



*Castle House
Great North Road
Newark
NG24 1BY*

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

Monday, 28 February 2022

**Chairman: Councillor Mrs P Rainbow
Vice-Chairman: Councillor Mrs S Saddington**

To all Members of the Council:

MEETING: Full Council

DATE: Tuesday, 8 March 2022 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

	<u>Page Nos.</u>
1. Apologies for absence	
2. Minutes from the meeting held on 8 February 2022	4 - 11
3. Declarations of Interest by Members and Officers and as to the Party Whip	
4. Declarations of any Intentions to Record the Meeting	
5. Communications which the Chairman or the Chief Executive may wish to lay before the Council	
6. Communications which the Leader of the Council and Committee Chairmen may wish to lay before the Council	
7. Questions from Members of the Council and Public	
In accordance with Rule No. 14.1 the following question was submitted to the Council from Councillor P. Harris.	
"What is the Council's view of the recently published 'Integrated Rail Plan' by the Government, on behalf of the residents of the area, and what response will or have we made?"	
8. In accordance with Rule No. 10 to receive the presentation or the debating of any Petitions from Members of the Council (if any)	
9. Revenue Budget and Council Tax Setting 2022/23	12 - 28
10. 2022/23 To 2025/26 Medium Term Financial Plan	29 - 43
11. Capital Programme 2022/23 to 2025/26	44 - 50
12. Capital Strategy 2022/23	51 - 69
13. Treasury Management Strategy Statement 2022/23	70 - 99
14. Investment Strategy 2022/23	100 - 106
15. Pay Policy Statement 2022/23	107 - 124
16. Political Composition of the Council and Allocation of Seats on Committees	125 - 128
17. Proposals for New Governance Arrangements	129 - 226
18. Proposals for a Community Grant Scheme	227 - 236
19. Members Allowances	237 - 239

20.	Notices of Motion (if any)	
21.	Minutes for Noting	
(a)	Policy and Finance Committee - 21 February 2022	240 - 245
(b)	Planning Committee - 15 February 2022	246 - 252
(c)	Councillors Commission - 23 February 2022	253 - 256

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, 8 February 2022 at 6.00 pm.

PRESENT: Councillor Mrs P Rainbow (Chairman)
Councillor Mrs S Saddington (Vice-Chairman)

Councillor R Blaney, Councillor L Brailsford, Councillor L Brazier,
Councillor M Brock, Councillor Mrs B Brooks, Councillor S Carlton,
Councillor M Cope, Councillor Mrs R Crowe, Councillor R Crowe,
Councillor D Cumberlidge, Councillor Mrs L Dales, Councillor K Girling,
Councillor L Goff, Councillor P Harris, Councillor S Haynes, Councillor
Mrs R Holloway, Councillor R Jackson, Councillor J Kellas, Councillor
J Lee, Councillor D Lloyd, Councillor Mrs S Michael, Councillor N Mison,
Councillor P Peacock, Councillor M Skinner, Councillor T Smith,
Councillor T Thompson, Councillor I Walker, Councillor T Wendels,
Councillor R White, Councillor T Wildgust and Councillor
Mrs Y Woodhead

APOLOGIES FOR ABSENCE: Councillor M Brown, Councillor Mrs L Hurst, Councillor B Laughton,
Councillor N Mitchell and Councillor K Walker

59 MINUTES FROM THE MEETING HELD ON 14 DECEMBER 2021

AGREED that the minutes of the meeting held on 14 December 2021 be approved as a correct record and signed by the Chairman.

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

There were no declarations of interest from Members or Officers and the Council noted the interests previously declared by Members in Agenda Item No. 11 – Minutes for Noting.

61 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. The Chairman advised that the meeting was being streamed live.

62 COMMUNICATIONS WHICH THE LEADER OF THE COUNCIL AND COMMITTEE CHAIRMEN MAY WISH TO LAY BEFORE THE COUNCIL

Councillor D Lloyd, as Leader of the Council, advised Members that an additional meeting of the Policy & Finance Committee was to take place on 17 March 2022 to consider business cases in respect of the Newark Towns Fund.

Councillor Mrs S Michael, as Chairman of the Audit & Accounts Committee, reminded Members to return their completed Register of Interests forms to Democratic Services.

Councillor R Jackson, as Chairman of the Leisure & Environment Committee, informed the Council that the community Days of Action were now to be relaunched with the next one scheduled for Southwell on 13 March 2022. He also advised of a recent successful prosecution in respect of fly tipping.

63 QUESTIONS FROM MEMBERS OF THE COUNCIL AND PUBLIC

In accordance with Rule No. 15.1, a member of the public submitted a question to the Council. Details of the question put forward and the response given from Councillor D.J. Lloyd are attached as Appendix A to these minutes.

64 2022/2023 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING

The Council considered the joint report of the Deputy Chief Executive, Director – Resources and Section 151 Officer and Director – Housing, Health & Wellbeing which sought approval of the Housing Revenue Account (HRA) budget for the 2022/23 financial year and proposed changes in rent levels and service charge levels for 2022/23.

The Policy & Finance Committee, at their meeting held on 27 January 2022, recommended approval of the HRA budget for 2022/2023, financial plan to 2025/26 and proposed changes in rent and service charge levels for 2022/23. These were detailed in Appendix A to the report.

Councillor D Lloyd moved and Councillor T Wendels seconded the recommendations contained in the report of an increase of 4.1% (Consumer Price Index (CPI) + 1%) in the 2022/23 rents of all properties in the HRA. It was considered that the proposed increase would provide funds to build new homes and fulfil the needs of the current and future tenants.

In accordance with Rule 26.4, Councillor P. Peacock moved, and Councillor L. Brazier seconded that the Council approves:

- (a) that the 2021/22 HRA Efficiency Savings of £643,000 (as outlined at the Policy and Finance Committee meeting of 27 January 2022 - Agenda Item 17, Page 113) be used within the 2022/23 budget and expenditure on the proposed policy areas as outlined on Page 112, section 3.2 of the same Policy and Finance report be considered in future years;
- (b) the HRA budget for 2022/23 as set out in Appendix A1 adjusted to include the changes set out above;
- (c) an increase of 1.15% in the 2022/23 rents of all properties in the HRA as at 31 March 2022; and
- (d) the 2022/23 service charges as set out in Appendix C to this report.

Members debated the proposed amendment and on being put to the vote, it was lost with 8 votes for and 25 against. A recorded vote on the amendment, was taken as follows:

COUNCILLOR	VOTE
Roger Blaney	Against
Louis Brailsford	Against
Lee Brazier	For
Malcolm Brock	For
Betty Brooks	Against
Scott Carlton	Against
Max Cope	Against
Rita Crowe	Against
Robert Crowe	Against
Donna Cumberlidge	For
Linda Dales	Against
Keith Girling	Against
Laurence Goff	For
Peter Harris	For
Simon Haynes	Against
Rhona Holloway	Against
Roger Jackson	Against
Jack Kellas	Against
Johno Lee	Against
David Lloyd	Against
Sylvia Michael	Against
Neill Mison	Against
Paul Peacock	For
Penny Rainbow	Against
Sue Saddington	Against
Mathew Skinner	Against
Tom Smith	Against
Tina Thompson	For
Ivor Walker	Against
Tim Wendels	Against
Ronnie White	Against

Tim Wildgust	Against
Yvonne Woodhead	For

The Council considered the substantive motion, and it was AGREED (with 25 votes for and 8 against) that the Council approves:

- (a) the Housing Revenue Account (HRA) budget for 2022/23, as set out in Appendix A1 to the report;
- (b) an increase of 4.1% (CPI + 1%) in the 2022/23 rents of all properties in the HRA as at 31 March 2022; and
- (c) the 2022/23 service charges as set out in Appendix C to the report.

A recorded vote was taken as follows:

COUNCILLOR	VOTE
Roger Blaney	For
Louis Brailsford	For
Lee Brazier	Against
Malcolm Brock	Against
Betty Brooks	For
Scott Carlton	For
Max Cope	For
Rita Crowe	For
Robert Crowe	For
Donna Cumberlidge	Against
Linda Dales	For
Keith Girling	For
Laurence Goff	Against
Peter Harris	Against
Simon Haynes	For
Rhona Holloway	For
Roger Jackson	For
Jack Kellas	For
Johnno Lee	For
David Lloyd	For

Sylvia Michael	For
Neill Mison	For
Paul Peacock	Against
Penny Rainbow	For
Sue Saddington	For
Mathew Skinner	For
Tom Smith	For
Tina Thompson	Against
Ivor Walker	For
Tim Wendels	For
Ronnie White	For
Tim Wildgust	For
Yvonne Woodhead	Against

65 MINUTES FOR NOTING

65a POLICY & FINANCE COMMITTEE - 27 JANUARY 2022

65b ECONOMIC DEVELOPMENT COMMITTEE - 19 JANUARY 2022

(i) Minute No. 50 – Open Space Assessment & Strategy

Councillor P Harris raised concerns about the inconsistencies within the Open Space Strategy Document and he asked when and how the issues he raised would be addressed.

Councillor K Girling referred to the debate at the Economic Development Committee and the inconsistent information which had been provided by Parish Councils. He advised that this report was about collating information and taking forward from there.

(ii) Minute No. 53 – Town Centre Strategy and Support

Councillor P Harris stated that the title for this strategy should be 'Town Centres' given there were several towns within the District.

65c HOMES & COMMUNITIES COMMITTEE - 24 JANUARY 2022

Minute No. 57 – Chairman's Report

Councillor L Goff advised the Council that he had attended the resident consultation in respect of the Yorke Drive Regeneration project where he raised the issue of the lack of bungalow provision within the proposed site design.

Councillor T Wendels advised that the plans for the site were available which would show the mix of properties.

65d LEISURE & ENVIRONMENT COMMITTEE - 25 JANUARY 2022

65e TRUSTEE BOARD OF THE GILSTRAP & WE KNIGHT CHARITY - 11 JANUARY 2022

65f AUDIT & ACCOUNTS COMMITTEE - 2 FEBRUARY 2022

65g PLANNING COMMITTEE - 6 DECEMBER 2021

Minute No. 89 – Halloughton Solar Planning Appeal Public Inquiry Update

Councillor P Harris raised concerns that the grounds for refusal in respect of this item were not strong enough or defensible. He urged the Committee to ensure that future reasons for refusal were defensible.

Councillor R Blaney confirmed that the Committee would seek appropriate advice from officers when determining grounds for refusal of any application.

65h PLANNING COMMITTEE - 18 JANUARY 2022

65i SHAREHOLDER COMMITTEE- 30 NOVEMBER 2021

Meeting closed at 7.06 pm.

Chairman

COUNCIL MEETING– 8 FEBRUARY 2022

QUESTIONS FROM MEMBERS OF THE PUBLIC

In accordance with Rule No. 15.1 the following question was submitted to the Council from **Molly Chesney**.

“In June 2015 Newark and Sherwood District Council approved a single loan of £250,000 from the Think BIG loan fund to a local Limited Company; this was the largest loan ever awarded by the fund and appears to account for c.17% of all loans made through the scheme.

The criteria for awarding loans was: *“Gap funding, providing working capital for businesses that demonstrate growth potential and job creation and are unable to obtain the required bank support or other funding.”* By November 2016, the 250,000 loan was deemed by Newark and Sherwood District Council to be “at-risk” as the business had had a difficult trading period. Repayments had stopped but the Council declared we had “a mortgage debenture alongside other funders and we have personal guarantees”.

Sadly, on 12th September 2018 the firm entered administration owing £241,000 to the Council. According to Council papers at the time, *“the offer currently available is to repay £34,000 as a lump sum in final settlement for a £150,000 personal guarantee.”* Adding: *“There is very little equity in the circumstances of the individual and it is important that they can continue to earn, rather than declaring bankruptcy. A compromise solution may be to accept this payment and add in legal conditions surrounding further repayments in future years with an annual review taking place”.*

However, the total capital repaid to Newark and Sherwood District Council still stands at just £43,554 (source, FOI response received 19th January 2022), which suggests that no further payments have been made since the £34,000 offer in September 2018.

Has there been an annual review in the three-plus years since the default of this debt? Did Newark and Sherwood District Council ever discuss whether there was an appropriate time to revisit the guarantees related to this debt - particularly given the promised "legal conditions" secured in 2018?"

Reply from Councillor David J Lloyd – Leader of the Council

“The loan referred to was one of 22 that the Council made to local businesses between 2012 and 2018. It was part of a scheme to assist local businesses who were finding it difficult to access funding from other lenders and was accepted, therefore, to carry an element of risk, as is the case with all loans. The report of Cabinet on 6 September 2012 set expectations of a failure rate of 33% based on previous experience to that point. To date, £1.148 million of the £1.5 million that was loaned has been repaid, with loan payments continuing to be received still now. Therefore, 76% of the loaned value has been repaid with more still to be received. Currently 16.31% of the loaned value has unfortunately been written off. In order to mitigate the anticipated losses, interest and fees were applied to each loan of which the Council has currently receipted £0.243m which almost outweighs the written off amount. In respect of

the specific loan referred to in the question a full and final settlement was reached and authorised by Policy and Finance Committee in June 2019 and as a result, no annual review has been undertaken.”

COUNCIL MEETING – 8 MARCH 2022

REVENUE BUDGET AND COUNCIL TAX SETTING FOR 2022/2023

- 1.0 The Council is required by the Local Government Finance Act 1992 to set a Council Tax for 2022/2023.
- 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 2022/2023 it is necessary to consider the requirements of the Council Tax Collection Fund for 2022/2023. 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 2022, recommended that the District Council's Council Tax Requirement for 2022/2023, excluding Parish Council precepts, should be £15,560,910.00 as detailed in the Council's Budget Book for 2022/2023.
- 5.0 As part of the budget process, the views of the operational committees have been taken into account.
- 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-i in this report.
- 7.0 All Parish Council precepts have now been received. Parish precepts total £3,424,863.60. Consequently the total Council Tax Requirement for the District Council is £18,985,773.60 (ie £15,560,910 plus £3,424,863.60) (recommendations 3(c) and 3(i)). Individual Parish Council precepts are shown in the table below.

	PARISH	PRECEPT 2022-23 £
1	Alverton	-
2	Averham	*
3	Balderton	334,817.00
4	Barnby in the Willows	3,702.60
5	Bathley	1,566.00
6	Besthorpe	7,660.00
7	Bilsthorpe	75,000.00
8	Bleasby	18,317.00
9	Blidworth	78,463.00
10	Bulcote	8,250.00
11	Carlton-on-Trent	3,370.00

	PARISH	PRECEPT 2022-23 £
12	Caunton	6,304.00
13	Caythorpe	4,300.00
14	Clipstone	166,200.00
15	Coddington	16,121.00
16	Collingham	46,594.00
17	Cotham	-
18	Cromwell	1,050.00
19	Eakring	4,637.00
20	East Stoke	****
21	Edingley	11,000.00
22	Edwinstowe	159,000.00
23	Egmanton	5,000.00
24	Elston	27,000.00
25	Epperstone	15,242.00
26	Farndon	57,138.00
27	Farnsfield	85,372.00
28	Fiskerton-cum-Morton	8,500.00
29	Girton and Meering	1,202.00
30	Gonalston	-
31	Grassthorpe	-
32	Gunthorpe	21,312.00
33	Halam	4,000.00
34	Halloughton	400.00
35	Harby	5,804.00
36	Hawton	1,250.00
37	Hockerton	3,500.00
38	Holme	-
39	Hoveringham	13,700.00
40	Kelham	*
41	Kersall	**
42	Kilvington	-
43	Kirklington	6,500.00
44	Kirton	7,500.00
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	4,600.00
48	Lowdham	78,566.00
49	Lyndhurst	-
50	Maplebeck	-
51	Meering	-
52	Newark	1,054,540.00
53	North Clifton	1,787.00
54	North Muskham	18,405.00
55	Norwell	9,123.00
56	Ollerton and Boughton	963,478.00

	PARISH	PRECEPT 2022-23 £
57	Ompton	**
58	Ossington	-
59	Oxton	17,941.00
60	Perlethorpe-cum-Budby	1,800.00
61	Rainworth	64,375.00
62	Rolleston	7,000.00
63	Rufford	4,000.00
64	South Clifton	2,500.00
65	South Muskham	13,717.00
66	South Scarle	4,900.00
67	Southwell	256,028.00
68	Spalford	-
69	Staunton	-
70	Staythorpe	*
71	Sutton-on-Trent	26,692.00
72	Syerston	-
73	Thorney	2,520.00
74	Thorpe	****
75	Thurgarton	12,068.00
76	Upton	8,200.00
77	Walesby	42,500.00
78	Wellow	6,200.00
79	Weston	4,548.00
80	Wigsley	-
81	Winkburn	-
82	Winthorpe	***
83	Fernwood	80,949.00
84	Kings Clipstone	9,975.00

PARISHES GROUPED FOR PRECEPT PURPOSES

*	Averham, Kelham, Staythorpe	3,750.00
**	Kneesall, Kersall, Ompton	2,930.00
***	Winthorpe, Langford	9,000.00
****	East Stoke, Thorpe	3,000.00
	Total	3,424,863.60

- 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 £6,971,820.00 for 2022/23 and are shown as recommendation 3(d).

- 9.0 In setting the level of Council Tax for 2022/2023, it is necessary to assess if any adjustment is necessary due to the level of Council Tax collection prior to 2022/2023. 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, 2022, as required by the Regulations, and it is considered that there is a surplus on the Council Tax Collection Fund and therefore an adjustment is necessary to the level of Council Tax for 2022/2023 in respect of the Council Tax Collection Fund.
- 9.1 Any surplus on the Collection Fund has, by law, to be apportioned between the District Council, the County Council, the Police Authority and the Fire Authority in proportion to their respective calls on the Collection Fund for the previous year. The surplus apportioned to each organisation must be returned directly to the taxpayer in the form of a reduction in Council Tax. It cannot be spent by the Council.
- 9.2 The proportion of the surplus due to Newark & Sherwood District Council is £285,740, this reduction is shown at recommendation 3 (e).
- 10.00 The amount shown in recommendation 3(f) of £657,290.00 is the amount that the Council has determined to contribute from usable reserves.
- 11.00 The amount shown in recommendation 3(g) of £7,646,060.00 is the Council Tax requirement for Newark and Sherwood District Council (excluding parish precepts) net of revenue support grant and business rates income as shown in recommendation 3(d).
- 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 £185.56 as shown in recommendation 3(h).
- 13.0 There are no District Council Special Expenses for 2022/2023. The amount shown in recommendation 3(i) of £3,424,863.60 for special items relates to Parish Precepts only.
- 14.0 Recommendation 3(j) shows the basic level of tax ie the level of tax for Band D properties for District Council Services and all parish precepts.
- 15.0 Recommendation 3(k) shows the basic level of tax for Band D properties in each parish, including parish charges where appropriate.
- 16.0 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(l).
- 17.0 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.
- 18.0 Nottinghamshire County Council has proposed a precept on Newark and Sherwood District Council's collection fund for 2022/2023 of £67,744,728.00, equivalent to a Band D Council Tax of £1,644.09. Council Tax figures for each Band are set out in recommendation 4.
- 19.0 The Nottinghamshire Police & Crime Commissioner has set a precept on Newark and Sherwood District Council's Collection fund for 2022/2023 of £10,476,371.25, equivalent to a Band D Council Tax of £254.25. Council Tax figures for each Band are set out in recommendation 5.

- 20.0 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 2022/2023 of £3,484,707.00 equivalent to a Band D Council Tax of £84.57. Council Tax figures for each Band are set out in recommendation 6.
- 21.0 The total recommended levels of Council Tax for 2022/2023 for each Council Tax valuation band in each parish is shown in recommendation 7.
- 22.0 The level of Council Tax for Newark and Sherwood District Council services only is:

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12

- 23.0 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 2022/23, the level of Council Tax increase that would trigger a referendum has been set at 2.0% and more than £5.00. Having carried out the necessary calculation, the Council's budget and Council Tax do not exceed the threshold and so do not trigger a referendum. This is reflected in recommendation 8.
- 24.0 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
£	£	£	£	£	£	£	£
1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94

25.0 RECOMMENDATIONS that:

1. the revenue estimates for 2022/2023 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 2022/2023 in accordance with regulations made under Section 31(B) of the Local Government Finance Act 1992:-
 - (a) **41,205.00** 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) **£38,740,767** 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	24.61
2	Averham	115.68
3	Balderton	3,076.04
4	Barnby in the Willows	108.86
5	Bathley	118.60
6	Besthorpe	79.15
7	Bilsthorpe	938.77
8	Bleasby	388.25
9	Blidworth	1,120.90
10	Bulcote	176.03
11	Carlton-on-Trent	94.32
12	Caunton	211.47
13	Caythorpe	144.84
14	Clipstone	1,670.65
15	Coddington	570.73
16	Collingham	1,254.89
17	Cotham	41.39
18	Cromwell	104.11
19	Eakring	188.40
20	East Stoke	63.45
21	Edingley	190.30
22	Edwinstowe	1,863.51
23	Egmanton	132.62
24	Elston	290.58
25	Epperstone	277.92
26	Farndon	827.88
27	Farnsfield	1,346.21
28	Fiskerton-cum-Morton	424.68
29	Girton and Meering	54.64
30	Gonalston	53.33
31	Grassthorpe	27.06
32	Gunthorpe	319.01
33	Halam	196.78
34	Halloughton	40.31
35	Harby	121.60
36	Hawton	32.23
37	Hockerton	97.50
38	Holme	39.24
39	Hoveringham	175.72
40	Kelham	88.48
41	Kersall	22.59
42	Kilvington	13.65
43	Kirklington	169.58
44	Kirton	122.14

	PARISH	TOTAL LOCAL TAX BASE
45	Kneesall	88.89
46	Langford	39.95
47	Laxton & Moorhouse	115.90
48	Lowdham	1,012.58
49	Lyndhurst	7.22
50	Maplebeck	46.74
51	Meering	-
52	Newark	8,972.07
53	North Clifton	75.62
54	North Muskham	417.52
55	Norwell	221.60
56	Ollerton and Boughton	2,971.96
57	Ompton	22.40
58	Ossington	41.08
59	Oxton	272.62
60	Perlethorpe-cum-Budby	70.89
61	Rainworth	1,925.67
62	Rolleston	162.33
63	Rufford	236.38
64	South Clifton	127.14
65	South Muskham	198.78
66	South Scarle	96.34
67	Southwell	2,999.04
68	Spalford	36.73
69	Staunton	28.35
70	Staythorpe	44.66
71	Sutton-on-Trent	556.04
72	Syerston	94.58
73	Thorney	97.46
74	Thorpe	31.01
75	Thurgarton	245.06
76	Upton	190.95
77	Walesby	431.07
78	Wellow	189.75
79	Weston	139.97
80	Wigsley	49.53
81	Winkburn	37.41
82	Winthorpe	292.20
83	Fernwood	1,078.61
84	Kings Clipstone	120.21
	Total Rounded	41,205.00

PARISHES GROUPED FOR PRECEPT PURPOSES

	Averham, Kelham, Staythorpe	248.82
	Kneesall, Kersall, Ompton	133.88
	Winthorpe, Langford	332.15
	East Stoke, Thorpe	94.46

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 2022/2023 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £47,588,170.00 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) £32,027,260.00 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) £15,560,910.00 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) £6,971,820.00 being the amount of Government Grants (£568,380) and net retained Business Rates (£6,403,440) which the Council estimates will be payable for the year into its general fund;
- (e) £285,740.00 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) £657,290.00 being the amount that the Council has determined to contribute from usable reserves;
- (g) £7,646,060.00 being the amount at 3(c) above less the amount at 3(d) above less the amount at 3(e) above less the amount at 3(f) above calculated by the Council as its' net Council Tax requirement for the year.

- (h) **£185.56** being the amount at 3(g) divided by the amount at 2(a), calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (i) **£3,424,863.60** being the aggregate amount of all special items referred to in Section 34(1) of the Act, the Council resolves there being no other special items;
- (j) **£268.68** being the amount at 3(g) above plus the amount at 3(i) above divided by the amount at 2(a) above calculated by the Council in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year;
- (k)

	PARISH	BASIC TAX (£)
1	Alverton	185.56
2	Averham	*
3	Balderton	294.41
4	Barnby in the Willows	219.57
5	Bathley	198.76
6	Besthorpe	282.34
7	Bilsthorpe	265.45
8	Bleasby	232.74
9	Blidworth	255.56
10	Bulcote	232.43
11	Carlton-on-Trent	221.29
12	Caunton	215.37
13	Caythorpe	215.25
14	Clipstone	285.04
15	Coddington	213.81
16	Collingham	222.69
17	Cotham	185.56
18	Cromwell	195.65
19	Eakring	210.17
20	East Stoke	****
21	Edingley	243.36
22	Edwinstowe	270.88
23	Egmanton	223.26
24	Elston	278.48
25	Epperstone	240.40
26	Farndon	254.58
27	Farnsfield	248.98
28	Fiskerton-cum-Morton	205.58
29	Girton and Meering	207.56
30	Gonalston	185.56
31	Grassthorpe	185.56

	PARISH	BASIC TAX (£)
32	Gunthorpe	252.37
33	Halam	205.89
34	Halloughton	195.48
35	Harby	233.29
36	Hawton	224.34
37	Hockerton	221.46
38	Holme	185.56
39	Hoveringham	263.52
40	Kelham	*
41	Kersall	**
42	Kilvington	185.56
43	Kirklington	223.89
44	Kirton	246.96
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	225.25
48	Lowdham	263.15
49	Lyndhurst	185.56
50	Maplebeck	185.56
51	Meering	185.56
52	Newark	303.10
53	North Clifton	209.19
54	North Muskham	229.64
55	Norwell	226.73
56	Ollerton and Boughton	341.51
57	Ompton	**
58	Ossington	185.56
59	Oxton	251.37
60	Perlethorpe-cum-Budby	210.95
61	Rainworth	218.99
62	Rolleston	228.68
63	Rufford	202.48
64	South Clifton	205.22
65	South Muskham	254.57
66	South Scarle	236.42
67	Southwell	270.93
68	Spalford	185.56
69	Staunton	185.56
70	Staythorpe	*
71	Sutton-on-Trent	233.56
72	Syerston	185.56
73	Thorney	211.42
74	Thorpe	****
75	Thurgarton	234.81
76	Upton	228.50
77	Walesby	281.15

	PARISH	BASIC TAX (£)
78	Wellow	218.23
79	Weston	218.05
80	Wigsley	185.56
81	Winkburn	185.56
82	Winthorpe	***
83	Fernwood	260.61
84	Kings Clipstone	268.54

PARISHES GROUPED FOR PRECEPT PURPOSES

	Parish	Basic Tax (£)
*	Averham, Kelham, Staythorpe	200.63
**	Kneesall, Kersall, Ompton	207.45
***	Winthorpe, Langford	212.66
****	East Stoke, Thorpe	217.32

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(l) 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.

