flexible use of capital receipts which came into effect from 1 April 2016 to 31 March 2022. The guidance, underpinned by a direction from the Secretary of State for Communities and Local Government, will enable local authorities to capitalise costs incurred on transforming or improving service delivery designed to generate ongoing revenue savings. The guidance also states that each local authority should prepare a Flexible use of Capital Receipts Strategy.

In summary, the key elements of the CLG 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

- i. Up to 100% of capital receipts from property, plant and equipment disposals received from 2019/20 (excluding Right to Buy receipts) can be used to finance qualifying expenditure. Existing capital receipts in hand prior to 2019/20 are not permitted to be used.
- ii. Local authorities may not borrow to finance qualifying expenditure.
- iii. The guidance will apply for 2019/20.

**NEWARK & SHERWOOD DISTRICT COUNCIL
CAPITAL PROJECT APPRAISAL FORM**

PORTFOLIO	
DIRECTORATE	
BUSINESS MANAGER	
PROJECT OFFICER	
PROJECT TITLE	

1. DESCRIPTION OF PROJECT

--

2. DEMONSTRATION OF NEED (include supporting information with this appraisal)

--

3a. DETAIL HOW THE PROJECT MEETS LINKS TO THE COUNCIL'S KEY PRIORITIES

3b. DESCRIBE THE IMPACT OF THIS PROJECT ON OTHER COUNCIL SERVICES

3c. PROJECT DEPENDENCIES

4. RESOURCE REQUIREMENTS

4a. LAND/BUILDINGS CURRENTLY IN COUNCIL OWNERSHIP (State whether General Fund or HRA).

4b. 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)

2019/20 £	2020/21 £	2021/22 £	2022/23 £

4c. FUNDING AVAILABLE				
Source	2019/20 £	2020/21 £	2021/22 £	2022/23 £

4c. REVENUE IMPLICATIONS (this should include costs associated with implementation, ongoing revenue costs and ongoing savings and should be agreed with relevant accountant).

4d. VAT IMPLICATIONS (do we need to consider an option to tax?)

5. ANTICIPATED START AND END DATES FOR PROJECT ONCE APPROVED

--

FORM COMPLETED BY: _____

DATE: _____

SIGNATURE OF SPONSORING DIRECTOR: _____

PRIORITISATION CRITERIA

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
1	<p>Key Priorities</p> <p>Scheme must link to at least one of the Council's priorities and be an objective contained within a Service Plan.</p>	<p>If a scheme does not clearly relate to these areas it will not be considered further.</p>	<p>Each scheme to be marked as to how well it fits with the following-</p> <ul style="list-style-type: none"> • Prosperity • People • Place • Public Service 	35%
2	<p>Evidence of Need</p> <p>Service Strategy National Strategy or Guidelines Statutory Obligation</p>	<p>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.</p>	<p>The following factors will receive equal weighting :-</p> <ul style="list-style-type: none"> • 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	<p>Partnership</p> <p>Eligibility under existing criteria can be demonstrated.</p>	<p>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.</p>	<p>The proportion of finance which will be met by third party. The likelihood of receiving support.</p> <p>Assessment of the value the partner will add to the project.</p>	15%

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
4	<p>Outputs and Outcomes</p> <p>These have been clearly identified and can be justified from supporting evidence.</p> <p>Specific comments should be made as to how the scheme represents value for money when compared to other options</p>	<p>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.</p>	<p>Assessment then made on what the scheme will achieve.</p>	<p>15%</p> <p>Assessment of all factors or group of factors</p>
5	<p>Financial</p> <p>Capital costs have been based on internal or external professional advice</p> <p>Revenue implications have been properly developed</p>	<p>Capital costs include both works and land purchase and cover all associated costs.</p> <p>Try and avoid “guesstimates” which result in schemes requiring increased finance or having to be reduced to meet finance available.</p>	<p><u>Capital</u> will be based on the quality of work which has been put into estimate. e.g. costed feasibility studies.</p> <p><u>Revenue</u> will be based on whether the effect is positive, neutral or negative on the revenue budget.</p> <p>Positive effect scores 10</p> <p>Neutral effect scores 3</p> <p>Negative effect scores 0</p>	<p>15%</p> <p>Capital marked 1 to 5</p> <p>Revenue marked 0 to 10</p>
6	<p>Risk Assessment</p> <p>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</p>	<p>Try and ensure that not all schemes selected are high risk with the danger that there will be delays in delivery or no-delivery.</p>	<p>The following will all need to be considered:-</p> <p>Technical Issues</p> <p>Financial Uncertainty</p> <p>Partnership uncertainty</p> <p>Planning Issues</p> <p>Legal issues</p> <p>Timescale</p>	<p>10%</p>

COUNCIL MEETING – 7 MARCH 2019

INVESTMENT STRATEGY 2019/20

1.0 Purpose of Report

- 1.1 This investment strategy is a new report for 2019/20, meeting the requirements of statutory guidance issued by Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance in January 2018.

2.0 Background Information

- 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.

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.

- 2.2 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.

- 2.3 A copy of the Investment Strategy 2019/20 is attached as **Appendix A** to this report.

3.0 RECOMMENDATIONS that:

- (a) the Investment Strategy 2019/20 be approved; and**
- (b) the Investment Prudential Indicators and Limits be approved.**

Background Papers – **MHCLG Investment Guidance 3rd Edition**

For further information please contact Andrew Snape on Ext 5523.

Sanjiv Kohli
Deputy Chief Executive / Director – Resources and S151 Officer

Investment Strategy Report 2019/20

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 is a new report for 2019/20, meeting the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories. This new investment strategy has been created in line with the Councils Investment Plan 2017-2020 and the Treasury Management Strategy Statement. 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.

Treasury Management Investments

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. The balance of treasury management investments is expected to fluctuate between £11m and £40m during the 2019/20 financial year.

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 2019/20 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. Over the years the Councils main service investment loan has been via the Growth Investment Fund. These investments during 2017-18 generated £23,000 of investment income for the Council after taking account of direct costs, representing a rate of return of 3.85%.

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:

Loans for service purposes

Category of borrower	31.3.2018 actual			2019/20
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Subsidiaries	0	0	0	6.000
Local businesses	0.597	0.597	0	1.000

Local charities	0	0	0	0.500
Other Bodies	0.042	0	0.042	0.500
TOTAL	0.639	0.597	0.042	8.000

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 from 2018/19 onwards 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.

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. All loans will be subject to contract agreed by Legal and 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 Director of Resources.

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 doesn't intend to invest in any shares with suppliers or local businesses; however the Council is in the process of setting up a fully owned Housing Development company which will require an initial set up of investment in shares.

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

Shares held for service purposes

Category of company	31.3.2018 actual			2019/20
	Amounts invested £m	Gains or losses £m	Value in accounts £m	Approved Limit £m
Subsidiaries	0	0	0	4.000
Suppliers	0	0	0	0.250
Local businesses	0	0	0	0.250
TOTAL	0	0	0	4.500

Shares are classed as capital expenditure and purchases will therefore also 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.

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 Policy and Finance committee.

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 2019-20 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 yet, 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 2019/20.

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 £143 million. The maximum period between borrowing and expenditure is expected to be two years, although the Council is not required to link particular loans with particular items of expenditure.

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.

Commercial deals: The Council will ensure that the Account and Audit Committee, Policy and Finance Committee 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.

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	31.03.2018 Actual £m	31.03.2019 Forecast £m	31.03.2020 Forecast £m
Treasury management investments	24.472	30.095	24.719
Service investments: Loans	0.639	0.629	4.619
Service investments: Shares	0	0	4.000
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	25.111	30.724	33.338
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	25.111	30.724	33.338

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	31.03.2018 Actual £m	31.03.2019 Forecast £m	31.03.2020 Forecast £m
Treasury management investments	0	0	0
Service investments: Loans	0	0	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	0	0	0

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	2017/18 Actual	2018/19 Forecast	2019/20 Forecast
Treasury management investments	0.46%	0.69%	1.00%
Service investments: Loans	3.85%	3.85%	4.93%
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	2.16%	2.27%	2.97%

COUNCIL MEETING - 7 MARCH 2019

MEDIUM TERM FINANCIAL PLAN 2019/20 TO 2022/23

1.0 Purpose of Report

- 1.1 To approve the Council's Medium Term Financial Plan (MTFP) covering the period from 1 April 2019 to 31 March 2023.

2.0 Background Information

- 2.1 The MTFP (attached as an **appendix** to the report) is a Corporate Plan to assist both Members and Officers manage the Council's finances within a clear framework; it sets out the Council's spending plans to support its strategic priorities over the current financial year and the following three years; it details how that spend will be funded through grants, fees and charges, local taxation, reserves and other income.
- 2.2 The MTFP is not intended to lead policy development for the Council. It is a reflection, in financial terms, of the Corporate Plan of the Council and sets the financial framework for the resourcing of the aspirations set out in the Corporate Plan. It integrates revenue allocations, savings targets, reserves and capital investment, and provides indicative budgets and future Council Tax levels for the period covered by the plan. This approach is an essential part of the future budget setting process.
- 2.3 The last MTFP was due to be refreshed during June 2018 to reflect the expectations of future income and expenditure. As the Chief Executive was due to take office at this time, and with a change in Leader of the Council having recently taken place, the decision was taken to defer the production of this MTFP to allow for input from those strategic roles.
- 2.4 This report was considered at the Policy & Finance Committee on 21 February 2019 and recommended for approval.

3.0 Proposals

- 3.1 The MTFP shows that whilst the Council managed to balance the budget for 2019/20 because of prudent decisions made in the past, future funding of its services will depend on its ability to raise additional income; otherwise it will need to make up funding gaps by increasing Council Tax or/and depleting its general fund reserves.
- 3.2 In summary, the funding gap currently based on a Band D Council Tax increase of 1.94% (being consistent with the approach for 2017/18) for 2019/20 to 2022/23 is set out in the table below:

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Total Expenditure	12,921	12,625	13,097	13,442
Total Business Rates/Council Tax and Other Grants	13,801	11,606	11,908	12,212
Allocation of previous years surplus and additional income/in-year savings	0	(1,019)	0	0
Conts To/(From) Reserves	(880)	0	1,189	1,230

- 3.3 Notwithstanding, the sound financial position due to early difficult decisions, the Council will need to continue to consider demand management in areas such as homelessness, community safety and supporting people. It will also have to continually monitor and review areas where budget pressures will persist; such as welfare reform, asset management, meeting pension fund deficits, direct services such as refuse and recycling.
- 3.4 With reference to the budget gaps in the years 2021/22 and 2022/23, these will be met by a combination of initiatives:
- Additional business rates income from the change in national policy to 75% retention of growth
 - Return from Arkwood Limited
 - Commercial and Investment income
 - Service reviews
- 3.5 The Council is in a good position to utilise its reserves and potential to borrow to fund capital investment projects that will generate “new” income streams to the Council.
- 3.6 The MTFP also sets out forecasts of other funding available to the Council such as New Homes Bonus and growth in business rates, which could be invested in projects to improve the Council’s future sustainability.

4.0 Equalities Implications

- 4.1 Equalities implications will be identified within specific schemes and projects included in the revenue budget and capital programme.

5.0 Financial Implications (FIN18-19/1747)

- 5.1 The MTFP sets out a framework to support budget and policy decisions. The impact of individual schemes will be detailed in supporting business cases.

6.0 RECOMMENDATIONS that:

- (a) the Medium Term Financial Plan for 2019/20 to 2022/23 be approved; and**
- (b) the change in the minimum level of General Fund Balance, as set out in paragraph 1.8 of the Medium Term Financial Plan, from a 15% of Net Budget Requirement to a fixed balance of £1.5m, be approved.**

Background Papers

Revenue Budget and Council Tax Setting for 2019/20
Capital Programme 2019/20 to 2022/23
Statement of Accounts 2017/18

For further information please contact Nick Wilson, Business Manager – Financial Services on 01636 655317

Sanjiv Kohli
Deputy Chief Executive / Director - Resources and Section 151 Officer

MEDIUM TERM FINANCIAL PLAN

The Medium Term Financial Plan for 2017/18 to 2020/21 was presented to Policy & Finance on 29 June 2017. This document seeks to refresh and provide an update on assumptions for future income, expenditure and financing forecasts for 2019/20 to 2022/23.

1.1 Financial Projections

High level budget projections have been produced for the next four year period to 2022/23. The table below shows the current position assuming that the Council Tax at average Band D will increase at the same rate as for the last three financial years (i.e 1.94%).

Table 1

	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Net Service Expenditure (less capital charges)	11,130	11,034	11,269	11,571
Total Other Expenditure	1,791	1,591	1,828	1,871
Total Expenditure	12,921	12,625	13,097	13,442
Total Business Rates	(6,952)	(4,660)	(4,741)	(4,815)
Council Tax	(6,729)	(6,946)	(7,167)	(7,397)
Other Grants	(120)	0	0	0
Allocation of previous year surplus	0	(880)	0	0
In-year savings and additional income generation		(139)	0	0
Conts (To)/ From Reserves	(880)	0	1,189	1,230

A Council Tax freeze during 2019/20 would result in an additional £0.128m contribution from reserves in that year. This would also mean the shortfalls in the further three financial years increase by £0.133m in 2020/21, £0.137m in 2021/22 and £0.141m in 2022/23.

The budget gap of £1.230m upto 2022/23 will be met by a combination of initiatives:

- Additional business rates income from the change in national policy to 75% retention of growth
- Return from Arkwood Limited (minimum £500k)
- Commercial and Investment income (minimum £200k)
- Service reviews (minimum £150k)

1.2 Financial Landscape

The year 2019/20 is the final year of the four year financial settlement provided by the Government. This settlement was awarded on publishing an efficiency strategy during October 2016 and gave some limited certainty over funding for the four year period from 2016/17. This has assisted with future planning of funding up to 2019/20, but looking further than that is still difficult due to a lack of clarity nationally around Local Government Funding. With the end of the current spending review period due in 2020 together with the reform of the Business Rates retention system and the fair funding review, estimates of funding are uncertain.

1.3 Fair Funding Review

Funding baselines, as determined by the Local Government Settlement, are based upon an assessment of Local Authorities' relative need and resources. The methodology has been in place for over 10 years and the Government feels that reform is needed to rebalance where funding is allocated. A consultation paper was issued during December seeking views on the approach to measuring the relative needs and resources of local authorities which will determine new baseline funding allocations for local authorities in England in 2020-21.

The consultation:

- Proposed to simplify the assessment of local authorities' relative needs
- Considered the type of adjustment that will be made to an authority's relative needs assessment to take account of the relative resources available to them to fund local services
- Proposed a set of principles that will be used to design potential transitional arrangements and examines how the baseline for the purposes of transition should be established.

The current funding formula is too complicated and, furthermore, the distribution of funding within it is too weighted towards deprivation. A flatter funding formula which is simpler, more transparent and easier to administer and update is necessary to support a fairer funding distribution. Analyses undertaken by MHCLG, shows that deprivation is only capable of explaining a very small proportion of overall spending within the formula. Proposals to distribute more funding using population is supported by evidence, for instance services such as waste service and planning; there is no direct correlation between additional costs for running these services and deprivation.

The approach will result in winners and losers. The Government has recognised that the change in formula could result in significant changes to the baseline funding of some Authorities. It therefore intends to introduce transitional arrangements that are fair, transparent and easily understood so that budgetary impacts can be accommodated. Transitional arrangements will unwind over time.

This is important as the Council's baseline influences the amount of business rates income it can retain. From 2020/21 and onwards 40% of the Council's funding is expected to be attributable to Business Rates.

1.4 Retained Business Rates

The changes brought by the Localism of Business Rates now mean that Local Authorities are incentivised to promote economic growth in their area. From 1st April 2013, Local Authorities can retain a share of the net income that they receive in Business Rates as funding to meet the cost of service provision. Promoting economic growth and inward investment to the District is key to ensuring sustainability going forward. With the announcement of the new Comprehensive Spending Review from 2020 (mentioned above) any reset in the baseline may impact the growth already achieved. It is therefore important to monitor this situation and continue the good work already achieved.

The Government has announced various policy decisions around Business Rates which will impact on the total amount of income the Council will be entitled to:-

- Business Rates will now increase in line with CPI as opposed to RPI, which means that rates should increase at a lower rate.
- Business Rates will be cut by one-third for businesses with a rateable value of less than £51,000 for two years from April 2019.

Section 31 grants are the Governments way of compensating Local Authorities for the policy decisions that they take which impact on the total amount of business rates income they can collect. For 2019/20 it is estimated that the Council will receive £1.823m in Section 31 grants.

There are a number of risks that could affect the amount of Business Rate income collected and as such reduce the anticipated amount of Retained Business Rate income. The most significant risks are:

- Unpredictable increases in exemptions and reliefs due to different property usage
- Successful Business Rate appeals dating back to earlier years
- Slower than anticipated local economic growth
- CPI increases on the tariff being higher than local economic growth
- Uncollectable debts as a result of worsening economic conditions.

A national business rates revaluation took effect from 1 April 2017, which increased the rateable value list by £10,346,780 for the 2017/18 financial year. Ratepayers with the largest increases in rateable value were:- Center Parcs (£1,975,000) and Sherwood Pines Forest Park (£417,000. The impact of this saw the total rateable value increase from £92,949,337 to £103,296,117. The anticipated rateable value for 1 April 2019 for the 2019/20 financial year stands at £106,486,370 which includes new business rated hereditaments and altered assessments of rateable value post 1 April 2017.

The Council currently has 88 appeals that have been lodged by Businesses with the VOA outstanding. Should these be successful they would reduce the rateable value down by £2,338,370. These appeals relate to the 2010 ratings list for which they are backdated to the 1 April 2010. Should these appeals be successfully settled, there will be a one off impact of the settling of the appeal, which will be funded by the NNDR appeals provision on the Councils' Balance Sheet, but there will be no future impact, as the properties are now rated by the 2017 rateable value listing. The one off impact of the settled appeals would amount to £4,046,260.

There are currently 6 challenges against the 2017 list with a combined RV potential reduction of £13,878. Any successful challenges, or should these get to appeal stage and be successful, this will have an impact on the finances of the Council going forward. As described, currently there are limited numbers of checks, challenges and appeals against the 2017 list, but this does not mean that a greater number of these will not come through at some point. The check and challenge process allows businesses to check the facts held about their property and view their valuation details before deciding whether to challenge their valuation. This minimises uncertainty ensuring businesses reach a resolution quicker. As businesses get to grips with this new process, it is anticipated that these will come through at some point in the future.

The Council currently has £7,128,981 set aside as a provision in order to mitigate the impact of these appeals, both against the 2010 list and the 2017 list. The level of this provision has been calculated using assistance from independent external advice from Analyse Local. Should any of the appeals not crystallise, parts of this can be released back into the collection fund to be distributed back to the Council and its preceptors.

A consultation paper around retained Business Rates was issued during December 2019 in order to seek views on the reform of the Business Rates retention system. This consultation sought views regarding the proposed changes to the system post 2019/20. The current indications are that a full baseline reset will occur on 1st April 2020 which will reset the amount of funding authorities will receive from the business rates system. This is expected to be cash neutral nationally; hence authorities that have enjoyed growth within the current system potentially could lose this growth in order to be passported to those authorities with greater need for resourcing.

These assumptions have been modelled into the current figures provided within this MTFP but are subject to high volatility as Ministers continue to make decisions around funding. The outcome of funding is likely to be a combination of the Comprehensive Spending Review (due in 2019), the implications of the Fair Funding Review and Business Rates reform. Ministers will need to ensure that the financial viability of authorities or classes of authority is managed alongside ensure the change is manageable and that they are able to achieve parliamentary approval.

1.5 Council Tax

The Local Government Finance Settlement amended the principles before which a referendum would be called for the 2018/19 financial year. A Shire District may levy a 2.99% or £5 (whichever is higher), increase on the prior year's Council Tax precept prior to a referendum being called. This principle stays the same for the 2019/20 financial year.

Members agreed to an increase in average Band D Council Tax of 1.94% through 2016/17, 2017/18 and also 2018/19. For the purposes of the MTFP, it has been assumed that Council will continue to increase average Band D council tax by 1.94% and therefore this rate of increase has been modelled throughout the duration of this MTFP.

The Council's tax base is the number of properties at the average Band D equivalent level within the district. This is the measure that the Council uses to calculate the amount of Council Tax that the Council can receive (multiplied by the Band D rate). The more properties that are built within the district increases the amount of Council Tax revenue that the Council even if a Council Tax freeze was announced. The increase in tax base used to calculate the 2019/20 Council Tax requirement was 1.18% which was the actual tax base calculated in December 2018. The average over the previous two year period has been used to forecast growth in the tax base each year after that.

Localised Council Tax Support replaced Council Tax Benefit which was abolished by the Government with effect from 1 April 2013. Local Authorities were required to design local schemes which offered discounts to the council tax bill – any discount awarded is now incorporated within the Council's taxbase.

Initially the Government awarded a grant to local authorities to support local schemes however this was only separately identified for the 2013 financial year. The grant was set at a level that was a reduction of 10% on the forecast cost of Council Tax benefit for 2013/14. As this was only identifiable separately for the 2013/14 financial year, this funding was assumed to be incorporated within Revenue Support Grant from the 2014/15 financial year. Full Council must approve, each year, prior to 31 January, the Local Council Tax Support scheme.

Our local scheme requires working age council tax payers to contribute at least 20% towards their council tax bill. Pension age council taxpayers can continue to receive up to a 100% discount to their council tax bill dependent upon their financial circumstances.

Since 2013 the scheme has annually cost approximately £6.4m (of which 9.14% relates to Newark and Sherwood District Council equivalent to approximately £585k per annum) however this could increase / decrease according to the current economic climate and the impact this can have on household finances.

1.6 New Homes Bonus

New Homes Bonus was the subject of a consultation exercise during 2017, which sought to change the methodology of calculation in order to penalise Councils who had high levels of residential planning decisions overturned at appeal. The Government decided not to follow through on this consultation and the award basis is unchanged from 2017/18.

Awards are based on a four year allocation period above a growth of 0.4% of the tax base of the Authority.

Projections over the duration of this MTFP have been calculated using the assumptions from the increase in tax base used to calculate the 2018/19 Council Tax. With the proposed developments at various sites within the District as well as the Development Company, this is considered a prudent approach.

Assumptions around New Homes Bonus are that post the Spending Review in 2020 only legacy payments will be received and that the grant will disappear from 2023/24.

The Council is in a good financial position in that it does not need to budget to use the New Homes Bonus for core funding of services and other revenue costs. As this funding is not ring fenced to expenditure of either Revenue or Capital nature it can be utilised for either of these. The amounts forecast for the term of the MTFP are:

Table 2

Year	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
2016/17	402			
2017/18	390	390		
2018/19	379	379	379	
2019/20	409	409	409	409
Total	1,580	1,178	788	409

The Council has not previously budgeted for this income, and as such does not need to use this to support its service and non-service revenue expenditure. The decision was taken to include this within the 2018/19 budget presented to Council on the 8th March 2018 in order to improve transparency. This was then shown to be moved to reserves on the Balance Sheet. This money has been previously used in order to fund key regeneration projects and this is proposed to continue. Should this funding cease to exist post the Governments Comprehensive Spending Review in 2020, this will be a large loss to the Council, as Capital resources are scarce, meaning that any future infrastructure projects may need to seek third party investment or to use borrowing.

Due to this, it is proposed to set a strategy for use of these funds. With scarce Capital resources (as seen in section 1.12), there are only finite sources of these funds: by selling an asset, receiving external funding or financing from borrowing (which ultimately requires financing through revenue), this document proposes to allocate 50% of any receipt from New Homes Bonus for Capital financing of short life assets (where asset lives are less than 10 years).

1.7 Income from Fees and Charges

The generation of income from fees and charges is an essential element of the Council’s revenue budget. The overall level of fees and charges is substantially affected by legislation with many chargeable services prevented from recovering more than their costs. The objective therefore is where services are chargeable (and the level of charges is determined by the Council) then they should achieve break-even. Opportunities will also be explored for premium pricing for discretionary services where the Council is able to deliver variable levels of service. The total income from fees and charges included in the projections is as follows (the figures for 2016/17 have been included for comparison purposes):

Table 3

	2017/18 (Original Budget) £	2017/18 (Revised Budget) £	2017/18 (actual) £	2018/19 (budget) £	2018/19 (Revised Budget) £	2019/20 (budget) £
Fees & Charges	4,358,790	4,662,055	4,890,938	4,445,750	4,716,299	4,676,660

The Commercial Plan set out the strategy the Council will take regarding discretionary fees and charges. These are currently being reviewed by Business Managers, with the Corporate Projects Team looking at further income streams that the Council could consider.

The reduction in initial budget for 2018/19 compared with the 2017/18 actual relates to:

- Heritage, Culture and Visitors: reduction of £157k relating to additional shows compared to the budget for the new year. Much of this additional income would have been paid to promoters and artists, hence there is also a reduction in costs in Agency repayments and Artists fees of £110k when comparing the 2017/18 outturn against 2018/19 initial budget.
- Development Management: Due to the high volatility in planning applications, the income from this service is extremely difficult to predict. Large planning applications such as Land North and East of existing Fernwood Development and Land at Fernwood Meadows South were received during the 2017/18 financial year, which skewed the total income. These large applications do not happen each year and hence a more prudent approach to budgeting for income has been adopted which smooths out the spikes.
- Domestic Refuse collection: Income from replacement bins had never been budgeted for, which included the 2018/19 initial budget, albeit £25k of income was received. The waste disposal element of trade refuse charge was also £15k over the expected amount for the 2018/19 financial year, albeit a proportion of this income is passported through the Notts County Council upon disposal.
- Car Parking: Budgeted car parking income in Newark was also lower than actual receipts by £30k.

The reduction in initial budget for 2019/20 compared with the revised budget for 2018/19 relates to:

- Council Tax: Summons income is expected to fall by £60k as officers make every effort to make payment arrangements with customers to avoid court action where necessary and reducing increasing their debt.
- Development Management: The budget for 2019/20 has been based on the 2018/19 initial budget and has been increased by £10k from this position. The reduction of £55k mainly relates to the smoothing of income in relation to large planning applications.
- CCTV: The budget for 2019/20 has been removed, hence a reduction from the revised 2018/19 budget of £55k. This is as this income related to income from other Council Business Units. This is therefore to be treated as an interdepartmental recharge, rather than expressed as fee and charge income.
- Domestic Refuse collection: £53k additional income has been included which relates to both the additional income due to bringing back the administration of the garden waste service from Rushcliffe and Mansfield, and an estimate of growth in the customer base. An allowance of an additional £41k has been made in relation to the waste disposal element of the trade waste charge based on experience, albeit this is offset by additional budgeted expenditure to Notts County Council for the disposal of this.

1.8 Reserves and Balances

The Local Government Act 2003 requires all Councils to maintain adequate balances, reserves and provisions to help ensure that their activities are sustainable. The Council holds General Fund balances to ensure that it has sufficient funds to manage its day to day finances, to smooth out the peaks and troughs of expenditure through and to enable the Council's financial position to remain secure in the event of unforeseen circumstances.

When setting its Budget, the Council must have regard to level of reserves needed to mitigate against both known and unknown risks and issues. A risk assessment of the General Fund Balances informs the Council's Section 151 Officer's view of the adequacy of reserves to provide assurance to the Budget.

Each year the Section 151 Officer of a local authority is required under section 26 of the Local Government Act 2005 to review the amount of reserves and provisions that the authority holds. This review is carried out primarily to ensure that reserves and provisions are not allowed to be "run down" to an imprudent level, taking into account their purpose and likely use. In undertaking this review it is also necessary to ensure that amounts do not become over provided for. With this in mind, a review of reserves held by the Council has been undertaken and the movements in earmarked reserves and General Fund balances contained in the forecasts for each year have been influenced by this review.

Best practice guidance from CIPFA states that the General Fund balance may be between 5% and 100% of net expenditure. The minimum prudent level of reserves was set at 15% of the Net Budget Requirement at the meeting of Policy and Finance on 21st September 2017. As a percentage of the Net Budget Requirement can constantly change, it is proposed to amend this policy to reflect a static balance which would be reviewed annually to ensure its prudence. It is therefore proposed to adopt a balance of £1,500,000 as a General Fund balance to mitigate unexpected and therefore unbudgeted expenditure.

The Council also holds reserves for specific areas of expenditure. Each reserve has a specific purpose and is internally ring fenced for that purpose. They are subject to annual review by the Section 151 Officer as part of the budget process and if no longer required then are redirected for other purposes.

The balances and reserves that the Council held as at 1 April 2018:

Table 5

General Fund	Amount as at 1 April 2018	Description
Balances:		
General Fund Balance	£1,736,863	General Fund Balance
Usable Reserves:		
Investment Realisation Fund	£91,890	Provide a reserve against possible future losses on external investments
Election Expenses Fund	£220,325	Provide a cushion for the election expenses
Insurance Fund	£398,456	
Repairs and Renewals Fund	£2,411,187	Smooth out the charges levied to the general fund by providing for future repairs and renewals
Building Control Surplus	-£7,077	Statutory account to be held to ensure surplus is ringfenced to Building Control
Museum Purchases Fund	£11,414	Partly a Bequest from the Nicholson estate
Training Provision	£152,182	To fund any additional training needs and apprentice costs
Community Safety Fund	£264,256	To fund the cost of the Community Safety Partnership
Restructuring and Pay	£100,000	
Court Costs	£59,769	To fund any unplanned court costs
Change/Capital Fund	£9,045,375	To enable and facilitate the changing working environment
Planning Costs Fund	£270,145	To fund any unplanned planning enquiries or appeals
Unlawful Occupation of Land	£9,250	To fund any costs associated with ad hoc unlawful occupation of land issues
Fly Tipping Fund	£100,000	To fund any fly tipping issues that the revenue budget cannot contain
Homelessness Fund	£327,724	To fund initiatives provided by the Housing Options Team
Fuel and Energy Reserve	£70,142	
Refuse Bin Purchase	£15,000	To fund any bin purchases exceeding the existing revenue budget provision
Energy & Home Support Reserve	£116,580	To assist vulnerable residents with heating/boiler issues
Growth & Prosperity Fund	£1,799,909	Think Big loans fund for providing loans to small businesses
Warm Homes on Prescription	£110,849	Grant funded income relating to schemes to reduce fuel poverty

Welfare Reform	£25,774	
Development Company	£4,000,000	To finance the equity funding needed to set up the development company
Management Carry forwards	£224,268	Management carry forward requests to be spent during 2018/19
Emergency Planning Reserve	£50,000	To replenish emergency planning stocks
Unconditional Grants Unapplied:		
Revenue Grants Unapplied	£185,230	Various revenue grants without conditions yet to be utilised
Total:	£21,789,511	

Appendix A shows the expected balances at the end of the current financial year (2018/19) and the 2019/20 financial year.

One of the key underpinning financial principles of the MTFP is to not use the Council's reserves (and other one-off resources) as a method to balance the ongoing pressures of the budget. However, over the years, the Council has made use of its reserves to deal with one-off unbudgeted matters: to improve services, or to offset declining income levels and support service delivery.

Any situation that jeopardises the levels of reserves will be a serious matter for the Council's External Auditors who expect Members to continue to run the Council as a viable going concern. This is particularly so now, that Members have to, in effect, balance and manage two budgets – the Mainstream revenue budget and also, since April 2013, the local Council Tax benefit scheme and the impact this has in the Collection Fund. As Council Tax benefits are no longer fully funded it adds to the complexity of the Council's operations as a Council Tax billing authority.

One of the largest usable reserves relates to repairs and renewals. Budget is set aside each year through the revenue process to contribute to this reserve in order to smooth the timing of charges over a number of years. Each Service area contributes an element of their revenue budget to their own schemes in order to build the reserve up for when repairs are needed.

The reserve is split into 3 sections:

	Opening Balance 1 April 2018	Movement in	Estimated usage of	Estimated Closing Balance
Property related	£875,240	£155,572	£332,688	£698,124
Grounds Maintenance related	£325,541	£41,377	£148,366	£218,552
Corporate related	£1,210,406	£108,140	£436,851	£881,695
Totals:	£2,411,187	£305,089	£917,905	£1,798,371

During 2018/19 £0.305m will be set aside from various service areas in order to contribute to the overall reserve. It is proposed that £0.918m is to be utilised from the reserve during the course of the financial year.

A review of the balance held against the major headings above has been completed and potentially there may be a requirement to increase contributions by approximately £40k per annum in order to ensure all schemes are completed within their estimated timeframes. Schemes are constantly reviewed to ensure that they are not completed where works are not necessary to be carried out, hence where funding can be redirected to schemes that are underfunded at the point the works are necessary, this will be done. Regular reviews of this reserve are made to ensure that its balance is appropriate.

1.9 Assumptions made within the MTFP

Finance officers worked with budget holders at a granular level in order to develop both the 2019/20 and the future forecast budgets in order to build these estimates, but used various assumptions to arrive at this.

A 2% increase in wages and salaries will be assumed for 2020/21 and future financial years. This is in line with the agreement which was reached in early April 2018 between the National Employers and the NJC Trade Unions side on rates of pay applicable from 1 April 2018 and 1 April 2019.

An estimate of inflation equivalent to 3% was used in all years in order to uprate all non-pay income and expenditure. This was considered prudent after looking at forward projections of RPI by the Office of Budget Responsibility, who suggested that RPI will increase by 3% per annum on-going. This estimate therefore has been used in order to forecast the additional year included in this MTFP (2022/23).

Estimates and Debt charges (the charge to revenue for the purchase/creation of a fixed asset where no capital resources were available to finance at the point of creation/purchase of the asset) are in line with the approved MRP policy and the Capital Programme on this agenda.

1.10 Proposed strategy for bridging the funding gap

The forecast funding gap for the term of this MTFP is shown in section 1.1 of the MTFP. The Council has a good track record in dealing with successive central government funding reductions. Since 2010 the Council has had to re-engineer its business processes in order to make substantial savings due to the reduction in Government Grant. Further savings that need to be made are becoming increasingly difficult to identify and deliver, but it essential that the Council continues to identify areas where costs can be reduced or income increased to close the budget gap. The level of reduction in Government grant over the last 4 years has been:

Table 6

Settlement Funding Assessment	2016/17	2017/18	2018/19	Estimated 2019/20
	£	£	£	£
Revenue Support Grant	1,776,668	1,048,592	592,374	82,785
Retained Business Rates	3,365,803	3,434,519	3,537,702	3,618,775
Total Settlement Funding Assessment	5,142,471	4,483,111	4,130,076	3,701,560
Reduction in funding from 2016/17		12.8%	19.7%	28.0%
Original Service Budget	12,262,620	11,640,720	12,650,480	13,482,260
Percentage of Service budget funded by Settlement Funding Assessment	41.94%	38.51%	32.65%	27.46%

The levels of these reductions were anticipated and in line with the approved settlement funding agreement awarded to the Council on the basis that it published an efficiency strategy during October 2016. This gave the Council certainty of funding over the 4 year period to 2019/20.

The Commercial Strategy was approved at Policy & Finance 21 September 2017 with the aim of delivering positive financial returns to the Council's General Fund.

The Council's income from fees and charges has been maintained over the period of the reductions in central government funding at around £4.5m. As can be seen from Table 4 this has predicted to remain stable for the 2019/20 financial year, inclusive of the income from partners at Castle House.

The total income needs to be increased significantly if the Council is to bridge the gap in funding in order to continue to deliver its current services and if it wants to meet the expectations and ambitions of the people of Newark and Sherwood. This plan contains an estimate of savings delivered and additional income generated by the Commercial Strategy of £0.250m in each of the financial years.

The Council is limited as to how much additional funding it can generate through Council Tax increases. As stated in section 1.5 the Council has the ability to increase Council by the greater of 2.99% or £5. A 1% increase in Council Tax will generate an additional £0.067m to the Council for the 2019/20 financial year. This also takes into account the estimated increases in tax base as noted in section 1.5.

The formation of the Commercialisation and Major Projects team will lead on a range of commercialisation projects throughout the council. The Commercials Group, which was established in October 2017 is led by the Business Manager – Commercialisation and Major Projects and is made up of a selection of NSDC Officers who have a focus on commercial acumen. Both the Business Unit and the Commercials Group will focus on projects which attract new income streams to the council, maximise current income streams or offer significant savings to the council.

Each project will have a robust Business Case and will be examined as part of the normal committee activity. There are a range of projects in progress, some having already been completed. A financial tracking process is in place to ensure that forecast income is matched to actual income as implementation reaps the rewards of the project over a number of years. There are a range of new projects ready to be commenced and continued horizon scanning means that other opportunities can be taken as they present themselves. This is an agile and responsive programme which touches every part of the organisation.

1.11 Risks Associated with the Budget Process

During 2017/18 the Council changed its process for reporting in year monitoring for financial performance. This process now involves forecasting the outturn position to the end of the financial year, rather than relying on year to date actual performance compared against year to date budget. This process is completed each month from period 3 and is reported quarterly to the Policy and Finance Committee.

Creating a budget is only as accurate as the data compiled at that point in time and there are various risks associated with this. These include:

- Inflation is underestimated in the original estimates
- Interest rates are underestimated
- Changes to grant funding allocations
- Some budgets are only indicative at the time the budget is agreed
- Volatility in some budget headings between years
- Efficiency gains expected in the agreed budget are not achieved
- Unforeseen insurance costs or legal claims
- Emergencies which cannot be foreseen which occur on an ad hoc basis

- Changes to budgets where targets are not met
- Financial guarantees/loans given by the Council
- Unforeseen events
- Assumptions of growth of Business Rates does not materialise due to appeals

Under Section 25 of the Local Government Act 2004, the S151 Officer is charged with reporting the robustness of estimates made. This section fulfils that statutory requirement.

In considering the overall level of budget proposed and the sensitivity of income and expenditure levels it should be noted that:

Council Tax

- A 1% increase in Council tax is equivalent to an additional £0.067m
- A £1 increase in Council tax is equivalent to an additional £0.039m

Staff Costs

Staff costs currently make up 57% of managed expenditure (gross expenditure excluding capital charges, recharges and Housing Benefits payments). This is not unique to Newark and Sherwood, but does cause an issue to the Council. Not only does the opportunity to find non-employee savings become more difficult, any deviation in pay award against the budget could cause real issues. As mentioned at section 1.9, this MTFP has allowed for 2% pay award increase throughout its duration. A 1% increase (based on 19/20 pay) would bring about an increase of £0.120m that would have to be found from reserves.

Income from Fees and Charges

A substantial part of the net budget requirement is dependent on the buoyancy of income streams; this offsetting the expenditure falling to be met from the General Fund and hence Council Taxpayers. Account has been taken within the forecasts of the levels of income which is considered to be achievable. However, any significant under performance on income will give rise to a subsequent increase in the net expenditure and therefore an unbudgeted demand on the General Fund balance. A 1% drop in income from fees and charges across all service areas would be equivalent to (based on 2019/20 budget) £0.046m.

Interest Rates

General Fund currently has no external borrowing and as such is not exposed to any re-financing risk if interest rates were to rise. The Council is anticipating to borrow during the course of the 2019/20 financial year, which would lead to additional interest costs over the life of this MTFP. Fixed rate borrowing is proposed to be taken to alleviate any interest rate risks associated with variable rate borrowing to ensure certainty of costs over the life of the borrowing. Re-financing risk would therefore still not be applicable as the borrowing would span a life longer than this MTFP. Investment income receivable is estimated taking into account various factors such as cash flow, level of capital receipts and payments, levels of reserves and balances and the anticipated interest rates achievable during the year. To the extent that variations occur in the above areas, the level of interest received in the year may fluctuate from that anticipated. The impact of a 1% interest rate change is not considered significant in terms of the Council's net budget requirement.

Inflation

Inflation puts further pressure on non-pay budgets and there is a risk that this could impact on the level of expenditure included in the forecasts in this MTFP. Services Units are, however required to stand the impact of general inflation within their budget targets and an allowance of 3% has been included within service budgets to accommodate this.

1.12 Capital Investment Programme and Funding

The overall approved General Fund Capital Programme for the period from 2019/20 to 2022/23 totals £33.3m. £10.9m is financed by external grant funding for the Southern Link Road (SLR), Disabled Facilities Grant (DFG's) and a specific piece of work in relation to flood alleviation in Lowdham. The grants in relation to the SLR and the flooding alleviation scheme in Lowdham have already been received and are held on the Council's balance sheet as a conditional grant. The DFG funding is received via the Better Care Fund (BCF) and is subject to an annual bidding process.

Other external financing in the forms of contributions from external partners and S106 receipts amount to £3.8m. This relates to the project at Southwell Leisure Centre which includes £750k of Council expenditure in order to extend and improve facilities at the leisure centre to increase the membership base, and also an expectation of £3m of external financing towards the Castle Gatehouse project.

Council internal capital resources employed amount to £10.5m which relates to the equity investment in the Council's Housing development company – Arkwood, the build of a modular pool at Ollerton, the match contribution to Southwell Leisure Centre (as described above), replacing parts of the Council's refuse fleet and other equipment, enhancements to the Buttermarket and flood alleviation works across the District.

Borrowing is the balancing figure for the capital expenditure at £8.1m. This part of the capital programme is currently being financed by prudential borrowing, which attracts a charge to revenue. This charge is called the Minimum Revenue Provision (MRP) and provides for the capital expenditure funded by borrowing using a method 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.

The current Capital resources available for allocation to Capital schemes (before any allocation of New Homes Bonus (NHB) from 2020/21 as proposed in section 1.6) is detailed below:

Table 7

Capital Resources Available	Amount as at 1 April 2018	Commitments 2018/19	2019/20-2022/23 Commitments	Closing Balance 31 March 2023
Capital Financing Provision	1,321,307	-278,276	-249,184	793,847
General Fund Capital Receipts	2,911,723	-1,178,408	-1,540,816	192,499
Capital Grants & Contributions Unapplied *	4,565,755	935,091	-1,214,779	4,286,067
Total resources available	8,798,785	-521,593	-3,004,779	5,272,413

*£4,286,067 is the estimated balance at 22/23 which relates to Community Infrastructure Levy (CIL) and is therefore ring fenced for schemes relating to infrastructure.

Borrowing Requirements within Current Approved Capital Programme

In order to fully finance the Capital Programme every year an element of borrowing is required where capital resources are not available. As above, the total borrowing over the life of this MTFP amounts to an estimated £8.1m within the current approved capital programme.

Within the £8.1m, short asset lives total borrowing of £2.8m, which equates to around £400k per annum in MRP charges. This is charged in the year following capital expenditure and continues until the borrowing is repaid. The £5.3m balance of borrowing has been allocated to longer life assets (where the life expectancy is approximately 50 years) and the annual charge to revenue for these items is £106k. Should the policy at section 1.6 be adopted, this would release an additional £1.2m to replace the borrowing for short life assets, reducing the charge to revenue by £171k per annum.

General Fund Revenue Reserves	Balance as at 31st March 2018	Estimated Balance at 31st March 2019	Estimated Balance at 31st March 2020
Council Funds:			
Investment Realisation Fund	-91,890	-91,890	-91,890
Election Expenses Fund	-220,325	-150,325	-150,325
Insurance Fund	-398,456	-398,456	-398,456
Repairs And Renewals Fund	-2,411,187	-1,798,370	-1,236,765
Building Control Surplus	7,077	-15,233	-15,233
Museum Purchases Fund	-11,414	-8,559	-8,559
Training Provision	-152,182	-100,917	-75,873
Restructuring And Pay	-100,000	-100,000	-100,000
Court Costs	-59,769	0	0
Change Management Fund	-9,045,375	-12,369,061	-5,672,411
Enforcement Reserve	0	-44,313	-44,313
Flooding Defence Reserve	0	-250,000	-250,000
Emergency Planning Reserve	-50,000	-50,000	-50,000
Planning Costs Fund	-270,145	-155,145	-155,145
Development Company	-4,000,000	-4,000,000	0
Growth And Prosperity Fund	-1,799,909	-509,805	-462,998
Refuse Bin Purchase	-15,000	-15,000	-15,000
Fuel And Energy Reserve	-70,142	-70,142	-70,142
Management Carry Forward	-224,268	0	0
Unlawful Occupation Of Land	-9,250	0	0
Fly Tipping Fund	-100,000	-50,000	-50,000
NNDR Volatility Reserve	0	0	-793,000
Community Initiative Fund	0	0	-200,000
Gen Fund Balance	-1,736,863	-1,500,000	-1,500,000
Total Council Funds	-20,759,097	-21,677,215	-11,340,109
Grants:			
Homelessness Fund	-327,724	-292,308	-292,308
Revenue Grants Unapplied	-185,230	-8,421	-8,421
Community Safety Fund	-264,256	-22,525	-22,525
Energy & Home Support Reserve	-116,580	-92,613	-68,044
Warm Homes on Prescription	-110,849	-70,446	-29,376
Welfare Reform Reserve	-25,774	-2,364	0
Total Grants	-1,030,414	-488,678	-420,675
Total General Fund Revenue Reserves	-21,789,511	-22,165,894	-11,760,784
General Fund Capital Reserves	Balance as at 31st March 2018	Estimated Balance at 31st March 2019	Estimated Balance at 31st March 2020
Capital Financing Provision	-1,321,306	-823,030	-793,847
Capital Receipts	-2,911,723	-1,731,037	-665,221
Grants & Contributions Unapplied	-4,565,755	-5,500,846	-6,400,846
Total General Fund Capital Reserves	-8,798,784	-8,054,913	-7,859,914
Ring-Fenced Reserves	Balance as at 31st March 2018	Estimated Balance at 31st March 2019	Estimated Balance at 31st March 2020
Mansfield Crematorium	-140,215	-140,215	-140,215
Total Ring-Fenced Reserves	-140,215	-140,215	-140,215
Total Reserves	-30,728,510	-30,361,022	-19,760,913

COUNCIL MEETING - 7 MARCH 2019

PAY POLICY STATEMENT 2019/20

1.0 Purpose of Report

1.1 To approve the content of the Pay Policy Statement for 2019/20.

2.0 Background Information

2.1 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 for 2012/13 and for each financial year thereafter. 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:

2.1.1 A Pay Policy Statement for a financial year must set out the authority's policies for the financial year relating 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.