31

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	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
2	Averham	*	*	*	*	*	*	*	*
3	Balderton	196.27	228.99	261.70	294.41	359.83	425.26	490.68	588.82
4	Barnby in the Willows	146.38	170.78	195.17	219.57	268.36	317.16	365.95	439.14
5	Bathley	132.51	154.59	176.68	198.76	242.93	287.10	331.27	397.52
6	Besthorpe	188.23	219.60	250.97	282.34	345.08	407.82	470.57	564.68
7	Bilthorpe	176.97	206.46	235.96	265.45	324.44	383.43	442.42	530.90
8	Bleasby	155.16	181.02	206.88	232.74	284.46	336.18	387.90	465.48
9	Blidworth	170.37	198.77	227.16	255.56	312.35	369.14	425.93	511.12
10	Bulcote	154.95	180.78	206.6	232.43	284.08	335.73	387.38	464.86
11	Carlton-on-Trent	147.53	172.11	196.7	221.29	270.44	316.64	364.82	442.58

12	Caunton	143.58	167.51	191.44	215.37	263.23	311.09	358.95	430.74
13	Caythorpe	143.50	167.42	191.33	215.25	263.08	310.92	358.75	430.50
14	Clipstone	190.03	221.70	253.37	285.04	348.38	411.72	475.07	570.08
15	Coddington	142.54	166.30	190.05	213.81	261.32	308.84	356.35	427.62
16	Collingham	148.46	173.20	197.95	222.69	272.18	321.66	371.15	445.38
17	Cotham	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
18	Cromwell	130.43	152.17	173.91	195.65	239.13	282.61	326.08	391.30
19	Eakring	140.11	163.47	186.82	210.17	256.87	303.58	350.28	420.34
20	East Stoke	****	****	****	****	****	****	****	****
21	Edingley	162.24	189.28	216.32	243.36	297.44	351.52	405.60	486.72
22	Edwinstowe	180.59	210.68	240.78	270.88	331.08	391.27	451.47	541.76
23	Egmanton	148.84	173.65	198.45	223.26	272.87	322.49	372.10	446.52
24	Elston	185.65	216.60	247.54	278.48	340.36	402.25	464.13	556.96
25	Epperstone	160.27	186.98	213.69	240.40	293.82	347.24	400.67	480.80
26	Farndon	169.72	198.01	226.29	254.58	311.15	367.73	424.30	509.16
27	Farnsfield	165.99	193.65	221.32	248.98	304.31	359.64	414.97	497.96
28	Fiskerton-cum-Morton	137.05	159.90	182.74	205.58	251.26	296.95	342.63	411.16
29	Girton	138.37	161.44	184.50	207.56	253.68	299.81	345.93	415.12
30	Gonalston	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
31	Grassthorpe	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
32	Gunthorpe	168.25	196.29	224.33	252.37	308.45	364.53	420.62	504.74
33	Halam	137.26	160.14	183.01	205.89	251.64	297.40	343.15	411.78
34	Halloughton	130.32	152.04	173.76	195.48	238.92	282.36	325.80	390.96
35	Harby	155.53	181.45	207.37	233.29	285.13	336.97	388.82	466.58
36	Hawton	149.56	174.49	199.41	224.34	274.19	324.05	373.90	448.68
37	Hockerton	147.64	172.25	196.85	221.46	270.67	319.89	369.10	442.92
38	Holme	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
39	Hoveringham	175.68	204.96	234.24	263.52	322.08	380.64	439.20	527.04
40	Kelham	*	*	*	*	*	*	*	*
41	Kersall	**	**	**	**	**	**	**	**
42	Kilvington	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
43	Kirklington	149.26	174.14	199.01	223.89	273.64	323.40	373.15	447.78
44	Kirton	164.64	192.08	219.52	246.96	301.84	356.72	411.60	493.92
45	Kneesall	**	**	**	**	**	**	**	**
46	Langford	***	***	***	***	***	***	***	***
47	Laxton & Moorhouse	150.17	175.19	200.22	225.25	275.31	325.36	375.42	450.50
48	Lowdham	175.43	204.67	233.91	263.15	321.63	380.11	438.58	526.30
49	Lyndhurst	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
50	Maplebeck	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
51	Meering	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
52	Newark	202.07	235.74	269.42	303.10	370.46	437.81	505.17	606.20
53	North Clifton	139.46	162.70	185.95	209.19	255.68	302.16	348.65	418.38
54	North Muskham	153.09	178.61	204.12	229.64	280.67	331.70	382.73	459.28
55	Norwell	151.15	176.35	201.54	226.73	277.11	327.50	377.88	453.46

56	Ollerton and Boughton	227.67	265.62	303.56	341.51	417.40	493.29	569.18	683.02
57	Ompton	**	**	**	**	**	**	**	**
58	Ossington	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
59	Oxton	167.58	195.51	223.44	251.37	307.23	363.09	418.95	502.74
60	Perlethorpe-cum-Budby	140.63	164.07	187.51	210.95	257.83	304.71	351.58	421.90
61	Rainworth	145.99	170.33	194.66	218.99	267.65	316.32	364.98	437.98
62	Rolleston	152.45	177.86	203.27	228.68	279.50	330.32	381.13	457.36
63	Rufford	134.99	157.48	179.98	202.48	247.48	292.47	337.47	404.96
64	South Clifton	136.81	159.62	182.42	205.22	250.82	296.43	342.03	410.44
65	South Muskham	169.71	198.00	226.28	254.57	311.14	367.71	424.28	509.14
66	South Scarle	157.61	183.88	210.15	236.42	288.96	341.50	394.03	472.84
67	Southwell	180.62	210.72	240.83	270.93	331.14	391.34	451.55	541.86
68	Spalford	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
69	Staunton	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
70	Staythorpe	*	*	*	*	*	*	*	*
71	Sutton-on-Trent	155.71	181.66	207.61	233.56	285.46	337.36	389.27	467.12
72	Syerston	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
73	Thorney	140.95	164.44	187.93	211.42	258.40	305.38	352.37	422.84
74	Thorpe	****	****	****	****	****	****	****	****
75	Thurgarton	156.54	182.63	208.72	234.81	286.99	339.17	391.35	469.62
76	Upton	152.33	177.72	203.11	228.50	279.28	330.06	380.83	457.00
77	Walesby	189.43	221.01	252.58	284.15	347.29	410.44	473.58	568.30
78	Wellow	145.49	169.73	193.98	218.23	266.73	315.22	363.72	436.46
79	Weston	145.37	169.59	193.82	218.05	266.51	314.96	363.42	436.10
80	Wigsley	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
81	Winkburn	123.71	144.32	164.94	185.56	226.80	268.03	309.27	371.12
82	Winthorpe	***	***	***	***	***	***	***	***
83	Fernwood	173.74	202.70	231.65	260.61	318.52	376.44	434.35	521.22
84	Kings Clipstone	179.03	208.86	238.70	268.54	328.22	387.89	447.57	537.08

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	133.75	156.05	178.34	200.63	245.21	289.80	334.38	401.26
**	Kneesall, Kersall, Ompton	138.30	161.35	184.40	207.45	253.55	299.65	345.75	414.90
***	Winthorpe, Langford	141.77	165.40	189.03	212.66	259.92	307.18	354.43	425.32
*** *	East Stoke, Thorpe	144.88	169.03	193.17	217.32	265.61	313.91	362.20	434.64

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 2022/2023 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
£	£	£	£	£	£	£	£
1,096.06	1,278.74	1,461.41	1,644.09	2,009.44	2,374.80	2,740.15	3,288.18

5. it be noted for the year 2022/2023 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
£	£	£	£	£	£	£	£
169.50	197.75	226.00	254.25	310.75	367.25	423.75	508.50

6. it be noted for the year 2022/2023 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
£	£	£	£	£	£	£	£
56.38	65.78	75.17	84.57	103.36	122.16	140.95	169.14

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 2022/2023 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	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
2	Averham	1,455.69	1,698.32	1,940.92	2,183.54	2,668.76	3,154.01	3,639.23	4,367.08
3	Balderton	1,518.21	1,771.26	2,024.28	2,277.32	2,783.38	3,289.47	3,795.53	4,554.64

4	Barnby in the Willows	1,468.32	1,713.05	1,957.75	2,202.48	2,691.91	3,181.37	3,670.80	4,404.96
5	Bathley	1,454.45	1,696.86	1,939.26	2,181.67	2,666.48	3,151.31	3,636.12	4,363.34
6	Besthorpe	1,510.17	1,761.87	2,013.55	2,265.25	2,768.63	3,272.03	3,775.42	4,530.50
7	Bilsthorpe	1,498.91	1,748.73	1,998.54	2,248.36	2,747.99	3,247.64	3,747.27	4,496.72
8	Bleasby	1,477.10	1,723.29	1,969.46	2,215.65	2,708.01	3,200.39	3,692.75	4,431.30
9	Blidworth	1,492.31	1,741.04	1,989.74	2,238.47	2,735.90	3,233.35	3,730.78	4,476.94
10	Bulcote	1,476.89	1,723.05	1,969.18	2,215.34	2,707.63	3,199.94	3,692.23	4,430.68
11	Carlton-on-Trent	1,469.47	1,714.38	1,959.28	2,204.20	2,694.02	3,183.85	3,673.67	4,408.40
12	Caunton	1,465.52	1,709.78	1,954.02	2,198.28	2,686.78	3,175.30	3,663.80	4,396.56
13	Caythorpe	1,465.44	1,709.69	1,953.91	2,198.16	2,686.63	3,175.13	3,663.60	4,396.32
14	Clipstone	1,511.97	1,763.97	2,015.95	2,267.95	2,771.93	3,275.93	3,779.92	4,535.90
15	Coddington	1,464.48	1,708.57	1,952.63	2,196.72	2,684.87	3,173.05	3,661.20	4,393.44
16	Collingham	1,470.40	1,715.47	1,960.53	2,205.60	2,695.73	3,185.87	3,676.00	4,411.20
17	Cotham	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
18	Cromwell	1,452.37	1,694.44	1,936.49	2,178.56	2,662.68	3,146.82	3,630.93	4,357.12
19	Eakring	1,462.05	1,705.74	1,949.40	2,193.08	2,680.42	3,167.79	3,655.13	4,386.16
20	East Stoke	1,466.82	1,711.30	1,955.75	2,200.23	2,689.16	3,178.12	3,667.05	4,400.46
21	Edingley	1,484.18	1,731.55	1,978.90	2,226.27	2,720.99	3,215.73	3,710.45	4,452.54
22	Edwinstowe	1,502.53	1,752.95	2,003.36	2,253.79	2,754.63	3,255.48	3,756.32	4,507.58
23	Egmanton	1,470.78	1,715.92	1,961.03	2,206.17	2,696.42	3,186.70	3,676.95	4,412.34
24	Elston	1,507.59	1,758.87	2,010.12	2,261.39	2,763.91	3,266.46	3,768.98	4,522.78
25	Epperstone	1,482.21	1,729.25	1,976.27	2,223.31	2,717.37	3,211.45	3,705.52	4,446.62
26	Farndon	1,491.66	1,740.28	1,988.87	2,237.49	2,734.70	3,231.94	3,729.15	4,474.98
27	Farnsfield	1,487.93	1,735.92	1,983.90	2,231.89	2,727.86	3,223.85	3,719.82	4,463.78
28	Fiskerton-cum-Morton	1,458.99	1,702.17	1,945.32	2,188.49	2,674.81	3,161.16	3,647.48	4,376.98
29	Girton	1,460.31	1,703.71	1,947.08	2,190.47	2,677.23	3,164.02	3,650.78	4,380.94
30	Gonalston	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
31	Grassthorpe	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
32	Gunthorpe	1,490.19	1,738.56	1,986.91	2,235.28	2,732.00	3,228.74	3,725.47	4,470.56
33	Halam	1,459.20	1,702.41	1,945.59	2,188.80	2,675.19	3,161.61	3,648.00	4,377.60
34	Halloughton	1,452.26	1,694.31	1,936.34	2,178.39	2,662.47	3,146.57	3,630.65	4,356.78
35	Harby	1,477.47	1,723.72	1,969.95	2,216.20	2,708.68	3,201.18	3,693.67	4,432.40
36	Hawton	1,471.50	1,716.76	1,961.99	2,207.25	2,697.74	3,188.26	3,678.75	4,414.50
37	Hockerton	1,469.58	1,714.52	1,959.43	2,204.37	2,694.22	3,184.10	3,673.95	4,408.74
38	Holme	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
39	Hoveringham	1,497.62	1,747.23	1,996.82	2,246.43	2,745.63	3,244.85	3,744.05	4,492.86
40	Kelham	1,455.69	1,698.32	1,940.92	2,183.54	2,668.76	3,154.01	3,639.23	4,367.08
41	Kersall	1,460.24	1,703.62	1,946.98	2,190.36	2,677.10	3,163.86	3,650.60	4,380.72
42	Kilvington	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
43	Kirklington	1,471.20	1,716.41	1,961.59	2,206.80	2,697.19	3,187.61	3,678.00	4,413.60
44	Kirton	1,486.58	1,734.35	1,982.10	2,229.87	2,725.39	3,220.93	3,716.45	4,459.74
45	Kneesall	1,460.24	1,703.62	1,946.98	2,190.36	2,677.10	3,163.86	3,650.60	4,380.72
46	Langford	1,463.71	1,707.67	1,951.61	2,195.57	2,683.47	3,171.39	3,659.28	4,391.14
47	Laxton & Moorhouse	1,472.11	1,717.46	1,962.80	2,208.16	2,692.86	3,189.77	3,687.27	4,416.32

48	Lowdham	1,497.37	1,746.94	1,996.49	2,246.06	2,745.18	3,244.32	3,743.43	4,492.12
49	Lyndhurst	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
50	Maplebeck	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
51	Meering	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
52	Newark	1,524.01	1,778.01	2,032.00	2,286.01	2,794.01	3,302.02	3,810.02	4,572.02
53	North Clifton	1,461.40	1,704.97	1,948.53	2,192.10	2,679.23	3,166.37	3,653.50	4,384.20
54	North Muskham	1,475.03	1,720.88	1,966.70	2,212.55	2,704.22	3,195.91	3,687.58	4,425.10
55	Norwell	1,473.09	1,718.62	1,964.12	2,209.64	2,700.66	3,191.71	3,682.73	4,419.28
56	Ollerton and Boughton	1,549.61	1,807.89	2,066.14	2,324.42	2,840.95	3,357.50	3,874.03	4,648.84
57	Ompton	1,460.24	1,703.62	1,946.98	2,190.36	2,677.10	3,163.86	3,650.60	4,380.72
58	Ossington	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
59	Oxton	1,489.52	1,737.78	1,986.02	2,234.28	2,730.78	3,227.30	3,723.80	4,468.56
60	Perlethorpe-cum-Budby	1,462.57	1,706.34	1,950.09	2,193.86	2,681.38	3,168.92	3,656.43	4,387.72
61	Rainworth	1,467.93	1,712.60	1,957.24	2,201.90	2,691.20	3,180.53	3,669.83	4,403.80
62	Rolleston	1,474.39	1,720.13	1,965.85	2,211.59	2,703.05	3,194.53	3,685.98	4,423.18
63	Rufford	1,456.93	1,699.75	1,942.56	2,185.39	2,671.03	3,156.68	3,642.32	4,370.78
64	South Clifton	1,458.75	1,701.89	1,945.00	2,188.13	2,674.37	3,160.64	3,646.88	4,376.26
65	South Muskham	1,491.65	1,740.27	1,988.86	2,237.48	2,734.69	3,231.92	3,729.13	4,474.96
66	South Scarle	1,479.55	1,726.15	1,972.73	2,219.33	2,712.51	3,205.71	3,698.88	4,438.66
67	Southwell	1,502.56	1,752.99	2,003.41	2,253.84	2,754.69	3,255.55	3,756.40	4,507.68
68	Spalford	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
69	Staunton	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
70	Staythorpe	1,455.69	1,698.32	1,940.92	2,183.54	2,668.76	3,154.01	3,639.23	4,367.08
71	Sutton-on-Trent	1,477.65	1,723.93	1,970.19	2,216.47	2,709.01	3,201.57	3,694.12	4,432.94
72	Syerston	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
73	Thorney	1,462.89	1,706.71	1,950.51	2,194.33	2,681.95	3,169.59	3,657.22	4,388.66
74	Thorpe	1,466.82	1,711.30	1,955.75	2,200.23	2,689.16	3,178.12	3,667.05	4,400.46
75	Thurgarton	1,478.48	1,724.90	1,971.30	2,217.72	2,710.54	3,203.38	3,696.20	4,435.44
76	Upton	1,474.27	1,719.99	1,965.69	2,211.41	2,702.83	3,194.27	3,685.68	4,422.82
77	Walesby	1,511.37	1,763.28	2,015.16	2,267.06	2,770.84	3,274.65	3,778.43	4,534.12
78	Wellow	1,467.43	1,712.00	1,956.56	2,201.14	2,690.28	3,179.43	3,668.57	4,402.28
79	Weston	1,467.31	1,711.86	1,956.40	2,200.96	2,690.06	3,179.17	3,668.27	4,401.92
80	Wigsley	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
81	Winkburn	1,445.65	1,686.59	1,927.52	2,168.47	2,650.35	3,132.24	3,614.12	4,336.94
82	Winthorpe	1,463.71	1,707.67	1,951.61	2,195.57	2,683.47	3,171.39	3,659.28	4,391.14
83	Fernwood	1,495.68	1,744.97	1,994.23	2,243.52	2,742.07	3,240.65	3,739.20	4,487.04
84	Kings Clipstone	1,500.97	1,751.13	2,001.28	2,251.45	2,751.77	3,252.10	3,752.42	4,502.90

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	1,455.69	1,698.32	1,940.92	2,183.54	2,668.76	3,154.01	3,639.23	4,367.08
**	Kneesall, Kersall, Ompton	1,460.24	1,703.62	1,946.98	2,190.36	2,677.10	3,163.86	3,650.60	4,380.72
***	Winthorpe, Langford	1,463.71	1,707.67	1,951.61	2,195.57	2,683.47	3,171.39	3,659.28	4,391.14

*** *	East Stoke, Thorpe	1,466.82	1,711.30	1,955.75	2,200.23	2,689.16	3,178.12	3,667.05	4,400.46
----------	-----------------------	----------	----------	----------	----------	----------	----------	----------	----------

8. **determine that the Council's basic amount of council tax for 2022/23 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 2022/23. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2022/23 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 Section 151 Officer on 01636 655303.

D. Lloyd

Leader of the Council

COUNCIL MEETING – 8 MARCH 2022

2022/23 TO 2025/26 MEDIUM TERM FINANCIAL PLAN

1.0 Purpose of Report

- 1.1 To approve the Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2022 and 31 March 2026 (2022/23 to 2025/26).

2.0 Background Information

- 2.1 The MTFP (**Appendix A**) aims to provide Members and Officers with a clear financial framework for delivering the Council's Community Plan objectives over the next four financial years.
- 2.2 Updating the Council's MTFP is an essential pre-requisite to the annual budget setting process for future years.

3.0 Proposals

- 3.1 The MTFP shows that the Council is able to set a balanced budget for 2022/23, though will need to reduce expenditure and/or increase income in order to mitigate future anticipated shortfalls in funding.
- 3.2 The Council will need to continually consider how best to manage demand for its services, as well as continually monitor and review how it best delivers each service.

4.0 Digital Implications

- 4.1 There are no digital implications directly arising from this report.

5.0 Equalities Implications

- 5.1 Business Managers consider the implications on equalities when assessing how best to deliver the services they are responsible for. This includes one-off activities, whether paid for from revenue or capital resources.

6.0 Financial Implications (FIN21-22/7913)

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

7.0 Community Plan – Alignment to Objectives

- 7.1 One of the main aims of the MTFP is to deliver the Council's Community Plan objectives. **Appendix A** provides more details on how the council's MTFP and Community Plan align.

8.0 RECOMMENDATION

That the Medium Term Financial Plan (MTFP) for 2022/23 to 2025/26 be approved.

Background Papers

Revenue Budget and Council Tax Setting for 2022/23
Capital Programme 2022/23 to 2025/26
Statement of Accounts 2020/21

For further information please contact Nick Wilson (Business Manager – Financial Services) on extension 5317 or Mohammed Sarodia (Assistant Business Manager – Financial Services) on extension 5537.

Sanjiv Kohli
Director – Resources and Deputy Chief Executive

2022/23 TO 2025/26 MEDIUM TERM FINANCIAL PLAN (MTFP)

The council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2021 and 31 March 2025 (2021/22 to 2024/25, or 2021/25) was presented to this Committee on 21 February 2021 and approved by Full Council on 9 March 2021.

This document seeks to update the MTFP's assumptions on expenditure, income and financing for the four years between 2022/23 and 2025/26 (2021/25).

The main aims of the MTFP are to:

- a) deliver the council's Community Plan objectives over the life of the relevant Community Plan;
- b) clearly present the council's current predictions of its financial position between 2022/23 and 2025/26; and
- c) enable members to make decisions which ensure the council's future financial sustainability.

The MTFP tries to do this by:

- a) bringing together in one place all known factors which will affect the council's financial position; and
- b) matching how the council plans to spend to deliver its Community Plan objectives with the expected resources available to fund that spend.

1.1 Financial Projections

The table below shows high level budget projections for the next four years, assuming annual increases of 1.94% in the rate of average band D council tax (excluding local precepts), together with annual increases in the council tax base based on forecast housing growth.

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Net Service Expenditure (less capital charges)	14.388	14.517	14.900	15.343
Total Other Expenditure	1.172	1.877	1.874	1.898
Total Expenditure	15.560	16.394	16.774	17.241
Business Rates: receivable annually	(6.744)	(4.413)	(5.082)	(5.639)
Business Rates: other adjustments	0.341	0.000	0.000	0.000
Council Tax: receivable annually	(7.646)	(7.966)	(8.299)	(8.646)
Council Tax: surpluses/(deficits)	(0.333)	0.000	0.000	0.000
Council Tax: other adjustments	0.047	0.000	0.000	0.000
Other Grants	(0.568)	(0.568)	(0.464)	(0.475)
Contribution (to) or from Reserves	0.657	3.447	2.929	2.481

1.2 Financial Landscape

The government has had plans to reform the local government finance system for a number of years. The government initially intended for these reforms to take effect from 2020/21. It has now delayed these reforms further to 2023/24 at the earliest. Given the additional year's delay, the government plans to roll forward the 2021/22 settlement to 2022/23.

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

The impact of the government's decision to delay the reform to the system has been positive on the funding position of Newark and Sherwood District Council. The delay in re-setting the NDR baseline has meant that expected NDR income in each year between 2020/21 and 2022/23 has been at least £2m more than was expected in the 2019/23 MTFP approved on 7 March 2019. This includes surpluses not forecasted for within the 2019/23 MTFP.

The government has not yet indicated when it plans to carry out a multi-year Spending Review to enable the reformed systems for business rates retention and annual funding allocations to be implemented. The Chancellor may set this out in his budget on 23 March 2022.

As it is not known how exactly the local government finance system will change or from when these changes will take effect from, the council's current modelling of funding projections for 2023/24 and future years are subject to high levels of volatility. It is however anticipated that the changes to the local government funding formula will be implemented in 2023/24. A consultation paper on potential reform has been promised for the Spring and it is expected that there will be further consultation over the Summer.

The scope of reforms is still uncertain which would include the Fair Funding Review, a reset in the baseline for Business Rates Funding and changes to New Homes Bonus, albeit time is already limited and therefore this may mean only a cut-down version of the reforms are implemented.

It is expected, however, that the government's changes to the local government finance system will incorporate transitional arrangements where appropriate, and that changes will be made manageable for individual authorities or classes of authorities.

Throughout the remainder of 2021/22 and in 2022/23, officers will closely monitor the government's announcements relating to the local government finance system and assess the implications of these on the council's funding for 2022/23 and future years.

1.3 Fair Funding Review

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

The government now plans to use an updated approach to distributing funding to councils from 2023/24. Much of the data that Government hold in relation to the current formula relates to 2013/14 and before hence significant work is necessary in order to recalibrate the formulae. As stated above, consultation is expected in the Spring where the scope will hopefully be outlined. As timescales are limited a compromise may be to make simple reforms or largely leave formulae alone and create a headroom pot to redistribute.