2.1.2 The statement should also set out the authority's policies for the financial year relating to:

- 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 under or to be employed by the authority, and
- g) the publication of and access to information relating to remuneration of Chief Officers.

2.1.3 The term 'remuneration' covers:

- a) the salary or the amount payable in the case of Chief Officers engaged by the authority under a contract 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 the Chief Officer's 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 the Chief Officer on the Chief Officer ceasing to hold office under or be employed by the authority other than amounts that may be payable by virtue of any enactment.

- 2.2 Existing legislation already required the Council to publish statements relating to certain elements of officer remuneration, details of which are set out below:
- regulation 7 of the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires an authority to formulate, review and publish its policy on making discretionary payments on early termination of employment;
 - regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 requires the Council to publish its policy on increasing an employee's total pension scheme membership and on awarding additional pension.

Appropriate links to published policies and information are included within the Pay Policy Statement.

- 2.3 The Transparency Code also carries specific legal requirements to publish pay multiples, a list of employees with remuneration above £50k (in brackets of £5k), names of employees earning in excess of £150k and a chart for the top 3 tiers of the organisation which includes details regarding levels of responsibility for people/budgets and services.
- 2.4 Guidance issued by the Department for Communities and Local Government (DCLG) during 2013/2014 set out the arrangements for approval of severance packages in excess of £100,000. The 2014/2015 pay policy statement adopted by the Council included arrangements for approving severance packages over £75,000 and arrangements for delegation regarding Settlement Agreements.
- 2.5 The DCLG also issued guidance during March 2015 regarding the use of severance agreements and 'off payroll' arrangements. Following receipt of the guidance the policy was updated to include a specific paragraph around the use of 'off payroll' arrangements.

3.0 Proposals

3.1 Update regarding Pay and Grading Arrangements 2019 for employees engaged on NJC terms and conditions of service

3.1.1 Members received an update in relation to costs associated with implementing the preferred pay and grading arrangements at their meeting in November to approve additions to the budget prior to the commencement of formal consultations/negotiations with the recognised Trades Unions.

3.1.2 Consultations/negotiations with the recognised Trades Unions commenced on the 6th December 2018. The Council have been in regular dialogue with the trades unions since that time. Official sign off regarding the proposals have now been received from Unison (8th January) and GMB (23rd January). The proposals represent the most cost effective solution for the Council. Details of the same will be included as a link in the revised PPS.

3.2 Summary of Changes to the 2019/20 Pay Policy Statement

3.2.1 A summary of the changes to the pay policy statement for 2019/20 are included below:

The statement has been updated to:

- include a link to the new pay and grading arrangements for officers engaged on NJC terms to reflect the nationally agreed scale points negotiated as part of the two year settlement (paragraph 3.1.2 refers);
- include amendments to the paragraph on Living Wage given that the Council will be paying an amount equivalent to the Living Wage (£9.00 agreed during November 2018) as part of its substantive pay and grading arrangements following implementation of the revised pay scale;
- reflect revisions to the management structure arising from the recent restructure.

3.2.2 Please note that the employers' side have not yet received requests from the Trades Union (TU) representing Chief Executives or Chief Officers engaged on JNC terms and therefore the salary scales for these posts are subject to amendment following the conclusion of negotiations around pay.

3.3 Legislative Updates

3.3.1 Members will recall having received updates in relation the Exit Payment Recovery Regulations and the Public Sector Exit Payment Cap in previous years. Further updates are awaited in respect of how and when these will be implemented and the Council will continue to monitor the position to ensure that the statement is updated as necessary once the final regulations/associated guidance documents are published.

3.4 Current Status

3.4.1 A copy of the full Pay Policy Statement including transitional arrangements has been appended to this report for review (refer to **Appendix A**). Members should note that where the appendices refer to links to other policy documents these will be included once the Pay Policy Statement is published on the Council's website. These policy documents can however be accessed by referring to the current Pay Policy Statement (on the Council's website) which contains the live links.

3.4.2 The Statement was considered by the Policy & Finance Committee at their meeting held on 21 February 2019 and recommended to Council for approval.

4.0 Equalities Implications

4.1 This policy has been developed with due regard and consideration for other policies, procedures and agreements currently in operation within the Council and follows the completion of an equality impact assessment, details of which are held in Human Resources. Given that the changes proposed to the policy are fairly minimal no adverse implications have been noted.

5.0 Impact on Budget/Policy Framework

5.1 The financial effects of the pay policy are reflected in the Council's budget to be presented to Council on 7 March 2019.

6.0 RECOMMENDATION

That the Pay Policy Statement for 2019/20 be approved.

Background Papers

Localism Act 2011

The Code of Recommended Practice for Local Authorities on Data Transparency

Localism Act: Openness and accountability in local pay: Guidance under section 40 of the Localism Act. February 2012

Openness and Accountability in Local Pay: Guidance under Section 40 of the Localism Act 2011 – Supplementary Guidance. February 2013

Local Government Transparency Code 2014

DCLG – Use of severance agreements and off payroll arrangements. March 2015

Please also refer to the following background papers referred to within the Pay Policy Statement that will be linked to the document once it has been approved by full Council and published on the Council's website.

Pay Multiples Document (4.6.3)

Terms and Conditions for Chief Executive (5.3.1)

Terms and Conditions for Chief Officers (5.4.1)

Statutory Officers Honorarium Scheme (5.4.1/5.4.7/5.5.4)

Pay and Grading Arrangements for officers engaged on JNC Chief Officers Terms and Conditions of Service (5.4.5/5.4.7)

National Agreement on Pay and Conditions of Service (5.5.1/5.5.4)

Protection of Earnings (5.5.2)

Standby Payments/Call-out Payments/Weekend Working/Night Working/Shift

Allowances/Overtime Rates/Bank Holiday Working (5.5.2)

Market Supplement (5.5.2/5.5.4)

Honorarium Payments (5.5.4)

Guidance on Travel and Subsistence Arrangements (5.5.4)

Redundancy and Discretionary Compensation Policy (5.6.3/5.6.4)

For further information please contact Tracey Piper Business Manager – HR & Organisational Development on extension 5219.

Karen White

Director - Governance & Organisational Development

NEWARK & SHERWOOD DISTRICT COUNCIL

Pay Policy Statement

1. Introduction

1.1 This document sets out a Statement of Pay Policy for Newark & Sherwood District Council (the Council) for 2019/20 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.

2. 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
- ensure that all decisions on pay and reward for Chief Officers comply with the parameters defined within this Pay Policy Statement.

3. 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.

4. Scope of the Policy

4.1 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.

4.2 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 in relation to:

- 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 trainee or development scales but relates to the minimum point for a competent employee appointed in to 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 £17,364. 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 earlier within the policy.

4.5 Living Wage

4.5.1 In April 2013 the Council adopted a policy of paying all employees a Living Wage through the application of a pay supplement to fund the difference between the hourly rates (defined at the lowest substantive point at which a Council officer can be paid) and the Living Wage set by the Living Wage foundation which rose to £9.00 per hour in October 2018. By adopting this policy the Council ensured that the lowest paid employees (refer to definition at 4.4) received at least the Living Wage for each hour that they worked.

4.5.2 The Council's agreed pay scale for 2019/20 provides for a minimum hourly rate of £9.00. This means that with effect from 1 April 2019 there is no longer a requirement to pay the Living Wage Supplement.

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 median¹ average earnings across the Council.

Pay multiples document [\[link to document to be inserted\]](#)

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);
- Statutory Officers (Section 2 (6) of the Act);
- Business Managers (Section 2 (8) of the Act).

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

- a) the salary or the amount payable in the case of Chief Officers engaged by the authority under a contract 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 the Chief Officer's 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 Chief Executive/Head of Paid Service

5.3.1 Terms and Conditions of Service

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 [\[link to document to be inserted\]](#)

5.3.2 Remuneration

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:

Scale point 1	£106,000
Scale point 2	£110,160
Scale point 3	£114,240
Scale point 4	£118,320
Scale point 5	£122,400

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 of 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.

In the event that 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 national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Local Counting Officer, Deputy Returning Officer or Deputy Acting Returning Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

In accordance with the agreement the Chief Executive's salary is deemed to be inclusive of all other fees and emoluments with the exception of 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 European Parliamentary Elections (if applicable) 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.

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 the Returning Officer can claim specific fees which are determined on a local 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.

5.3.6 General Terms and Conditions

In accordance with the national agreement the Chief Executive shall enjoy 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

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

Terms and Conditions for Chief Officers [[link to document to be inserted](#)]
Statutory Officers Honorarium Scheme [[link to document to be inserted](#)]

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

Scale point 1	£90,156
Scale point 2	£94,462
Scale point 3	£97,330
Scale point 4	£100,608

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.

5.4.4 Pay Scale for Directors

Scale point 1	£71,373
Scale point 2	£74,292
Scale point 3	£76,680
Scale point 4	£79,598
Scale point 5	£81,986

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

Director – Governance and Organisational Development
Director – Growth and Regeneration
Director – Resources
Director – Communities and Environment

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

Zone 1/SCP1 £47,759
Zone 1/SCP2 £48,820
Zone 1/SCP3 £49,881
Zone 1/SCP4 £50,942

Zone 2/SCP1 £52,004
Zone 2/SCP2 £53,065
Zone 2/SCP3 £54,126
Zone 2/SCP4 £55,188

Zone 3/SCP1 £56,248
Zone 3/SCP2 £57,310
Zone 3/SCP3 £58,372
Zone 3/SCP4 £59,435

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

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

Business Manager - Public Protection (Scale TBC)
Business Manager - Financial Services
Business Manager - Growth & Regeneration
Business Manager - HR & Organisational Development
Business Manager - Revenues & Benefits
Business Manager - Strategic Housing
Business Manager - Waste & Transport
Business Manager - Asset Management & Car Parks
Business Manager - Commercialisation & Major Projects
Business Manager - Tourism
Business Manager - Housing, Health & Community Relations
Business Manager - Legal Services (Scale TBC)

5.4.6 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 of these factors the 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.

In circumstances where Business Managers are offered revised terms of employment on JNC conditions of service they will be aligned to the nearest highest pay point on the pay scale if they are appointed to Zone 1 or to the lowest scale point if they are appointed to Zone 2 or 3.

In circumstances where Corporate Managers are offered revised terms of employment on JNC conditions of service they will be aligned to the most appropriate scale point according to the level of responsibility they have been assigned.

5.4.7 Increases and additions to Remuneration

- Incremental Progression

Incremental progression for Directors and Corporate Managers is by annual increment until the top point of the grade is reached. Before an annual increment is awarded, it must be clearly evidenced that the post holder:

- Has made satisfactory progress against the targets set in their previous performance appraisal;
- Demonstrates, continues to demonstrate or has made substantial progress towards achieving the Council's defined competences for a post at the Director level.

Compliance with these requirements will be assessed through the Council's performance management and appraisal mechanisms, and a decision on whether an annual increment will be paid (where applicable) will be made as part of that process.

Full details of the Pay and Grading Arrangements for Officers engaged on JNC Chief Officer Terms and Conditions of Service can be accessed by following the attached link: [\[link to document to be inserted\]](#).

Once a Business Manager has been appointed to JNC conditions of service they will receive annual increments until such time that they reach the top of the salary scale subject to achieving satisfactory annual performance assessments.

- Pay Awards

Any 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 Section 151 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 that assume the role of Deputy Monitoring Officer and Deputy S151 Officer.

Details of the scheme including information relating to the post holders that are currently in receipt of such payments can be accessed by following the attached link: [\[link to document to be inserted\]](#)

- Expenses

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

5.4.8 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.

5.4.9 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.

5.4.10 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

A number of the Business Managers are 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.

A list of post holders engaged under NJC terms has been included below.

Business Manager – Administration

Business Manager – Customer Services & Communications

Business Manager – Elections & Democratic Services

Business Manager – ICT

Business Manager – Heritage, Culture & Visitors

Business Manager – Parks & Amenities

Business Manager – Planning Policy

Business Manager – Town Centre Development (scale TBC)

Terms and conditions relating to Chief Officers that assume the role of Business Manager is available within the National Agreement on Pay and Conditions of Service document [[link to document to be inserted](#)].

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 1st October 2005 following completion of the negotiations relating to single status.

The Council also has a pay policy outlining arrangements in respect of:

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

[[Link to protection of earnings document to be inserted](#)]

[[link to document\(s\) referenced above to be inserted](#)]

Market Supplement (which includes arrangements for officers engaged on JNC terms) [[link to document to be inserted](#)].

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

Scale/Band	Min SCP/Salary	Medium SCP/Salary	Maximum SCP/Salary	Post
NS13	34 – £36,876	35 - £37,849	36 - £38,813	Business Manager – Administration
NS15	40 – £42,683	41 - £43,662	42 - £44,632	Business Manager – Elections & Democratic Services Business Manager – ICT Business Manager – Parks & Amenities Business Manager – Planning Policy
NS16	43 - £45,591	44 -£46,524	45 - £47,500	Business Manager – Customer Services and Communications Business Manager – Heritage, Culture and Visitors

Note: Changes to grade may occur in year as a consequence of revisions to job description(s) requiring re-evaluation of the post 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 of these factors the panel comprising 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 so as 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 subject to achieving satisfactory annual performance assessments.
- Pay Awards
Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.
- Honoraria and Ex Gratia Payments
Statutory Officers
The Council currently operates an honorarium scheme for certain officers undertaking statutory officer roles or deputising in those roles (see ante). 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 Section 151 Officer)

In addition to the above the scheme also outlines the arrangements for recompensing officers that assume the role of Deputy Monitoring and Deputy S151 Officer. Ordinarily these roles are undertaken by Chief Officers engaged on JNC terms, however the scheme allows for officers engaged on NJC terms to undertake these roles as may be necessary from time to time.

Details of the scheme including information relating to the post holders that are currently in receipt of such payments can be found in the Statutory Officers Honorarium document [\[link to document to be inserted\]](#)

Other

Officers engaged on NJC conditions of service may in some circumstances receive honorariums/ex gratia payments as a consequence of undertaking duties in part or full at a higher level. The amount payable will be different according to each individual set of circumstances to be determined by the respective Director in conjunction with the Human Resources Section. Further details relating to the terms outlined within the NJC conditions of service can be accessed here [\[link to document to be inserted\]](#).

- 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. 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 and it has been unable to recruit/or is struggling to retain current post-holders as a result. In circumstances where this does occur the Council will follow the approved policy recently updated in accordance with national guidance. [\[link to document to be inserted\]](#)

- Expenses

In accordance with the agreement the Council shall pay reasonable out-of-pocket expenses actually incurred.

Meals and Accommodation Charges

Officers will receive subsistence rates based upon the approved rates. Further details in relation to current rates can be found in the Guidance on Travel and Subsistence Allowance [\[link to document to be inserted\]](#).

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 localised arrangements can be found in the National Agreement on Pay and Conditions of Service document [\[link to document to be inserted\]](#).

5.6 General Policies in relation to 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

The Council does not currently provide any form of benefits in kind to employees engaged by the Council.

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 on the basis of 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. www.lgps2014.org

The scheme provides for exercise of discretion that 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 in relation to any discretion that may be afforded in respect of pension augmentation can be found in the Redundancy and Discretionary Compensation Policy [[link to document to be inserted](#)]. This policy applies to all officers of the Council irrespective of their status.

5.6.4 *Payment of Chief Officers on their Ceasing to Hold Office Under or to be 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 augmentation can be found in the Redundancy and Discretionary Compensation Policy [[link to document to be inserted](#)]. This policy applies to all officers of the Council irrespective of their status.

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 a decision 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 that 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 appeal panel.

In the case of any voluntary redundancy, compulsory redundancy, efficiency or early retirement (including health related which falls short of meeting 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;
- 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 bought 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 the 1 February 2017 (this is an enabling provision which allows the cap regulations to be made). Final details regarding the regulations and associated guidance is 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 has 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 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 a Local Government Pension/Fire Fighters Pension, Severance or Termination Payment

When considering employing individuals in receipt of a local government pension or fire fighter pension the Council is required to have regard to the policy on Pension Abatement as determined by the relevant Administrative Body for the Pension Scheme e.g. Nottinghamshire County Council. It should be noted that the Administrative Body for the purposes of discretion may differ according to the location where the individual was previously employed.

The Council’s current policy in relation to the appointment of former staff as consultants requires that any ex-employee who has taken voluntary redundancy or early retirement be not engaged as a consultant (including under a contract for services) without a formal committee resolution.

The Council will not presume against re-employing former members of staff who have received a payment for redundancy, severance or any other reasons defined under the terms of a settlement agreement if the Council is satisfied that the individual is the best candidate for the post. Likewise the Council will not presume against employing individuals who have received severance or termination payments by another organisation listed on the Redundancy Modifications Order if the Council is satisfied that the individual is the best candidate for the post.

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 follow 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 Use of "Off Payroll" Arrangements

For the purpose of this policy "off payroll" arrangements refer to individuals engaged directly under a contract for services (rather than employed direct by the Council) operating at the Chief Officer level.

Although the Council will not presume against employing individuals under a contract for services they will only do so in exceptional circumstances for a temporary period of time.

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 within.
- 6.2 In addition the Council also publish data on the internet as part of the wider transparency agenda relating to the publication of senior salary information. For the purpose of this exercise the Council publish details relating to post holders earning £50,000 or above in accordance with the threshold preference expressed by the Government.

7. Equality Impact Assessment

- 7.1 This policy has been developed with due regard and consideration for other policies, procedures and agreements currently in operation within the Council and follows the completion of an equality impact assessment, details of which are held in Human Resources.

8. Approval/Review

- 8.1 Before it takes effect, the pay policy statement has to 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 the Policy and Finance Committee for consideration and approval, before being referred through to the JCC to allow for consultation and/or negotiation (where appropriate). Approval of Human Resources policies and procedures are delegated to the Head of Paid Service after prior consultation at the Joint Consultative Committee.
- 8.3 Given that the policy statement relates to terms and conditions of employment as well as making reference to Human Resources policies and procedures it is appropriate for the content of the policy to be considered by the Policy and Finance Committee and any amendments made thereto before the policy is referred on to full Council for approval.
- 8.4 Any proposed changes to terms and conditions of employment including salary arising from collaboration activities e.g. shared services will be subject to the prior approval of the Policy & Finance Committee.
- 8.5 A review of the policy statement will take place annually and the contents of the policy 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 as a consequence of changes to legislation and/or organisational requirements. In the case of legislative

changes where the Council has no discretion the 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 Policy & Finance.

COUNCIL MEETING – 7 MARCH 2019

COMMUNITY PLAN 2019 - 23

1.0 Purpose of Report

- 1.1 To approve the Community Plan 2019 – 23.

2.0 Background Information

- 2.1 Following a change in political and managerial leadership, the Council's current Corporate Plan has been reviewed and refreshed. In part, this is in response to a renewed focus on the 'Cleaner, Safer, Greener' agenda and also in recognition of the need for greater clarity and understanding about what the Council is trying to achieve – one of the recommendations of the 2016 Peer Review.
- 2.2 The development of the revised objectives included within the plan commenced during September 2018 and since that time have been updated and refined following consultation with a range of stakeholders including, lead members (Chairs of Committees), members of the Senior Leadership Team and Business Managers.
- 2.3 The Vision and Values for the Council have also been reviewed and updated to better reflect the Council's purpose and make clear: what we are here to do; and how we will go about it.
- 2.4 The Council also undertook a consultation exercise with residents and other key stakeholders between October and December 2018 so that findings from the survey could be used to sense check the objectives included with the Corporate Plan and where appropriate refine/amend these. Feedback has also been used to prioritise activities under each of the objectives.

3.0 Proposals

- 3.1 Rather than refer to the document as a Corporate Plan, it is proposed to be named Newark and Sherwood's Community Plan. A copy of the final draft is attached to this report as Appendix A. This better reflects the largely outward facing nature of the plan and acknowledges that its delivery is not something that the Council can achieve on its own.
- 3.2 The opportunity has been taken to revisit not only what the Council is aiming to achieve (its objectives) but also its core purpose and values. It is crucial that these are brought to life within in the organisation, impacting in a very real and practical way that we serve the local community and interact with each other and with partners.
- 3.2.1 ***Our Purpose:*** Newark and Sherwood already has much to be proud of. A captivating history, beautiful countryside, characterful market towns, world renowned businesses and an enviable location at the crossroads of the country's transportation network. We want to do all that we can to enable local residents and businesses to flourish and fulfil their potential as well as encouraging more visitors to enjoy all that Newark and Sherwood has to offer. In order to achieve these, we will be locally focused and nationally connected –

driven by what matters most to the people we serve and with a perspective and relationships stretching well beyond our boundaries.

3.2.2 **Our 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 (consistently delivering on promises; providing good quality and demonstrating integrity);
- Welcoming and responsive (approachable, open to feedback and challenge and swift to act).

3.3 The plan has been developed around addressing the needs of our communities and includes eleven objectives underpinned by supporting actions. A summary of the objectives has been included below:

- Improve the cleanliness and appearance of the local environment;
- Reduce crime and anti-social behaviour, and increase feelings of safety in our communities;
- Improve transport infrastructure to reduce congestion and facilitate growth;
- Accelerate the supply of new homes including associated facilities (playing pitches, health, schools, community centres etc);
- Increase visits to Newark and Sherwood and the use of visitor attractions by local residents;
- Protect, promote and enhance the district's natural environment;
- Enhance and sustain Town Centres;
- Reduce levels of deprivation in target areas and remove barriers to social mobility across the district;
- Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes;
- Increase participation with the Council and within local communities;
- Generate more income, improve value for money and increase residents' satisfaction with the Council.

3.4 A range of Key Performance Indicators have been developed to enable the Council to measure progress against the plan. Quarterly performance reports will be presented to committees to highlight progress made against actions underpinning each of the objectives.

3.5 Finally the plan makes reference to the recent resident consultation exercise to demonstrate to residents how the feedback has been used to shape the final content of the plan. Reference is also made to arrangements for future consultation and annual update of the plan.

3.6 The draft Plan was also considered by the Policy & Finance Committee at their meeting held on 21 February 2019.

4.0 Equalities Implications

4.1 When developing the Community Plan we have had regard to the Equality Objectives contained within our Equality Strategy to ensure as far as possible that our plan furthers these objectives. In particular our plan makes a clear link between how we will work with others to improve the life chances of different groups by pooling information, resources and action planning. We also make reference to how we will better understand our communities through the collection and analysis of information, and engaging with partners as appropriate. When reviewing our services we will also ensure that they are accessible and meet the needs of our citizens.

5.0 Financial Implications

5.1 Activities identified within the Plan have been considered as part of the medium term financial planning process and, where appropriate, additional funding will be sought in years 2, 3 and 4 of the plan through the normal budgetary process.

6.0 RECOMMENDATION

That the Community Plan 2019 - 2023 be approved.

Background Papers

Corporate Objectives Consultation Report.

For further information please contact Tracey Piper Business Manager – HR & Organisational Development on Ext 5219

Karen White
Director – Governance & Organisational Development

Community Plan

2019-2023 (Updated February 2019)

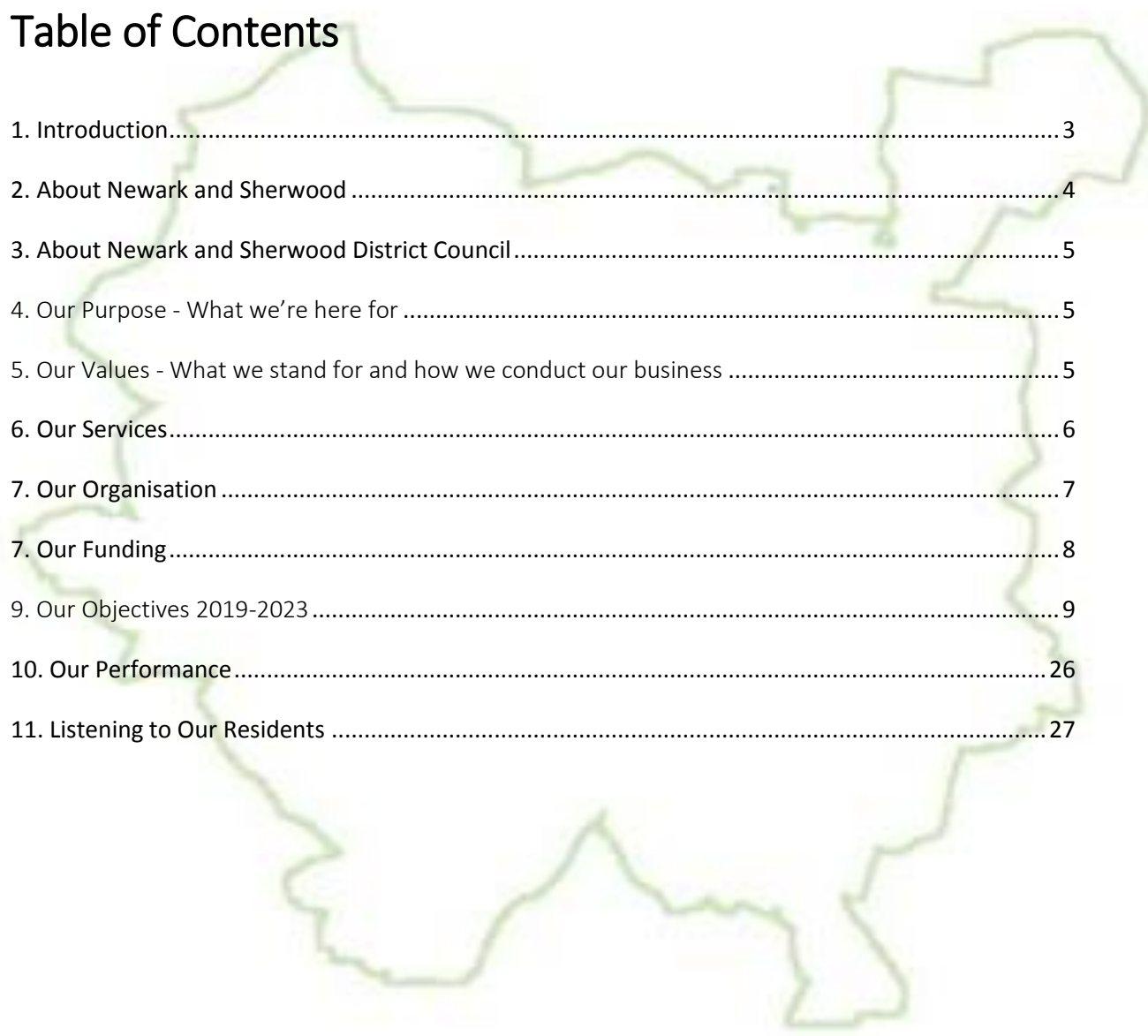
Newark and Sherwood District Council



**NEWARK &
SHERWOOD**
DISTRICT COUNCIL



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1. Introduction

Welcome to Newark and Sherwood's Community Plan covering the period 2019-2023. The plan sets out what the Council intends to achieve over the next four years to improve residents' quality of life and enable those who live, work and invest in Newark and Sherwood to prosper and fulfil their potential.



Our Community Plan is underpinned by feedback from those we serve and work alongside. Between October and December 2018, we carried out a major consultation exercise, receiving 11,224 responses from local residents in addition to feedback from parish councils, local businesses and other partners. We can be confident, therefore, that our focus is on the things that matter most to those who live and work in Newark and Sherwood.



It's also worth emphasising that our Community Plan is not something that Newark and Sherwood District Council can deliver on its own. Tackling crime, improving health and providing new homes and jobs are just some of the many examples where we rely on the excellent support from partners across the public, private and voluntary sectors. In addition, whilst our attention is on local priorities, it's also crucial that we network and influence on a much larger scale in order to generate the investment that we desperately need to provide major items of infra-structure such as the Southern Link Road and A46 northern by-pass.



Since 2010, our funding from national government has been reduced by 60%, equivalent to £6.198m as part of a wider programme to reduce the national debt. Rather than allowing this to limit our ambitions for the local community, we're becoming increasingly commercial to generate new income streams at the same time as retaining our public service ethos.

We hope that the Community Plan expresses our passion and enthusiasm to make a difference and gives you a useful insight into what we're striving to achieve and how we intend to go about that.



John Robinson
Chief Executive

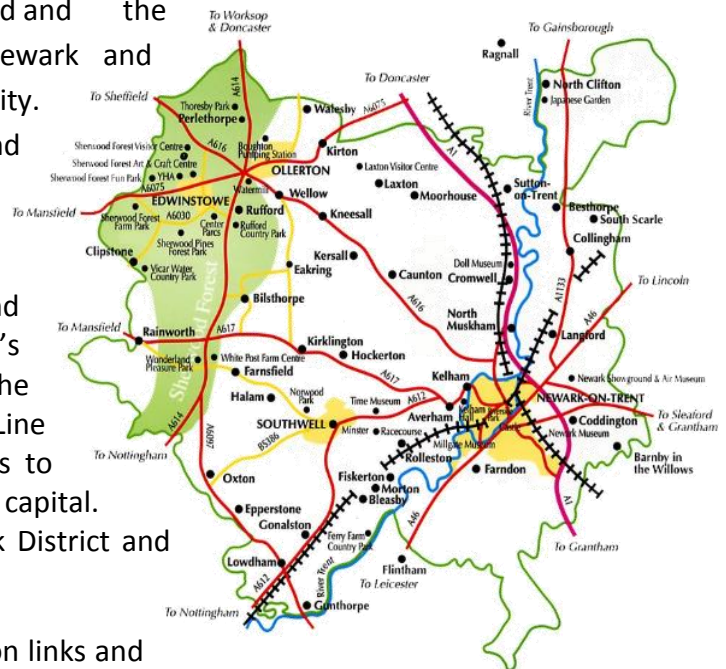


Councillor David Lloyd
Leader of the Council

2. About Newark and Sherwood

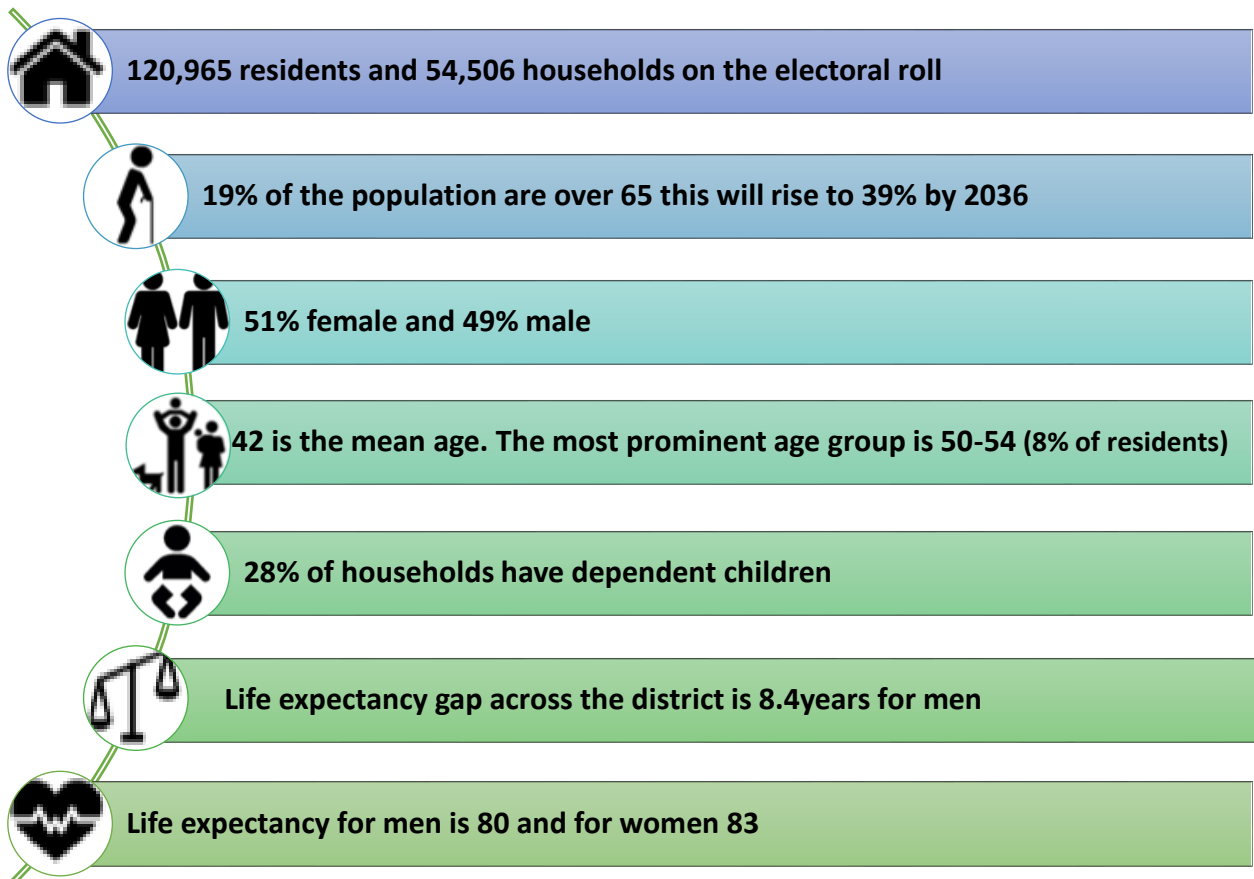
Home to the legendary Robin Hood and the ancient Sherwood Forest the district of Newark and Sherwood is rich in history and community. Vibrant market towns, former mining areas and dozens of picturesque villages all have their unique stories to tell.

The cities of Nottingham (to the West) and Lincoln (to the East) are within half an hour's travel. The A1 national highway runs through the district and there is an East Coast Main Line railway station at Newark, with regular trains to London taking just over an hour to reach the capital. The neighbouring areas of Yorkshire, the Peak District and the east coast resorts are also easily accessible.



With low cost housing, excellent communication links and an enviable range of local attractions including a castle, theatre, Sherwood Forest and the national Civil War Centre, Newark and Sherwood is a popular place to live and invest in and a perfect base for exploring more of the Heart of England.

Newark and Sherwood at a Glance



3. About Newark and Sherwood District Council

Newark and Sherwood District Council serves 120,965 people, covering over 65,134 hectares of land, which contains 84 civil parishes and 21 wards. 39 elected members represent the District and work in collaboration with 435 employees to high quality services to residents.

4. Our Purpose - What we're here for

Newark and Sherwood already has much to be proud of. A captivating history, beautiful countryside, characterful market towns, world renowned businesses and an enviable location at the crossroads of the country's transportation network. We want to do all that we can to enable local residents and businesses to flourish and fulfil their potential as well as encouraging more visitors to enjoy all that Newark and Sherwood has to offer. In order to achieve these, we will be locally focused and nationally connected – driven by what matters most to the people we serve and with a perspective and relationships stretching well beyond our boundaries.

5. Our Values - What we stand for and how we conduct our business

We want to serve our local community the best way we possibly can. As public servants we place a great emphasis on adopting a public sector ethos and seek to embody this in the way that we interact with you and with each other. As part of the community plan re-refresh we have revisited the Council's Purpose and Values to make it clear what we are here to do and how we will go about it.

'Serving People, Improving Lives'

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

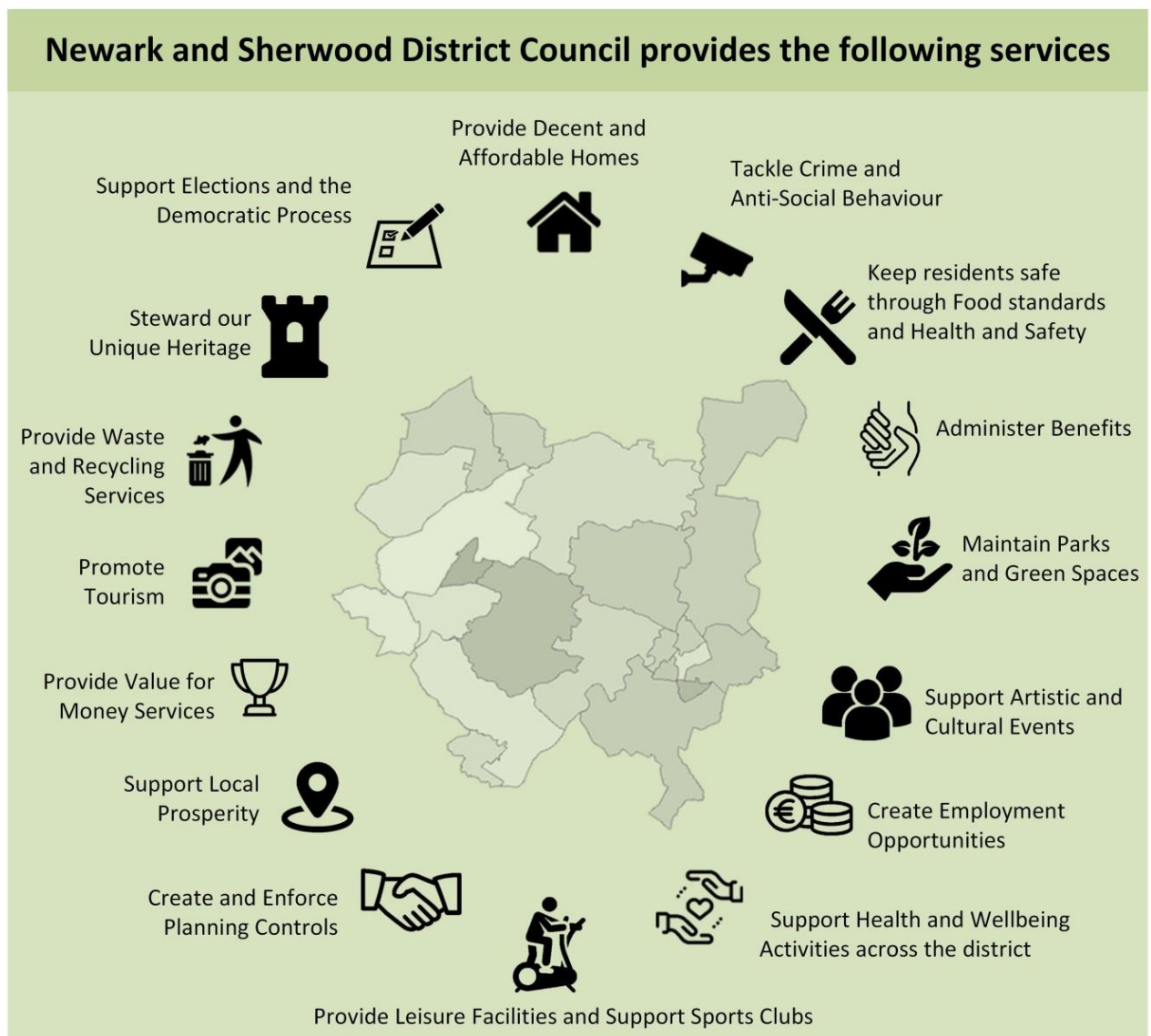
Consistently delivering on promises; providing good quality and demonstrating integrity.

Welcoming and responsive

Approachable, open to feedback and challenge and swift to act.

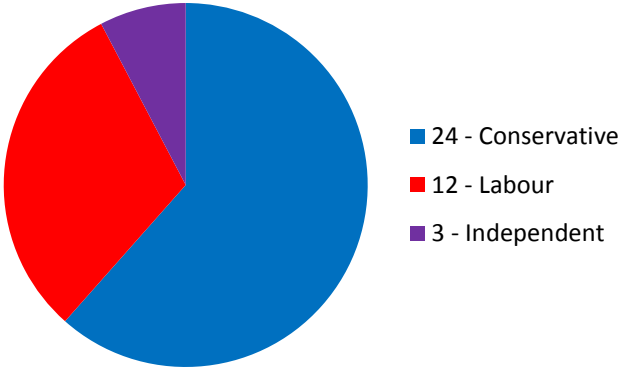
6. Our Services

Newark and Sherwood District Council provides a range of services as highlighted in the image below. Some of these services are universal, for the benefit of everyone and are highly visible. Examples include refuse collection, street cleaning and parks and playgrounds. Other services we provide are more targeted, for the benefit of specific individuals or groups of individuals. Examples include providing temporary accommodation for people who are homeless and housing adaptations for people with disabilities. It is also important to emphasise that the services we directly provide are just one aspect of our role. Very often, we work in partnership with others to commission and influence services that benefit local people and local businesses.



7. Our Organisation

Residents of Newark and Sherwood are represented by 39 elected members. At the time of preparing this plan, the political composition of the Council is as follows:



Councillors are responsible for making decisions on behalf of the local community about a wide range of local services. The work of a Councillor includes helping and supporting individuals and local organisations, campaigning on local issues, representing the interests of Newark and Sherwood at a County, Regional and National level. Councillors appoint a Leader and Deputy Leader to provide political leadership and direction for the Council as a whole. Significant decisions are taken by a number of Committees, for example, dealing with planning, housing or environmental matters. Each year, Councillors also appoint a Chairman to undertake civic responsibilities on behalf of the whole Council.

Find out more about our Councillors here:
www.democracy.newark-sherwooddc.gov.uk/mgMemberIndex

Find the Member representative for each ward here:
www.newark-sherwooddc.gov.uk/Councillors/Councillorsbyward

The Council employs 435 members of staff divided into four areas as shown below.

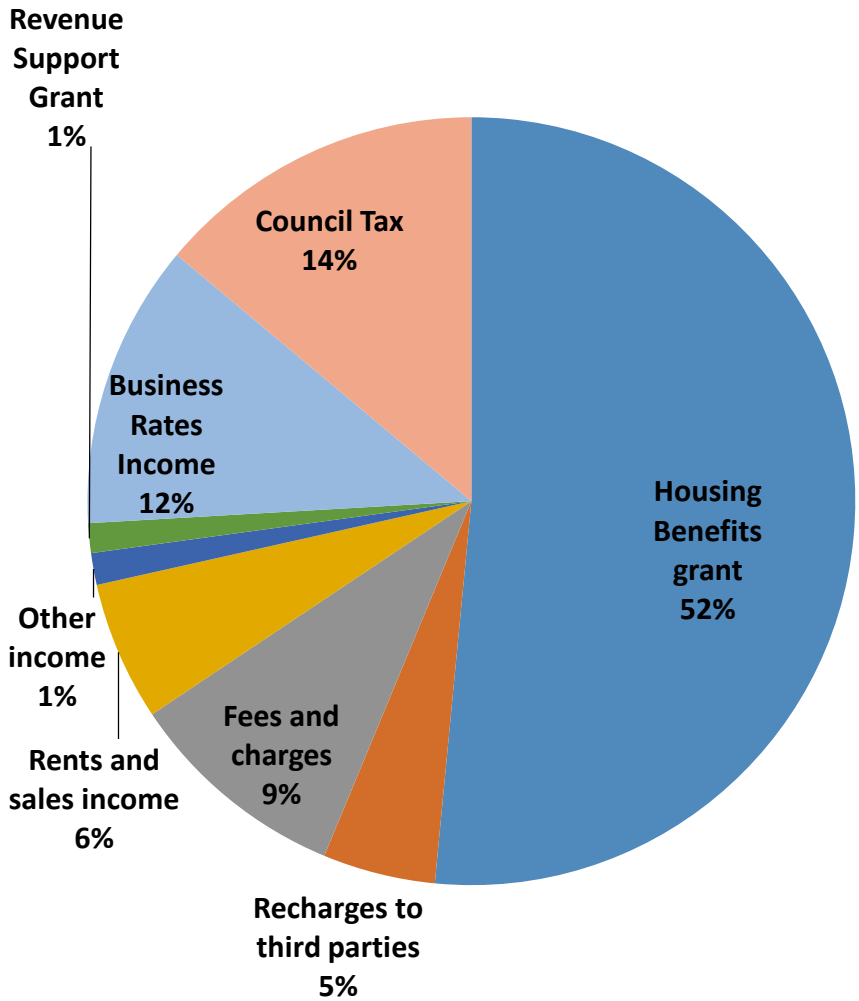


7. Our Funding

Over the past decade, the amount of funding available to Newark and Sherwood District Council has reduced significantly. Central Government funding for Newark and Sherwood District Council has reduced from £7.5 million in 2014/15 to £4.1 in 2018/19 representing a 45% reduction in core funding.