The Fair Funding Review will have an enormous effect on the Council's budget because it will affect the amount of BFL the government will give the council in future years, and thus also the

amount of business rates the council can retain. As per the table in section 1.1, business rates are expected to account for a large proportion of the council's total expenditure (excluding capital charges) in each year of the council's MTFP.

1.4 Retained Business Rates

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

The government plans to implement a reformed business rates retention system, though for changes not to take place until 2023/24 at the earliest. The reforms aim to:

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

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

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

The BRB is the government's prediction of how much each council is able to raise locally in business rates.

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

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

The council's MTFP accounts for planned reforms to the NDR retention system, though amounts for 2023/24 and future years are subject to higher levels of volatility. These have been modelled with the assistance of Pixel, the Council's external advisors who assist many authorities on national funding.

The government has proposed freezes to the proportions of businesses' rateable values (RVs) payable as business rates in 2022/23, though has not yet proposed the reliefs it will require councils to implement for 2022/23:

- a freeze in the small business NDR multiplier at 49.9p;
- a freeze in the NDR multiplier at 51.2p;

In accordance with section 31 (Power to pay grant) of the *Local Government Act 2003*, the government will fully fund local authorities for awarding these reliefs, and provide funding for the administrative and IT costs associated with implementing these new burdens.

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

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

The total rateable value (RV) of all business premises within the district anticipated at the beginning of 2022/23 is £106.2m. If NDR payers believe that the RV of their premises is incorrect, they can appeal the RV of the premises. If appeals by NDR payers are successful, the council makes one-off refunds to NDR payers and backdates these as appropriate.

The table below analyses the forecasted provision (money set aside) by the council at 2021/22 year-end if all appeals, challenges (prospective appeals) and threats (appeals and challenges yet to be received) regarding NDR payers' RVs are successful:

Forecasted provision by council at 2021/22 year-end if all NDR appeals, challenges and threats successful	Number of businesses	Reduction in RV (£m)	Cost (£m)
Appeals	8	0.108	0.127
Challenges (prospective appeals)	10	0.342	0.301
Threats (appeals and challenges yet to be received)	249	1.965	3.601
Forecasted provision by council at 2021/22 year-end	267	2.415	4.029

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

1.5 Council Tax

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

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

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

The proposed core principle for 2022/23 is 2%. The government's proposed council tax referendum principle for shire district councils therefore permits increases in the council's 2022/23 relevant basic amount of council tax of up to (and including) the greater of 1.99% or £5.00 without holding a referendum.

For all years since 2016/17 except 2020/21, Members have approved annual average band D council tax increases of 1.94%. For 2020/21, Members agreed an increase of £5.00 (2.88%). The council's MTFP assumes annual increases of 1.94%.

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

The council's MTFP assumes that the 2022/23 CTB will be 3.01% higher than the 2021/22 CTB, and that there will be a 2.20% increase in CTB for 2023/24 and subsequent years.

The table below shows the additional income the council would expect to receive over the four years of the MTFP, based on council tax increases of 1.94% in 2022/23, compared to if council tax was frozen at the 2021/22 level during 2022/23 but increased by 1.94% annually thereafter:

Effect of council tax changes	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	MTFP (£m)
Additional income from 1.94% increase in all years	0.146	0.152	0.158	0.165	0.621

1.6 New Homes Bonus (NHB)

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

The government plans to consult on the future of NHB, with a view to implementing reform in 2023/24.

Details of the government's final NHB allocations for 2022/23 and the three years previous are in the table below. This includes a legacy payment for 2019/20 and a new one-year allocation for 2022/23.

Year	2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)
Total	1.580	1.741	1.187	1.573

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

In previous years, NHB has been used to fund key regeneration projects. This is expected to continue. As capital resources are scarce, the termination of multi-year payments on new NHB allocations will have significant impact on capital resources.

The 2019/20 to 2022/23 MTFP approved by Council on 9 March 2019 proposed to allocate 50% of NHB receipts to reserves and 50% for the capital financing of assets with lives of less than 10 years (short-life assets). It is intended that this policy will continue.

As per section 1.2, NHB is within scope of the proposed reforms to the local government finance system. As such, councils are not expected to receive NHB in 2023/24 or future years.

1.7 Income from Fees and Charges

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

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

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

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

As mentioned in section 1.11, the fees and charges budgets proposed for 2022/23 are at levels considered achievable. Further details on the fees and charges budgets for 2022/23 can be found in the 2022/23 proposed General Fund revenue budget report.

The table in section 1.10 identifies further fees and charges income as key to bridging the council's funding gap. It is anticipated that new annual income of £0.200m will be generated by delivering the Commercial Strategy. This may be by stretching existing fees and charges income targets, new income streams, and/or a combination of both.

1.8 Reserves and Balances

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

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

Council's generally hold useable reserves for three purposes:

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

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

Appendix B shows the balances which comprised the council's total reserves at the end of 2020/21 and at the beginning of 2021/22. It also shows the balances expected to comprise the council's total reserves at the end of 2021/22 and 2022/23.

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

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

ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES

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

The council's total forecast reserves and fund balance to 31 March 2023 is £30,944,392. This is 199% of the forecast Net Budget Requirement of £15,560,910. The s151 Officer of the Council is satisfied with the adequacy of the levels of reserves and balances.

The budget has been prepared in accordance with the budget strategy approved by this Committee on 24 June 2021. The same strategy has been adopted for the period of the MTFP.

The Section 151 Officer also notes that in the future, all local authorities, and in particular district councils, will face a reduction in core funding from the Government once changes to the current funding regime (in particular New Homes Bonus and Business Rates) are introduced – particularly against the backdrop of recovering from the impact of COVID-19. The Section 151 Officer is closely monitoring the progress of the Fair Funding Review, the government's departmental multi-year

Spending Review and the redesign of the national Business Rates Retention System. The council's current projections within the Medium Term Financial Plan (MTFP) make prudent and robust assumptions around the likely level of funding in light of these government-led reviews.

1.9 Assumptions made within the MTFP

Finance officers and budget holders have developed detailed budgets for 2022/23 and future years. Officers have used the information available to them (past, present and future), and have made appropriate assumptions where the relevant information has been unavailable to them.

A 2% annual increase in basic pay has been assumed for 2022/23, and a 3% increase for each subsequent year of the council's MTFP.

The National Joint Council (NJC) for Local Government Services' pay award for 2022/23 has not yet been finalised. The costs of the 2022/23 pay award may exceed the pay increases currently budgeted for. If the 2022/23 pay award is agreed at a higher rate than the 2% increase in basic pay assumed, and if reductions in employee costs elsewhere cannot offset the increase in pay award costs, the additional costs unbudgeted for will need to be funded from council reserves. Section 1.11 examines this in more detail.

Most non-pay expenditure budgets have been uplifted by 3% in each year of the council's MTFP. Some costs, such as insurance and utilities, are expected to increase by more than 2%; and others, such as fixed-price goods and services, are expected to increase by less than 2%.

The council's General Fund revenue budget is charged for the purchase or creation of fixed assets where capital resources are unavailable at the time. These charges will be in line with the council's Minimum Revenue Provision (MRP) policy for 2022/23, which was recommended for approval by Full Council on 8 March 2022 by the Audit and Accounts Committee on 2 February 2021.

1.10 Proposed strategy for bridging the funding gap

The table below shows the contributions to and from reserves currently projected for each year of the council's MTFP (as described at the table in paragraph 1.1), and the actions currently proposed to mitigate the annual contributions from reserves projected for 2023/24, 2024/25 and 2025/26:

	2022/23 (£m)	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)
Contribution (to) or from reserves	0.657	3.447	2.929	2.481
Contribution (to) or from reserves other than MTFP reserve	(0.096)	0.200	0.200	0.200
Contribution (to) or from MTFP reserve, before proposed mitigations below	0.561	3.647	3.129	2.681
Use of MTFP reserve to offset contributions from reserves in future years	0.039	(2.947)	(1.979)	(0.635)
Contribution from Nottinghamshire Business Rates Pool	(0.600)	-	-	-
Dividends from Arkwood Developments Ltd	-	(0.500)	(0.500)	(0.500)
Savings from service reviews	-	-	(0.100)	(0.100)
Savings/efficiencies from making business processes more efficient	-	(0.100)	(0.200)	(0.200)

APPENDIX A

Increased income from the council becoming more commercial	-	(0.100)	(0.200)	(0.200)
Rental income from town centre regeneration	-	-	(0.150)	(0.150)
Contribution (to) or from MTFP reserve, after proposed mitigations above	0.000	0.000	0.000	0.896

The table shows a total anticipated shortfall of £0.896m in funding over the four-year period. Forecasts of anticipated efficiencies and additional income have been updated from the 2021/25 MTFP approved on 9 March 2021.

The equivalent table above was presented in the MTFP approved at Council on 9 March 2021, which identified that for the production of the 2022/23 budget £0.100m was due to be generated in savings from service reviews. This has been completed with the deletion of the Business Manager – Legal Services post and the flexible retirement of the Business Manager – Revenues and Benefits. The table above has therefore removed £0.100m of the requirement in the future years.

As the Council has received, for a number of years, return funding from the Nottinghamshire Business Rates Pool in relation to the local growth retained (split with Nottinghamshire County Council), a forecast of the additional funding to be generated next financial year has been made of £0.600m. This is expected to be the final year that this will occur as the changes to the system of funding described at 1.2, 1.3 and 1.4 above are likely to remove this funding. Forecasts for the current year's year-end of £0.490m have been included the balance of the MTFP reserve together with the £0.453m favourable variance on the General Fund.

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

Since 2010, the council has made significant savings in line with government grant reductions. Though further savings may become harder to identify and deliver, particularly from spend not on employees (as mentioned in section 1.11), it is essential that the council continues to identify areas where spend can be reduced and/or income increased. This is so that the council can continue to operate sustainably longer-term.

The council's total income will need to increase significantly, if it is to continue delivering and improving the services it currently provides and not use its reserves to cover the deficits currently anticipated for 2023/24 and future years.

Councils are severely restricted in how much funding they can raise from council tax increases without holding referenda. As mentioned in section 1.5, the council can increase council tax in 2022/23 by the greater of 1.99% or £5.00 without holding a referendum. A 1% increase in council tax is equivalent to £76,460 of net expenditure.

The council's Commercial Strategy and Action Plan, approved by Policy and Finance Committee on 27 January 2022, aims to make Newark and Sherwood an *"innovative and entrepreneurial Council that continually achieves positive annual financial contributions; by generating new revenue and delivering cost reductions, through trading and business improvements"*. The council has begun to benefit from the projects which have been completed to date since the Commercial Plan 2017-18 to 2020-21 was approved in October 2017, and expects to increasingly benefit in future years from the implementation of the current strategy. The council's work across the district (externally) and

with services council-wide (internally) will be crucial to enabling the council's future sustainability and growth. This is particularly as changes to the local government finance system increase the rewards for councils able to facilitate local economic growth, as mentioned in section 1.4.

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

Pressures	Increase in 2023/24 budget, compared to 2022/23 budget (£m)	Increase in 2024/25 budget, compared to 2023/24 budget (£m)	Increase in 2025/26 budget, compared to 2024/25 budget (£m)
Employees	0.401	0.497	0.511
Internal Drainage Board Levies	0.040	0.029	0.023
Electricity and gas costs	0.021	0.022	0.023

1.11 Risks Associated with the Budget Process

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

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

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

In considering the council's proposed budget for 2022/23 and the sensitivity of expenditure and income to changes, it should be noted that:

- a) a 1% increase in Council Tax is equivalent to £76,460 of net expenditure; and
- b) a £1 increase in Council Tax is equivalent to £41,210 of net expenditure.

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

Employee Costs

Employee costs form a significant proportion of all district council budgets. Employee costs comprise 65% of the council's proposed controllable service expenditure budget for 2022/23 (total spend, excluding spend on capital costs, internal recharges and Housing Benefit payments).

This makes it less likely to achieve savings solely by reducing non-employee spend. It also means that the council would need to use a greater proportion of its reserves if the costs of future years' pay awards exceed the 2% pay award currently budgeted for 2022/23 and/or the 3% pay awards currently budgeted for subsequent years. For example, a 3% increase in basic pay for 2022/23 (1% more than currently budgeted for) would result in around £162,210 needing to be funded from reserves for 2022/23. Additional funding would also need to be found for subsequent years, as the higher than expected pay for 2022/23 would result in higher than expected pay in subsequent years.

Currently vacancies are expected to amount to around 5.6% of total employee spend to the year end of 2021/22. With this in mind a forecast of 4% in 2022/23 and 3.5% has been used in all future years.

Income

A significant part of the council's annual net budget is dependent on income from rents; sales, fees and charges; and other receipts. Officers have reviewed the income that services have achieved against the current and previous years' budgets, and have considered factors expected to affect future income levels, to ensure the 2022/23 income budgets for services have been set at levels considered achievable. As COVID-19 has had a major effect on the way that consumers use services, this has impacted the expected amount of income which may be generated in future years. Officers will monitor this closely over the coming year and revised forecasts over the medium term will be updated for the MTFP to be developed for the period between 2023/24 and 2026/27.

Significant underperformance against budgeted income would increase the council's annual net expenditure, and thus place unbudgeted demand on council reserves. A 1% reduction in council income from fees and charges would cost around £57,190 in 2022/23.

Interest Rates

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

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

The budgeted amounts have accounted for factors such as the amount of council funds expected to be available. The actual amounts of council interest payable and receivable for 2022/23 will likely differ from those budgeted.

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

Inflation

Most income budgets and non-pay expenditure budgets have been uplifted by 3%. Some costs, such as insurance and utilities, are expected to increase by more than 3%; and others, such as fixed-price goods and services, are expected to increase by less than 3%.

The most recent month for which inflation data was available at the time of writing, December 2020, had a 5.4% increase in inflation (Consumer Prices Index (CPI)) over the 12 months of the 2020 calendar year.

The small differences anticipated between actual inflation rates and the 3% budgeted for are expected to have insignificant impact on the council's budget.

1.12 Capital Investment Programme and Funding

The overall proposed General Fund Capital Programme for the period from 2022/23 and 2025/26 totals £75.289m. £36.280m is financed by external grant funding for the Southern Link Road (SLR), Stodman Street Regeneration, Castle Gatehouse, Disabled Facilities Grant (DFG's) and flood grants. One of the grants in relation to the SLR have already been received and are held on the Council's balance sheet as a conditional grant, albeit further funding has been approved from the Levelling up fund which will ensure the delivery of the scheme. This levelling up funding has yet to be received by the Council. The DFG funding is received via the Better Care Fund (BCF) and is subject to an annual bidding process.

Other external financing in the form of contributions from external partners amounts to £0.225m. This relates to an expectation of £0.225m of S106 funding towards the works to be identified at Southwell Leisure Centre.

Council internal capital resources employed amount to £8.815m, which relates to the Council's contribution to the funding gap in the Southern Link Road, Yorke Drive Pavilion, the Council's contribution to the works at Southwell Leisure Centre as described above and replacing parts of the Council's refuse fleet and other equipment.

In 2022/23 Community Infrastructure Levy receipts will be used to finance the cost of £5.540m to improve the A1 overbridge at Fernwood. This bridge is part of the highways mitigation work to deliver the expansion of Fernwood.

Borrowing is the balancing figure for the capital expenditure at £24.429m. This type of financing, attracts a charge to revenue called the Minimum Revenue Provision (MRP) calculated using the asset life method as approved by Council within the Treasury Management Strategy each year. The current method approved is the asset life method. This apportions notional borrowing incurred over the life of the asset, which is in line with the timeline for receiving economic benefits generated by the asset.

General Fund Revenue Reserves	Reason for reserve	Balance as at 31 March 2021	Balance as at 1 April 2021	Estimated Balance as at 31 March 2022	Estimated Balance as at 31 March 2023
Council Funds:					
Investment Realisation Fund	A buffer from potential future losses on external investments	(90,935)	(90,935)	(90,935)	(90,935)
Election Expenses Fund		(73,249)	(73,249)	(56,249)	(56,249)
Insurance Fund		(268,906)	(268,906)	(268,906)	(268,906)
Repairs And Renewals Fund	To pay for future repairs, maintenance and renewals of property and equipment	(2,234,925)	(2,234,925)	(2,357,739)	(2,357,739)
Building Control Surplus	Statutory building control reserve	(57,343)	(57,343)	(57,343)	(57,343)
Museum Purchases Fund	Partly a bequest from the Nicholson estate	(32,199)	(32,199)	(32,199)	(32,199)
Training Provision	To pay for additional training needs and apprentice costs	(158,752)	(158,752)	(158,752)	(158,752)
Restructuring And Pay		(153,058)	(153,058)	(141,200)	(141,200)
Court Costs	To pay for unplanned court costs	(58,959)	(58,959)	(58,959)	(58,959)
Change Management/Capital Fund	To enable and facilitate the changing working environment	(13,113,015)	(13,706,670)	(13,490,828)	(14,276,828)
Enforcement Reserve	Provides additional funding for enforcement-related activities	(84,210)	(84,210)	(45,620)	(45,620)
Flooding Defence Reserve	To mitigate the impact of flooding	(250,000)	(250,000)	(250,000)	(250,000)
Emergency Planning Reserve	To replenish the emergency planning store's stock (of, for example, aqua-sacs)	(42,651)	(42,651)	(42,651)	(42,651)
Planning Costs Fund	To pay for unplanned planning enquiries or appeals	(201,140)	(201,140)	(201,140)	(201,140)
Growth And Prosperity Fund	Think BIG (Business Investment for Growth) loans to businesses in the district	(127,366)	(127,366)	(127,366)	(127,366)
Refuse Bin Purchase	If the cost of buying bins exceeds the revenue budget the service has available	(15,000)	(15,000)	(15,000)	(15,000)
Fuel And Energy Reserve		(62,142)	(62,142)	(62,142)	(62,142)
Management Carry Forward	Requests by management to transfer some of their budget into the next financial year, to spend in the next financial year	(663,672)	(663,672)	0	0
NNDR Volatility Reserve	A buffer from reduced income, increased bad debts and/or increased refunds when the business rate system changes	(793,348)	(793,348)	(793,348)	(793,348)
Community Initiative Fund		(195,492)	(195,492)	(156,520)	(156,520)
MTFP Reserve	To cover future years' deficits, if all other actions to cover deficits are insufficient	(4,043,444)	(4,579,314)	(5,522,314)	(5,561,314)
Asset Maintenance Fund	To fund works identified from asset condition surveys	(500,000)	(500,000)	(500,000)	(500,000)
Capital Project Feasibility Fund	To fund feasibility works in relation to potential capital schemes	(400,816)	(400,816)	(313,816)	(313,816)
Community Engagement Fund	To assist communities with their efforts to battle COVID-19	(286,104)	(286,104)	(245,484)	(245,484)
COVID Pressures	To mitigate the impact of extraordinary COVID-19 related costs	(200,000)	(200,000)	(179,750)	0
Collection Fund Budget	To fund the Collection Fund deficit which has arisen because of General Fund grant being given to compensate councils for statutory NDR reliefs paid by councils in-year.	(8,570,638)	(8,570,638)	0	0
COVID Compliance Reserve	To mitigate the impact of extraordinary COVID-19 related costs which arise in relation to the delivery of frontline services	(281,411)	(263,731)	(191,641)	(30,571)
Theatre Centenary Legacy	To use monies raised through the centenary event to fund the cost of grants given to those doing eligible cultural courses	0	0	(13,100)	(13,100)
Commercialisation Plan Invest to Save Reserve	To fund the initial investment in activities required to generate annual savings over the medium- and long-term	0	0	0	(200,000)
Workforce Development Reserve		0	0	0	(200,000)
Collection Fund Spreading Adjustment Reserve	To fund Collection Fund deficits which have arisen as a result of exceptional pandemic-related circumstances	0	(775,560)	(387,780)	0
General Fund Balance		(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total Council Funds		(34,458,775)	(36,346,180)	(27,260,782)	(27,757,182)
Grants:					
Homelessness Fund	To pay for relevant costs from the government's homelessness-related grants	(403,482)	(403,482)	(687,321)	(919,861)
Revenue Grants Unapplied	Revenue grants which have not yet been used where the grant providers do not require the grants to be repaid if unused	(539,594)	(480,594)	(332,426)	(332,426)
Community Safety Fund	To pay for costs of Bassetlaw, Newark and Sherwood Community Safety Partnership (BNSCSP)	(141,214)	(141,214)	(141,214)	(141,214)
Energy & Home Support Reserve	To assist vulnerable residents with heating/boiler issues	(103,171)	(103,171)	(103,171)	(103,171)
Welfare Reform Reserve		(25,774)	(25,774)	(25,774)	(25,774)
Total Grants		(1,213,235)	(1,154,235)	(1,289,906)	(1,522,446)
Total General Fund Revenue Reserves		(35,672,010)	(37,500,415)	(28,550,688)	(29,279,628)

General Fund Capital Reserves	Reason for reserve	Balance as at 31 March 2021	Balance as at 1 April 2021	Estimated Balance as at 31 March 2022	Estimated Balance as at 31 March 2023
Capital Financing Provision	Resources such as New Homes Bonus (NHB) grant to pay for capital spend	(1,519,644)	(2,663,299)	(1,060,635)	(1,357,772)
Capital Receipts	Receipts from selling General Fund (GF) assets to pay for capital spend	(549,491)	(549,491)	(442,551)	(157,551)
Grants & Contributions Unapplied	Capital funding received which does not yet need to be spent	(8,746,184)	(8,746,184)	(8,113,272)	507
Total General Fund Capital Reserves		(10,815,319)	(11,958,974)	(9,616,458)	(1,514,816)

Ring-Fenced Reserves	Reason for reserve	Balance as at 31 March 2021	Balance as at 1 April 2021	Estimated Balance as at 31 March 2022	Estimated Balance as at 31 March 2023
Mansfield Crematorium	Statutory, because council is part of Mansfield and District Crematorium	(149,948)	(149,948)	(149,948)	(149,948)
Total Ring-Fenced Reserves		(149,948)	(149,948)	(149,948)	(149,948)

Total Reserves	(46,637,277)	(49,609,337)	(38,317,094)	(30,944,392)
-----------------------	---------------------	---------------------	---------------------	---------------------

COUNCIL MEETING – 8 MARCH 2022

CAPITAL PROGRAMME 2022/23 TO 2025/26

1.0 Purpose of Report

- 1.1 To approve the Council's Capital Programme for 2022/23 to 2025/26.

2.0 Background Information

- 2.1 At its meeting on 21 February 2022 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.
- 2.2 At the same meeting approval was given for works at the Castle to improve conditions, the works totalled £0.570m and are to be funded by borrowing.

3.0 Proposals

- 3.1 The Capital Programme for 2022/23 to 2025/26 proposes investment of £129.615m over the 4 year programme. Housing Services £54.326m (made up of Property Investment and the New Build Programme) and General Fund £75.289m (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 HRA Major Repairs Reserve, General Fund reserves) 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 2022/23 to 2025/26 be financed to maximise the resources available, having regard to the provisions of the Local Government and Housing Act 1989 and subsequent legislation; and
- d) any changes above the limit delegated to the Section 151 Officer (i.e. £10,000), either in funding or the total cost of the capital scheme, be reported to the Cabinet for consideration.

Background Papers - Nil

For further information please contact Mike Marriott - Accountant on ext. 5327.

Sanjiv Kohli

Deputy Chief Executive / Director – Resources and Section 151 Officer

POLICY & FINANCE COMMITTEE
21 FEBRUARY 2022**CAPITAL PROGRAMME 2022/23 TO 2025/26****1.0 Purpose of Report**

- 1.1 In accordance with the Financial Regulations 6.2.3, Policy & Finance Committee is required to consider the Capital Programme and recommend to the Council the final Programme for approval. This report details the proposed capital schemes over the medium term, together with the available resources to finance this.

2.0 Background Information

- 2.1 During summer 2021, capital appraisal forms were circulated to Business Managers and the Senior Leadership Team (SLT) to inform the proposed capital programme. Completed forms were scored in conjunction with the scoring matrix set within the Capital Strategy (as approved by Council on 9 March 2021), based on a comparison of service priorities against finance costs. SLT considered the results of this exercise and the proposed capital programme included within this report, contains those schemes that were agreed to be appropriate.

3.0 Capital Expenditure – General Fund

- 3.1 The Council intends to spend £74.719m in general fund capital expenditure from 2022/23 to 2025/26.
- 3.2 The major schemes in this programme are:

Scheme Name	Summary of Proposed Financing
Homeless Hostel	Borrowing
Yorke Drive Regeneration and Community Facility	Borrowing plus external grant
Castle Gatehouse	Currently £1m borrowing together with anticipated contribution from the Towns Fund and HLF. This project will be further updated once Full business case is approved. This is likely to move the current proposed timeline
Southern Link Road Contribution	External Grant supplemented by a revenue contribution
A1 Overbridge	Community Infrastructure Levy
Arkwood Developments Regeneration Loan Facility	Borrowing
32 Stodman Street	£2m Town Fund, with the remainder supplemented by borrowing

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

4.0 Capital Expenditure – Housing Revenue Account (HRA)

- 4.1 The Council intends to spend £54.326m from the HRA from 2022/23 to 2025/26. This is made up of £28.220m on existing property investment and £26.106m on additional Affordable Housing.
- 4.2 The Housing, Health and Wellbeing directorate will review and update the property investment programme against the records kept for all properties to ensure budget levels are sufficient for works coming up in the medium term.
- 4.3 Major schemes included in the HRA are:
- Yorke Drive Estate Regeneration
 - Phases 4 and 5 of the Council House Development Programme
- 4.4 Details of individual schemes are shown in **Appendix B**.