Therefore, in order to continue to deliver high quality services, the Council has re-organised its operations in order to reduce expenditure and increase its income. Further details of our plans to generate additional income can be found in the Commercial Strategy and Investment Plan. Further information on service expenditure can be found in Newark and Sherwood District Council’s annual Statement of Accounts.

The diagram below provides a breakdown of how Newark and Sherwood District Council activities were funded for 2018/19.



9. Our Objectives 2019-2023



Improve the cleanliness and appearance of the local environment



Reduce crime and anti-social behaviour, and increase feelings of safety in our communities



Improve transport infrastructure to reduce congestion and facilitate growth



Accelerate the supply of new homes including associated facilities



NEWARK &
SHERWOOD
DISTRICT COUNCIL



Increase visits to the District and the use of visitor attractions by local residents



Protect, promote and enhance the district's natural environment



Enhance and sustain Town centres



Reduce levels of deprivation in target areas and remove barriers to social mobility across the district



Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes



Increase participation with the Council and within local communities



Generate more income, improve value for money and increase residents' satisfaction with the Council



Improve the cleanliness and appearance of the local environment

What do we want to achieve?

In mid-2018 we launched our Cleaner, Safer, Greener campaign. We are keen to build on its success and create cleaner, safer and greener places for our communities to live in. This is in-keeping with the views of our residents with 51% of the respondents in the resident survey selecting “keeping the streets and public areas clean and tidy” as one of the most important services to them with 41% of respondents stating that it is an area in need of improvement. Over the period of the plan we will focus our efforts on reducing the amount of littering, fly tipping, graffiti and dog fouling in the District. We aim to do this by working with schools, businesses, and residents through a combination of support, education and enforcement activities.

We will do this by:

Reducing littering, fly-tipping, graffiti and dog fouling, through a programme of education aimed at changing behaviours to include:

- Running targeted campaigns to reduce incidences of littering, fly tipping, graffiti, and dog fouling; the recent launch of PAWS which promotes responsible dog ownership is an example of such a campaign;
- Designing/delivering a school engagement programme, targeted at areas where there are high incidences of litter and tailored according to the ages of the children e.g. focus on education for younger children and deterrence for older children;
- Increasing awareness and take up of the bulky waste collection service offered by the Council.

Increasing the number/profile of enforcement actions by:

- Maximising communications around high level enforcement actions undertaken by the Council;
- Increasing the number of Fixed Penalty Notices (FPNs) issued;
- Increasing public awareness of the consequences of fly tipping;

Supporting communities to build civic pride and facilitating activities to enable communities to improve their local areas by:

- Developing a network of volunteers;
- Facilitating community litter picks.

Working with, and influencing, organisations and businesses to promote change including:

- Considering how to reduce litter from takeaway establishments;
- Responding to the National Waste Strategy;
- Working with partners to tackle nuisance neighbourhood offences;
- Lobbying Nottinghamshire County Council regarding access to recycling centres and the reduction of fly tipping;
- Engaging with social media providers to increase awareness of the issue of littering, fly tipping, graffiti and dog fouling.

Targeting heavily littered areas including:

- Trunk roads on the A1, A46 and A617 (subject to funding);
- Litter ‘hot spots’ across the district.

Taking steps to address all forms of street clutter including:

- Defining what we mean by street clutter, conducting an audit of street clutter across the district and developing/implementing an action plan to address.

Reviewing/allocating resources to continue to deliver against the Cleaner, Safer, Green (CSG) agenda as part of normal day to day operations:

- Re-allocating resources to increase capacity around street cleansing.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
Percentage of failing sites - street and environmental cleanliness – litter and detritus.	Quarterly	Waste & Transport
Percentage of respondents to the resident survey satisfied or very satisfied with the cleanliness of their local area	Annually	HR & Organisational Development
Total number of FPNs and CPNs issued for environmental offences	Quarterly	Public Protection
Number of community activities facilitated by NSDC aimed at improving local areas	Quarterly	Waste & Transport/ Public Protection
Average no. of days taken to respond to fly tipping requests	Quarterly	Waste & Transport
Average no. of days taken to respond to graffiti requests	Quarterly	Waste & Transport



Reduce crime and anti-social behaviour, and increase feelings of safety in our communities.

What do we want to achieve?

As a Council we recognise the importance of providing our residents with a safe place to live. To achieve this we will work with partner organisations to help reduce the incidences of crime and anti-social behaviour (ASB) by gathering and using intelligence more effectively to ensure a more consistent and coherent approach when responding to unlawful behaviour. We will also seek to implement a programme of diversionary activities to help improve behaviour to reduce incidences of ASB generally. During the period of the plan we also hope to reduce the fear of crime within our communities by increasing the visible presence of uniformed officers and maximising the use of CCTV. Feedback from the 2018 Resident Survey shows that 79% of residents feel safe during the day. This falls at night with only 41% of residents feeling safe in their local area after dark. This is 35% lower than the national average highlighting this is a key area for improvement. At the end of the period of this plan we hope to have improved feelings of safety across our communities.

We will do this by:

Increasing visible presence of uniformed officers

Improving intelligence gathering regarding crime and Anti-Social Behaviour (ASB) by:

- Encouraging the reporting of ASB and low level crime;
- Increasing visibility of officers on the street to promote 'ad hoc' reporting of crime and ASB;
- Publicising outcomes of formal actions taken against individuals who are responsible for large amounts of ASB;
- Engaging with community groups to improve intelligence gathering.

Maximising the use and coverage of Close Circuit Television (CCTV) to increase feelings of safety through:

- Overlaying crime and ASB hotspots with CCTV coverage;
- Investigating the use of mobile, re-deployable and covert cameras to target hotspots – e.g. the use of waste vehicle dash-cams to capture ASB and environmental offences such as fly tipping;
- Investing in new technology to improve camera images and coverage as well as increasing accessibility to images captured to support enforcement actions by the Council, the police and other relevant agencies.

Implementing a programme of diversionary activities to support individuals and communities in order to improve behaviours by:

- Working with the community using the Ollerton Community Alcohol Partnership and considering potential to roll out across other areas within the district;
- Working with arts and community arts projects/ programmes.

Positively engaging with the Gypsy and Traveller community to address public perceptions that firmer and more consistent enforcement action is required by:

- Working with the Police to tackle the minority of people and groups who cause disruption and/or reputational damage within the Gypsy and Traveller Community;
- Working with partners and the Gypsy and Traveller community to improve access to services and levels of take-up;
- Adopting and implementing a consistent and robust approach to unauthorised Gypsy and Traveller encampments.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
Number of 'proactive joint Police activities' including joint visits, nights of action and joint actions	Quarterly	Public Protection
Percentage of residents surveyed who feel safe or very safe in their local area (by day)	Annually	HR & Organisational Development
Percentage of residents surveyed who feel safe or very safe in their local area (by night)	Annually	HR & Organisational Development
Percentage reduction in all crime - Newark and Sherwood	Quarterly	Public Protection
Percentage reduction in recorded ASB – Newark and Sherwood	Quarterly	Public Protection
Percentage of CCTV recorded incidents that are proactively generated	Quarterly	Public Protection



Improve transport infrastructure to reduce congestion and facilitate growth

What do we want to achieve?

Over the plan period we will work with partners and other agencies to ensure that the district's interests continue to be represented by lobbying for improvements to transport infrastructure to reduce congestion, ensure that our communities are better connected, and enable housing and employment growth. We will also seek to improve public transport provision within and across the district in-line with resident feedback.

We will we do this by:

- Promoting, facilitating and delivering where appropriate key infrastructure that the market is unable to deliver alone;
- Be proactive in pressing to secure funding to deliver the Newark Northern A46 Bypass as part of the national roads improvement programme through lobbying, working with partners, and technical liaison with delivery and funding partners;
- Closing the funding gap to enable delivery of the Newark Southern Link Road (SLR);
- Funding, designing and building an upgraded A1 Overbridge at Fernwood to mitigate identified highway impacts from the developments to the south of Newark;
- Assisting Nottinghamshire County Council in identifying and securing private sector match funding to improve Ollerton Roundabout alongside the Non-Strategic Roads Network (NSRN) public grant funding;
- Lobbying, influencing and securing Rail Franchise discussions with Network Rail and other operators to improve public transport provision.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
% Progress on Newark Southern Link Road	Annual	Planning Policy



Accelerate the supply of new homes including associated facilities (playing pitches, health, schools, community centres etc.)

What do we want to achieve?

The lack of housing is a national and local issue. This view is also shared by residents within our communities who consider that this is something that the Council should seek to influence. By working with developers, partner organisations and individuals we hope to unlock key development sites to facilitate the delivery of a range of mixed tenure homes across the district. We will also work directly with individuals to ensure that planning decisions are made in a timely and effective manner.

We will do this by:

Providing a responsive and proactive Planning service by:

- Completing the Development Plan Review;
- Maintaining an up to date evidence base of housing need (including employment context) to inform Planning decisions;
- Providing timely, clear and professional planning advice and decisions;
- Identifying sites for Gypsy and Traveller provision.
- Exploring ways to enable delivery of stalled sites;
- Enabling partnerships in order to develop sites.

Direct delivery of homes:

- Our Housing Revenue Account will deliver 335 homes by 2021/22;
- The Council's development company Arkwood Developments Ltd will deliver 300 homes by 2026/27 (mix and intent);
- Bringing forward land for development on Bowbridge Road;
- Progressing implementation of Yorke Drive regeneration scheme;
- Progressing Lowfield Lane new housing development;
- Delivery of new homes in Ollerton & Boughton.

Working with others to unlock key sites for next 25 years:

- Land South of Newark (3150 homes) (LDF - NAP2A)
 - Working with developers and partner agencies to allow the remainder of the Southern Link Road (SLR) to be delivered, in full or part (refer to objective 3.3);
- Land East of Newark (1000 homes) (LDF - NAP2B)
 - Utilising the sale of the Council's land ownership and access rights to unlock development with appropriate developer(s);
 - Working with multiple landowners, developers, and infrastructure providers to work collaboratively and/or ensure that land is released in a phased manner to allow housing delivery;
- Land around Fernwood (3500 homes) (LDF - NAP2C)
 - Working with landowners and developers to allow a start on site;
 - Working to ensure A1 overbridge is delivered (refer to objective 3.4);

- Ensuring that timings and sequencing of implementation of housing sites and highway works are co-ordinated in a manner so as not to prejudice housing delivery;
 - Working with developers and partners to secure and delivery at the appropriate time sufficient land for primary school provision for all of Fernwood;
 - Providing timely, responsive, and robust planning advice for each phase of the developments in order to ensure that appropriate housing delivery is escalated.
- Former Thoresby Colliery (800 homes) (LDF – ShAP4)
 - Working with NCC to ensure that Government Grant Funding is secured and utilised to deliver Ollerton Roundabout (refer to objective 3.5);
 - Working with NCC to secure necessary match funding to accompany Government Grant including the use of S106 developer contributions;
 - Providing timely, responsive, and robust planning advice for each phase of the developments in order to ensure that appropriate housing delivery is escalated.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
No. of years supply of available housing land	Annual	Planning Policy
Number of Affordable Dwellings Completed/Occupied using Planning Policy Criteria	Annual	Planning Policy/ Housing Strategy & Development
Net number of dwellings completed	Annual	Planning Policy/ Housing Strategy & Development
Number of dwellings committed or under construction	Annual	Planning Policy/ Housing Strategy & Development
Progress on Planning Policy NAP2A - Land South of Newark (as defined in the Development Plan Monitoring Report)	Annual	Planning Policy
Progress on Planning Policy NAP2B - Land East of Newark (as defined in the Development Plan Monitoring Report)	Annual	Planning Policy
Progress on Planning Policy NAP2C -Land around Fernwood (as defined in the Development Plan Monitoring Report)	Annual	Planning Policy
Progress on Planning Policy ShAP2 - Former Thoresby Colliery (as defined in the Development Plan Monitoring Report)	Annual	Planning Policy



Increase visits to Newark and Sherwood and the use of visitor attractions by local residents

What do we want to achieve?

We are proud of our heritage and want to celebrate what we have to offer by increasing awareness and use of our many attractions across the district both by residents and visitors. By providing a joined up offer and improving our brand identity we hope to increase usage and overall satisfaction.

We will do this by:

Developing and implementing a Destination Marketing Strategy and associated Place Marketing Plans.

Developing and promoting a clear tourism brand within the district and across Newark, Southwell and Sherwood Forest.

Reviewing the quality and suitability of visitor attractions to broaden the appeal to a wider range of audiences.

Encouraging local people to engage with visitor attractions across the district by:

- Exploring options to introduce a resident incentive scheme;
- Reviewing the pricing policy for attractions;
- Increasing engagement with schools.

Castle Gatehouse Project and co-ordinating the offer in the town (e.g. Project Newark/ Project Sherwood):

- Feasibility;
- Implementation;

Working with partners to develop and enhance the visitor offer at Sherwood Forest and surrounding Sherwood attractions.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
Total annual visitor numbers to the district (all visitor types)	Annual	Tourism
Total annual visitor days to the district	Annual	Tourism
Total footfall for NSDC controlled visitor attractions	Quarterly	Heritage, Culture & Visitors
Value of economic impact of the district's visitor economy	Annual	Tourism
Percentage of visitors to the district who rated their experience as 8/10 or above	Two yearly	Tourism
No. of Village Ventures attendees at community venues	Annual	Housing, Health & Community Relations
Percentage of residents surveyed satisfied or very satisfied with the cultural and arts offer in the district	Annual	HR & Organisational Development



Protect, promote and enhance the district's natural environment

What do we want to achieve?

As a Council we are keen to enhance the district's natural environment and what we have to offer including improvements to our parks and green spaces as well as seeking to make some of our more urban areas more green. In addition we want to improve what we do from a sustainability perspective to enhance and protect our environment.

We will we do this by:

Facilitating sustainable access to key heritage sites and engagement with the natural environment:

- Expansion of Walking and Cycling Routes – Sustrans etc;
- Improvements to Sherwood Forest Arts and Crafts centre which complement the offer from the new Sherwood Forest Visitor Centre.

Working with key stakeholders to protect and enhance the natural environment to:

- Update the Green Spaces Strategy;
- Implement the Minor to Major landscape partnership scheme (5 year scheme);
- Increase the number of local wildlife sites;
- Maximise the number of sites under environmental stewardship schemes.

Developing a Green/Sustainability Strategy to:

- Pilot schemes prior to developing set up of an energy company;
- Explore options for setting up a Newark and Sherwood energy company;
- Develop strategy to ensure current practice of increasing efficiency of the Council's existing and new assets through use of more sustainable construction and repairs to ensure good practice is embedded;
- Adopt a Sustainable Design Supplementary Planning Document;
- Adopt an Air Quality Supplementary Planning Document.

Developing parks to include:

- Increasing the number of green flag parks in the district;
- Implementing improvements at both Vicar Water and Sconce and Devon Park subject to funding;

Greening the District by:

- Working with and supporting Town and Parish Councils to compete for East Midlands in Bloom awards;
- Encouraging tree planting in the District by developing a 'free tree' scheme (subject to funding) and maximising opportunities for free trees from the Woodland Trust, Greenwood, etc;
- Identifying opportunities for greening urban areas.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
No. of green flag and green pennant awards in the district	Annual	Parks & Open Spaces
No. of local wildlife sites	Annual	Parks & Open Spaces
No. of sites under environmental stewardship schemes	Annual	Parks & Open Spaces
No. of formally designated local nature reserves	Annual	Parks & Open Spaces



Enhance and Sustain Town Centres

What do we want to achieve?

Over the plan period we want to bring about transformational change that increases overall usage of the town centre and strengthens its reputation and long-term viability.

We will we do this by:

Creating a new strategic vision/plan for the town that takes account of the current and future needs/preferences of residents, visitors and local businesses:

- Undertake audit to establish potential for alternative land uses in town centres measuring town centre footfall.

Regenerating key sites and others identified in the Conservation Area Management Plan, including:

- Reuse of the Corn Exchange and Buttermarket;
- Facilitating delivery of the former Robin Hood Hotel site to create a Travelodge and retail units;

Bringing back into use or finding alternative uses for vacant units (e.g. increased residential).

Improving the connectivity to and within Newark Town Centre by

- Continuing to press for appropriate development of the former county depot.

Improving the night time economy and overnight accommodation within the Town Centre.

Working with the Town Council to enhance the offer of Newark Market Place to extend public use.

Reviewing funding support for the Town Centre following changes in business rate allocation.

Bidding for the national High Streets funding.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
% of Newark Town Centre retail units which are vacant	Annual	Town Centre Development
Number of vacant premises and sites brought back into use	Annual	Town Centre Development
No. of events appearing in the Newark What's On guide	Annual	Town Centre Development



Reduce levels of deprivation in target areas and remove barriers to social mobility across the district

What do we want to achieve?

Many parts of Newark and Sherwood are prosperous yet there are pockets of severe deprivation that make it more difficult for some residents to achieve their potential. Over the plan period the Council will work closely with our most vulnerable residents, to ensure that they are given access to key services and/or are empowered to deliver relevant services within their own communities. We will adopt a targeted approach in those areas that face the highest levels of deprivation with the intent of raising aspirations and improving social mobility.

We will we do this by:

Efficient and timely delivery of statutory services that provide an immediate 'safety net' for vulnerable residents by:

- Co-ordinating resources to ensure efficient roll out of Universal Credit and mitigate identified issues as they arise;
- Continuing to support customers to maximise benefit entitlement and reduce hardship, working collaboratively with the third sector partners (Housing and Council Tax benefit);
- Developing and delivering the Council's Homelessness Prevention Strategy and Action Plan 2019-2023 through the joint Homelessness Interagency Forum;
- Developing an initiative to enhance relationships with private sector landlords to specifically reduce evictions and prevent homelessness, such as the 'Call Before you Serve' initiative;
- Ensure the Council provides fit for purpose and cost effective temporary accommodation solutions, making best use of Council assets and strategic sites;
- Develop initiatives collaboratively with County District/Borough colleagues and partners to deliver the Government's Rough Sleeper Strategy ambition, bidding for additional resource through the various funding streams announced;
- Monitoring and reviewing the Housing Allocation Scheme to ensure it's fit for purpose and meets local housing need;

- Developing and implementing a local offer for care leavers (a bespoke offer which can include accommodation, health and wellbeing, education and training, employment and skills, relationships and participation in society);

Develop insight into the barriers our residents face in the areas of highest deprivation and those dependent on public services within the district, and use this information to deliver targeted interventions through:

- Well researched and well utilised Neighbourhood Studies;
- Continuously reviewing data and statistics and using these insights to target resources through the use of Council strategies and action plans which include a newly resourced community engagement and development strategy.

Continuously review and develop our network of partnerships to allow us to work with partners (including third sector and community based) in a more focused and effective way by:

- Reviewing and developing the Council’s Volunteering Policy, to recognise the role of volunteering and appropriate use of such valuable local assets;
- Developing a programme of support and resource to improve the capability, capacity and sustainability of the voluntary and community sector.

Work with partners to tackle social mobility by creating strategic cross-sector connections to improve aspirations and youth engagement through the delivery of the Council’s Social Mobility Action plan including:

- Targeted work with key partners, such as YMCA to engage with children and young people to break the generational cycle of poor aspirations, supporting the implementation of their Developmental Asset Framework;
- Targeted actions around youth unemployment.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
No. of Indices of Multiple Deprivation LSOAs in Newark and Sherwood falling into the top 10% most deprived	Most recent (approx. four yearly)	Housing, Health & Community Relations
No. children in low income families aged under 16	Annual	Housing, Health & Community Relations
No. of jobs created involving direct intervention from NSDC	Quarterly	Planning Policy
No. of people returning to work or training through the Ollerton Outreach Service	Quarterly	Planning Policy
No. of talks to schools on employment opportunities	Quarterly	Planning Policy
% of work experience placements offered by Newark and Sherwood District Council in response to requests received.	6 monthly	HR and Organisational Development
No. of wards with unemployment rate exceeding 2%	Quarterly	Planning Policy
No. of community groups supported by CVS and NSDC	Quarterly	Housing, Health & Community Relations
Number of vulnerable people supported through the council’s discretionary grants programme to third sector organisations	Annual	Housing, Health & Community Relations



Improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes

What do we want to achieve?

Through our work with partners we are aware that there are a range of health inequalities across the district. Over the period of the plan we will work with partners to ensure that interventions are targeted to secure improved health outcomes for residents within our district. At the same time we will focus on increasing the number of residents who are classified as physically active by working directly with residents and community groups. By the end of the plan period we aim to ensure that all of our residents live in warm, decent and affordable homes.

We will do this by:

In our role as a 'leader of place' Newark and Sherwood District Council will exert influence through lobbying and partnership working to improve health outcomes for its residents by (Year 1):

- Developing a Newark and Sherwood Health and Wellbeing Partnership to identify priorities and jointly deliver targeted initiatives through an agreed action plan;
- Actively engaging and promoting the District's role and priorities in the transformation of health and social care within Nottinghamshire via the emerging Integrated Care System and Commissioning Groups (such as the Mid Notts Alliance programme and Public Health Strategic Advisory Group) to influence the targeting of resources to deliver improved health outcomes in the district;
- Challenging Sherwood Forest Health Trust (SFHT), Clinical Commissioning Group (CCG) and GP Leads regarding the provision and timely access to acute/primary care;
- Exploring opportunities around the health and social benefits linked to social prescribing.

Setting strategic direction for ourselves and our wholly owned companies to ensure health improvements are an important element of service delivery by giving focused direction and development in client / contract management of Active for Today and Newark and Sherwood Homes.

Providing a new modular swimming pool at the Dukeries Leisure Centre

Supporting the provision of an extension to Southwell Leisure Centre, subject to a satisfactory business case

Developing strategies and plans to make best use of community/open spaces/recreational and leisure facilities as set out in the Council's Playing Pitch Strategy, Facilities Plan and Physical Activity and Sport Plan to improve health and wider social outcomes.