5.0 Resources Available

- 5.1 External Grants and Contributions can provide additional resources to the Capital Programme. Grant funding is subject to a detailed bidding process. Officers continue to liaise with external parties to secure the maximum available inward investment in order to contribute towards delivery of the capital programme.
- 5.2 The most significant grants currently forecast over the medium term are from the Towns Fund (currently awaiting DLHUC approval), the Better Care Fund (BCF) for Disabled Facilities Grants (DFG's). In addition to this, grants held from previous years for specific purposes are due to be utilised. For example, the Local Enterprise Partnership (LEP) Grant received during 2016/17 in relation to the Southern Link Road, which is forecast to be utilised over the next two financial years.
- 5.3 Capital Receipts

	General Fund £'m	HRA £'m	1-4-1 £'m	Total £'m
Balance @ 1 Apr 2022	0.501	1.027	0	1.528
Estimated Receipts 2022/23 – 2025/26	5.550	4.530	3.162	13.242
Approved for Financing 2022/23 – 2025/26	4.897	4.607	0.791	10.295
Unallocated Capital Receipts Balance	1.154	0.950	2.371	4.475

- 5.4 The general fund capital estimated receipts of £5.550m are made up of the sale of Bowbridge Road Land to Arkwood Developments Ltd (£2.350m) and other estimated sales of GF land. The residual unallocated balance is not expected to be utilised for financing capital, over the four year capital programme period, due to the expected timing of the receipt other anticipated sales over the proposed capital programme period.
- 5.5 The HRA capital receipts and 1-4-1 figures above relate to forecast 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 40% of the total scheme cost
- Spent within 5 years of receipt, or returned to Government with interest

Officers continue to monitor the deadlines closely and maximising use where practicable within the new build programme in order to avoid having to pay the remaining balances to Government with interest.

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

6.0 Financing

- 6.1 Subject to the approval of the proposals outlined in section 3.0 and 4.0 above, the current plan for financing the capital programme is shown below.

General Fund Capital Programme Financing Summary

General Fund Financing	22-23	23-24	24-25	25-26
Net Internal and External Borrowing	21,569,123	1,063,000	0	0
EU & Gov't Grants	23,699,779	10,860,000	860,000	860,000
RCCO	3,670,000	0	750,000	0
Contributions from Third Parties	0	0	225,000	0
Community Infrastructure Levy	5,540,000	0	0	0
Capital Receipts	2,635,000	365,000	346,000	1,497,885
Capital Reserve	488,863	188,287	50,400	50,400
Total Financing - GF	57,602,765	12,476,287	2,231,400	2,408,285

Approval Summary

Approved Full Council	23,643,575	2,413,287	1,256,400	N/A
Movements in Year approved at P&F	35,299,987	10,050,000	0	N/A
Approved to date	58,943,562	12,463,287	1,256,400	N/A
To be approved:				
Inflation on Vehicle Purchases	70,203	13,000	0	1,277,285 *
Additions - Capital bids 22-23	89,000	0	0	1,131,000 **
Reductions - Capital bids 22-23	-525,000			0
Reprofile - SLC	-975,000	0	975,000	0
Total Approvals	-1,340,797	13,000	975,000	2,408,285
Total revised programme	57,602,765	12,476,287	2,231,400	2,408,285

*£1,277,285 is the new vehicles programme in its entirety - not just inflation

** Rolling programme, BCF, ICT

Housing Capital Programme Financing Summary

HRA Financing	22-23	23-24	24-25	25-26
Net Internal and External Borrowing	13,370,000	2,670,000	0	0
EU & Gov't Grants	0	0	0	0
MRR	15,164,980	5,491,270	6,152,930	6,079,130
1-4-1 Capital Receipts	790,545	0	0	0
RTB/Other Receipts	217,151	3,464,500	463,200	462,000
Total Financing - HRA	29,542,676	11,625,770	6,616,130	6,541,130

Approvals Summary

Approved Full Council	16,169,990	10,460,130	5,228,900	N/A
Movements in Year approved at P&F	11,900,846	0	0	N/A
Approved to date	28,070,836	10,460,130	5,228,900	N/A
To be approved:				
Inflation on Investment Budgets 20%	1,122,640	1,094,190	1,045,780	6,274,680 *
Additions - Capital bids 22-23	349,200	71,450	341,450	266,450
Total Approvals	1,471,840	1,165,640	1,387,230	6,541,130
Total revised programme	29,542,676	11,625,770	6,616,130	6,541,130

**£6,274,680 is the new Investment programme in its entirety - not just inflation*

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

7.0 RECOMMENDATION

That the General Fund schemes set out at Appendix A to the report and the Housing Services schemes set out at Appendix B to the report, be recommended to Full Council on 8 March 2022 as committed expenditure in the Capital Programme for 2022/23 to 2025/26.

Reason for Recommendation

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

Capital Strategy 2021/22 report to Council 9 March 2021

Capital Programme 2022/23 – 2025/26 Report to SLT on 14 December 2021

Capital Strategy 2021/22 report to Audit and Accounts 3 February 2021

For further information, please contact Mike Marriott on Ext. 5327.

Sanjiv Kohli

Deputy Chief Executive, Director - Resources and s151 Officer

Capital Projects		Project costs to 31.03.21 plus 21- 22 Forecast	Budget 22-23	Budget 23-24	Budget 24-25	Budget 25-26	Total Project	External Costs	Internal Costs
TA3286	Information Technology Investment	1,372,755	522,000	150,000	271,000	271,000	1,214,000	0	1,214,000
TC3142	Common Lighting at Industrial Estates	25,000	20,000	15,000	0	0	35,000	0	35,000
TC3143	Roller Shutter Doors at Industrial Units	90,000	75,000	35,000	0	0	110,000	0	110,000
TC3144	Fire & Security Rear Entrance Doors at Industrial Units	40,000	40,000	40,000	0	0	80,000	0	80,000
TC3145	Fire Signage and Emergency Lighting at Industrial Units	75,000	75,000	50,000	0	0	125,000	0	125,000
TC3146	Electrical Upgrades to Industrial Units	100,000	80,000	0	0	0	80,000	0	80,000
TC3148	RHH Units Fit Out	135,000	140,000	0	0	0	140,000	0	140,000
TC	RESOURCES	1,837,755	952,000	290,000	271,000	271,000	1,784,000	0	1,784,000
TA1217	Southwell Leisure Centre Improvements	0	0	0	975,000	0	975,000	225,000	750,000
TA1218	Leisure Equipment Purchase	0	760,000	0	0	0	760,000	0	760,000
TB6162	Loan to Magnus Academy	0	352,500	0	0	0	352,500	0	352,500
TF3228	Homeless Hostel	650,000	2,650,000	50,000	0	0	2,700,000	0	2,700,000
TA3097	Yorke Drive Regeneration and Community Facilities	210,000	3,248,000	0	0	0	3,248,000	0	3,248,000
TF6807	Warm Homes on Prescription	128,220	70,000	70,000	70,000	70,000	280,000	280,000	0
TA	HOUSING HEALTH & WELLBEING	988,220	7,080,500	120,000	1,045,000	70,000	8,315,500	505,000	7,810,500
TA3053	Museum Improvements	590,000	180,000	0	0	0	180,000	0	180,000
TBC	Palace Theatre Fire Alarm Upgrade	0	51,000	0	0	0	51,000	0	51,000
TBC	Palace Theatre Catwalk	0	38,000	0	0	0	38,000	0	38,000
TBC	Beacon - New Boiler	0	53,500	0	0	0	53,500	0	53,500
TBC	Beacon - LED Lights	0	71,300	0	0	0	71,300	0	71,300
TA3056	NCWC Tudor Hall	60,000	140,000	0	0	0	140,000	0	140,000
TB2253	Vehicles & Plant	3,357,138	1,589,203	195,000	50,400	1,277,285	3,111,888	0	3,111,888
TB3154	Castle Gatehouse Project	225,450	2,993,863	1,006,287	0	0	4,000,150	2,975,000	1,025,150
TBC	Castle - Conditions works	0	570,000	0	0	0	570,000	0	570,000
TC3136	Climate Change	36,900	18,300	75,000	75,000	0	168,300	0	168,300
TC3154	Solar PV	0	685,250	0	0	0	685,250	0	685,250
TF3227	Lowdham Flood Alleviation	0	200,000	0	0	0	200,000	140,000	60,000
TF6011	Private Sector Disabled Facilities Grants	1,641,016	700,000	700,000	700,000	700,000	2,800,000	2,800,000	0
TF6012	Discretionary DFG	201,010	90,000	90,000	90,000	90,000	360,000	360,000	0
TA	COMMUNITIES & ENVIRONMENT	6,111,514	7,380,416	2,066,287	915,400	2,067,285	12,429,388	6,275,000	6,154,388
TE3268	Southern Link Road Contribution	3,019,215	19,000,000	10,000,000	0	0	29,000,000	28,114,779	885,221
TE	GROWTH	3,019,215	19,000,000	10,000,000	0	0	29,000,000	28,114,779	885,221
TG1003	Housing Regeneration Loan Facility	1,300,000	10,109,849	0	0	0	10,109,849	0	10,109,849
TG	CAPITAL INVESTMENT	1,300,000	10,109,849	0	0	0	10,109,849	0	10,109,849
TI1002	A1 Overbridge Improvements	60,000	5,540,000	0	0	0	5,540,000	5,540,000	0
TI	Community Infrastructure Levy	60,000	5,540,000	0	0	0	5,540,000	5,540,000	0
TT1000	Towns Fund - 32 Stodman Street Regeneration	958,000	8,110,000	0	0	0	8,110,000	1,610,000	6,500,000
TT	Towns Funds	958,000	8,110,000	0	0	0	8,110,000	1,610,000	6,500,000
	TOTAL GENERAL FUND CAPITAL EXPENDITURE	14,274,704	58,172,765	12,476,287	2,231,400	2,408,285	75,288,737	42,044,779	33,243,957

Capital Projects		Project costs to 31.03.21 plus 21- 22 Forecast	Budget 22-23	Budget 23-24	Budget 24-25	Budget 25-26	Total Project	External Costs	Internal Costs
S91100	ROOF REPLACEMENTS	544,710	480,000	480,000	480,000	480,000	1,920,000	0	1,920,000
S91200	KITCHEN & BATHROOM CONVERSIONS	1,455,330	2,390,000	1,800,000	1,800,000	1,800,000	7,790,000	0	7,790,000
S91300	EXTERNAL FABRIC	300,000	360,000	360,000	360,000	360,000	1,440,000	0	1,440,000
S91400	DOORS & WINDOWS	229,000	204,000	204,000	204,000	204,000	816,000	0	816,000
S91500	OTHER STRUCTURAL	85,000	60,000	60,000	60,000	60,000	240,000	0	240,000
S91511	WALLS RE-RENDERING	15,000	60,000	60,000	60,000	60,000	240,000	0	240,000
S93100	ELECTRICAL	500,000	1,120,000	720,000	720,000	720,000	3,280,000	0	3,280,000
S93500	HEATING	688,000	660,000	660,000	660,000	660,000	2,640,000	0	2,640,000
S93600	ENERGY EFFICIENCY	91,760	330,000	180,000	180,000	180,000	870,000	0	870,000
S95100	GARAGES, FOOTPATHS, WALKWAYS	0	90,000	90,000	90,000	90,000	360,000	0	360,000
S95109	GARAGES	109,000	30,000	30,000	30,000	30,000	120,000	0	120,000
S95200	ENVIRONMENTAL WORKS	56,090	330,000	180,000	180,000	180,000	870,000	0	870,000
S95203	CAR PARKING SCHEMES	100,000	120,000	120,000	120,000	120,000	480,000	0	480,000
S95250	COMMUNAL LIGHTING	4,000	40,000	24,000	24,000	24,000	112,000	0	112,000
S95252	FLOOD DEFENCE SYSTEMS	10,000	12,000	12,000	12,000	12,000	48,000	0	48,000
S95253	PLAY AREAS	40,000	24,000	24,000	24,000	24,000	96,000	0	96,000
S95254	ESTATE REMODELLING	30,000	113,000	78,000	78,000	78,000	347,000	0	347,000
S97100	ASBESTOS	71,000	60,000	60,000	60,000	60,000	240,000	0	240,000
S97200	FIRE SAFETY	0	60,000	60,000	60,000	60,000	240,000	0	240,000
S97218	ENHANCED FIRE RISK ASSESSMENTS	450,000	180,000	0	0	0	180,000	0	180,000
S97300	DDA IMPROVEMENTS	20,000	24,000	24,000	24,000	24,000	96,000	0	96,000
S97400	DISABLED ADAPTATIONS	733,000	600,000	600,000	600,000	600,000	2,400,000	0	2,400,000
S97500	LEGIONELLA	30,000	36,000	36,000	36,000	36,000	144,000	0	144,000
S99100	PROPERTY INVESTMENT CONTINGENCY	50,000	60,000	60,000	60,000	60,000	240,000	0	240,000
S99102	INVESTMENT PROGRAMME FEES	270,680	333,830	343,120	352,680	352,680	1,382,310	0	1,382,310
TBC	BUILDING SAFETY	0	649,200	371,450	341,450	266,450	1,628,550	0	1,628,550
	TOTAL INVESTMENT PROGRAMME	5,882,570	8,426,030	6,636,570	6,616,130	6,541,130	28,219,860	0	28,219,860
HRA AFFORDABLE HOMES									
SA1031	SITE ACQUISITION (INCL RTB)	564,650	1,745,882	0	0	0	1,745,882	0	1,745,882
SA1033	YORKE DRIVE ESTATE REGENERATION	3,764,439	6,693,128	4,989,200	0	0	11,682,328	0	11,682,328
SA1047	NEW BUILD PROGRAMME CONTINGENCY	135,354	990,532	0	0	0	990,532	0	990,532
SA1063	PHASE 3 CLUSTER 3	1,628,235	27,765	0	0	0	27,765	0	27,765
SA1064	PHASE 3 CLUSTER 4	2,366,354	900,000	0	0	0	900,000	0	900,000
SA1073	PHASE 4 CLUSTER 3	2,400,000	1,173,540	0	0	0	1,173,540	0	1,173,540
SA1074	Phase 4 Cluster 4	200,000	370,900	0	0	0	370,900	0	370,900
SA1080	PHASE 5	500,000	9,214,900	0	0	0	9,214,900	0	9,214,900
	TOTAL AFFORDABLE HOUSING	11,559,032	21,116,646	4,989,200	0	0	26,105,846	0	26,105,846
TOTAL HRA CAPITAL BUDGET		17,441,602	29,542,676	11,625,770	6,616,130	6,541,130	54,325,706	0	54,325,706

COUNCIL MEETING – 8 MARCH 2022

CAPITAL STRATEGY 2022/23

1.0 Purpose of Report

- 1.1 To seek Council approval for the Capital Strategy 2022/23. 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 **Appendix A** to the report.

2.0 Background Information

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

3.0 Summary of Capital Expenditure and Financing

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

	2022/23 budget	2023/24 budget	2024/25 budget
Total Capital Expenditure	87,716	24,102	8,847
Capital Grants	23,700	10,860	860
Other Contributions	5,540	0	225

Capital Receipts	3,643	3,830	809
Revenue/ Major Repairs Reserve	19,324	5,679	6,953
Borrowing	35,509	3,733	0
Total Capital Financing	87,716	24,102	8,847

4.0 RECOMMENDATIONS that the Council approves:

- (a) the Capital Strategy 2022/23;**
- (b) the Capital Prudential Indicators and Limits for 2022/23, 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 2022/23**Introduction**

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

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

The basic elements of the Strategy therefore include:

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

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

- for 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.

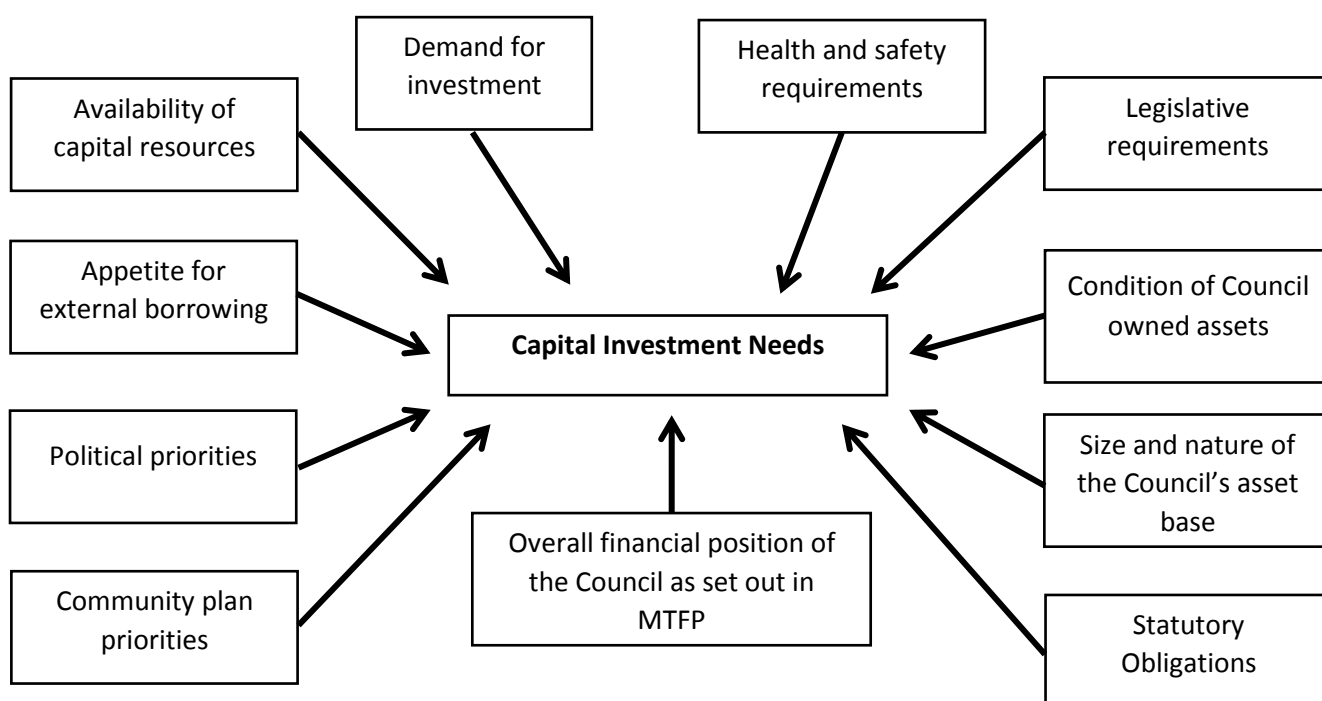
CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Community Plan 2020-2023 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 it.

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

- *Create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to their local area;*
- *Deliver inclusive and sustainable economic growth;*
- *Create more and better quality homes through our roles as landlord, developer and planning authority;*
- *Continue to maintain the high standard of cleanliness and appearance of the local environment;*
- *Enhance and protect the district's natural environment;*
- *Reduce crime and anti-social behaviour and increase feelings of safety in our communities;*
- *Improve the health and wellbeing of local residents.*

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



Capital Expenditure and Financing

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

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

In 2022/23, the Council is planning capital expenditure of £87.7m as summarised below:

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

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
General Fund services	5,799	17,173	48,063	12,476	2,231
Council housing (HRA)	15,211	19,990	29,543	11,626	6,616
Capital Loan (GF)	2,439	1,300	10,110	0	0
TOTAL	23,449	38,463	87,716	24,102	8,847

The General Fund Capital Programme with a proposed budget for 2022/23 of £58.1m. Of this amount, expenditure on the Council's General Fund assets totals £22.4m, and £0.8m will provide Disabled Facilities Grants to a number of private dwellings during the year. Also during 2022/23 the Council also plans to make available £10.1m of capital funding in the form of capital loans to the Councils housing development company for regeneration purposes.

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and has a proposed budget for 2022/23 of £29.5m, which supports the maintenance of the Councils circa 5,500 council houses.

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

The Senior Leadership Team appraises all bids based on a comparison of service priorities against financing costs. Criteria can be found at **Appendix E**. Based on this assessment a final Capital Programme report is prepared for submission to Policy and Finance Committee in February before final approval by Council in March.

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

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

Prudential Indicator 9: Capital financing in £'000

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
<u>External sources</u>					
Capital Grants	1,935	7,393	23,700	10,860	860
Other Contributions	1,012	1,198	5,540	0	225
<u>Own resources</u>					
Capital Receipts	3,134	4,351	3,643	3,830	809
Revenue/ Major Repairs Reserve	8,158	13,170	19,324	5,679	6,953
<u>Debt</u>					
Borrowing	9,210	12,351	35,509	3,733	0
Leasing	0	0	0	0	0
TOTAL	23,449	38,463	87,716	24,102	8,847

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

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

Replacement of debt finance in £'000

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
General Fund - MRP	544	546	619	911	932
General Fund – RHH Ltd	0	3,147	0	0	0
HRA - Debt Repayment	4,026	3,029	6,531	5,534	3,034

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 £31.2m during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Prudential Indicator 10: Estimates of Capital Financing Requirement in £'000

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
General Fund services	25,992	28,371	43,955	42,793	41,911
Council housing (HRA)	109,023	114,003	120,844	117,979	114,945
Capital investments	3,147	1,300	10,110	11,410	11,410
TOTAL CFR	138,162	143,674	174,909	172,182	168,266

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

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

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

Asset disposal: The Council will continue to realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the prevailing market conditions in order to maximise the sale proceeds, known as capital receipts, which can then be spent on new assets or repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2025/26, although the Council does not expect to utilise this ability during 2022/23. Repayments of capital grants, loans and investments also generate capital receipts.

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

Treasury Management

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

Due to decisions taken in the past, the Council at 31st December 2021 had £96m borrowing at an average interest rate of 3.4% and £78m 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 between 1.5% to 2.0% depending on the length of the loan).

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

Gross Debt and the Capital Financing Requirement in £'000

Debt	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
External Debt					
Debt at 1 April	91,356	95,053	97,224	90,693	85,158
Expected change in Debt	3,473	1,947	-6,755	-5,759	-3,258
Other long-term liabilities (OLTL)	224	224	224	224	224
Actual gross debt at 31 March	95,053	97,224	90,693	85,158	82,124
The Capital Financing Requirement	138,162	143,674	174,909	172,182	168,266
Under / (over) borrowing	43,109	46,450	84,216	87,024	86,142

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

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

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

	2021/22 revised	2022/23 limit	2023/24 limit	2024/25 limit
Authorised limit – total external debt	156,274	187,509	184,782	180,866
Operational boundary – total external debt	149,074	180,309	177,582	173,666

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

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

The Council's policy on treasury investments is to prioritise security and liquidity over yield, which is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent over the short - term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property funds, to balance the risk of loss

against the risk of receiving returns below inflation. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

Treasury management investments in £'000

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
Short-term investments	39,770	53,032	27,075	25,719	26,440
Longer-term investments	7,500	13,258	11,604	11,022	11,332
TOTAL	47,270	66,290	38,679	36,741	37,772

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

Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources/Deputy Chief Executive and treasury staff, who must act in line with the Treasury Management Strategy approved by Full Council. Half yearly reports on treasury management activity are presented to the Audit and Accounts committee and then to Full Council. The Audit and Accounts committee is responsible for scrutinising treasury management decisions. Quarterly reporting against the Prudential Indicators will be included within Budget Monitoring and Forecasting reports from April 2022 which will be presented to the Audit and Accounts Committee.

Investments for Service Purposes

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

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

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

Commercial Activities

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

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

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

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

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

Liabilities

In addition to debt of £95m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £95.2m 2020/21).

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

- Further details on liabilities and guarantees are on pages 85 to 90 of the 2021/22 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 11: Proportion of financing costs to net revenue stream in £'000

	2020/21 actual	2021/22 forecast	2022/23 budget	2023/24 budget	2024/25 budget
<u>General Fund</u>					
MRP Charge	544	546	619	911	932
Interest Payable	49	47	120	342	352
Less: Investment Income	-932	-793	-1,041	-1,092	-1,156
Total GF Financing costs	-339	-200	-302	161	128
Proportion of net revenue stream	-1.36%	-0.95%	-2.29%	1.18%	0.92%
<u>Housing Revenue Account</u>					
Interest Payable	3,907	3,775	3,909	3,656	3,451

Depreciation	4,860	5,420	5,516	5,636	5,636
MRR contributions including debt repayments	5,009	4,333	4,512	5,402	6,204
Less: Investment Income	-3	-5	-5	-5	-5
Total HRA Financing costs	13,773	13,523	13,932	14,689	15,286
Proportion of net revenue stream	56.57%	53.97%	52.52%	53.63%	53.59%

- Further details on the revenue implications of capital expenditure are contained within the 2022/23 revenue budget.

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

Knowledge and Skills

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Resources/Deputy Chief Executive is a qualified accountant with 19 years' experience, the Business Manager – Corporate Property is a qualified Chartered Surveyor and also has 10 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, AAT, ACT (treasury) and actively encourages staff to attend relevant training courses and seminars.

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

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

MANAGING THE CAPITAL PROGRAMME

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

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

- Project Managers are identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- The Deputy Chief Executive/Director of Resources and S151 Officer co-ordinates high level monthly reporting and detailed quarterly reporting to the Management Senior Leadership Team and 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 their Project Manager's monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Policy and Finance Committee for approval of variations where necessary.

PROCUREMENT

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

VALUE FOR MONEY

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

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2022/23

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 where it is deemed appropriate (voluntary revenue provision - VRP).

DLUHC 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 the former DLUHC regulations (option 1);

This option provides 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:

- **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);

This option provides for a reduction in the borrowing need over approximately the asset's useful 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 Ministry of Housing, Communities and Local Government (MHCLG) recently issued guidance on the flexible use of capital receipts which came into effect from 1 April 2016 to 31 March 2022. On 10 February 2021 the government announced a 3-year extension from 2022-23 onwards of the existing flexibility for councils to use capital receipts to fund transformation projects that produce long-term savings or reduce the costs of service delivery. 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 DLHUC 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 2022/23 (excluding Right to Buy receipts) can be used to finance qualifying expenditure. Existing capital receipts in hand prior to 2022/23 are not permitted to be used.
- ii. Local authorities may not borrow to finance qualifying expenditure.
- iii. The guidance will apply for 2022/23.

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

COMMITTEE	
DIRECTORATE	
BUSINESS UNIT	
PROJECT OFFICER	
PROJECT TITLE	

1. DESCRIPTION OF PROJECT

--

2. DEMONSTRATION OF NEED e.g is the work a statutory obligation? Please include supporting information

--

3. DETAIL HOW THE PROJECT LINKS TO THE COMMUNITY PLAN

--

4. DESCRIBE THE IMPACT OF THIS PROJECT ON OTHER BUSINESS UNITS (including officers in other business units involvement in the project)

--

5. PROJECT DEPENDENCIES

--

6. RESOURCE REQUIREMENTS

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

--

6b. ESTIMATED CAPITAL COSTS INCLUDING PROFILE OF SPEND OVER FINANCIAL YEARS

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

2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £

6c. FUNDING AVAILABLE

2022/23 £	2023/24 £	2024/25 £	2025/26 £	2026/27 £	Source

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

--

6e. VAT IMPLICATIONS (do we need to consider option to tax?)

--

7. OTHER INFORMATION

7a. HEALTH & SAFETY ISSUES

--

7b. EQUALITIES IMPLICATIONS

--

7c. CRIME & DISORDER ISSUES

--

7d. PLANNING IMPLICATIONS

--

7e. LISTED BUILDING IMPLICATIONS

--

7f. PROJECT RISKS/UNCERTAINTIES

--

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

--

FORM COMPLETED BY:

DATE:

SIGNATURE OF SPONSORING DIRECTOR:

PRIORITISATION CRITERIA

	STAGE 1 FACTOR	Comments	STAGE 2 DETAILED PRIORITISATION	STAGE 2 WEIGHTING
1	Key Priorities Scheme must link to at least one of the Council's priorities and be an objective contained within a Service Plan.	If a scheme does not clearly relate to these areas it will not be considered further.	Each scheme to be marked as to how well it fits with the Community Plan	35%
2	Evidence of Need Service Strategy National Strategy or Guidelines Statutory Obligation	In some cases local demands are in excess of national guidelines and strategies and this tries to acknowledge that the two must be balanced. This will cover Health and Safety related schemes.	The following factors will receive equal weighting :- <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	Partnership Eligibility under existing criteria can be demonstrated.	Show that work has been done to ensure that the obtaining of external finance is realistic. The degree to which the partnership will add value to the project.	The proportion of finance which will be met by third party. The likelihood of receiving support. Assessment of the value the partner will add to the project.	15%
4	Outputs and Outcomes These have been clearly identified and can be justified from supporting evidence. Specific comments should be made as to how the scheme represents value for money when compared to other options	This will enable the council to improve the way it reports its work and clearly show what is being achieved. The comments should refer to any performance indicators which the proposal is addressing specifying what the improvement target is.	Assessment then made on what the scheme will achieve.	15% Assessment of all factors or group of factors

5	Financial Capital costs have been based on internal or external professional advice Revenue implications have been properly developed	Capital costs include both works and land purchase and cover all associated costs. Try and avoid “guesstimates” which result in schemes requiring increased finance or having to be reduced to meet finance available.	<u>Capital</u> will be based on the quality of work which has been put into estimate. e.g. costed feasibility studies. <u>Revenue</u> will be based on whether the effect is positive, neutral or negative on the revenue budget. Positive effect scores 10 Neutral effect scores 3 Negative effect scores 0	5% 10%
6	Risk Assessment Identify the level of risk in a project not being able to proceed. For example planning appeals, listed building consent. Over subscription of partnership funds	Try and ensure that not all schemes selected are high risk with the danger that there will be delays in delivery or no-delivery.	The following will all need to be considered:- Technical Issues Financial Uncertainty Partnership uncertainty Planning Issues Legal issues Timescale	10%

COUNCIL MEETING – 8 MARCH 2022

TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

1.0 Purpose of Report

- 1.1 To approve the Treasury Management Strategy (attached as Appendix A to the report) which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.

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:

- 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;

- 2.4 CIPFA published the revised Treasury Management Code and Prudential Code on 20th December 2021 and has stated that formal adoption is not required until the 2023/24 financial year. This Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, and also related reports during the financial year, which are taken to Full Council for approval.

Members will be updated on how the changes will impact our current approach and any changes required will be formally adopted within the 2023/24 TMSS report.

- 2.5 This report seeks approval for the Treasury Management Strategy 2022/23 (Appendix A), which encompasses the Treasury Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance.

3.0 **Summary of Investment Limits and Indicators**

- 3.1 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). No investment limits have been amended for the financial year 2022/23. Also, it is proposed to use the same prudential indicators for the investing activity, further details are in the Appendix.

4.0 **Summary of Borrowing Limits and Indicators**

- 4.1 The Council's borrowing limits are directly affected by the Council's approved capital programme and any capital expenditure financed by borrowing will therefore increase the Capital Financing Requirement (CFR). In respect of the tables within the documents, these reflect the proposed capital programme that will be presented elsewhere on this agenda. Where changes occur, these will be reflected in the documents as appropriate. The CFR is the level of expected borrowing and when compared to the actual external debt the variance represents the over or under borrowing position.
- 4.2 The Council is currently in an under borrowed position which means that previous capital expenditure financed by borrowing hasn't yet required actual external debt due to the timing of cash backed reserves that haven't yet been utilised. However, this is always a temporary position as ultimately when the cash backed reserves are used there will be a requirement for actual external borrowing.
- 4.3 The table below shows the Councils increasing CFR due to capital expenditure financed by borrowing less the actual external debt, with no new borrowing assumptions, less the cash backed reserves and working capital (debtors less creditors), further details are in **Appendix A**.

	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000
Loans CFR	174,685	171,958	168,042
Less: External borrowing	-90,469	-84,935	-81,901
Internal (over) borrowing	84,216	87,023	86,141
Less: Usable reserves	-37,955	-36,017	-37,048
Less: Working capital	-10,500	-10,500	-10,500
Investments (or New borrowing)	-35,761	-40,506	-38,593

The table indicates that over the next forecasted three year period there will potentially be a minimum requirement to borrow an additional £40m.

- 4.4 Within the borrowing strategy the following limits are proposed for the operational boundary and authorised limit over the three year period, further details in **Appendix A**.

	2022/23 £'000	2023/24 £'000	2024/25 £'000
Operational Boundary	180,309	177,582	173,666
Authorised Limit	187,509	184,782	180,866

5.0 RECOMMENDATIONS that:

- (a) the Treasury Management Strategy 2022/23, 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
Director – Resources and S151 Officer

TREASURY MANAGEMENT STRATEGY STATEMENT 2022/23

Introduction

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

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

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

CIPFA defines treasury management as:

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

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

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

Treasury Management Reporting

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

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
 - the capital forecast summary;

- the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an investment strategy, (the parameters on how treasury investments are to be managed).
- b. A mid-year treasury management report** – This is primarily a progress report and will update members on the treasury position, amending prudential indicators as necessary, and whether any policies require revision.
- c. An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

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

Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Treasury Management training has been undertaken by members on 1st December 2021 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Treasury Management Consultants

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, treasury advisers.

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

Capital Summary and Liability Benchmark

On 31st December 2021, the Council held £96m of borrowing and £78m of investments. Forecast changes in these sums are shown in the balance sheet analysis table below.

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

Capital expenditure and financing

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000
General Fund services	5,799	17,173	48,063	12,476	2,231
Council housing (HRA)	15,211	19,990	29,543	11,626	6,616
Capital Loan (GF)	2,439	1,300	10,110	0	0
TOTAL	23,449	38,463	87,716	24,102	8,847
Capital Grants	1,935	7,393	23,700	10,860	860
Other Contributions	1,012	1,198	5,540	0	225
Capital Receipts	3,134	4,351	3,643	3,830	809
Revenue/ Major Repairs Reserve	8,158	13,170	19,324	5,679	6,953
Borrowing	9,210	12,351	35,509	3,733	0
TOTAL	23,449	38,463	87,716	24,102	8,847

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

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000
General Fund CFR	29,139	29,671	54,065	54,203	53,321
HRA CFR	109,023	114,003	120,844	117,979	114,945
Total CFR	138,162	143,674	174,909	172,182	168,266
Less: Other debt liabilities	-224	-224	-224	-224	-224
Loans CFR	137,938	143,450	174,685	171,958	168,042
Less: External borrowing	-95,212	-97,001	-90,469	-84,935	-81,901
Internal (over) borrowing	42,726	46,449	84,216	87,023	86,141
Less: Usable reserves	-69,311	-65,566	-37,955	-36,017	-37,048
Less: Working capital	-12,140	-10,500	-10,500	-10,500	-10,500
Investments (or New borrowing)	38,725	29,617	-35,761	-40,506	-38,593

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council has an increasing CFR due to the proposed capital programme, and diminishing investments and will therefore be required to borrow up to a minimum of an additional £40m 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 2022/23.

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

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000
Loans CFR	137,938	143,450	174,685	171,958	168,042
Less: Usable reserves	-69,311	-65,566	-37,955	-36,017	-37,048
Less: Working capital	-12,140	-10,500	-10,500	-10,500	-10,500
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	66,487	77,384	136,230	135,441	130,494

Borrowing Strategy

The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions.

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

Current Borrowing portfolio position

The Council's treasury portfolio position at 31 March 2021, 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.

	2020/21 Actual £'000	2021/22 Forecast £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000
External Debt					
Debt at 1 April	91,356	95,053	97,224	90,693	85,158
Expected change in Debt	3,473	1,947	-6,755	-5,759	-3,258
Other long-term liabilities	224	224	224	224	224
Actual gross debt at 31 March	95,053	97,224	90,693	85,158	82,124
The Capital Financing Requirement	138,162	143,674	174,909	172,182	168,266

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 2022/23 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 of finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

Operational Boundary	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Borrowing	148,674	179,909	177,182	173,266
Other long-term liabilities	400	400	400	400
Total Debt	149,074	180,309	177,582	173,666

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	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
Borrowing	155,674	186,909	184,182	180,266
Other long-term liabilities	600	600	600	600
Total Debt	156,274	187,509	184,782	180,866

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. The Council deems it prudent to have a limit on the borrowing for the HRA, therefore it has chosen to use the Interest Cover Ratio (ICR) as its borrowing boundary for the HRA. The ICR represents the cover that the HRA has against its interest cost liabilities in any year. The ICR is set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest payments. The typical lending covenants used with the ratio varies between 1.10 and 1.50, the lower rate represents less cover and higher rate represents more cover, the Council will use the most prudent approach and therefore use 1.50 within the ratio to provide the most comfort of interest costs cover. The ICR has been modelled into the current HRA 30 year business plan and the maximum additional debt capacity set is £33.291m in order to maintain affordability in each financial year:

HRA Debt Limit	2021/22 Revised £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000
HRA CFR	114,003	120,844	117,979	114,945
Additional ICR Debt Capacity	33,291	33,291	33,291	33,291
HRA Authorised Limit	147,294	154,135	151,270	148,236

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: The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2022/23 treasury operations. The Director of Resources/Deputy Chief Executive will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Link will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 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 2022/23, 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: Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following additional sources.

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

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

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

LOBOs: The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £3.5m of these LOBOs have options during 2022/23, 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.

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

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

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

Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (capital financing requirement) will result in an internal borrowing situation. The internal borrowing on the HRA will 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

Management of Risk

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

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

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

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

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

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's investment balance has ranged between £49 and £76 million. Levels available for investment are affected by capital expenditure and use of reserves, both will continue to be monitored throughout the financial year.

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

Negative interest rates: While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

Strategy: Given the continued risk and very low returns from short-term unsecured bank investments, the Council aims to continue investing into more secure and/or higher yielding asset classes during 2022/23. This is especially the case for the estimated £15m that is potentially available for longer-term

investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds.

Business models: As a result of the change in accounting standards for 2019/20 under IFRS 9, the Council must consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.).

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

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

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

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

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

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

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

This table must be read in conjunction with the notes below

Credit rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be 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 any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

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

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

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

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

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

Investment limits: In order to limit the amount of reserves that will be potentially put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership will be treated as a single organisation

for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£15m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£15m in total
Local Authorities	£15m each
Money market funds	£12m each
Real estate investment trusts	£10m in total

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

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

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

2022/23	0.50%
2023/24	0.75%
2024/25	1.00%
2025/26	1.25%

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	30%	80%
Over 12 months	40%	60%

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	2022/23	2023/24	2024/25
Limit on principal invested beyond year end	£15m	£15m	£15m

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

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

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

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

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

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

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

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

Economic Background and Interest Rate Forecast

COVID-19 vaccines.

These were the game changer during 2021 which raised high hopes that life in the UK would be able to largely return to normal in the second half of the year. However, the bursting onto the scene of the Omicron mutation at the end of November, rendered the initial two doses of all vaccines largely ineffective in preventing infection. This has dashed such hopes and raises the spectre again that a fourth wave of the virus could overwhelm hospitals in early 2022. What we now know is that this mutation is very fast spreading with the potential for total case numbers to double every two to three days, although it possibly may not cause so much severe illness as previous mutations. Rather than go for full lockdowns which heavily damage the economy, the government strategy this time is focusing on getting as many people as possible to have a third (booster) vaccination after three months from the previous last injection, as a booster has been shown to restore a high percentage of immunity to Omicron to those who have had two vaccinations. There is now a race on between how quickly boosters can be given to limit the spread of Omicron, and how quickly will hospitals fill up and potentially be unable to cope. In the meantime, workers have been requested to work from home and restrictions have been placed on large indoor gatherings and hospitality venues. With the household saving rate having been exceptionally high since the first lockdown in March 2020, there is plenty of pent-up demand and purchasing power stored up for services in sectors like restaurants, travel, tourism and hotels which had been hit hard during 2021, but could now be hit hard again by either, or both, of government restrictions and/or consumer reluctance to leave home. Growth will also be lower due to people being ill and not working, similar to the pingdemic in July. The economy, therefore, faces significant headwinds although some sectors have learned how to cope well with Covid. However, the biggest impact on growth would come from another lockdown if that happened. The big question still remains as to whether any further mutations of this virus could develop which render all current vaccines ineffective, as opposed to how quickly vaccines can be modified to deal with them and enhanced testing programmes be implemented to contain their spread until tweaked vaccines become widely available.

A SUMMARY OVERVIEW OF THE FUTURE PATH OF BANK RATE

- In December, the Bank of England became the first major western central bank to put interest rates up in this upswing in the current business cycle in western economies as recovery progresses from the Covid recession of 2020.
- The next increase in Bank Rate could be in February or May, dependent on how severe an impact there is from Omicron.
- If there are lockdowns in January, this could pose a barrier for the MPC to putting Bank Rate up again as early as 3rd February.
- With inflation expected to peak at around 6% in April, the MPC may want to be seen to be active in taking action to counter inflation on 5th May, the release date for its Quarterly Monetary Policy Report.
- The December 2021 MPC meeting was more concerned with combating inflation over the medium term than supporting economic growth in the short term.
- Bank Rate increases beyond May are difficult to forecast as inflation is likely to drop sharply in the second half of 2022.

- However, the MPC will want to normalise Bank Rate over the next three years so that it has its main monetary policy tool ready to use in time for the next down-turn; all rates under 2% are providing stimulus to economic growth.
- We have put year end 0.25% increases into Q1 of each financial year from 2023 to recognise this upward bias in Bank Rate - but the actual timing in each year is difficult to predict.
- Covid remains a major potential downside threat in all three years as we ARE likely to get further mutations.
- How quickly can science come up with a mutation proof vaccine, or other treatment, – and for them to be widely administered around the world?
- Purchases of gilts under QE ended in December. Note that when Bank Rate reaches 0.50%, the MPC has said it will start running down its stock of QE.

MPC MEETING 16th DECEMBER 2021

- The Monetary Policy Committee (MPC) voted 8-1 to raise Bank Rate by 0.15% from 0.10% to 0.25% and unanimously decided to make no changes to its programme of quantitative easing purchases due to finish in December 2021 at a total of £895bn.
- The MPC disappointed financial markets by not raising Bank Rate at its November meeting. Until Omicron burst on the scene, most forecasters, therefore, viewed a Bank Rate increase as being near certain at this December meeting due to the way that inflationary pressures have been comprehensively building in both producer and consumer prices, and in wage rates. However, at the November meeting, the MPC decided it wanted to have assurance that the labour market would get over the end of the furlough scheme on 30th September without unemployment increasing sharply; their decision was, therefore, to wait until statistics were available to show how the economy had fared at this time.
- **On 10th December we learnt of the disappointing 0.1% m/m rise in GDP** in October which suggested that economic growth had already slowed to a crawl even before the Omicron variant was discovered in late November. Early evidence suggests growth in November might have been marginally better. Nonetheless, at such low rates of growth, the government's "Plan B" COVID-19 restrictions could cause the economy to contract in December.
- **On 14th December, the labour market statistics** for the three months to October and the single month of October were released. The fallout after the furlough scheme was smaller and shorter than the Bank of England had feared. The single-month data were more informative and showed that LFS employment fell by 240,000, unemployment increased by 75,000 and the unemployment rate rose from 3.9% in September to 4.2%. However, the weekly data suggested this didn't last long as unemployment was falling again by the end of October. What's more, the 49,700 fall in the claimant count and the 257,000 rise in the PAYE measure of company payrolls suggests that the labour market strengthened again in November. The other side of the coin was a further rise in the number of vacancies from 1.182m to a record 1.219m in the three months to November which suggests that the supply of labour is struggling to keep up with demand, although the single-month figure for November fell for the first time since February, from 1.307m to 1.227m.
- These figures by themselves, would probably have been enough to give the MPC the assurance that it could press ahead to raise Bank Rate at this December meeting. However, the advent of Omicron potentially threw a spanner into the works as it poses a major headwind to the economy which, of itself, will help to cool the economy. The financial markets, therefore, swung round to expecting no change in Bank Rate.

- **On 15th December we had the CPI inflation** figure for November which spiked up further from 4.2% to 5.1%, confirming again how inflationary pressures have been building sharply. However, Omicron also caused a sharp fall in world oil and other commodity prices; (gas and electricity inflation has generally accounted on average for about 60% of the increase in inflation in advanced western economies).
- **Other elements of inflation are also transitory** e.g., prices of goods being forced up by supply shortages, and shortages of shipping containers due to ports being clogged have caused huge increases in shipping costs. But these issues are likely to clear during 2022, and then prices will subside back to more normal levels. Gas prices and electricity prices will also fall back once winter is passed and demand for these falls away.
- Although it is possible that the Government could step in with some **fiscal support for the economy**, the huge cost of such support to date is likely to pose a barrier to incurring further major economy wide expenditure unless it is very limited and targeted on narrow sectors like hospitality, (as announced just before Christmas). The Government may well, therefore, effectively leave it to the MPC, and to monetary policy, to support economic growth – but at a time when the threat posed by rising inflation is near to peaking!
- This is the adverse set of factors against which the MPC had to decide on Bank Rate. For the second month in a row, the MPC blind-sided financial markets, this time with a **surprise increase in Bank Rate from 0.10% to 0.25%**. What's more, the hawkish tone of comments indicated that the MPC is now concerned that inflationary pressures are indeed building and need concerted action by the MPC to counter. This indicates that there will be more increases to come with financial markets predicting 1% by the end of 2022. The 8-1 vote to raise the rate shows that there is firm agreement that inflation now poses a threat, especially after the CPI figure hit a 10-year high this week. The MPC commented that "there has been significant upside news" and that "there were some signs of greater persistence in domestic costs and price pressures".
- On the other hand, it did also comment that **"the Omicron variant is likely to weigh on near-term activity"**. But it stressed that at the November meeting it had said it would raise rates if the economy evolved as it expected and that now "these conditions had been met". It also appeared more worried about the possible boost to inflation from Omicron itself. It said that "the current position of the global and UK economies was materially different compared with prior to the onset of the pandemic, including elevated levels of consumer price inflation". It also noted the possibility that renewed social distancing would boost demand for goods again, (as demand for services would fall), meaning "global price pressures might persist for longer". (Recent news is that the largest port in the world in China has come down with an Omicron outbreak which is not only affecting the port but also factories in the region.)
- On top of that, there were no references this month to inflation being expected to be below the **2% target in two years' time**, which at November's meeting the MPC referenced to suggest the markets had gone too far in expecting interest rates to rise to over 1.00% by the end of the year.
- These comments indicate that there has been a material reappraisal by the MPC of the inflationary pressures since their last meeting and the Bank also increased its forecast for inflation to peak at 6% next April, rather than at 5% as of a month ago. However, as the Bank retained its guidance that only a **"modest tightening"** in policy will be required, it cannot be thinking that it will need to increase interest rates that much more. A typical policy tightening cycle has usually involved rates rising by 0.25% four times in a year. "Modest" seems slower than that. As such,

the Bank could be thinking about raising interest rates two or three times next year to 0.75% or 1.00%.

- In as much as a considerable part of the inflationary pressures at the current time are indeed **transitory**, and will naturally subside, and since economic growth is likely to be weak over the next few months, this would appear to indicate that this tightening cycle is likely to be comparatively short.
- As for the timing of the next increase in Bank Rate, the MPC dropped the comment from November's statement that Bank Rate would be raised "in the coming months". That may imply another rise is unlikely at the next meeting in February and that May is more likely. However, much could depend on how adversely, or not, the economy is affected by Omicron in the run up to the next meeting on 3rd February. Once 0.50% is reached, the Bank would act to start shrinking its stock of QE, (gilts purchased by the Bank would not be replaced when they mature).
- **The MPC's forward guidance on its intended monetary policy** on raising Bank Rate versus selling (quantitative easing) holdings of bonds is as follows: -
 - Raising Bank Rate as "the active instrument in most circumstances".
 - Raising Bank Rate to 0.50% before starting on reducing its holdings.
 - Once Bank Rate is at 0.50% it would stop reinvesting maturing gilts.
 - Once Bank Rate had risen to at least 1%, it would start selling its holdings.
- **US.** Shortages of goods and intermediate goods like semi-conductors, have been fuelling increases in prices and reducing economic growth potential. In November, **CPI inflation hit a near 40-year record level of 6.8%** but with energy prices then falling sharply, this is probably the peak. The biggest problem for the Fed is the mounting evidence of a strong pick-up in cyclical price pressures e.g., in rent which has hit a decades high.
- **Shortages of labour** have also been driving up wage rates sharply; this also poses a considerable threat to feeding back into producer prices and then into consumer prices inflation. It now also appears that there has been a sustained drop in the labour force which suggests the pandemic has had a longer-term scarring effect in reducing potential GDP. Economic growth may therefore be reduced to between 2 and 3% in 2022 and 2023 while core inflation is likely to remain elevated at around 3% in both years instead of declining back to the Fed's 2% central target.
- Inflation hitting 6.8% and the feed through into second round effects, meant that it was near certain that the **Fed's meeting of 15th December** would take aggressive action against inflation. Accordingly, the rate of tapering of monthly \$120bn QE purchases announced at its November 3rd meeting. was doubled so that all purchases would now finish in February 2022. In addition, Fed officials had started discussions on running down the stock of QE held by the Fed. Fed officials also expected three rate rises in 2022 of 0.25% from near zero currently, followed by three in 2023 and two in 2024, taking rates back above 2% to a neutral level for monetary policy. The first increase could come as soon as March 2022 as the chairman of the Fed stated his view that the economy had made rapid progress to achieving the other goal of the Fed – "maximum employment". The Fed forecast that inflation would fall from an average of 5.3% in 2021 to 2.6% in 2023, still above its target of 2% and both figures significantly up from previous forecasts. What was also significant was that this month the Fed dropped its description of the current level of inflation as being "transitory" and instead referred to "elevated levels" of inflation: the statement also dropped most of the language around the flexible average inflation target, with inflation now described as having exceeded 2 percent "for some time". It did not see Omicron as being a major impediment to the need to take action now to curtail the level

of inflationary pressures that have built up, although Fed officials did note that it has the potential to exacerbate supply chain problems and add to price pressures.