Recognising that housing is a determinant of health and wellbeing Newark and Sherwood District Council will seek to improve health outcomes and quality of life through its housing services and home improvement initiatives by (Year 1):

- Administering and targeting the Council's Better Care Fund allocation to ensure appropriate use of funding through a range of targeted initiatives to achieve improved health outcomes and enable independent living for longer. This includes Disabled Facilities Grants, Handy Persons Adaptations Scheme, Warm Homes on Prescription and Lifetime Homes;
- Ensuring that homes in the district meet housing standards, e.g. Houses in Multiple Occupation, Selective Licencing;

- Contributing to the development and delivery of the county-wide ‘Housing and Health Delivery Plan’ and the Housing and Environment work-stream in the Integrated Care System (ICS). Supporting delivery of the Older Persons’ Housing with Care Strategy for Nottinghamshire: 2018 – 2025

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
No. of user visits to leisure centres	Quarterly	Housing, Health & Community Relations
Proportion (%) of households fuel poor in the district	Annual	Housing, Health & Community Relations
% of children (aged 10-11) who are obese in identified priority areas	Annual (Q2)	Housing, Health & Community Relations
% of adults (aged 18+) classified as of excess weight in identified priority areas	Annual (Q2)	Housing, Health & Community Relations
% of physically inactive adults in identified priority areas	Annual (Q2)	Housing, Health & Community Relations



Increase participation with the Council and within local communities

What do we want to achieve?

We want the district to be a place where people are proud to live and feel that they belong. We are keen to engage with residents/community groups in as many ways as possible to ensure that they have a voice in the way that we deliver our services and build communities in which people prosper and support one another.

We will we do this by:

Promoting good citizenship/engagement in civic life by:

- Webcasting appropriate Council and Committee meetings;
- Providing continued support to the Parish Conference;
- Exploring the feasibility of establishing a Youth Council;
- Communicating decisions via social media.

Consulting and engaging with residents and key stakeholders by:

- Establishing a resident panel to obtain regular feedback;
- Conducting consultations using a range of media;
- Communicating with residents using a range of media;
- Introducing webchat for customer services;
- Sharing good contacts within the Council to enable wide ranging engagement.

Engaging resident’s to support the delivery of Council /community initiatives by:

- Setting up and administering a community initiative fund;

- Establishment of a Community Lottery Fund.

Lead/facilitate the development of an improved public service in Sherwood to involve as many public sector partners as possible.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
Number of external hits on the committee section of the Council website	Quarterly	ICT
No. of groups supported through the open grants scheme and Active4Today sports grants	Quarterly	Housing, Health & Community Relations
Number of residents and key stakeholders engaging in consultation with the council	Annual	HR & Organisational Development Customer Services & Communications
No. of online customer contacts & transactions	Quarterly	ICT
No. of face to face and telephone enquiries	Quarterly	ICT Customer Services & Communications
% of website availability	Quarterly	ICT
No. of new volunteers supported by NSDC in line with the council's volunteering policy	Annual	Housing, Health & Community Relations
No. of new volunteers supported by CVS initiatives	Annual	Housing, Health & Community Relations

Generate more income, improve value for money and increase residents' satisfaction with the Council

What do we want to achieve?

As a Council it is really important to us that residents are satisfied with the services that we provide. During the period of the plan we will continue to maintain, and where possible, improve service delivery standards by working with partners and/or re-allocating resources to deliver improved performance in line with resident feedback. We will engage with members of our community to implement improved self-service arrangements through digital access so that we can focus on supporting the most vulnerable in our community. At the same time we will adopt a more commercial approach, developing innovative ways to use our resources to ensure that we continue to deliver value for money.

We will do this by:

Maximising use of technology by:

- Continuing to support digitalisation for Councillors;
- Continuing to support and develop digitalisation for residents interactions with the Council;
- Improving technology internally.

Undertaking a review and implementation of preferred option into the most cost effective and appropriate way to deliver management of the Council's housing stock.

Communicating with residents to celebrate the Council's successes by:

- Carrying out a review of the Communications Strategy to develop a more pro-active approach to celebrate success;
- Carrying out an annual resident survey and a full repeat Resident Survey via Survey Monkey with paper copies available if requested and a full paper/on-line survey every four years;
- Communicate how the district Council has spent allocation of Council Tax to deliver its priorities;
- Producing an annual update on how the Council is performing against its objectives.

Using the data that we already collect to better understand our customers and shape service delivery by:

- Analysing the demand from our customer enquiries/ service requests;
- Using feedback from consultations (as outlined above).

Flexible allocation of resources to meet Council objectives by:

- Undertaking regular reviews to ensure that resources are appropriately allocated to the Council's priorities and objectives, taking steps in year to realign where necessary.

Performance Measures and Targets

These are the key things that we will measure our performance against:

Performance Measure	Frequency	Manager Responsible
Anticipated achievement against financial savings target	Annual	Commercialisation & Major Projects
Actual achievement against income target	Annual	Commercialisation & Major Projects
Percentage of residents surveyed satisfied or very satisfied with the Council.	Annual	HR & Organisational Development
Percentage of targeted KPIs met for all Council objectives	Annual	HR & Organisational Development

10. Our Performance

Newark and Sherwood District Council's Performance Management Framework

What is performance?

Performance management is the activity and set of processes that aim to maintain, improve and measure performance to ensure an organisation is delivering its objectives. It is strategic as well as operational, as its aim is to ensure that employees contribute positively to and understand an organisation's overarching corporate objectives.

At Newark and Sherwood District Council we measure performance at a variety of levels including corporate, service, and individual. Metrics are agreed for each level and incorporated into our performance management system. Regular reports demonstrating how we are performing against **Our Plan** will be presented at Committee and published on our internet page.

The following diagram represents how the three levels of performance management interlink.



11. Listening to Our Residents

Consultation on the Corporate Objectives

Newark and Sherwood consulted with residents and stakeholders on the objectives included within this plan. This consultation took place between October and December 2018 and consisted of 3 strands:

1. 11,224 residents completed a survey equating to an 11.3% response rate.
2. 27 parish/ town council's completed a questionnaire equating to a 36% response rate.
3. 14 stakeholders provided feedback representing several key partnerships.

The results of the corporate objectives consultation were shared with the Senior Leadership Team and Business Managers and used to refine/reshape the draft objectives. Key activities under each objective were prioritized to reflect feedback from residents on those areas that were most in need of improvement. The following list demonstrates how the key points raised in the consultation are reflected in the objectives:

The Ask: Maintain an effective waste service, focus on improving recycling and keep local areas clean

- ✓ Reflected in objective "improve the cleanliness and appearance of the local environment"

The Ask: Tackle cleanliness issues such as dog fouling and fly tipping.

- ✓ Reflected in objective "improve the cleanliness and appearance of the local environment"

The Ask: Maintain and improve parks and green spaces.

- ✓ Reflected in objective "protect, promote and enhance the district's natural environment"

The Ask: Maintain and improve leisure and sports facilities.

- ✓ Reflected in objective "improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes"

The Ask: Improve the experience residents have with the cultural and arts offer within the district.

- ✓ Reflected in objective "increase visits to Newark and Sherwood and the use of visitor attractions by local residents"

The Ask: NSDC to improve their responsiveness by listening and responding more to the needs of residents, and communicating how they are listening and responding to residents.

- ✓ Reflected in objective "increase participation with the Council and within local communities"

The Ask: Improve resident feelings of safety and togetherness by tackling ASB and crime.

- ✓ Reflected in objective “reduce crime, anti-social and behaviour, and increase feelings of safety in our communities”

The Ask: Improve traffic infrastructure, reduce congestion and improve the condition of the roads and pavements.

- ✓ Reflected in objective “improve transport infrastructure to reduce congestion and facilitate growth”

The Ask: Improve the health services in the district

- ✓ Reflected in objective “improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes”

The Ask: Improve care and support for vulnerable groups

- ✓ Reflected in objective “reduce levels of deprivation in target areas and remove barriers to social mobility across the district” and “improve the health and wellbeing of local residents, with a particular focus on narrowing the gap in healthy life expectancy and other health outcomes”

What we have done so far...

As the 11,224 responses were recorded we listened to the feedback coming in and responded to some of themes identified by prioritising key activities. The survey showed us how important it is to our residents to feel safe in their local area, and as such we worked with the Police to get a new Town Centre Police officer dedicated to crime prevention in Newark town centre. We also purchased the Buttermarket in order to bring this unique building back into full use and secured the development of Robin Hood to revitalise Newark Town Centre with the aim of improving the feel of the town and reducing anti-social behaviour.

The consultation also highlighted the importance of tackling anti-social behaviour and the blights of fly tipping, littering and dog fouling. This bolstered the importance of Newark and Sherwood’s decision to employ two new community protection officers. These officers will have the power to issue fixed penalty notices (FPNs) on those who flout the law and will be working with the community to encourage a responsible approach to looking after the environment. Two further officers will be recruited in 2019 to help reduce anti-social behaviour, littering, dog fouling and fly tipping.

Newark and Sherwood also undertook a successful day of action in Blidworth in November. The day included; a successful community litter pick, intensive street sweeping, pothole filling, street light repairs, foliage trimming, graffiti removal, the installation of replacement and additional litter bins, educational activities on responsible dog ownership and planting of bulbs. The success of the day, and the engagement of the community, reflects the importance of cleanliness in our local areas, tackling anti-social behaviour and respecting our green spaces. The Council will be undertaking another day of action in Hawtonville in

March tackling a range of environmental, safety and welfare issues, building on the sense of pride in the community and the desire to maintain clean and safe neighbourhoods.

Residents also expressed their wish for improved care and support for vulnerable groups. Newark and Sherwood district Council responded to this by putting in a bid for further funding to support rough sleepers, securing £106 thousand pounds for disabled facilities grants across the district and securing funding for the provision of an extra care facility in Ollerton. We also worked with several key partners to secure funding for improvements at Ollerton roundabout to begin addressing the congestion and infrastructure concerns of residents.

Future Consultation

The community plan will be refreshed annually to look back at the work done over the last year in order to review Council performance and mark progress against the key activities outlined in the plan. This refresh will be added as an appendix to the existing plan and will highlight how we have performed over the last year and highlight how we are progressing against the promises made in this plan.

Consultation with residents will be embedded into the strategic planning process and full consultation with residents will occur every 4 years to allow us to monitor progress against objectives, and continue to give residents the opportunity to be heard. Light-touch consultation will occur annually in association with the refresh of the community plan to ensure that we are delivering on our objectives.

COUNCIL MEETING - 7 MARCH 2019

ADOPTION OF THE NEWARK & SHERWOOD AMENDED CORE STRATEGY DEVELOPMENT PLAN DOCUMENT

1.0 Purpose of Report

- 1.1 To present to Council the findings of the Inspectors Report into the Newark and Sherwood Amended Core Strategy Development Plan Document Examination, to seek approval from the Council to formally adopt this document as a Development Plan Document (DPD)/Local Plan within the Newark & Sherwood Local Development Framework (LDF) and to seek approval to adopt changes to the Newark & Sherwood Adopted Policies Map.

2.0 Background Information

- 2.1 On 7 July 2017 the District Council approved the publication of the Newark & Sherwood Amended Core Strategy DPD for a period of six and a half weeks (17 July until 1 September 2017) to seek representations on the document. Following consideration of the representations received and consideration of a schedule of modifications, on 26 September 2017 the District Council agreed to submit the Newark & Sherwood Amended Core Strategy DPD to the Secretary of State for Housing, Communities & Local Government for Independent Examination. The "Submission" DPD (made up of the Publication DPD as amended by an agreed Schedule of Modifications) and accompanying documentation were submitted to the Secretary of State on 28 September 2017. An Independent Inspector Mr Paul Griffiths BSC (Hons) BArch IHBC was appointed by the Secretary of State to carry out the Examination.
- 2.2 The Inspector held the Hearing Sessions on 1 and 2 February 2018. The purpose of the Hearing Sessions was to allow all those who had made representations on the DPD to present to the Inspector their case regarding the soundness or otherwise of the DPD. During the course of the hearing the Inspector identified a number of elements of the plan which needed to be clarified through amendments to its text.
- 2.3 Furthermore the Inspector following discussion on the Gypsy & Traveller Accommodation Assessment (GTAA) at the hearing session asked the Council to provide further representations on the points raised by an objector who appeared at the Examination hearings. This led to a protracted exchange of correspondence and the Inspector concluding that a new GTAA would be required and its results translated into policies within the upcoming Amended Allocations & Development Management DPD.
- 2.4 The amendments identified at the hearing and subsequently by the Inspector in relation to the GTAA were, along with the Schedule of Modifications where the subject of public consultation between 8 August and 21 September 2018.

3.0 Inspector's Report on the DPD

- 3.1 The Inspector has completed his examination of the DPD and has presented his conclusions in an Inspector's Report. This was received by the Council on 25 February 2019, and copies have been placed on the Members extranet, Castle House, Libraries in Newark & Sherwood District, and on the Council's website. Those who requested notification of receipt have had confirmation through email or post, as have all Members.

3.2 The Inspector's Report contains the recommendation that the submitted DPD is sound, subject to a number of modifications and should be adopted and the reasons why he has come to this view. In coming to conclusions on the soundness of the DPD the Inspector has had regard to the representations made in the six weeks following publication, along with subsequent written submissions, oral contributions made during the Hearings and other representations made on the Council's Main Modifications.

3.3 The report identifies four main issues upon which the soundness of the plan rests. **Issue 1** related to the quantum and distribution of housing and employment. Here the Inspector concluded that the plan should be clearer that the objectively assessed need of housing and the employment land target are not limits but minimum requirements. Main Modifications are proposed to make this clear. The Inspector considers in his report the various issues raised regarding development in rural areas. He concludes that;

"If the settlement hierarchy is loosened further down that order, and opportunities are presented for development adjacent to rural villages, as some propose, then notwithstanding the encouragement offered to rural development in paragraph 55 of the NPPF, this is likely to lead to an imbalance in the settlement hierarchy, making strategic sites more difficult to deliver."

3.4 **Issue 2** discussed in detail the Inspector's concerns regarding the Gypsy & Traveller policies as outlined in 2.3 above. The Inspector concludes that with a commitment to undertake a new accommodation assessment and a number of other modifications that the Amended Core Strategy provided a positively prepared, justified and effective strategy for this particular issue.

3.5 **Issue 3** related to concerns the Inspector had regarding the wording of the heritage policy, which have been resolved with a modification. **Issue 4** dealt with a number of general issues regarding the effectiveness of policies and main modifications have been proposed to address the issues identified. In Issues 3 and 4 the Inspector is proposing amendments to the main modifications (MM/0017 and MM/0018) following consideration of the comments received at consultation stage. However the Inspector concludes that;

"Given that it entails no significant alteration to the content of the modification, as published for consultation, and does not undermine the participatory process, or the SA, I am able to make that amendment, and have done so."

4.0 Adopting the Amended Core Strategy DPD

4.1 The Inspector's Report concludes that the DPD is sound, subject to the Main Modifications proposed by the Inspector (these Main Modifications are set out in Appendix A). Therefore it is proposed that the Council adopt the Amended Core Strategy Development Plan Document (Local Plan) as part of the Newark and Sherwood Local Development Framework which is part of the Council's Policy Framework. It should be noted that whilst the Inspector's Report is not binding on the Council; at Full Council on 26 September 2017 the District Council agreed that it would accept the Inspector's Report as binding therefore if the Council decides to adopt the DPD it must accept the Main Modifications which the Inspector has proposed to make the document Sound.

- 4.2 The Inspector is not required to make recommendations on proposed modifications relating to grammar, spelling, and minor clarifications. Such Minor Modifications and Clarifications were proposed by the Council and also subject to consultation following the close of the Examination Hearing Sessions. The Council received no objections to these Minor Modifications and Clarifications and it is proposed that alongside the Main Modifications these are also adopted. Appendix B contains these modifications along with a smaller number of further minor modifications have been identified post consultation; it is proposed that they are also incorporated into the document.
- 4.3 In adopting the Amended Core Strategy DPD the Core Strategy DPD Adopted in March 2012 will have been replaced and all of these policies contained within it will be cancelled.
- 4.4 As soon as practicable after Adoption, the District Council must make available for inspection at Castle House, the Council's website and Libraries within the District the following;
- The Amended Core Strategy DPD
 - An Adoption Statement
 - Details of the location and time when the DPD is available for inspection
 - The Sustainability Appraisal Report (contained within the Integrated Impact Assessment)
 - Sustainability Adoption Statement

A notice will be published in the local press giving notice of the adoption statement and the places and times that the DPD can be inspected.

- 4.5 Any person may challenge an Adopted Development Plan Document if they do not think that it meets the conditions of the relevant legislation i.e. that it has not been made under the appropriate power or that a procedural requirement has not been met. Applications must be made to the High Court within six weeks of the date of the Development Plan Document being adopted by the District Council.

5.0 Changes to the Policies Map

- 5.1 The Adoption of the Amended Core Strategy DPD will mean that the Adopted Policies Map will need to be updated to reflect the allocation of Thoresby Colliery as a Strategic Site. Therefore attached at Appendix C are the proposed changes to the Policies Map for approval by Council. The amended maps will be placed in Libraries and the Council's online proposals map will be updated to reflect these changes.

6.0 RECOMMENDATIONS that:

- (a) the report be noted;
- (b) Council adopt the Amended Core Strategy Development Plan Document, as amended by the modifications set out in Appendix A and B to the report, as a Local Plan and part of the Newark & Sherwood Local Development Framework; and
- (c) the amendments (as set out in Appendix C to the report) to the Newark & Sherwood Local Development Framework Adopted Policies Map be approved.

Background Papers

Inspectors Report – Report on the Examination into the Newark & Sherwood Amended Core Strategy DPD prepared by Mr Paul Griffiths an Inspector appointed by the Secretary of State for Housing, Communities and Local Government.

Newark & Sherwood “Submission” Amended Core Strategy DPD.

For further information please contact Matthew Norton on extension 5852.

Matt Lamb
Director – Growth & Regeneration

Main Modifications

The modifications below are expressed either in the conventional form of ~~strike through~~ for deletions and underlining for additions of text.

The page numbers and paragraph numbering below refer to the submission local plan, and do not take account of the deletion or addition of text.

		Policy/ Paragraph	Main Modification
MM/0001	22	4.17/ first sentence	In seeking to meet the District's Objectively Assessed Housing Need (OAN), the District Council must plan for <u>a minimum of 9,080 dwellings</u> over the Plan period.
MM/0002	24	Spatial Policy 2/ second para/ First sentence	The housing requirements for Newark & Sherwood District between 2013 and 2033 are <u>a minimum of 9080</u> dwellings.
	25	Spatial Policy 2/ third para/ first sentence	The employment land requirement for Newark & Sherwood District between 2013 and 2033 <u>is a minimum of 83.1 hectares</u>
MM/0003	26	Spatial Policy 3/ second para/ first bullet point	<ul style="list-style-type: none"> • <i>Location</i> - new development should be within the main built up areas of <u>in</u> villages, which have sustainable access to Newark Urban Area, Service Centres or Principal Villages and have a range of local services themselves which address day to day needs. Local services include but are not limited to Post Office/shops, schools, public houses and village halls; • <i>Need</i> - Employment and tourism which are sustainable and meet the requirements of the relevant Core Policies. New or replacement facilities to support the local community. Development which supports local agriculture and farm diversification. New housing where it helps to support community facilities and local services. <u>Neighbourhood Plans may set detailed policies reflecting local housing need, elsewhere housing schemes of 3 dwellings or more should meet the mix and type requirements of Core Policy 3 and reflects local need in terms of both tenure and house types;</u>
		Spatial Policy 3/ second para/ third bullet point	
	27	Spatial Policy 3/ third para	<p>Within the main built up area of villages consideration will also be given to schemes which secure environmental enhancements by the re-use or redevelopment of former farmyards/farm buildings or the removal of businesses where the operation gives rise to amenity issues. The scale of such enabling development should be appropriate to the location of the proposal.</p>

		Policy/ Paragraph	Main Modification
		Spatial Policy 3/ fourth para	<p>Within the main built up area of settlements which do not meet the locational criterion of this policy but are well related to villages that do, consideration will be given to the infilling of small gaps with 1 or 2 dwellings so long as this does not result in the joining of outlying areas into the main built up areas of the village in question, or the coalescence with another village. Such development will need to comply with the scale, need, impact and character criteria of this policy.</p>
		Spatial Policy 3/ fifth para	<p>Development away from the main built up areas of <u>not in villages or settlements</u>, in the open countryside, will be strictly controlled and restricted to uses which require a rural setting. Policies to deal with such applications are set out in the Allocations & Development Management DPD. Consideration will also be given to the re-use of rural buildings of architectural merit.</p>
		Spatial Policy 3/ new sixth para	<p><u>Where Neighbourhood Plans define village envelopes, development will only be supported beyond them if they meet the requirements of relevant policies within the Core Strategy or Allocations & Development Management DPD.</u></p>
MM/0004	27	4.25	<p><u>In implementing Spatial Policy 3 its locational criteria supports the development of sites in sustainable accessible villages refers to the main built up area of a village. For the purposes of implementation and In decision making terms this means locations within the existing built extent of the village, which includes dwellings and their gardens, commercial premises, farm yards and community facilities. It would not normally include undeveloped land, fields, paddocks or open space which form the edge of built form. would normally refer to the buildings and land which form the core of the village where most housing and community facilities are focused. Often villages have outlying development which, whilst part of the village, does not form part of the 'main built up area'; proposed new development which results in the joining of such areas to the main built up area should be resisted. It is not proposed to identify define the extent of villages covered in Spatial Policy 3 by way of village envelopes the main built up areas of villages in our Core Strategy or Allocations & Development Management DPD. However, the District Council will work with local communities to identify the characteristics of their village which they feel should be protected. Such work will be contained within Neighbourhood Plans and Village Design Statements (VDS). This work could include the identification of the main built up areas of the village envelopes and where this is the case Spatial Policy 3</u></p>

		Policy/ Paragraph	Main Modification
			supports this approach. Neighbourhood Plans when 'made' become part of the development plan and providing the requirements for Supplementary Planning Documents are followed, a VDS could be adopted as a Supplementary Planning Document by the District Council and be a material consideration in the determining of Planning Applications.
MM/0005	27	4.26	The Council considers that in locations with local facilities and services, additional development can support their continued existence. Limited Development within the setting of this policy requires applicants to demonstrate the services it will support. and the housing need within the area. As with all planning policy, Spatial Policy 3 is intended to serve the public interest rather than that of individuals and consequently the requirement to reflect local need in relation to new dwellings to which it refers must be that of the community rather than the applicant. It is accepted that the two may align where, for example, a lack of a particular type of housing in a community also reflects the needs of an applicant. The Policy is not intended to cater for individuals desire to live in particular locations or in particular types of accommodation, beyond those exceptions identified in national and local planning policy. The Council has conducted a detailed assessment of the types of housing needed within different parts of the district and applicants should refer to this for guidance. Neighbourhood Plans may also set out more detailed policies on local housing requirements. The policy makes provision for detailed policies in Neighbourhood Plans to set policies on local housing need (including mix and type) elsewhere for larger schemes (i.e. for those of 3 or more dwellings) the Council expects new development to satisfy the mix and type requirements of Core Policy 3. It is recognised that for schemes of one or two dwellings it will not be possible to require a particular type or mix of dwellings.
MM/0006	31	Spatial Policy 4B/ last para	Other appropriate development in the Green Belt not identified in this policy will be judged according to national Green Belt policy.
MM/0007	37	Spatial Policy 7/ third para/ first sentence	The District Council will safeguard locations of highway or public transport schemes identified within the Nottinghamshire Local Transport Plan <u>and its implementation plan.</u>
MM/0008	40	Spatial Policy 9/ bullet point 8	Not lead to the loss of locally important open space <u>and views</u> or, in the case of housing and employment, other locally important community facilities (unless adequately replaced);

		Policy/ Paragraph	Main Modification
		Spatial Policy 9/ new bullet point 10	<u>The allocation of sites for development will not lead to the sterilisation of known mineral resources as defined within the Minerals Local Plan.</u>
MM/0009	45	Core Policy 2/ first para/ second sentence	Such sites should be in or adjacent to, the main built-up area of villages and meet the requirements set out in Spatial Policy 3 Rural Areas relating to Scale, Need, Impact and Character of Development.
MM/0010	46	Core Policy 3/ third para/insert new first bullet point Core Policy 3/ insert new para after third para	<ul style="list-style-type: none"> • <u>Family housing of 3 bedrooms or more</u> <p><u>Particular emphasis will be placed on securing smaller houses of 2 bedrooms or less and those for housing for elderly and disabled population.</u></p>
MM/0011	46	5.15	Newark and Sherwood has a long tradition of Gypsies and Travellers living in certain locations in the District, mainly in Newark, Ollerton and rural locations across the District. Through the Gypsy and Traveller Accommodation Assessment (June 2016) (GTAA) a need for 40 pitches has been identified between 2013 – 2028. As a result of permissions having been granted since 2013, 28 additional pitches need to be provided over the rest of the plan period.
MM/0012	47	5.16	Since 2007 over 100 additional pitches have been delivered in Newark, Ollerton and in rural locations across the District, which is by far the highest in the East Midlands. Whilst this number of pitches has more than met the supply for the previous plan period, it is now the responsibility of the Council to ensure that supply up until 2033 2028 is met. <u>The specific level of need will be identified by the production of a new Gypsy & Traveller Needs Assessment which will be produced during 2018/19 and will inform the securing of future pitches. The Local Development Scheme will be updated to reflect the timescales required for this work.</u> The approach is to secure such pitches through every avenue open to the Council. Core Policy 4 sets out the various ways that future need will be secured, <u>including through allocations as part of the Allocations & Development Management DPD.</u> It is proposed that given the balance of recent permissions - 100% in rural locations in the Southwell and Sherwood Areas - that the Council will secure additional provision in and around Newark Urban area where most Gypsies and Travellers live in the District. This is not to say that other locations are not appropriate provided they meet the policy requirements set out in Core Policy 5.