- **EU.** The slow roll out of vaccines initially delayed **economic recovery** in early 2021 but the vaccination rate then picked up sharply. After a contraction of -0.3% in Q1, Q2 came in with strong growth of 2%. With Q3 at 2.2%, the EU recovery was then within 0.5% of its pre Covid size. However, the arrival of Omicron is now a major headwind to growth in quarter 4 and the expected downturn into weak growth could well turn negative, with the outlook for the first two months of 2022 expected to continue to be very weak.
- **November's inflation figures** breakdown shows that the increase in price pressures is not just due to high energy costs and global demand-supply imbalances for durable goods as services inflation also rose. Headline inflation reached 4.9% in November, with over half of that due to energy. However, oil and gas prices are expected to fall after the winter and so energy inflation is expected to plummet in 2022. Core goods inflation rose to 2.4% in November, its second highest ever level, and is likely to remain high for some time as it will take a long time for the inflationary impact of global imbalances in the demand and supply of durable goods to disappear. Price pressures also increased in the services sector, but wage growth remains subdued and there are no signs of a trend of faster wage growth which might lead to *persistently* higher services inflation - which would get the ECB concerned. The upshot is that the euro-zone is set for a prolonged period of inflation being above the ECB's target of 2% and it is likely to average 3% in 2022, in line with the ECB's latest projection.
- **ECB tapering.** The ECB has joined with the Fed by also announcing at its meeting on 16th December that it will be reducing its QE purchases - by half from October 2022, i.e., it will still be providing significant stimulus via QE purchases for over half of next year. However, as inflation will fall back sharply during 2022, it is likely that it will leave its central rate below zero, (currently -0.50%), over the next two years. The main struggle that the ECB has had in recent years is that inflation has been doggedly anaemic in sticking below the ECB's target rate despite all its major programmes of monetary easing by cutting rates into negative territory and providing QE support.
- The ECB will now also need to consider the impact of **Omicron** on the economy, and it stated at its December meeting that it is prepared to provide further QE support if the pandemic causes bond yield spreads of peripheral countries, (compared to the yields of northern EU countries), to rise. However, that is the only reason it will support peripheral yields, so this support is limited in its scope.
- The EU has entered into a **period of political uncertainty** where a new German government formed of a coalition of three parties with Olaf Scholz replacing Angela Merkel as Chancellor in December 2021, will need to find its feet both within the EU and in the three parties successfully working together. In France there is a presidential election coming up in April 2022 followed by the legislative election in June. In addition, Italy needs to elect a new president in January with Prime Minister Draghi being a favourite due to having suitable gravitas for this post. However, if he switched office, there is a significant risk that the current government coalition could collapse. That could then cause differentials between Italian and German bonds to widen when 2022 will also see a gradual running down of ECB support for the bonds of weaker countries within the EU. These political uncertainties could have repercussions on economies and on Brexit issues.
- **CHINA.** After a concerted effort to get on top of the virus outbreak in Q1 2020, economic recovery was strong in the rest of **2020**; this enabled China to recover all the initial contraction. During 2020, policy makers both quashed the virus and implemented a programme of monetary and fiscal support that was particularly effective at stimulating short-term growth. At the same time, China's economy benefited from the shift towards online spending by consumers in developed markets. These factors

helped to explain its comparative outperformance compared to western economies during 2020 and earlier in 2021.

- However, the pace of economic growth has now fallen back in **2021** after this initial surge of recovery from the pandemic and looks likely to be particularly weak in 2022. China has been struggling to contain the spread of the Delta variant through using sharp local lockdowns - which depress economic growth. Chinese consumers are also being very wary about leaving home and so spending money on services. However, with Omicron having now spread to China, and being much more easily transmissible, this strategy of sharp local lockdowns to stop the virus may not prove so successful in future. In addition, the current pace of providing boosters at 100 billion per month will leave much of the 1.4 billion population exposed to Omicron, and any further mutations, for a considerable time. The **People's Bank of China** made a start in December 2021 on cutting its key interest rate marginally so as to stimulate economic growth. However, after credit has already expanded by around 25% in just the last two years, it will probably leave the heavy lifting in supporting growth to fiscal stimulus by central and local government.
- Supply shortages, especially of coal for power generation, were causing widespread power cuts to industry during the second half of 2021 and so a sharp disruptive impact on some sectors of the economy. In addition, recent regulatory actions motivated by a political agenda to channel activities into officially approved directions, are also likely to reduce the dynamism and long-term growth of the Chinese economy.
- **JAPAN.** 2021 has been a patchy year in combating Covid. However, recent business surveys indicate that the economy has been rebounding rapidly in 2021 once the bulk of the population had been double vaccinated and new virus cases had plunged. However, Omicron could reverse this initial success in combating Covid.
- The Bank of Japan is continuing its **very loose monetary policy** but with little prospect of getting inflation back above 1% towards its target of 2%, any time soon: indeed, inflation was actually negative in July. New Prime Minister Kishida, having won the November general election, brought in a supplementary budget to boost growth, but it is unlikely to have a major effect.
- **WORLD GROWTH.** World growth was in recession in 2020 but recovered during 2021 until starting to lose momentum in the second half of the year, though overall growth for the year is expected to be about 6% and to be around 4-5% in 2022. Inflation has been rising due to increases in gas and electricity prices, shipping costs and supply shortages, although these should subside during 2022. While headline inflation will fall sharply, core inflation will probably not fall as quickly as central bankers would hope. It is likely that we are heading into a period where there will be a **reversal of world globalisation** and a decoupling of western countries from dependence on China to supply products, and vice versa. This is likely to reduce world growth rates from those in prior decades.
- **SUPPLY SHORTAGES.** The pandemic and extreme weather events, followed by a major surge in demand after lockdowns ended, have been highly disruptive of extended worldwide supply chains. Major queues of ships unable to unload their goods at ports in New York, California and China built up rapidly during quarters 2 and 3 of 2021 but then halved during quarter 4. Such issues have led to a misdistribution of shipping containers around the world and have contributed to a huge increase in the cost of shipping. Combined with a shortage of semi-conductors, these issues have had a disruptive impact on production in many countries. The latest additional disruption has been a shortage of coal in China leading to power cuts focused primarily on producers (rather than consumers), i.e., this will further aggravate shortages in meeting demand for goods. Many western countries are also hitting up against a difficulty in filling job vacancies. It is expected that these issues will be gradually sorted

out, but they are currently contributing to a spike upwards in inflation and shortages of materials and goods available to purchase.

INTEREST RATE FORECASTS

Over the last two years, the coronavirus outbreak has done huge economic damage to the UK and to economies around the world. After the Bank of England took emergency action in March 2020 to cut Bank Rate to 0.10%, it left Bank Rate unchanged at its subsequent meetings until raising it to 0.25% at its meeting on 16th December 2021.

As shown in the forecast table below, the forecast for Bank Rate now includes four increases, one in December 2021 to 0.25%, then quarter 2 of 2022 to 0.50%, quarter 1 of 2023 to 0.75%, quarter 1 of 2024 to 1.00% and, finally, one in quarter 1 of 2025 to 1.25%.

Significant risks to the forecasts

- **Mutations** of the virus render current vaccines ineffective, and tweaked vaccines to combat these mutations are delayed, or cannot be administered fast enough to prevent further lockdowns. 25% of the population not being vaccinated is also a significant risk to the NHS being overwhelmed and lockdowns being the only remaining option.
- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity.
- **The Monetary Policy Committee** acts too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **The Monetary Policy Committee** tightens monetary policy too late to ward off building inflationary pressures.
- **The Government** acts too quickly to cut expenditure to balance the national budget.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Longer term US treasury yields** rise strongly and pull gilt yields up higher than forecast.
- **Major stock markets** e.g., in the US, become increasingly judged as being over-valued and susceptible to major price corrections. Central banks become increasingly exposed to the “moral hazard” risks of having to buy shares and corporate bonds to reduce the impact of major financial market selloffs on the general economy.
- **Geopolitical risks**, for example in Ukraine, Iran, North Korea, but also in Europe and Middle Eastern countries; on-going global power influence struggles between Russia/China/US. These could lead to increasing safe-haven flows.

The balance of risks to the UK economy: -

- The overall balance of risks to economic growth in the UK is now to the downside, including risks from Covid and its variants - both domestically and their potential effects worldwide.

Forecasts for Bank Rate

It is not expected that Bank Rate will go up fast after the initial rate rise as the supply potential of the economy is not likely to have taken a major hit during the pandemic: it should, therefore, be able to cope well with meeting demand after supply shortages subside over the next year, without causing inflation to remain elevated in the medium-term, or to inhibit inflation from falling back towards the MPC's 2% target after the spike up to around 5%. The forecast includes four increases in Bank Rate over the three-year forecast period to March 2025, ending at 1.25%. However, it is likely that these forecasts will need changing within a relatively short timeframe for the following reasons: -

- We do not know how severe an impact Omicron could have on the economy and whether there will be another lockdown or similar and, if there is, whether there would be significant fiscal support from the Government for businesses and jobs.
- There were already increasing grounds for viewing the economic recovery as running out of steam during the autumn and now into the winter. And then along came Omicron to pose a significant downside threat to economic activity. This could lead into stagflation, or even into recession, which would then pose a dilemma for the MPC as to whether to focus on combating inflation or supporting economic growth through keeping interest rates low.
- Will some current key supply shortages spill over into causing economic activity in some sectors to take a significant hit?
- Rising gas and electricity prices in October and next April and increases in other prices caused by supply shortages and increases in taxation next April, are already going to deflate consumer spending power without the MPC having to take any action on Bank Rate to cool inflation.
- On the other hand, consumers are sitting on over £160bn of excess savings left over from the pandemic so when will they spend this sum, in part or in total?
- It looks as if the economy coped well with the end of furlough on 30th September. It is estimated that there were around 1 million people who came off furlough then and there was not a huge spike up in unemployment. The other side of the coin is that vacancies have been hitting record levels so there is a continuing acute shortage of workers. This is a potential danger area if this shortage drives up wages which then feed through into producer prices and the prices of services i.e., a second-round effect that the MPC would have to act against if it looked like gaining significant momentum.
- We also recognise there could be further nasty surprises on the Covid front beyond the Omicron mutation.
- If the UK invokes article 16 of the Brexit deal over the dislocation in trading arrangements with Northern Ireland, this has the potential to end up in a no-deal Brexit.

In summary, with the high level of uncertainty prevailing on several different fronts, we expect to have to revise our forecasts again - in line with whatever the new news is.

It should also be borne in mind that Bank Rate being cut to 0.25% and then to 0.10%, were emergency measures to deal with the Covid crisis hitting the UK in March 2020. At any time, the MPC could decide to simply take away such emergency cuts on no other grounds than they are no longer warranted, and as a step forward in the return to normalisation. In addition, any Bank Rate under 1% is both highly unusual and highly supportive of economic growth.

Forecasts for PWLB rates and gilt and treasury yields

Since the start of 2021, we have seen a lot of volatility in gilt yields, and hence PWLB rates. As the interest forecast table for PWLB certainty rates above shows, there is forecast to be a steady, but slow, rise in both Bank Rate and gilt yields during the forecast period to March 2025, though there will doubtless be a lot of unpredictable volatility during this forecast period.

While monetary policy in the UK will have a major impact on gilt yields, there is also a need to consider the potential impact that rising treasury yields in America could have on our gilt yields.

Interest Rate Forecasts 2022 – 2025

PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25
BANK RATE	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
3 month av. earnings	0.80	1.00	1.00	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
6 month av. earnings	1.00	1.10	1.20	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
12 month av. earnings	1.40	1.50	1.60	1.70	1.70	1.60	1.60	1.50	1.40	1.40	1.40	1.40	1.40
5 yr PWLB	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
10 yr PWLB	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
25 yr PWLB	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
50 yr PWLB	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Bank Rate													
Link	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Capital Economics	0.75	1.00	1.25	1.25	1.50	1.75	2.00	2.00	-	-	-	-	-
5yr PWLB Rate													
Link	2.20	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
Capital Economics	2.20	2.30	2.40	2.50	2.60	2.80	2.90	3.00	-	-	-	-	-
10yr PWLB Rate													
Link	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.30	2.40	2.50	2.60	2.70	2.80	3.00	3.10	-	-	-	-	-
25yr PWLB Rate													
Link	2.40	2.50	2.50	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Capital Economics	2.50	2.60	2.70	2.80	2.90	3.10	3.20	3.30	-	-	-	-	-
50yr PWLB Rate													
Link	2.20	2.30	2.30	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Capital Economics	2.20	2.30	2.50	2.60	2.80	2.90	3.10	3.20	-	-	-	-	-

COUNCIL MEETING – 8 MARCH 2022

INVESTMENT STRATEGY 2022/23

1.0 Purpose of Report

- 1.1 To approve the Investment Strategy for 2022/23. This Strategy meets the requirements of statutory guidance issued by the Department of Levelling Up, Housing and Communities (DLUHC) 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 DLUHC 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 2022/23 is attached as **Appendix A** to this report.

3.0 Summary of Limits

- 3.1 The below table summarises the proposed limits within the Investment Strategy 2022/23 for the non-treasury investments, each category has further details within the **Appendix**.

Category of Borrower	2020/21 actual			2022/23
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Approved Limit £m
Service Investments: Loans	3.210	0.032	3.178	14.500
Service Investments: Shares	3.833	(0.178)	3.655	5.000
Commercial Investments: Property	0	0	0	0

4.0 RECOMMENDATIONS that the Council approves:

- (a) the Investment Strategy 2022/23; and**
- (b) the Investment Prudential Indicators and Limits.**

Background Papers

DLUHC Investment Guidance 3rd Edition

For further information please contact Andrew Snape on Ext 5523.

Sanjiv Kohli
Director – Resources and S151 Officer

Investment Strategy Report 2022/23**Introduction**

The Council invests its money for three broad purposes:

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

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

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £20m and £60m during the 2022/23 financial year.

Treasury Management Investments

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

Further details: Full details of the Council's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

Contribution: The Council can lend money to its subsidiaries, local businesses, local charities and any other bodies to support local public services and stimulate local economic growth. The Council's main service investment loan during financial year 2020/21 was with its joint venture company Robin Hood Hotel Ltd (RHH), which had a rate of return of 4%. This loan was fully repaid during April 2021.

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

Prudential Indicator 12: Loans for service purposes

Category of borrower	2020/21 actual			2021/22	2022/23
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Forecast Actual £m	Approved Limit £m
Subsidiaries	3.147	0	3.147	1.300	13.000
Local businesses	0.032	0.032	0	0.031	0.500
Local charities	0	0	0	0	0.500
Other Bodies	0.031	0	0.031	0.030	0.500
TOTAL	3.210	0.032	3.178	1.361	14.500

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts from 2021/22 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/Deputy Chief Executive or Business Manager for Financial Services. All loans will be subject to contract agreed by the Legal Business Unit and the credit risk will be determined by reference to the "expected credit loss" model for loans and receivables as set out in International Reporting Standard (IFRS) 9 Financial Instruments. All loans must be approved by full Council and will be monitored by the Director of Resources/Deputy Chief Executive, or Business Manager for Financial Services.

Service Investments: Shares

Contribution: The Council can invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. Currently the Council does not intend to invest further in any shares with suppliers or local businesses; however the Council has invested £4m of equity funding into Arkwood Development Limited for which it has received 100% of the share capital issued, making it wholly owned by the Council. The Council has also invested £500 of equity to acquire 50% of shares of the Joint Venture Company, Robin Hood Hotel Ltd (RHH).

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

Prudential Indicator 13: Shares held for service purposes

Category of company	Original Investment £m	Previous Years Accumulated Gains or (Losses) £m	2020/21 actual			2022/23
			Amounts invested £m	Gains or (losses) £m	Value in accounts £m	Approved Limit £m
Subsidiaries	4.000	(0.167)	3.833	(0.178)	3.655	5.000
Suppliers	0	0	0	0	0	0
Local businesses	0	0	0	0	0	0
TOTAL	4.000	(0.167)	3.833	(0.178)	3.655	5.000

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

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

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

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

Commercial Investments: Property

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

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

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by ensuring they are prudent and has fully considered the risk implications, with regard to both the individual property and that the cumulative exposure of the council is proportionate and prudent. The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place, before entering into any commercial property investment and the business case will balance the benefits and risks. All investments of this type will be agreed by the 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 2022-23 is proposed to remain broadly unchanged as it is considered overall to be well structured to limit any undue risks to the security of assets and preservation of liquidity whilst also allowing the council and delegated officers to access suitable investment opportunities.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands at the point of entry, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not provide such commitments and guarantees and this strategy does not include them for 2022/23.

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 £186 million. The maximum period between borrowing and expenditure is expected to be two years.

Capacity, Skills and Culture

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

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

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

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

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management, which includes investment decisions, receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Members of the Audit and Accounts Committee received training from the Council's treasury advisers, Link Group, on 1st December 2021. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Commercial deals: The Council will ensure that the Audit and Accounts 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 by Members.

Investment Indicators

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

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

Total investment exposure	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Forecast £m
Treasury management investments	47.270	56.800	25.998
Service investments: Loans	3.210	1.361	11.469
Service investments: Shares	3.833	4.000	4.000
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	54.313	62.161	41.467
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	54.313	62.161	41.467

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

Investments funded by borrowing in year	2020/21 Actual £m	2021/22 Forecast £m	2022/23 Forecast £m
Treasury management investments	0	0	0
Service investments: Loans	2.439	1.300	10.110
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	2.439	1.300	10.110

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	2020/21 Actual	2021/22 Forecast	2022/23 Forecast
Treasury management investments	0.72%	0.90%	1.09%
Service investments: Loans	5.44%	5.44%	5.54%
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	3.08%	3.17%	3.31%

COUNCIL MEETING - 8 MARCH 2022

PAY POLICY STATEMENT 2022/23

1.0 Purpose of Report

- 1.1 To approve the Pay Policy Statement for 2022/23.

2.0 Background Information

- 2.1 In accordance with Section 38 (1) of the Localism Act 2011, Newark & Sherwood District Council along with all other English and Welsh local authorities were required to produce a Pay Policy Statement each financial year commencing on April 2012. In complying with the duties in respect of pay accountability the Council must have regard to any guidance issued or approved by the Secretary of State in summary:

- 2.1.1 A Pay Policy Statement (PPS) 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.

3.0 Proposals

3.1 Summary of Changes to the 2022/23 Pay Policy Statement

3.1.1 The Trades Unions have yet to present a pay claim for 2022/23 but the Council have budgeted for a 2% pay increase across all grades. Furthermore the pay negotiations for the NJC for the period of 2021/22 have not yet been settled, the PPS therefore shows pay scales as of 1 April 2020. It will be amended once the pay awards have been settled.

3.1.2 The pay negotiations for the JNC Chief Officers has been settled at 1.5% and the rates have been updated within the statement.

3.1.3 A summary of the changes are minimal but are included below:

- Removal of the requirement for Directors, Assistant Directors and Business Managers to progress on the pay scale subject to performance review, in practice this process is not utilised.
- The Living Wage Foundation rate increased to £9.90ph with effect from 01 October 2021. The supplement will be paid to any eligible employees from 01 April 2022 in line with current arrangements.
- Some Business Manager posts have been regraded.

3.2 Current Status

- 3.2.1 A copy of the full Pay Policy Statement has been appended to this report for review (refer to **Appendix A**). Members should note that where the Statement includes links to other policies these will be set up once the document is published on the Council's website. These policies can however be accessed now by referring to the current Pay Policy Statement (on the Council's website) which contains the live links.
- 3.2.2 The Statement was considered was considered by the Policy & Finance Committee at their meeting held on 21 February 2022 and recommended for approval.

4.0 Equalities Implications

- 4.1 The policy has been developed with due regard and consideration to equalities matters and all other policies, procedures and agreements currently in operation within the Council.

5.0 Financial Implications (FIN21-22/7921)

- 5.1 All costs associated with this document have been accounted for in the 2022/23 budget.

6.0 Digital Implications

- 6.1 None

7.0 RECOMMENDATION

That the Pay Policy Statement for 2022/23 be approved.

Reasons for Recommendation

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

Background Papers

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 note that the background documents referred to within the Pay Policy Statement will be linked to the document once it has been approved by Full Council and published on the Authority's website.

For further information please contact Sarah Lawrie on extension 5447.

Deborah Johnson
Director - Customer Services & Organisational Development

NEWARK & SHERWOOD DISTRICT COUNCIL**Pay Policy Statement 2022/23****1. Introduction**

- 1.1 This document sets out a Statement of Pay Policy for Newark & Sherwood District Council (the Council) for 2022/23 as required under Section 38 (1) of the Localism Act 2011. The Pay Policy Statement includes details about the remuneration of Chief Officers at the time of recruitment as well as arrangements relating to increases and additions to remuneration, the level and elements of remuneration including salary, bonuses and benefits in kind, the use of performance related pay and bonuses as well as the approach to the payment of Chief Officers on ceasing to hold office. The Statement also considers the lowest pay and median pay levels in the organisation. Pay details within this Statement are shown at rates as at 1 April 2020 pending finalisation of ongoing negotiations with the recognised Trades Unions for the period of 2021/22. Once the 1 April 2022/23 pay award has been implemented this Statement will be revised to reflect the new rates.

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
 - 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 on:

- h) the levels and elements of remuneration for each Chief Officer;
- i) remuneration of Chief Officers on recruitment;
- j) increases and additions to remuneration for each Chief Officer;
- k) the use of performance related pay for each Chief Officer;
- l) the use of bonuses for each Chief Officer;
- m) the approach to the payment of Chief Officers on their ceasing to hold office or being employed by the authority, and
- n) 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 £17,842 for a full time post. This is in accordance with the nationally approved pay scales which are subject to change in line with the national collective bargaining arrangements as detailed above.

4.5 Living Wage Foundation

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).

4.5.2 The Living Wage Foundation increased its Living Wage to £9.90 per hour on 1 October 2021. The Living Wage Supplement will continue to be paid during the forthcoming financial year should the Council's minimum hourly rate fall below that amount once the 2022/23 pay award has been implemented.

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);
- Deputy Chief Executive (Section 2 (6) and (7) of the Act);
- Directors (Section 2 (7) of the Act);
- Assistant Director (Section 2 (7) of the Act);

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).

- Statutory Officers (Section 2 (6) of the Act);
- Business Managers on Zone 1 or above (Section 2 (8) of the Act).

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

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

5.3 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	£112,843
Scale point 2	£117,183
Scale point 3	£121,523
Scale point 4	£125,864
Scale point 5	£130,205

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 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 enjoys terms and conditions in all other respects no less favourable than those accorded to other officers employed by the Council.

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

5.4.1 Terms and Conditions of Service

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

Terms and Conditions for Chief Officers [[link to document to be inserted](#)]
Statutory Officers Honorary 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	£95,904
Scale point 2	£100,485
Scale point 3	£103,536
Scale point 4	£107,023

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

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

Deputy Chief Executive and Director of Resources

5.4.4 Pay Scale for Directors

Scale point 1	£75,924
Scale point 2	£79,027
Scale point 3	£81,568
Scale point 4	£84,672
Scale point 5	£87,212

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

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

5.4.5 Pay Scale for Assistant Director

94% of Director Pay Scale
Zone 1 £71,368
Zone 2 £74,285
Zone 3 £76,673

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

Assistant Director – Law and Democratic Services

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

Zone 1/SCP1 £50,803
Zone 1/SCP2 £51,932
Zone 1/SCP3 £53,061
Zone 1/SCP4 £54,188

Zone 2/SCP1 £55,319
Zone 2/SCP2 £56,448
Zone 2/SCP3 £57,576
Zone 2/SCP4 £58,706

Zone 3/SCP1 £59,833
Zone 3/SCP2 £60,963
Zone 3/SCP3 £62,093
Zone 3/SCP4 £63,224

Zone 4/SCP1 £64,354
Zone 4/SCP2 £65,484
Zone 4/SCP3 £66,615
Zone 4/SCP4 £67,745

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

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

Business Manager – Public Protection
Business Manager – Financial Services
Business Manager – Planning Development
Business Manager – Revenues & Benefits
Business Manager – Environmental Services

Business Manager – Housing & Estates Management
 Business Manager – Regeneration & Housing Strategy
 Business Manager – ICT & Digital Services
 Business Manager – Elections & Democratic Services
 Business Manager – Housing Maintenance & Asset Management
 Business Manager – Housing Income & Leaseholder Management
 Business Manager – Heritage & Culture
 Business Manager – Customer Services
 Business Manager – HR & Training
 Business Manager – Corporate Property
 Business Manager – Economic Growth & Visitor Economy
 Business Manager – Planning Policy and Infrastructure

5.4.7 Remuneration on Recruitment/Appointment

When determining the most appropriate scale point at which to offer a post consideration is given to the individual's qualifications, experience and current levels of remuneration (where appropriate). Having considered all 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 pay point on the pay scale.

5.4.8 Increases and additions to Remuneration

- Incremental Progression

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

Full details of the Pay and Grading Arrangements for Officers engaged on JNC Chief Officer Terms and Conditions of Service can be accessed 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 they reach the top of the salary scale.

- Pay Awards

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

- Honoraria and Ex-gratia Payments

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

- Head of Paid Service *
- Monitoring Officer *
- Chief Finance Officer* (commonly referred to as the 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 who assume the role of Deputy Monitoring Officer and Deputy Section 151 Officer.

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

- Expenses

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

5.4.9 Arrangements for Election Duties

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

5.4.10 General Terms and Conditions

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

5.4.11 Appointment of Officers to JNC Terms and Conditions of Appointment

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

5.5 Business Managers

5.5.1 Terms and Conditions of Service

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

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

Business Manager – Administrative Services

Terms and conditions relating to Business Managers is available within the National Agreement on Pay and Conditions of Service document [[link to 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 the Business Manager engaged on NJC terms is set out below.

Scale/Band	Min SCP/Salary	Medium SCP/Salary	Maximum SCP/Salary	Post
NS13	34 – £37,890	35 - £38,890	36 - £39,880	Business Manager – Administrative Services

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

5.5.3 Remuneration on Recruitment

When determining the most appropriate scale point at which to offer a post consideration is given to the individuals qualifications, experience and current levels of remuneration (where appropriate). Having considered all 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.