		Policy/ Paragraph	Main Modification								
MM/0013	47	Core Policy 4/ third para	<p>Future pitch provision will be determined following the production of a new GTAA. This will be undertaken during 2018/19, the level of need identified will be addressed as part of the production of the Allocations & Development Management DPD using the methods set out in the list above.</p> <p>The Council will secure 40 pitches to meet identified need over the period of the current GTAA as follows:-</p> <table border="1"> <thead> <tr> <th>Time Period</th> <th>Pitch Requirement</th> </tr> </thead> <tbody> <tr> <td>2013—2018</td> <td>14 pitches—12 granted permission therefore a Residual Requirement of 2</td> </tr> <tr> <td>2018—2023</td> <td>15 pitches</td> </tr> <tr> <td>2023—2028</td> <td>11 pitches</td> </tr> </tbody> </table>	Time Period	Pitch Requirement	2013—2018	14 pitches—12 granted permission therefore a Residual Requirement of 2	2018—2023	15 pitches	2023—2028	11 pitches
Time Period	Pitch Requirement										
2013—2018	14 pitches—12 granted permission therefore a Residual Requirement of 2										
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2023—2028	11 pitches										
MM/0014	48 49	Core Policy 5/ first bullet point Core Policy 5/ fourth bullet point	<p>1. The site would not lead to the <u>unacceptable</u> loss, or <u>significant</u> adverse impact on landscape character and value, important heritage assets and their settings, nature conservation or biodiversity sites;</p> <p>4. The site would offer a suitable level of residential amenity to any proposed occupiers, including consideration of public health, and <u>not</u> have an <u>no</u> unacceptable adverse impact on the amenity of nearby residents particularly in rural and semi-rural settings where development is restricted overall;</p>								
MM/0015	59	Core Policy 8/ seventh bullet point	<ul style="list-style-type: none"> Deliver new convenience retail <u>development at Land South of Newark</u>, to the south of the Newark Urban Area which is of a scale sufficient to meet the needs generated by population growth. Support will therefore be provided for provision within the main-built up area, in a sequentially appropriate location and subject to application of the Impact Test at either: <u>Support will therefore be provided for a foodstore or superstore with a total (net) floorspace of up to 2,230 sqm. This equates to an additional 430 sqm (net) to the maximum 1,800 sqm (net) floorspace allowed in any one unit through the planning consent 14/01978/OUTM. Proposals for a foodstore or superstore which exceeds 2,230 sqm (net) and/or where its delivery is proposed prior to 2026 will require justification through the undertaking of an impact test. Notwithstanding this</u> 								

		Policy/ Paragraph	Main Modification
		<p>Core Policy 8/ eighth bullet point</p> <p>Core Policy 8/ ninth bullet point</p>	<p><u>any applications prior to 2026 to bring forward the retail floorspace consented through 14/01978/OUTM will not be required to be supported by updated Retail Impact Assessment.</u></p> <ul style="list-style-type: none"> Land South of Newark (NAP2A) Land around Fernwood (NAP2C); or <p>Beyond this, additional comparison retail development and other main town centre uses of an appropriate scale to meet local need will also be supported <u>within the Local Centres in the above locations;</u></p> <ul style="list-style-type: none"> Provide new retail development and other main town centre uses of an appropriate scale to meet local need in the following locations: <ul style="list-style-type: none"> Land East of Newark (NAP2B); and <u>Land around Fernwood; and</u> Sutton-on-Trent (ST/MU/1). <p>Ensure that the development of new centres consolidates and enhances the hierarchy of centres and does not harm <u>with the likely impact on the vitality and viability of existing centres being appropriately assessed;</u> and</p>
MM/0016	62	Core Policy 10/ fifth bullet point	<p>Where appropriate having applied the Sequential Test move on to apply the Exceptions Test, in line with national guidance. <u>In those circumstances where the wider Exceptions Test is not required proposals for new development in flood risk areas will still need to demonstrate that the safety of the development and future occupants from flood risk can be provided for, over the lifetime of the development;</u> and</p>
MM/0017	74	Core Policy 14/ first bullet point	<ul style="list-style-type: none"> The continued conservation and enhancement of the character, appearance and setting of the District's heritage assets and historic environment, in line with their identified significance as (set out) <u>required in national policy:</u> <ul style="list-style-type: none"> Such <u>Designated</u> assets and environments comprise comprising <u>Listed Buildings (inclusive of the protected views of and across Southwell's principal heritage assets), Conservation Areas, Registered Historic Parks and Gardens, and Scheduled Monuments. When considering the impact of a proposed development on the significance of a designated heritage asset, great weight should be given to the asset's conservation. The more important the asset, the greater the weight should be. Where adverse</u>

		Policy/ Paragraph	Main Modification
			<p><u>impact is identified there should be a clear and convincing justification, including where appropriate a demonstration of clear public benefits; and</u></p> <ul style="list-style-type: none"> non-designated <u>Non-designated</u> heritage assets including buildings of local interest, areas of archeological interest and unregistered parks and gardens or as identified on the relevant Historic Environment Record or identified in accordance with locally agreed criteria. <u>In weighing applications that affect directly or indirectly non-designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset.</u>
MM/0018	87	NAP 2A/ first para	<p>This area, as shown on the Proposals Map, is identified as a strategic site for housing (in the region of 3,150 dwellings; employment land uses (B2 and B8 uses: 50 hectares; two local centres, comprising retail (<u>including provision of an expanded foodstore or superstore in line with the approach set out in Core Policy 8</u>), service, employment and community uses; and associated green, transport and other infrastructure. The distribution of proposed uses is indicatively illustrated on Figure 5 - Land South of Newark.</p>
	88	NAP 2A/ section D/ point 8 v.	<p>Retail Impact Assessment to consider the implications of the local centres on <u>Newark Town Centre</u> and existing retail provision <u>local centres within in Newark Urban Area, in line with Core Policy 8.</u></p>
MM/0019	91	Figure 6	<p>See Below: Figure 6 amended to reflect more detailed site appraisal</p>
MM/0020	93	NAP 2B/Point 8 v. NAP 2B/Point 8 vi.	<p>v. improvements to existing spaces;</p> <p>vi. links to the countryside beyond the site <u>Safe, convenient pedestrian and cycle routes within and adjoining the development;</u></p>
MM/0021	97	NAP 2C/ para 4	<p>Development will take place to the south of the existing B1 permission as shown on Figure 7 - Land around Fernwood and Employment (Business) uses will be preferred including the development of an element of the site for a high quality, landscaped B1 Business Park for individual regional and national HQ and high tech businesses; however non B use employment opportunities will be considered where they comply with Core Policy 6 and the other policies of the development plan and do not end up forming the majority of uses on the employment <u>area allocation.</u></p>

MM/0022	105	SoAP 2/ first bullet point	<ul style="list-style-type: none"> Support the development of new educational and research facilities <u>and additional student accommodation</u> at the Brackenhurst Campus
MM/0023	119 120	ShAP 4/ point 10 new criterion ShAP 4/ point 12 vi	<p>viii. <u>Coal Mining Risk Assessment or equivalent report addressing any potential coal mining legacy issues</u></p> <p>vi. Safeguarding of a route for alternative <u>vehicular</u> access to the new Sherwood Forest Visitor Centre;</p>
MM/0024	151	Appendix F/Policy SP2 and Policy SP5	<p>Indicator: <u>Where the five year land supply position fall below 5 years for a period of two consecutive years, the LPA will seek to assist the owners of the Opportunity sites to unlock delivery. Measures could include securing alternative sites for the existing use, granting Permission in Principle on brownfield sites, seeking Government funding to assist in the release of the site, consider purchasing the site on behalf of the Council's Development Company or Compulsory Purchase.</u></p> <p>Target: <u>To deliver the approach to the Spatial Strategy</u></p>

MINOR MODIFICATIONS/POINTS OF CLARIFICATION

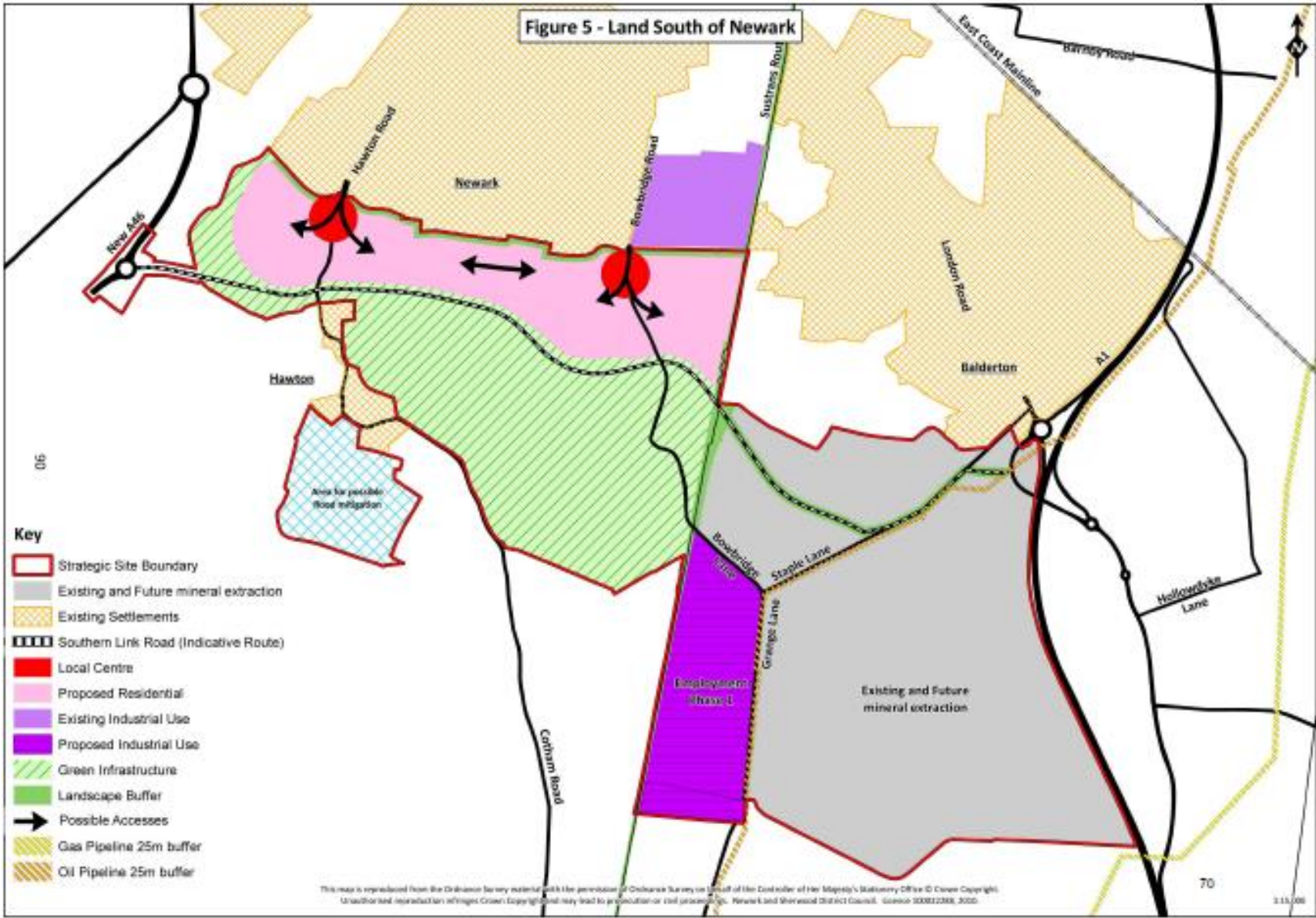
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The page numbers and paragraph numbering below refer to the submission local plan, and do not take account of the deletion or addition of text.

Reference	Policy/ Para/Page	Description of Change
CMA/ 0001	Para 1.4 (9) Page 3	Results of the Habitats Regulations Screening - The Habitats Directive (Directive 92/43/EEC) on the Conservation of Natural Habitats and of Wild Fauna and Flora required <u>requires</u> that any plan or project that is likely to have a significant effect on a designated habitat site, either individually or in combination with other plans or projects, is to be subject to an Appropriate Assessment (AA) of its implications for the site in view of the site's conservation objectives.
CMA/0002	Para 4.28 Page 30	The Nottingham-Derby Green Belt prevents the Nottingham Conurbation from merging with the surrounding towns and villages within Nottinghamshire and the nearby city of Derby. <u>The NPPF sets out that an essential characteristic of the Green Belt is its permanence, with boundaries only being altered in exceptional circumstances through the Development Plan process.</u> No changes are proposed in the extent of the Green Belt within the District, as a number of small scale reviews were <u>undertaken</u> as part of the Allocations & Development Management DPD in 2012.
CMA/0003	Para 4.38 Page 33	Update and amend Para 4.38 to read: In addition, a number of sites which were allocated or had planning permission previously, which are still considered developable but are subject to uncertainty over timescales for delivery, <u>will be</u> have been identified as Opportunity Sites. These <u>will be</u> are detailed within the <u>Amended</u> Allocations & Development Management DPD. Where it becomes clear through the monitoring process that delivery rates are dropping the Council will work with landowners and developers to try to actively resolve delivery issues where this will bring forward development on these Opportunity Sites. <u>Measures could include securing alternative sites for the existing use, granting Permission in Principle on brownfield sites, seeking Government funding to assist in the release of the site, consider purchasing the site on behalf of the Council's Development Company or Compulsory Purchase.</u>
CMA/0004	Para 5.10 Page 44	Insert Title to Table 3: <u>Affordable Housing Bedroom Requirements</u>

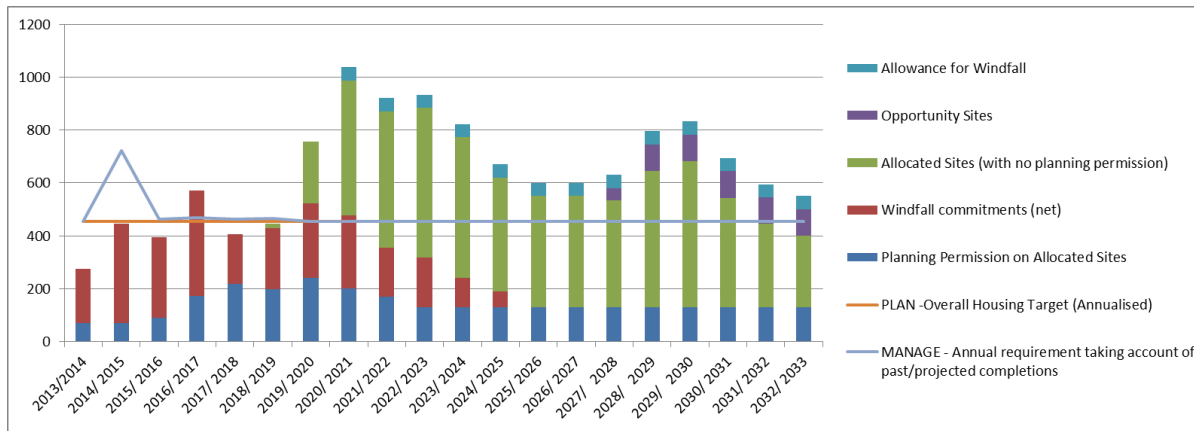
CMA/0005	Para 5.11 Page 44	Amend first sentence to read: As well as the delivery of Affordable Housing through requiring developers to contribute to its provision, the District Council in appropriate circumstances will allow Affordable Housing schemes on the edge of existing built up areas of settlements.
CMA/0006	Para 5.13 Page 45	Amend paragraph 5.13 to read: adaptable to meet the needs of elderly and disabled residents. <u>Where self-contained C2 units are proposed for older persons occupation, these form part of the housing requirement as identified through the Strategic Housing Market Assessment.</u> The Study also indicates ...
CMA/0007	New Para	Insert new paragraph above paragraph 5.32: <u>The approach to meeting forecast convenience and comparison retail needs (Table 4 above) outlined in Core Policy 8, and through various site specific site allocations, does not necessarily represent an upper limit to the level of new retail provision over the plan period. Rather it seeks to ensure that those forecast needs can be met. Beyond this additional provision may prove to be acceptable, guided by application of the sequential and impact tests as appropriate.</u>
CMA/0008	Para 5.31 Page 55	Amend third bullet point under paragraph 5.31 to: <ul style="list-style-type: none"> Whilst the main towns and smaller centres in Newark and Sherwood District appear to be vital and viable, they are nevertheless vulnerable to increased competition from out-of-centre retailing and the growth of internet shopping. Newark Town Centre is shown to have lost market share to competing out-of-centre foodstores, retail warehouses and retail parks. There has also been dynamic growth in smaller convenience stores operated by the major grocers. Where proposed on the edge or outside of smaller centres, this form of retail development can result in significant adverse impact on trading performance and overall vitality and viability – particularly where a centre is anchored by a smaller supermarket(s) or convenience stores. <p><u>This resulted in the Study recommending that a District-wide 350sqm (gross) threshold should be introduced, whereby an impact assessment would be required. However given the difference in scale between Newark Town Centre and the other centres in the hierarchy, and having had regard to the scale and the form of recent retail proposals within Newark Urban Area this was raised to 400sqm (gross) in this location.</u></p>
CMA/0009	Para 6.15 Page 77	Amend Para 6.15 third sentence to read: Key to this will be the <u>delivery completion</u> of the Southern Link Road (SLR) <u>currently constructed between Staple Lane and Bowbridge Road</u> which <u>when finished</u> will provide a link between the A46 at Farndon and the A1 at Balderton.

CMA/0010	Para 6.16 Page 78	<p>Amend list to have one A46 reference:</p> <ul style="list-style-type: none"> • A46 <u>Newark Bypass – Upgrade(s) Link Capacity, Newark on Trent Bypass;</u> • A46/A617 Cattle Market Roundabout; • A46 Roundabout at Farndon; • A1/A17/A46 Roundabout; and • A1/A46 Brownhills Roundabout; • A1 Overbridge, Fernwood; and • A617 Kelham Bypass.
CMA/0011	Figure 5 Page 86	<p>Amend Figure 5 to remove reference to the former A46</p> <p>(See below)</p>
CMA/0012	NAP 2B Page 94	<p>Amend Criterion 13 to read:</p> <p>Provision of contributions for local infrastructure, including facilities and services that are essential for development to take place or which are needed to mitigate the impact of development at the site or neighbourhood level will be secured through Planning Obligations utilising the Developer Contributions & Planning Obligations SPD in line with Spatial Policy 6 in line with Spatial Policy 6.</p>
CMA/0013	Para 6.47 Page 90	<p>Amend the second sentence to read:</p> <p>The employment allocation for B2/B8 uses is expected to be sufficient up to 2026 <u>2033</u>, but the British Gypsum land could be considered within the plan period if the land became available at an earlier date and if the allocated employment site is fully developed.</p>
CMA/0014	Para 6.74 Page 102	<p>Amend last sentence of para 6.74 to read:</p> <p>Developers are responsible for the construction of the SLR, and the Local Enterprise Partnership, national government, <u>Nottinghamshire County Council</u> and the District Council are contributing funding.”</p>
CMA/0015	Appendix C Page 138	<p>Insert:</p> <p>Illustrative Housing Trajectory Chart at Appendix C (See Below)</p>
CMA/0016	Appendix D Page 139	<p>Delete 4 separate A46 improvement entries to reflect changes at CMA/0009 above</p> <p>Insert single A46 improvement entry as set out below</p>



CMA/0014

Illustrative Housing Trajectory Chart



CMA/0015 To be inserted into Appendix D

Location	Improvement	Timescales	Cost	Funding (F) / Delivery (D) Responsibility
A46 Newark Bypass – Upgrade(s)	Upgrade to 'expressway standard'	Post 2020	To be determined	DFT, RIS 2 Funding (F) Highways England (D)

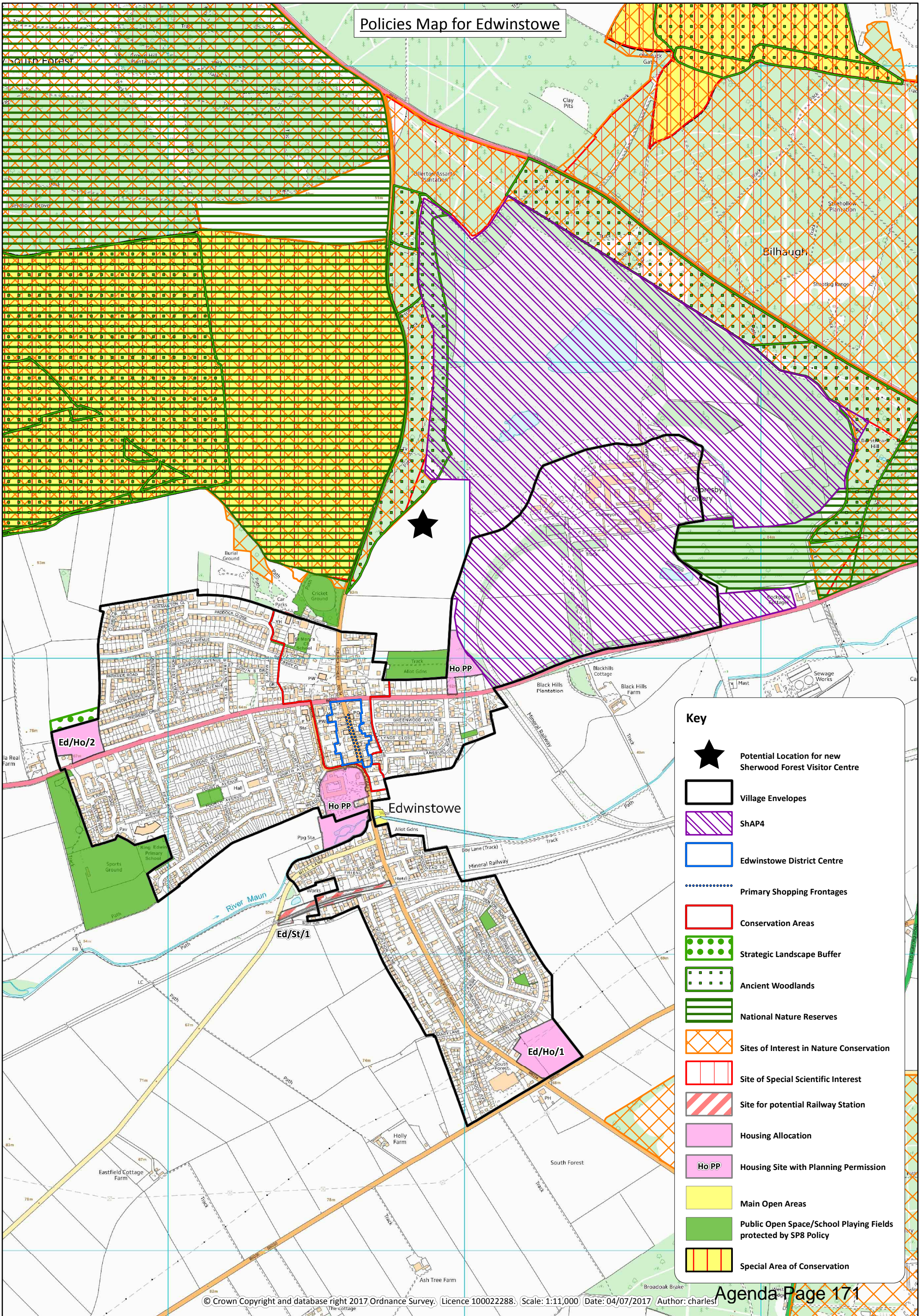
Further Minor Amendments /Points of Clarification

Reference	Policy/ Para/Page	Description of Change
CMA/17	Para 1.4 (2) Page 1	Insert at the end of the final sentence: The National Planning Policy Framework (NPPF) replaced the PPSs and PPGs on 27 March 2012- <u>and was itself updated by a new NPPF in July 2018 and February 2019.</u>
CMA/18	Spatial Policy 8 Page 39	Amend first bullet: It's <u>Its</u> continued use as a community facility or service is no longer feasible, having had regard to appropriate marketing (over an appropriate period of time and at a price which reflects its use, condition and local market values), the demand for the use of the site or premises, its usability and the identification of a potential future occupier;
CMA/19	CP6	The economy of Newark and Sherwood District will be strengthened and broadened to provide a diverse range of employment opportunities by: <ul style="list-style-type: none"> • Maintaining and enhancing the employment base of our towns and settlements, including their town and village centres, and supporting the economies of our rural communities. • Providing most growth, including new employment development, at the Sub-Regional Centre of Newark, and that of a lesser scale directed to our Service Centres and Principal Villages, to match their size, role and regeneration needs. Providing a range of suitable sites in these locations that will enable employment levels to be maintained and increased, by meeting the needs of both traditional and emerging business sectors and types. • Promoting major new economic development as part of the Strategic Sites planned for Newark Urban Area, linked to infrastructure improvements including the provision of a Southern Link Road to the south of the town. New employment land provision will be provided at Land South of Newark and Land around Fernwood in line with NAP 2A and NAP 2C. These will allow for the development of clusters and networks or businesses, and areas for economic regeneration, infrastructure provision and environmental enhancement. • Retention and safeguarding of employment land and sites where there is a reasonable prospect of them being required for that purpose. The requirement for such sites will be monitored over the plan period. Where proposals are submitted for economic development uses other than the B Use Classes, regard will be had to the following: <ul style="list-style-type: none"> • The extent to which the proposals are responding to local needs for such development.

		<ul style="list-style-type: none"> • The lack of suitable, alternative sites being available to meet the demand that exists. • The need to safeguard the integrity of neighbouring uses, including their continued use for employment purposes. • The need to protect and enhance the vitality and viability of town centres. • The potential impact on the strategic role and function of the remaining employment land, in meeting the future needs of the District. • Encouraging the development of priority business sectors including business and financial services, knowledge intensive enterprises, telecoms, food and drink, sustainable energy and environmental technologies, and logistics and distribution. • Supporting the establishment and growth of Small and Medium Sized Enterprises (SMEs) by the allocation of sites for mixed-use development incorporating housing and employment, as part of the Allocations & Development Management DPD. Sites allocated for employment development should include provision for starter units, start-up businesses, live work units, and 'grow on' graduation space so that small firms can be established, expanded and retained within the District. • Working with learning and training bodies, job centres and higher education providers to raise workforce skill levels, improve employability and supporting economic development associated with these sources, and using planning obligations to provide opportunities to assist residents in accessing work. • Helping the economy of Rural Areas by rural diversification that will encourage tourism, recreation, rural regeneration, and farm diversification, and complement new appropriate agriculture and forestry development. Development sustaining and providing rural employment should meet local needs and be small scale in nature to ensure acceptable scale and impact. • Respecting that where the release of sites to non-employment purposes is proposed, any significant benefits to the local area that would result, should be taken into account to inform decision making. • <u>Encouraging the development of priority business sectors including business and financial services, knowledge intensive enterprises, telecoms, food and drink, sustainable energy and environmental technologies, and logistics and distribution.</u> • <u>Supporting the establishment and growth of Small and Medium Sized Enterprises (SMEs) by the allocation of sites for mixed-use development incorporating housing and employment, as part of the Allocations & Development Management DPD. Sites allocated for employment development should include provision</u>
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		<p><u>for starter units, start-up businesses, live-work units, and ‘grow on’ graduation space so that small firms can be established, expanded and retained within the District.</u></p> <ul style="list-style-type: none"> • <u>Working with learning and training bodies, job centres and higher education providers to raise workforce skill levels, improve employability and supporting economic development associated with these sources, and using planning obligations to provide opportunities to assist residents in accessing work.</u> • <u>Helping the economy of Rural Areas by rural diversification that will encourage tourism, recreation, rural regeneration, and farm diversification, and complement new appropriate agriculture and forestry development. Development sustaining and providing rural employment should meet local needs and be small scale in nature to ensure acceptable scale and impact.</u> • <u>Respecting that where the release of sites to non-employment purposes is proposed, any significant benefits to the local area that would result, should be taken into account to inform decision making.</u>
CMA/20	Para 5.68 Page 73	<p>Amend first sentence:</p> <p>A significant part of the Districts District’s built heritage is contained within the designated Conservation Areas, each of which has its own distinctive character, defined by its historic importance, its architectural integrity, the relationships between buildings and spaces between them, townscape quality, historic street patterns and the use of traditional materials.</p>
CMA/21	Para 6.11 Pages 76/77	<p>Amend second sentence:</p> <p>Newark <u>Beacon</u> Business Innovation Centre on Beacon Hill Road provides dedicated office and workshop space for new small businesses along with other small scale offices on the periphery of the town centre,</p>
CMA/22	Para 6.11 Page 77	<p>It is recognised that other non <u>non</u> B1 employment uses may also be attracted to this location and therefore consideration of these other uses is also included within NAP 2C.</p>

Policies Map for Edwinstowe



NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Finance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, Notts NG24 1BY on Thursday, 21 February 2019 at 6.00 pm.

PRESENT: Councillor D Lloyd (Chairman)
Councillor K Girling (Vice-Chairman)

Councillor R Jackson, Councillor B Laughton, Councillor P Peacock,
Councillor D Staples and Councillor T Wendels

IN ATTENDANCE: Councillor Mrs S Michael, Councillor Mrs P Rainbow and Councillor L Tift.

79 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS AND AS TO THE PARTY WHIP

There were no declarations of interest.

80 DECLARATIONS OF INTENTION TO RECORD THE MEETING

The Chairman advised that the proceedings were being audio recorded by the Council.

81 MINUTES OF THE MEETING HELD ON 24 JANUARY 2019

The minutes from the meeting held on 24 January 2019 were agreed as a correct record and signed by the Chairman.

82 FORWARD PLAN OF POLICY & FINANCE ITEMS

The Committee noted the Forward Plan items to be considered by the Committee over the next 12 months.

83 CORPORATE OBJECTIVES CONSULTATION

The Organisational Development Officer presented a report which provided Members with the results of the corporate objectives consultation undertaken between October and December 2018. The report set out how the results of the consultation had shaped the content of the corporate objectives included within the Community Plan for 2019-2023.

A copy of the Corporate Objectives Consultation report was attached as Appendix to the report. The consultation consisted of a Parish and Town Council questionnaire, stakeholder feedback, and a resident survey completed by 11,224 residents. This equated to an 11.3% response rate. The corporate objectives were initially drafted by senior officers and Members. The corporate objectives were then shaped to reflect the points raised by residents and the key activities under each objective were prioritised to reflect feedback from residents on those areas identified as requiring the most improvement.

The survey confirmed how important it was for residents to feel safe in their local area and also highlighted the importance of tackling anti-social behaviour and the blights of fly tipping, littering and dog fouling. Residents also expressed their wish for improved care and support for vulnerable groups. The report detailed a number of actions the Council had taken to directly address these issues, including working with the Police for a Town Centre Police Officer, employing two Community Protection Officers and bidding for further funding to support rough sleepers.

The report also detailed the potential legacy as a result of the resident survey with 2,482 residents signing up to a mailing list and 820 residents expressing an interest in joining the newly created Resident Panel which had been created to help the Council understand the views and experiences of residents

The Members analysed some of the findings within the report and the relationship with current service provision and welcomed the further analysis which was to be undertaken at a Ward level.

AGREED (unanimously) that:

- (a) the Corporate Objectives Consultation Report, attached as Appendix 1 to the report, be noted;
- (b) the proposed actions outlined in paragraph 3 of the report 'Legacy of the Resident Survey' be approved and the resident satisfaction be used to inform the Council's performance;
- (c) a copy of the Consultation Report be sent to Nottinghamshire County Council and Highways England highlighting the issues raised by residents surrounding road maintenance and congestion;
- (d) a copy of the Consultation report be sent to Nottinghamshire Healthcare NHS Foundation Trust highlighting the issues raised by residents regarding access to healthcare facilities;
- (e) a copy of the Consultation Report be sent to Nottinghamshire Police highlighting the issues raised by residents regarding reducing crime and lack of a police presence; and
- (f) the outcome of the survey be communicated to Residents via appropriate media including a section in the Corporate Plan and article in the Voice Magazine.

Reason for Decision

To enable Members to consider and take appropriate actions following the outcome of the consultation.

which provided Members with an opportunity to comment on the final draft of a new Community Plan.

The Council's current Corporate Plan had been reviewed and refreshed. In part, this was in response to a renewed focus on the 'Cleaner, Safer, Greener' agenda and also in recognition of the need for greater clarity and understanding about what the Council was trying to achieve which was one of the recommendations from the 2016 Peer Review. The development of the revised objectives included within the plan had been updated and refined following consultation with a range of stakeholders and the results of the residents survey had been used to sense check the objectives within the plan and where appropriate refinements made.

It was proposed that the plan be renamed Newark and Sherwood's Community Plan to better reflect the largely outward facing nature of the plan and acknowledging that its delivery was not something that the Council could achieve on its own. The Community Plan set out the purpose and values of the Council and included eleven objectives underpinned by supporting actions. A copy of the final draft was attached as an appendix to the report.

In respect of the objective contained within the Community Plan titled 'Enhance and Sustain Newark Town Centre' the Committee considered that such an objective was appropriate for all town centres in the District and not just Newark, and it was agreed (with 4 votes for and 3 against) that this be amended to read 'Enhance and Sustain Town Centres'.

AGREED (unanimously) that the Community Plan 2019 – 2023 be recommended to Council for approval and adoption.

Reason for Decision

To enable the Council to adopt a revised plan which in turn will provide focus around delivering what matters most to our communities.

85 PAY POLICY STATEMENT 2019/20

The Business Manager – HR & Organisational Development presented a report which sought to review the content of the Pay Policy Statement for 2019 and subject to any necessary revisions to recommend the Statement to the Council for approval.

In accordance with Section 38 (1) of the Localism Act 2011 the Council was required to produce a Pay Policy Statement for each financial year. The Pay Policy Statement must set out the authority's policies for the financial year relating 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.

A copy of the Pay Policy Statement for 2019 was attached as an appendix to the report. It was noted that the statement had been updated to:

- include a link to the new pay and grading arrangements for officers engaged on NJC terms to reflect the nationally agreed scale points negotiated as part of the two year settlement;
- include amendments to the paragraph on Living Wage given that the Council will be paying an amount equivalent to the Living Wage (£9.00 agreed during November 2018) as part of its substantive pay and grading arrangements following implementation of the revised pay scale; and
- reflect revisions to the management structure arising from the recent restructure.

AGREED (unanimously) that the content of the Pay Policy Statement for 2019/20 be recommended to Council for approval.

Reasons for Decision

To comply with Section 38 (1) of the Localism Act 2011.

86 APPROVAL OF NOTTINGHAMSHIRE'S LOCAL OFFER FOR CARE LEAVERS

The Chief Executive presented a report which provided a summary of the District/Borough Council elements contained within the proposed Nottinghamshire Local Offer for Care Leavers. The proposed local offer was attached as an appendix to the report.

Section 2 of the Children & Social Care Act 2017 required each local authority (including District Councils) to publish a local offer for its care leavers (18 – 25 years). This would provide information about all the services and support, statutory and discretionary that was available to care leavers from each local authority. Through the Nottinghamshire Local Authorities Chief Executives' Group, the County Council and District/Borough Councils had agreed to create one joint single Care Leaver Offer for Nottinghamshire. The District/Borough Councils' Chief Executives had expressed an 'in principle' support for the proposals subject to the relevant approval of their respective Councils.

The elements of the local offer relevant to the District Council were detailed in the report and related to employment, skills and apprenticeships, housing, and physical and mental health. In addition, all Nottinghamshire Borough/District Councils had previously agreed to exempt care leavers from council tax up to their 25th birthday as part of the development of this local offer.

Members noted that the draft local offer did not include the Dukeries Academy within the list of Further Education Colleges within easy access to Nottinghamshire care leavers.

AGREED (unanimously) that:

- (a) Members express their commitment to, and support for, the proposed

Nottinghamshire Local Offer for Care Leavers and refer approval of the various Borough/District Council elements to the relevant committees; and

- (b) future consideration be given to how Borough/District Councils might work with Nottinghamshire County Council to support Looked After Children and those at risk/vulnerable of becoming so.

Reason for Decision

To fulfil statutory Corporate Parenting duties, improve lifetime outcomes for Nottinghamshire's care leavers and to reduce lifetime local and national spend on care leavers.

87 GENERAL FUND AND CAPITAL PROJECTED OUTTURN REPORT TO 31 MARCH 2019 AS AT 31 DECEMBER 2018

The Business Manager – Financial Services presented a report which compared the revised budgets for both the General Fund Revenue and Capital Programme, for the period ending 31 March 2019, with the Projected Outturn forecast for the period based on three quarters performance information.

The appendices to the report detailed anticipated performance against budget for the period to 31 March 2019. The overview of the General Fund Revenue budget showed a projected favourable variance against the revised budget of £213k on Service budgets, with an overall favourable variance of £959k. The main variations from the revised budget were detailed in the report.

In respect of the Capital Programme resources the estimated outturn of £26.425m would be financed through borrowing, external grants and contributions, capital receipts and revenue contributions as set out in the report. It was noted that any savings on capital projects would be assessed and used to meet additional demands or to fund the Capital Programme in future years.

AGREED (unanimously) that:

- (a) the General Fund projected favourable outturn variance of £959k be noted;
- (b) the variations to the Capital Programme at Appendix B to the report, totalling - £6.057m be approved; and
- (c) the Capital Programme projected outturn and financing of £26.425m be noted.

Reason for Decision

To update Members with the forecast outturn position for the 2018/19 financial year.

88 REVENUE BUDGET - PROPOSED BUDGET 2019/20

The Business Manager – Financial Services presented a report which enabled Members to consider spending proposals and recommendations to the Council for the

budget in 2019/2020.

The report set out the details of the proposed budget for the Council in 2019/2020. The budget proposals had been formulated in accordance with the framework set out in the Council's Constitution with the initial report having been presented to the Policy Committee on 20 September 2018. It was noted that the level of discretionary fees and charges for services provided by the Council were considered as part of the budget process rather than being implemented piecemeal throughout the year. The proposed fees and charges for 2019 were detailed in the report and would be included in the budget book which forms part of the agenda for the full Council Meeting.

The Local Government Finance Settlement provided key figures for Government Grant that formed part of the Council's budget. The draft settlement was announced on 13 December 2018 and was confirmed on 29 January 2019. It was reported that the overall Business Rates income was expected to rise by £1,262,100 due to an increase in the rateable value in the rating list.

The report had been prepared by the Resources Directorate in conjunction with the appropriate Committees and relevant budget holders. In accordance with the Constitution, all Members, Directors and Business Unit Managers had been involved with the preparation of the budget.

AGREED (unanimously) that it be recommended to Council on 7 March 2019 that:

- (a) the Employee Plan shown in Appendix C to the report be noted;
- (b) the following amounts be now calculated by the Council for the year 2019/2020 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:
 - (i) £47,478,210 being the aggregate of the amounts which the Council estimates for items set out in Section 31A(2)(a) to (f) of the Act (the gross District Council expenditure for 2019/20);
 - (ii) £35,499,020 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 (the gross District Council income for 2019/20); and
 - (iii) £11,979,190 being the amount by which the aggregate at (a)(i) above exceeds the aggregate at (a)(ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Net Budget Requirement for the year;
- (c) the figures shown as (b)(i) and (b)(iii) above to be increased only by the amount of Parish Precepts for 2019/20;
- (d) the budget figures included in the report be the Council's budget for 2019/20; and

- (e) the fees and charges shown in Appendices D to W to the report be implemented with effect from 1st April 2019.

Reason for Decision

To enable Policy & Finance Committee to make recommendations to Full 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 year 2019/20.

89 CAPITAL PROGRAMME 2019/20 - 2022/23

The Business Manager – Financial Services presented a report which detailed the available capital resources, the Council's existing committed Programme and the priority schemes identified. In accordance with Financial Regulations the Policy & Finance Committee was required to consider the Capital Programme and recommend to Council the final Programme.

In respect of the general fund capital expenditure the Council intended to spend £33.3m from 2019/20 to 2022/23 on the schemes as set out in Appendix A to the report. In respect of the Housing Revenue Account expenditure the Council intended to spend £57.9m from 2019/20 to 2022/23. This was made up of £20.9m on existing property investment and £37m on Affordable Housing. The HRA property investment and development programme were set out in Appendix B to the report.

AGREED (unanimously) that:

- a) the Committee supports the General Fund Capital Programme 2019/20 – 2022/23 totalling £33.322m as detailed at Appendix A to the report, and recommends these to Full Council on 7 March 2019; and
- b) the Committee supports the Housing Revenue Account Capital Programme 2019/20 – 2022/23 totalling £57.969m, as detailed at Appendix B to the report, and recommends these to Full Council on 7 March 2019.

Reason for Decision

To enable the Capital Programme to be considered by the Policy & Finance Committee in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

90 MEDIUM TERM FINANCIAL PLAN 2019/20 - 2022/23

The Business Manager – Financial Services presented a report concerning the Medium Term Financial Plan (MTFP) for 2019/20-2022/23. A copy of the MTFP was attached as an appendix to the report.

The MTFP was a Corporate Plan to assist both Members and Officers to manage the Council's finances within a clear framework. It set out the Council's spending plans to support its strategic priorities over the current financial year and the following three years and detailed how that spend would be funded through grants, fees and charges,

local taxation, reserves and other income.

The MTFP showed that whilst the Council managed to balance the budget for 2019/20 because of prudent decisions made in the past, future funding of its services would depend on its ability to raise additional income, otherwise it would need to make up funding gaps by increasing Council Tax or/and depleting its general fund reserves.

The MTFP was due to be refreshed during June 2018 to reflect the expectations of future income and expenditure however this was deferred to enable strategic input from the new Chief Executive and Leader of the Council.

AGREED (unanimously) that:

- (a) the Medium Term Financial Plan for 2019/20 to 2022/23 be recommended to Council for approval; and
- (b) Council approve the change in the minimum level of General Fund Balance, as set out in paragraph 1.8 of the Medium Term Financial Plan, from a 15% of Net Budget Requirement to a fixed balance of £1.5m.

Reason for Decision

To provide a framework to support the Councils future spending plans.

Meeting closed at 7.09 pm.

Chairman