- Pay Awards
Any pay awards are negotiated as part of the collective bargaining arrangements as detailed earlier within the policy.
- Other
Officers engaged on NJC conditions of service may in some circumstances receive honoraria/ex gratia payments as a consequence of undertaking duties in part or full at a higher level. The amount payable will differ according to each individual set of circumstances to be determined by the respective Director in conjunction with the 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 for some posts. Where the Council finds it difficult to recruit to specific posts and / or retain employees in those posts, the payment of a Market Supplement to base salary may be necessary as set out within the single status agreement. Typically, a Market Supplement is paid where the 'going rate' for a specific job or specialism is higher than that offered by the Council. In circumstances where this does occur the Council will follow the approved policy. [\[link to document to be inserted\]](#)
- Expenses
In accordance with the agreement the Council pays reasonable out-of- pocket expenses actually incurred.
- Meals and Accommodation Charges
Officers may receive subsistence rates based upon the approved rates. Further details in relation to current rates can be found in the Travel and Subsistence Policy [\[link to document to be inserted\]](#).

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 local 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 on Remuneration and Recruitment

These policies apply irrespective of status and/or terms that officers of the Council are engaged on.

5.6.1 Performance Related Pay and Bonuses

The Council does not currently operate any form of performance-related pay or bonus schemes.

5.6.2 Benefits in Kind

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.lgpsregs.org

The scheme provides for exercise of discretion to allow for retirement benefits to be enhanced. The Council will consider each case on its own merits in accordance with the parameters defined within the policy. Details can be found in the Redundancy and Discretionary Compensation Policy [[link to document to be inserted](#)]. This policy applies to all officers of the Council irrespective of their status provided they have at least two years continuous service.

5.6.4 Payment of Chief Officers on their Ceasing to Hold Office or being employed by the Council

Arrangements relating to the provision of termination payments for the loss of office for Chief Officers and all other officers leaving the authority on the grounds of redundancy, efficiency and early retirement are outlined in the Council's policy. Details in relation to any discretion that may be afforded in respect of pension enhancements can be found in the Redundancy and Discretionary Compensation Policy (link above at 5.6.3). This policy applies to all officers of the Council irrespective of their status provided they have at least two years continuous service.

5.6.5 Severance Packages over £75,000

Where a member of staff applies for voluntary redundancy, early retirement, termination on the grounds of efficiency or is made compulsorily redundant the pension and redundancy entitlements are determined by the Chief Executive in consultation with the Discretionary Payments Panel which is made up of the Chief Executive, the Section 151 Officer and another Chief Officer. Where appropriate the panel may comprise the nominated deputy for the Chief Executive or the Section 151 Officer.

Appeals against the decisions of the Discretionary Payments Panel will normally be determined by an appeal panel comprising either the Chief Executive, their nominated deputy, the Section 151 Officer, their nominated deputy or another Chief Officer provided 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 appeals panel.

In the case of any voluntary redundancy, compulsory redundancy, efficiency or early retirement (including health-related which falls short of meeting the ill health early retirement regulations) in respect of a member of staff where the cost to the Council exceeds £75,000, the Chief Executive shall not determine the matter until he has first consulted a Member Panel comprising the Leaders of all political groups of the Council.

In determining the “*cost to the Council*” for the purposes of this policy, the following will be included:

- the cost of early release of pension (pension strain);
- the cost of any pension enhancement;
- the cost of any redundancy payment (statutory and discretionary);
- the cost of any holiday pay, other fees or pay in lieu of notice.

In determining the “*cost to the Council*”, pension benefits which have been purchased by the employee will be disregarded.

Note: The Council will have regard to the Statutory Instrument laid before parliament on the 24 January 2017 which brought s41 of the Enterprise Act 2016 into force on 1 February 2017 (this is an enabling provision which allows the cap regulations to be made). Final details regarding the regulations and associated guidance 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 Local Government / Fire Fighters Pension, Severance or Termination Payments

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

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

The Council will not refrain from re-employing former employees who have received payments for redundancy, severance or any other reasons defined under the terms of a settlement agreement or those individuals who have received similar payments from organisations listed on the Redundancy Modifications Order if it is satisfied that the individuals are the best candidates for the posts.

Where appropriate the Council will also have regard to the regulations and any associated guidance notes produced concerning Exit Pay Recovery for officers returning to the public sector 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 being employed direct by the Council) operating at the Chief Officer level. The Council will only engage individuals under contracts for services in exceptional circumstances and only for a temporary period 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 in it.

6.2 Local authorities must details of the following data on their websites:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000;
- the name of each employee and details of their remuneration, for employees whose salary is at least £150,000;
- details of remuneration and job title of certain senior employees whose salary is between £50,000 and £150,000 and a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) for all employees whose salaries exceeds £50,000.

7. Equality Implications

7.1 This policy has been developed with due regard and consideration to Equalities matters and other policies, procedures and agreements currently in operation within the Council.

8. Approval/Review

8.1 Before it takes effect, the Pay Policy Statement 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 Joint Consultative Committee (JCC) to allow for consultation and/or negotiation (where appropriate). Approval of Human Resources policies and procedures is delegated to the Head of Paid Service after prior consultation at the JCC.

- 8.3 Given that the Pay Policy Statement relates to terms and conditions of employment as well as making reference to Human Resources policies and procedures it is appropriate for it to be considered by the Policy and Finance Committee and any amendments made thereto before it is referred on to Full Council for approval.
- 8.4 Any proposed changes to terms and conditions of employment including salaries arising from collaboration activities (e.g. shared services) will be subject to the prior approval of the Policy & Finance Committee.
- 8.5 A review of the Pay Policy Statement will take place annually. It will be referred to Full Council for approval in advance of the financial year to which it relates. In certain circumstances it may be necessary to review the policy in year as a consequence of changes to legislation and/or organisational requirements. In the case of legislative changes where the Council has no discretion the Pay Policy Statement will be automatically amended to reflect the revised legislation. In any case where there is discretion or where it is proposed to make in year changes to reflect organisational requirements such changes may be approved by the Policy & Finance Committee.

COUNCIL MEETING – 8 MARCH 2022

POLITICAL COMPOSITION OF THE COUNCIL AND ALLOCATION OF SEATS ON COMMITTEES TO POLITICAL GROUPS

1.0 Purpose of Report

- 1.1 Following the recent by-election held on 17 February 2022, to inform the Council of the political composition of the Council and to consider proposals for the allocation of seats on Committees to Political Groups, as required by Council Procedure Rule No. 17.6.

2.0 Background Information

- 2.1 Section 15 of the Local Government and Housing Act 1989 requires the Council to consider the political composition of the Council. The Act, together with Local Government (Committees and Political Groups) Regulations 1990, require local authorities to allocate seats on Committees of a local authority on a proportional basis, in accordance with the number of seats on the Council held by each political group.
- 2.2 As Members will recall the allocation of seats to Committees was last considered at the Meeting held on 12 December 2021, following the Rainworth South and Blidworth by-election. The allocation of seats requires a further review at this meeting following the District Ward by-election for the Collingham Ward held on 17 February 2022.
- 2.3 The result of the by-election was as follows:

Phil Barron (Liberal Democrats)	594 votes
Emma Davis (Conservative)	982 votes
Matthew Spoors (Labour)	168 votes

3.0 Present Position

- 3.1 As a result, the seats held by each Group on the Council are as follows:-

	<u>No. of Seats</u>
Conservative	30
Labour	6
Liberal Democrats	2
Independent	1

- 3.2 Under the committee style of governance all Committees are required to reflect the political balance. Based on the existing committee structure there are a total of 102 seats on Committees which must comply with political balance rules.
- 3.3 The Constitution provides that the following Committees be appointed:-

<u>Committee</u>	<u>No. of Members</u>
Policy & Finance	7
Homes & Communities	12
Leisure & Environment	12
Economic Development	12

Planning	15
Licensing	15
General Purposes	15
Audit & Accounts	6
Shareholder	5
Gilstrap	5
Mansfield & District Crematorium Joint Committee	3

Based on the existing Committee structure the following calculation can be made:-

- a) No of seats on Council = 39

% of total seats held by each Group (rounded) =

	%
Conservative	76.92
Labour	15.39
Liberal Democrats	5.13
Independent	2.56
	<hr/> 100%

- b) There are 107 seats on Committees. The allocation of seats to each Group on these Committees would be:-

			<u>Rounded</u>
Conservative	107 x 76.92%	82.30	82
Labour	107 x 15.39%	16.46	16
Liberal Democrats	107 x 5.13%	5.49	6
Independent	107 x 2.56%	2.74	3
			<hr/> 107 <hr/>

- c) The number of seats allocated on Committees to each Political Group is as follows:

Conservative	82
Labour	16
Liberal Democrats	6
Independent	3

The impact of the change in composition is that the Conservative Group have two more seats and the Liberal Democrats one, across all committees.

- 3.4 The proposed allocation of seats on Committees to each political group is set out in the matrix which is attached as **Appendix A** to the report.
- 3.5 Given Councillor Mrs Dobson had previously chosen not to take her seat on the Licensing and General Purposes Committees and these were taken by the Conservative Group, the only change required in actual memberships on committees is for the Liberal Democrat Group to make one appointment on to the Economic Development Committee.

4.0 RECOMMENDATIONS that:

- (a) the Council agree the allocation of seats to Political Groups in accordance with Appendix A to the report; and**
- (b) changes be made in Committee memberships as advised at the meeting.**

Background Papers

Nil.

For further information please contact Nigel Hill on 01636 655243.

John Robinson
Chief Executive

**ALLOCATION OF SEATS TO
POLITICAL GROUPS**

Committee	Conservative	Labour	Liberal Democrats	Independent	Total seats by Committee
Policy & Finance	6	1	0	0	7
Homes & Communities	9	2	1	0	12
Leisure & Environment	9	2	1	0	12
Economic Development	9	2	1	0	12
Planning Committee	11	2	1	1	15
General Purposes	11	2	1	1	15
Licensing	11	2	1	1	15
Audit & Accounts Committee	5	1	0	0	6
Shareholder Committee	4	1	0	0	5
Board of Gilstrap Trustees	4	1	0	0	5
Mansfield & District Crematorium Joint Committee*	3	0	0	0	3
Total seats by Group	82	16	6	3	107

* (includes other local authority members)

COUNCIL MEETING – 8 MARCH 2022

PROPOSALS FOR NEW GOVERNANCE ARRANGEMENTS

1.0 Purpose of Report

- 1.1 To update full Council on the progress made by the Governance Review Working Group and to approve the final design of the new governance arrangements for implementation in May 2022.

2.0 Background Information

- 2.1 At its meeting held on 4 May 2021 full Council resolved to adopt a Leader and Cabinet style of governance, with implementation to take effect from May 2022, and appointed a small working group of Members, tasked with formulating the detail of how the new governance arrangements should operate.
- 2.2 The group's progress was reported to full Council on 14 December 2021. The majority of details regarding the structure for the new arrangements was approved in principle and a training budget was established. It was agreed that the working group would continue to meet as required and report back to full Council with recommended changes to the Constitution and any further refinement of the proposed governance arrangements. Refined proposals are set out in Section 3 of this report.

3.0 Proposals

3.1 Proposed Structure

Below is a diagram of the proposed structure of the new governance arrangements.



- 3.2 Members will note a minor revision since the report of December 2021. On balance, the working group reached the view that it would not be appropriate for a single shareholder committee (which the law requires to be a committee of Cabinet) to discharge shareholder responsibilities in relation to the Council's two wholly owned companies; Active4Today and Arkwood Developments. This is because the remits of the two bodies are substantially different. The possibility of establishing two shareholder committees was considered, however it was concluded that this would create an administrative burden for the Council. Instead it is proposed that Cabinet discharges the Council's shareholder responsibilities, with delegation to relevant portfolio holders as appropriate. The Constitution will however contain provision for the establishment of committees of Cabinet if required in future.
- 3.3 **The Constitution**
The draft Summary and Introduction to the Council's revised Constitution is attached at **Appendix 1**. This provides a useful overview regarding the new arrangements, for the public, Members and Council Officers.
- 3.4 A draft section of the Constitution, 'Responsibility for Functions', has now been developed for the new governance structure and this is attached for noting at **Appendix 2** (with the exception of some sections relating to existing bodies that require only minor amendment – these will be included in the May report for Full Council). The Councillors Commission and the Governance Review Working Group have reviewed the draft documents and provided initial feedback to Officers. The process of drafting and review is ongoing and the final draft will be presented to Full Council on 17 May for formal approval.
- 3.5 Also attached, at **Appendix 3**, is a draft Protocol for Decision-Making. This will be used as the basis for report/decision templates and training, to ensure transparency and accountability in decision-making, and that appropriate considerations are taken into account.
- 3.6 **Call-In Procedure**
Call-in provides a mechanism for councillors to intervene when they feel that a decision being made by the executive needs to be revisited. It provides a key check and balance in the leader/cabinet system of governance. It should, however, be regarded as a measure that is only needed in exceptional circumstances.
- 3.7 Following feedback at Councillors Commission and Full Council, the draft criteria that was presented on 14 December, has been amended to include a public interest ground. The draft Call-in Procedure is attached at **Appendix 4**.
- 3.8 **Strengthening the Representative Role of Members**
As part of the review of governance, the Working Group has also considered how the Council could better support all Members in their roles as community leaders. A list of proposals was presented to Full Council on 14 December, including a proposal to create an annual Member fund with spending linked to community plan priorities. A draft Community Grant Scheme has now been developed, and is subject to a separate report later on the agenda for this meeting.

3.9 Training

There will be two all Member training sessions on the new governance system. The first session, to be held on 30 March, will be delivered with the support of the Local Government Association (LGA). This session will include a talk from Councillor Andrew Proctor who is an experienced LGA Peer. The second session, to be held in late April, will build on the first session by going into more detail on the specifics of the new system using case studies to show how the system will operate. This session will be led by the officer working group supporting the transition to the new governance model. Both sessions will be held in the evening, and will be recorded and available for members who are unable to attend.

3.10 There will be a series of three team development workshops facilitated by the LGA. The officer senior leadership team, Cabinet and Chair and Vice Chair of Policy and Performance Improvement will have respective sessions to build a sense of team and agree informal ways of working. These will be followed by a third session bringing these two groups together to build a single team ethos.

3.11 All staff will be informed about the new governance structure via a short instructional video and/or an interactive training tool. This will be released in the lead up to the first Cabinet meeting. Those officers who will regularly report to Portfolio Holders, Cabinet and/or Policy and Performance Improvement Committee will be able to attend a more detailed training session on the new system. There will be several sessions running in April and May delivered by officers from the governance working group. Finally, arrangements will be put in place for new officers, as part of the Council's formal staff induction.

3.12 Next Steps

Work will now continue to finalise the drafting of the revised Constitution, with input and guidance from the Governance Review Working Party, and the Councillors' Commission. This will include a refresh of meeting procedure rules, and consequential amendments to other sections of the Constitution. The revised Constitution will be presented to Full Council for adoption on 17 May 2022, just prior to the new governance arrangements coming into operation.

4.0 Equalities Implications

4.1 It is essential for the Council to consider equalities in its decision-making. The revised Constitution includes appropriate provision.

5.0 Financial Implications (FIN21-22/8472)

5.1 The previous report to Council on the 14th December 2021 approved a one-off budget for £5,000 in order to fund external training. As yet, minimal commitments have been made against this and are not forecast prior to 31st March 2022. Any remaining balance of this budget will be carried forward into the 2022/23 financial year to cover associated costs.

6.0 Community Plan – Alignment to Objectives

6.1 The Council's revised governance arrangements align with the Community Plan purpose and values – always looking to improve and innovate, and demonstrating integrity.

7.0 RECOMMENDATION

That Council approve the final design (structure) of the new governance arrangements as set out in the diagram at Paragraph 3.1, noting that the final version of the Council's Constitution will be presented to the Full Council on 17 May 2022 for formal approval and implementation.

Background Papers

Nil.

For further information please contact Nigel Hill nigel.hill@newark-sherwooddc.gov.uk 01636 655243.

Sue Bearman
Assistant Director – Legal & Democratic Services

Part A: Summary and Introduction

The Constitution sets out how the Council operates, how decisions are made and the procedures that are in place to ensure decisions are proportionate, transparent, efficient and accountable to local people. Some of these procedures are required by law, while others have been chosen by the Council. The Council must operate in accordance with the law, the Constitution and the rules and procedures included within it.

The Constitution is arranged in eight Parts (A-H) which set out the basic rules governing the Council's business, along with more detailed procedure rules, codes of practice and protocols.

The Council's primary objective is to improve the quality of life of people who live and work in the District of Newark and Sherwood. Part A of the Constitution is intended to assist in the delivery of this objective by providing for clear leadership, enhanced local democracy and the effective representation by Councillors of their constituents, effective decision-making and accountability and the efficient, effective provision of services. Where the Constitution permits the Council to choose between different courses of action, the Council will always choose the option it determines is closest to achieving these purposes. The Council monitors and reviews the operation of the Constitution as set out below.

Parts B-H of the Constitution are listed below and explain the rights of citizens and how key parts of the Council operate.

Part B Public Participation

Part C Responsibility for Functions

Part D Procedure Rules

Part E Financial Governance

Part F Councillors

Part G Officers

Part H Protocols

The Council

The Council comprises 39 Councillors who are elected every 4 years. Councillors are democratically accountable to the residents of their Ward. The overriding duty of Councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them.

Councillors have to agree to follow a Code of Conduct to ensure high standards in the way they undertake their duties. The Council has an Audit & Governance Committee to provide training and advice to Councillors on the Code of Conduct.

All Councillors meet together as the Council. Meetings of the Council, sometimes referred to as 'full Council' are normally open to the public. At these meetings Councillors decide the Council's overall policies and set the budget each year.

The Leader

The Leader is appointed by Council for a four year term of office or until their term of office as a Councillor expires.

When major decisions are to be discussed or made, these are published in advance, as set out in **Procedure Rule [] at Part D Section []** of this Constitution. Decisions generally are made at meetings (with Council Officers present) and these are open to the press and public except where personal or confidential matters are being discussed.

The Leader has to make decisions in line with the Council's overall policies and budget. If they wish to make a decision outside the budget or policy framework, this must be referred to the Council as a whole to decide.

The Leader can also delegate decisions to the Cabinet (the Council's Executive), individual Cabinet Members, Sub-Committees of the Cabinet, [individual local Members] or Officers.

The Cabinet

The Cabinet (also known as the Executive) is made up of the Leader, Deputy Leader and a Cabinet of additional Councillors appointed by the Leader. Cabinet Members are responsible for a portfolio of services/functions allocated to them by the Leader.

Any reference within this Constitution to the Cabinet or Executive decision-making process, and the rules applying to it, should be taken to refer equally to a Cabinet Sub-Committee, an individual Cabinet Member or Officer.

The Leader of the Opposition

The role of the leader of the Council's largest opposition group is to provide leadership in the constructive challenge of the Council's policies and strategies, and in the co-ordination of alternative policies, strategies and service delivery. They are the main political spokesperson for the Council's opposition.

Overview, Scrutiny and Call-In

The Council has established a Policy & Performance Improvement Committee (the PPI Committee) which appoints a Call-In Sub-Committee and together assist the work of the Leader, the Cabinet and the Council as a whole. The PPI Committee and its Call-In Sub-Committee enable citizens to have a greater say in Council matters by considering matters of local concern and making reports and recommendations advising a decision-maker and the Council as a whole on its policies, budget and service delivery. The Call-In Sub-Committee also monitors the making of decisions and can 'call-in' a decision which has been made but not yet implemented. The 'call-in' procedure enables the Call-In Sub-Committee to consider whether a decision has been made correctly and is appropriate, and may uphold the decision, recommend that the decision-maker amends or reconsiders the decision or refer the decision to the Cabinet or the Council to obtain its views. The PPI Committee may also be consulted on forthcoming decisions and the development of policy.

Other Committees

The Council has a number of other Committees which deal primarily with the regulatory functions which are not the responsibility of the Leader. These are the Licensing & General Purpose Committees, the Audit & Governance Committee, the Planning Committee, the Staffing Committee, the Mansfield & District Crematorium Joint Committee and the Trustee Board of Gilstrap & W.E. Knight.

The Council's Officers

The Council's employees (called 'Officers') give advice, implement decisions and manage the day-to-day delivery of its services. Some Officers have a specific duty to ensure that the Council acts within the law and uses its resources wisely. Codes of Conduct govern the conduct of Officers and the relationship between Officers and Councillors – the Members of the Council.

The Council must appoint the following Statutory Officers:-

- i. Head of Paid Service (the Council's Head of Paid Service is the Chief Executive)
- ii. Monitoring Officer
- iii. Chief Finance Officer (also known as a Section 151 Officer)

Citizens' Rights

Citizens have a number of rights in their dealings with the Council, some of which are legal rights and others result from the Council's own procedures. The rights of citizens are set out in Part B.

Where members of the public use specific Council services, for example as an applicant for housing benefit, they also have additional rights, however these are not covered in this Constitution.

Executive Arrangements

Those Parts of this Constitution which constitute the Executive Arrangements are:-

- The Leader of the Council Part C, Section 3
- The Deputy Leader of the Council Part C, Section 3
- The Cabinet (the Executive) Part C, Section 4
- Cabinet Member Portfolio Holders and their Portfolios Part C, Section 5
- Decision-Making Part C, Section 10
- Cabinet Scheme of Delegation Part C, Section 23
- Officer Scheme of Delegation Part C, Section 24
- Cabinet Procedure Rules Part D, Section []

Review of the Constitution

The Council will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

To assist with undertaking this task the Monitoring Officer may:

- observe meetings of different parts of the Member and Officer structure
- undertake an audit trail of a sample of decisions;
- record and analyse issues raised with him/her by Members, Officers, the public and other relevant stakeholders; and
- compare the Council's practices with those of comparable Councils, or national examples of best practice

Changes to the Constitution – Approval

Amendments or revisions to the Constitution shall be made in accordance with Part 3, Section 1, Rule 1.3.1.

Suspension of the Constitution

Limit to Suspension

The Council Procedure Rules may be suspended by the full Council to the extent permitted within those Rules and the law.

The Procedure Rules relating to the Cabinet and Committees may be suspended by the Cabinet or the Committee as the case may be to the extent permitted within those rules and the law.

Procedure to Suspend

A motion to suspend any rules will not be moved without notice unless at least one half of the whole number of Councillors is present.

The extent and duration of suspension will be proportionate to the result to be achieved, taking account of the purposes of the Constitution set out in Part A of the Constitution.

Interpretation

The determination of the Chairman of the Council (or in their absence the Vice-Chairman) on the construction, interpretation or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution as set out above in this Part A of the Constitution.

Publication

The Proper Officer will ensure that the Constitution is available for inspection at the Council's main office and on the Council's website.

Part C Responsibility for Functions

1. The Council

1.1 Policy Framework

The policy framework includes the following plans and strategies:

- Community Plan
- Development Management Documents prepared in accordance with the Planning and Compulsory Purchase Act 2004 (or as subsequently amended)
- The Planning Development Plan
- Licensing Authority Policy Statement
- Statement on Gambling Policy
- Crime and Disorder Reduction Strategy
- Annual Treasury Management Strategy
- Financial Strategy (Medium Term Financial Plan, Revenue Budget, Council Tax Setting and Capital Programme)
- Capital Investment Strategy]

1.2 Budget

The budget includes the allocation of financial resources to different services and projects, centrally held funds, determining the Council Tax base, setting the Council Tax and decisions relating to the control of the Council's borrowing requirement, the control of its capital expenditure and the setting of virement limits.

1.3 Functions of the full Council

The Council will exercise the following functions and those set out in Part C Section 22 of this Constitution:-

- 1.3.1 adoption and alteration of the Constitution apart from where legislation overrides an existing provision or changes to the Scheme of Delegation in relation to Executive functions;
- 1.3.2 approval or adoption of the policy framework and the budget (both revenue and capital programme);

- 1.3.3 appointment and removal of the Leader of the Council;
- 1.3.4 approval and/or amendment of Committee responsibilities;
- 1.3.5 determination of the allocation of seats on Committees and the appointment of Members to Committees;
- 1.3.6 approval of the annual General Fund Budget and determination of the Council Tax;
- 1.3.7 adoption of the Members' Code of Conduct and Allowance Scheme;
- 1.3.8 approval and amendment of the Petition Scheme;
- 1.3.9 appointment of Head of Paid Service and designation of Statutory Officers;
- 1.3.10 changing the name of the area, granting the Freedom of the District and conferring the title of Honorary Alderman;
- 1.3.11 electoral matters including functions relating to community governance;
- 1.3.12 making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or personal Bills;
- 1.3.13 all other matters which, by law, must be reserved to Council.

1.4 Council Meetings

There are three types of Council meeting:

- i. The annual meeting;
- ii. Ordinary meetings; and
- iii. Extraordinary meetings;

and they will be conducted in accordance with Procedure Rule [] set out at Part D Section [] of this Constitution.

1.5 Responsibility for Functions

The Council shall discharge those functions which are not Cabinet functions or are otherwise reserved to the Council.

DRAFT

2. The Chairman and Vice-Chairman of the Council

2.1 Appointment and Term of Office

2.1.1 The Chairman and Vice-Chairman of the Council will be elected by the Council annually.

2.1.2 The office of Chairman or Vice-Chairman of the Council cannot be held by the Leader or a Cabinet Member.

2.2 Functions of the Chairman and Vice-Chairman

2.2.1 The Chairman and in their absence the Vice-Chairman, will have the following responsibilities:

- i. to uphold and promote the purposes of the Constitution and to interpret the Constitution when necessary;
- ii. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of Councillors and the interests of the community;
- iii. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which Councillors who are not Cabinet Members or who do not hold a the Chairman of a Committee are able to hold the Cabinet and the Chairmen of Committees to account;
- iv. to promote public involvement in the Council's activities;
- v. to be the conscience of the Council; and
- vi. to attend such civic and ceremonial functions as the Council and he/she determines appropriate following receipt of advice from the Head of Paid Service.

3. The Leader and Deputy Leader of the Council

3.1 Appointment and Term of Office

3.1.1 The Leader is elected by the Council and holds office for a four year period starting on the day of their election as Leader at an Annual Meeting of the Council, unless their term of office as a Councillor is shorter, in which case the term of office as Leader will be the same as their term of office as a Councillor.

3.1.2 The Leader's period of office will cease at an earlier date if they

- i. resign from the office; or
- ii. are no longer a Councillor; or
- iii. are removed from office by resolution of the Council.

3.1.3 If there is a vacancy in the position of Leader, the Council will elect a Leader at the first meeting following such vacancy.

3.2 Functions of the Leader

3.2.1 The Leader is responsible for those functions which are not the responsibility of any other part of the Council, whether by law or under this Constitution.

3.2.2 The Leader shall be responsible for producing and maintaining the Scheme of Cabinet Delegation and the Scheme of Officer Delegation set out in Part C Section 22 and Part C Section 23 respectively detailing who will discharge functions.

3.2.3 Only the Leader will exercise the following functions and those functions reserved to them in the Cabinet Scheme of Delegation:-

- i. appointment of the Deputy Leader;
- ii. appointment of the Cabinet; and the
- iii. allocation of portfolio responsibilities

3.2.4 The Leader will chair any meetings of the Cabinet.

3.3 The Deputy Leader

3.3.1 The Deputy Leader will be a Councillor appointment to the position by the Leader.

3.3.2 The Deputy Leader will hold office until the end of the term of office of the Leader, or until:

- i. they are removed from office by decision of the Leader;

- ii. they resign from the office; or
- iii. they are no longer a councillor

3.3.3 If for any reason the Leader is unable to act, or the office of the Leader is vacant, the Deputy Leader must act and exercise all functions reserved to the Leader in their absence.

3.3.4 If for any reason the Leader and Deputy Leader are unable to act, or their offices are vacant, the remaining Cabinet Members may act collectively or appoint an interim Leader.

DRAFT

4. The Cabinet

- 4.1 The Cabinet will discharge all Cabinet functions (Executive functions). These are the functions which are not the responsibility of the Council, a Committee any other part of the Council.
- 4.2 The Cabinet also discharges those 'local choice' functions set out in Schedule 2 of the the Local Authorities (Functions and Responsibilities (England) Regulations 2000 (as amended).
- 4.2 The Cabinet comprises the Leader and Deputy Leader along with no more than nine other Councillors appointed to the Cabinet by the Leader.
- 4.3 The term of office of a Cabinet Member will be the same as for the Leader unless the Cabinet Member:-
- i. resigns from office; or
 - ii. is no longer a Councillor; or
 - iii. is removed from office, either individually or collectively, by decision of the Leader.
- 4.4 The portfolios of areas of responsibility of Cabinet Members (if any) for which they are delegated authority in accordance with the Cabinet Scheme of Delegation are allocated by the Leader.
- 4.5 The Cabinet is responsible for the preparation of the Council's Forward Plan and those functions reserved to it as set out in Part C Section 23.
- 4.6 The Cabinet can establish executive committees, chaired by the relevant Portfolio Holder, to which the Cabinet can appoint non-voting advisory members; subject to the adoption by Cabinet of an executive committee protocol which all executive committees must adhere to.
- 4.7 The proceedings of the Cabinet, including those of any of its Sub-Committees, shall be accordance with Procedure Rule [] set out in in Part D Section [] of this Constitution.

5. Cabinet Member Portfolio Holders and their Portfolios

5.1 The Cabinet comprises five portfolio holders including the Leader and Deputy Leader. The leader of the Council's largest opposition group is a Cabinet Member with voting rights but without portfolio.

5.2 The five portfolios are:-

- i. Strategy, Performance & Finance (held by the Leader)
- ii. Organisational Development & Governance (held by the Deputy Leader)
- iii. Economic Development & Visitors
- iv. Homes & Health
- v. Cleaner, Safer, Greener

5.3 The functions which fall within the portfolios and for which the Leader has delegated responsibility and decision-making to the portfolio holders in accordance with the Cabinet Scheme of Delegation set out at Part C Section 23 are set out below.

5.3.1 Portfolio for Strategy, Performance & Finance

- *Cross-Cutting Strategies*
 - Community Plan
 - Customer Access Strategy
 - Consultation & Engagement
 - Climate Change Strategy
 - Medium Term Financial Plan
- *Strategic Partnerships*
 - Representation of the Council in strategic partnerships such Economic Prosperity Committee Oversight of Arkwood Ltd
- *Communications*
 - Internal and external communications
 - Marketing and promotion
 - Design and brand management
 - Social media

- Reputation of the Council
- *Performance*
 - Oversight of performance management arrangements to ensure quality and value for money.
- *Finance*
 - Budget setting (presenting the budget)
 - Monitoring of expenditure and income
 - Treasury management
 - Banking, leasing, insurance, VAT etc
 - Staff payroll and Councillors' allowances
 - Contract monitoring for audit and procurement

5.3.2 Portfolio for Organisational Development & Governance

- *Organisational Development*
 - Corporate administration e.g., mail and corporate contracts such as mobile phones
 - Human resources and training (employment policies, supporting restructures, pay policy, training, consultation with trades unions, recruitment)
 - Responsibilities under the Equalities Act 2010 etc
 - Internal digital services and cyber security of the Council e.g., staff email and Council firewall
 - Development and delivery of the Council's emergency planning and business continuity plans
 - Health and safety at work
- *Customers*
 - Contact centre, online customer enquiries and reception face-to-face enquiry services
 - Information governance, data storage and security

- UK GDPR and Data Protection Act, Freedom of Information Act and Environmental Information Regulations requests and responsibility for the Information Management Framework
- External digital services for customers e.g., ESB, Civica, web-chat, e-forms
- *Governance*
 - Liaison with Councillors and MPs
- *Operational Assets*
 - Management of the Council's operational assets including offices and buildings.
 - Facilities management of the Council's offices including security, contract management and the setting up of meeting rooms
- *Street Naming & Numbering*

5.3.3 **Portfolio for Economic Development & Visitors**

- *Economic Development*
 - Supporting regeneration across the district
 - Supporting jobs and employment
 - Running Invest Newark & Sherwood
 - Providing businesses support and advice
 - Assessing and administering business grants
 - Assessing and administering business rates
 - Developing the district's town centres
 - Licensing of businesses and services e.g., taxi, alcohol and entertainment licenses
- *Visitors*
 - Seeking to grow Newark and Sherwood's visitor economy Creating and implementing Destination Management Plans for the district's towns
 - Tourism Action Groups
 - Campaigns such as Totally Locally

- Running and promotion of the Palace Theatre, National Civil War Centre & Newark Castle
- *The Council's Commercial Assets*
 - Management, running and development of the Council's commercial assets such as the Buttermarket, Stodman St. and industrial units
 - Management and running of the Council's car parks and Newark Lorry Park
 - Management of non-NSDC car parks as a commercial service e.g., contract to manage Newark Town car parks
 - Major capital projects
- *Developing Neighbourhoods*
 - Evidencing, managing and implementing the Council's LDF (Local Development Framework)
 - Allocating land for housing and employment
 - Infrastructure provision
 - Neighbourhood planning
 - Evidencing, assessing and assigning Assets of Community Value
 - Planning services
 - Planning enforcement
 - Evidencing, managing and maintaining conservation areas
- *Regeneration and Regeneration programmes and schemes*

5.3.4 Portfolio for Homes & Health

- *Tenants*
 - Landlord responsibilities such as responsive repairs for Council tenants
 - Planned works on the Council's social housing
 - Developing the HRA (social) assets
 - Rents and income for social housing
 - Gathering evidence on housing need and use this evidence to develop a Business Plan for the Council's social housing and associated assets
 - Ensuring the HRA Business Plan is delivered

- Tenant engagement
- Running of supported housing e.g., Gladstone House and Vale View
- *Homes*
 - Running a housing options service to support residents to get safe and suitable housing
 - Targeted initiatives on energy to help residents achieve affordable warmth
 - Tackling homelessness and rough sleeping with advice and assistance
 - Running two temporary accommodation sites for those experiencing homelessness
 - Gather evidence on housing need and use this evidence to develop housing and regeneration policies, plans and strategies to ensure the district has appropriate housing
 - Programme of neighbourhood studies
 - Protection of tenants in the private housing sector e.g., HMO licensing
 - Assessing and administering Disabled Facilities Grants
 - Council tax payments, administering council tax discounts/benefits and creditor services and housing benefit payments.
- *Health*
 - *Tackling health inequalities and delivering health improvement through campaigns, programmes and targeted actions, such as: Healthy options takeaway, Breastfeeding initiatives, Community projects on sport and fitness, Food poverty*
 - *Tackling social mobility and improving the aspirations of young people*
 - *Arts development*
 - *Support for community groups including community/local sport*
 - *Running of community centres*
 - *Management of Active4Today*
 - *Liaison with health partners*

5.3.5 Portfolio for Cleaner, Safer, Greener Communities

- *Cleaner*
 - Domestic waste and recycling
 - Street cleansing and road sweeping
 - Litter picking and emptying street bins
 - Waste services: bulky waste, trade waste and garden waste
 - Enforcement of cleanliness (littering, dog fouling, fly tipping etc.)
 - Fleet management Maintaining and enforcing pollution/air quality legislation to ensure clean and quality air
- *Community Safety*
 - Community safety partnership
 - CCTV, ASB, domestic violence
 - Food safety
 - Occupational health/health & safety at work
 - Emergency planning in the community
 - Health and safety in NSDC public spaces
- *Greener*
 - Running and managing the Council's parks including coordinating parks volunteers and parks friends groups
 - Delivering the ranger service
 - Community engagement within parks and green spaces e.g.. community tree planting
 - Tree planting and greening projects, campaigns and activities
 - Grounds maintenance
 - Promotion, education and enforcement of recycling (waste enforcement)
 - Environmental conservation and tree protection (TPO enforcement)

5.4 The leader of the Council's largest opposition group is a Cabinet Member with voting rights but without portfolio. Their role is to provide leadership in the constructive challenge of the Council's policies and strategies, and in the co-ordination of alternative policies, strategies and service delivery. They are the main political spokesperson for the Council's opposition.

6. Committees

6.1 Functions which are the responsibility of the Council, not the Cabinet, are known as Non-Executive Functions. The Council may undertake such functions itself or delegate them to a Committee (or Officer).

6.2 The Council has established the following Committees:-

- i. Policy Performance and Improvement Committee
- ii. Licensing and General Purpose Committee
- iii. Audit & Governance Committee
- iv. Planning Committee
- v. Staffing Committee
- vi. Mansfield Crematorium Joint Committee
- vii. Trustee Board of Gilstrap & W.E. Knight

6.3 The composition of these Committees, their functions, responsibilities and terms of reference is set out at Part C Sections []

7. Councillors

- 7.1 Collectively all Councillors (also known as Members) are the ultimate policy-makers and carry out a number of functions. Councillors represent their communities and Wards and bring their views into the Council's decision-making process. Councillors may also be appointed to the Committees detailed above.
- 7.2 The role and responsibility of Councillors is set out in more detail at Part F Section [] of this Constitution.

DRAFT

8. Officers

- 8.1 The Council's employees are called 'Officers' and they give advice, implement decisions and carry out the day-to-day delivery of the Council's services.
- 8.2 Some Officers such as the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer (also known as the Section 151 Officer) have specific duties to undertake. These Officers are the Council's 'Statutory Officers' and they ensure that the Council acts within the law and uses its resources wisely.
- 8.3 Officers are delegated decision-making authority in accordance with the Officer Scheme of Delegation which is set out at Part C Section 24.
- 8.4 Officers must comply with the Employee Code of Conduct which is set out in Part G Section [] of this Constitution.
- 8.5 The recruitment, selection and dismissal of Officers will always comply with the Officer Employment Procedure Rules set out in Part G of this Constitution.
- 8.6 Officers are paid in accordance with the Council's Pay Policy.
- 8.7 The Council's management structure and more information about the role and responsibilities of the Statutory Officers is set out at Part C [].

9. Joint Arrangements and Contracting-Out

9.1 Joint Arrangements

The Council or the Leader (in respect of an Executive function), may:

- 9.1.1 enter into arrangements or agreements with any person or body;
- 9.1.2 co-operate with, or facilitate or co-ordinate the activities of, any person or body;
and
- 9.1.3 exercise on behalf of that person or body any functions of that person or body.

9.2 Details of any joint arrangements including any delegations to Joint Committees are set out at Part C Section [] of this Constitution.

9.3 Joint Arrangements for Non-Executive Functions

- 9.3.1 The Council may establish joint arrangements with one or more local authorities to exercise functions which are not Executive functions in any of the participating authorities, or advise the Council.
- 9.3.2 Such arrangements may involve the appointment of a Joint Committee with these other local authorities.

9.4 Joint Arrangements for Executive Functions

- 9.4.1 The Leader may establish joint arrangements with one or more local authorities to exercise functions which are Executive functions
- 9.4.2 Such arrangements may involve the appointment of Joint Committees with these other local authorities
- 9.4.3 If the functions to be discharged involve Key Decisions the legal requirements for determining and publicising Key Decisions will apply.
- 9.4.4 Except as set out below, the Leader may only appoint Cabinet Members to a Joint Committee and those Members need not reflect the political composition of the Council as a whole.
- 9.4.5 The Leader may appoint Members to a Joint Committee from outside the Cabinet in the following circumstances:
 - i. the Joint Committee has functions for only part of the area of the authority, and that area is smaller than two-fifths of the authority by area or population. In such cases, the Leader may appoint to the joint

Committee any Councillor who is a Member for a Ward which is wholly or partly contained within the area;

- ii. the Joint Committee is between Nottinghamshire County Council and Newark & Sherwood District Council and relates to functions of the Leader of Nottinghamshire County Council. In such cases, the Leader may appoint to the Joint Committee any Councillor who is a Member for an electoral division which is wholly or partly contained within the area.

9.4.6 In the cases of (i) and (ii) above the political balance requirements do not apply to such appointments.

9.5 Joint Arrangements and Access to Information

9.5.1 Procedure Rule [] – at in Part D Section [] of this Constitution applies.

9.5.2 If all the Members of a Joint Committee are Members of the Cabinet / Executive of each of the participating authorities then the access to information regime will be the same as that applied to the Cabinet.

9.5.3 If the Joint Committee contains Members who are not Members of the Cabinet / Executive of any participating authority then the access to information rules in Part VA of the Local Government Act 1972 will apply.

9.6 Delegation to and from other Local Authorities

9.6.1 The Council may delegate non-Executive and/or local choice functions to another local authority or, in certain circumstances, the Leader of another local authority

9.6.2 The Leader may delegate Executive functions to the Executive of another local authority in certain circumstances.

9.6.3 The decision whether or not to accept such a delegation from another local authority shall be reserved to the Council (non-Executive functions) and the Leader (Executive functions).

9.7 Contracting Out

9.7.1 The Council (in respect of Non-Executive functions) and the Leader (in respect of Executive functions) may contract out to another body or organisation functions which may be exercised by an Officer and which are subject to an Order under section 70 of the Deregulation and Contracting Out Act 1994, or under contracting arrangements where the contractor acts as the Council's

agent under usual contracting principles, provided there is no delegation of the Council's discretionary decision-making.

9.7.2 Where Executive or Non-Executive functions are contracted out, the Cabinet or the Council as applicable retains ultimate responsibility for the function.

9.7.3 Every contract entered into must comply with the Council's Contract Procedure Rules and Financial Procedure Rules set out at Part D Section [] and Part D Section [] respectively.

DRAFT

10. Decision-Making and Types of Decisions

10.1 Responsibility for Decision Making

The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions or decisions relating to particular areas or function.

10.2 Principles of Decision-Making

All decision-making must comply with the relevant Procedure Rules, applicable legislation and the below principles must be applied in respect of all decisions, and decision-makers will:-

10.2.1 be open and transparent;

10.2.2 act within their authority;

10.2.3 take into account all relevant considerations and ignore irrelevant considerations;

10.2.4 evaluate alternative options;

10.2.5 undertake consultation as required or as may be appropriate;

10.2.6 make decisions which are reasonable and proportionate to the desired outcome;

10.2.7 obtain and consider professional advice as may be required or appropriate;

10.2.8 ensure best value;

10.2.9 have regard to the Council's Constitution and relevant policies, rules and procedures;

10.2.10 have regard to the rules of natural justice;

10.2.11 comply with all relevant legislation including but not limited to as regards human rights and the public sector equality duty.

10.3 Decisions Reserved to Full Council (Non-Executive Decisions)

Decisions relating to the functions detailed in Part C Section 22 will be made by the Council.

10.4 Cabinet Decisions (Executive Decisions)

Cabinet decisions made by the Cabinet as a whole, a Committee of the Cabinet an individual Cabinet Member or individual Officer under the Cabinet Scheme of

Delegation or the Officer Scheme of Delegation set out at Part C Section 23 and Part C Section 24 respectively must be made in compliance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information (England) Regulations 2021 and in accordance with the principles of decision-making and the Protocol for Individual Cabinet Member / Officer Executive Decision-Making set out at Part C Section 10 and Part H Section [] respectively of this Constitution.

10.5 Non-Executive Decisions

Non-Executive decisions made by the Council, a Committee or an individual Officer under the Officer Scheme of Delegation at Part C Section 24 must be made in accordance with the Openness of Local Government Bodies Regulations 2014.

10.6 Key Decisions

A Key Decision is a decision made or to be made in connection with the discharge of an Executive function which is likely to:-

10.6.1 result in the Council incurring revenue expenditure or savings of £150,000 or more; or,

10.6.2 result in the Council incurring capital expenditure or saving of £300,000 or more; or

10.6.3 be significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the Council's area;

10.7 Administrative Decisions

An administrative decision is an operational decision made by an Officer in the performance of their day-to-day duties or by an individual Cabinet Member which gives effect to, or implements, an Executive, Non-Executive or Key Decision which has already been taken. An Officer making an administrative decision:-

10.7.1 Does not need to prepare or publish a formal report, but must ensure consultation is undertaken where appropriate;

10.7.2 Does not have to maintain a record of administrative decisions for the purpose of 2012 Regulations (see above at 10.4) or the 2014 Regulations (see above at 10.5) but must retain a record of decisions, with reasons, for audit purposes;

10.7.3 Must ensure those who need to know of the decision are promptly informed of it.

10.8 Decision Making by Council Bodies Concerning Licences etc

Where the Council, a Committee, a Councillor or an Officer is determining the grant, refusal or sanction of a permit, licence, permission or right they will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

10.9 Urgent Decisions

In the event that any matters arise in circumstances rendering it impossible for the Leader, Cabinet or Council to give instructions within sufficient time in the normal conduct of their business for such matters to be properly dealt with, the Head of Paid Service (or in their absence a nominated deputy) shall have delegated authority to take or authorise all necessary steps to deal with the matters sufficiently to protect the interests of the Council and the public provided that they comply with the applicable legislative requirements for determining decisions, including identifying the decision as being urgent and as such not subject to 'Call-In', and shall, before taking action, consult:

- i. the Monitoring Officer and the Section 151 Officer (or their deputies); and
- ii. in respect of Executive functions, either the Leader (or in their absence the Deputy Leader or in their absence another Cabinet Member); or
- iii. in respect of non-Executive functions, the Chairman of the Council (or in their absence the Vice-Chairman of the Council or their absence the Chairman of the relevant Committee).

10.9.2 Decisions taken as a matter of urgency must be reported to the next available meeting of the Council together with the reasons for urgency.

11. The Policy & Performance Improvement Committee (PPI Committee)

Rules

- [The Committee Procedure Rules, Overview and Scrutiny Procedure Rules and Access to Information Procedure Rules shall apply as applicable to the PPI Committee, it's Working Groups and Call-In Sub-Committee.
- Where the PPI Committee is exercising its overview and scrutiny function, the Overview and Scrutiny Procedure Rules shall take precedence in the event of a conflict between them and Committee Procedure Rules
- The Call-In Procedure Rules shall apply to the Call-In Sub-Committee
- The business of a Working Group shall also be conducted in accordance with its terms of reference as determined by the Committee.

Membership, Chairman and Quorum

Number of Members	15 (with a Chairman and Vice-Chairman)
Substitute Members Permitted	[Yes]
Political Balance Rules Apply	[Yes]
Appointments / Removals	TBC
Restrictions on Membership	Cabinet Members may not be a member of this committee.
Quorum	[One quarter (1/4) of the committee members rounded up]
Number of Ordinary Meetings per Council Year	[No less than 4]
Working Groups	<ul style="list-style-type: none">• To be established and convened as and when required• Normally led by the Chairman or Vice Chairman of the Committee

	<ul style="list-style-type: none"> • Membership between 3 and 9 Members drawn from across the Council but excluding Cabinet Members and any other Members with previous direct involvement in the matter
Call-In Sub-Committee	<p>Members</p> <ul style="list-style-type: none"> • [5] <p>Political Balance Rules</p> <ul style="list-style-type: none"> • Apply. <p>Chairman</p> <ul style="list-style-type: none"> • <p>Quorum</p> <p>[3]</p> <p>Meetings</p> <ul style="list-style-type: none"> • As required

Principles

The PPI Committee is committed to the developing of a respectful relationship between itself, the Cabinet and external partners. The work of the PPI Committee its Working Groups and Call-In Sub-Committee is underpinned by the following 6 (six) principles:

1. To positively and proactively contribute to the effective delivery of the Council's aims and objectives, reflecting the vision and priorities of the Council.
2. To develop a respectful relationship between the Committee, the Cabinet and external partners.
3. Enable purposeful, constructive and challenging performance review.
4. To be open to external outlook and input.

5. To consider cost effectiveness in the discharge of its functions.
6. To ensure that no individual Member may be involved in reviewing a decision or policy which they have had direct involvement with.

Remit and Terms of Reference:

This Committee is not a decision-making body. The exercise of the powers and functions set out below are delegated by the Full Council to the Committee in relation to development of policy [as may be requested by the Cabinet], and review of performance and improvement including the Council's statutory functions relating to scrutiny:

General and Working Groups:

1. To prepare and keep updated an annual work programme incorporating matters referred to the Committee by the Council, the Leader and Cabinet, [by the Committee on its own initiative and by individual Members] providing the criteria for inclusion in the work programme, as approved from time to time by Committee, is met.
2. To appoint Working Groups to assist with fulfilling the Committee's functions in relation to strategy and policy development, service and performance reviews and review of decisions in accordance with the requirements set out below:
 - 2.1. Each Working Group is to be time-limited appropriate to the scope and scale of the individual Working Group project.
 - 2.2. There is to be no more than one Working Group relating to the work of a single service area at any point in time.
 - 2.3. The Working Groups are unable to make decisions.
4. The Working Groups may comprise co-opted members from outside of the Council.
5. The Committee Chairman, or in their absence the Vice Chairman, has delegated authority to appoint Working Groups where it would cause undue delay to wait for the next meeting of the Committee.

Policy Development

1. To assist the Cabinet and the Council in the development of policy and the budget.
2. Review current policies and strategies and making recommendations to the Leader/Cabinet and Council.
3. Undertake in depth analysis of policy issues and options to assist the Leader/Cabinet in and the Council in the development of its budget and policy framework.
4. Consider matters referred to them by the Leader/Cabinet and reporting to the Leader/Cabinet with proposals and/or options.
5. Question members of the Cabinet and/or Committees and senior Officers from the Council about their views on issues and proposals affecting their areas of responsibility.
6. Review the Council's partnerships to ensure that community needs are being met and enhanced by collaborative working where appropriate.
7. Consider the impact of policies to assess their effectiveness.
8. Assessing the success of the Council's pilot exercises/projects
9. Such other matters as required by law or guidance to be the proper remit of the PPI Committee.

Scrutiny

1. To review and scrutinise decisions made or proposed; the implementation or proposed implementation of policies or other actions taken or proposed in connection with the discharge of any function by the Leader/Cabinet/Cabinet Member or Council Officers [or the discharge of any non-executive function]
2. Review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and delivery of services.
3. Question the Leader and all Cabinet Members and senior Officers about their decisions and performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects.

4. Scrutinise the work of partnerships and partnership bodies in the local area.
5. Question and gather evidence from any person (with their consent where appropriate).
6. To make reports or recommendations to the Cabinet or Council as appropriate with respect to the discharge of any function, and to make reports or recommendations to partners as may be appropriate.
7. Convene a Call-In Sub-Committee to consider and determine a Call-In Notice and if necessary recommend that a decision made be reconsidered by the Cabinet or Council in accordance with the Call-In Procedure Rules. (*link*)
8. To act as the Council's designated Crime and Disorder Committee under the Police and Justice Act 2006.
9. Facilitate the Councillor Call for Action ("CCfA") process.
10. To fulfil all the functions conferred on the Council in relation to the scrutiny of health matters.
11. Report annually to Full Council on the discharge of its functions.
12. Such other matters as required by law or guidance to be the proper remit of the PPI Committee.

12. Audit & Governance Committee

Rules

- The Committee Procedure Rules and the Access to Information Procedure Rules shall apply to the Audit & Governance Committee and as applicable to its Sub-Committees.
- The business of the Sub-Committees shall also be conducted in accordance with the Council's Arrangements for Dealing with Standards Complaints and associated Codes and Protocols. (*links*)

Membership, Chairman and Quorum

Number of Members	7 + 1 co-opted Independent Member (non-voting)
Substitute Members Permitted	[Yes / No]
Political Proportionality Rules Apply	Yes
Appointments / Removals	Resolution of full Council
Restrictions on Membership	Cabinet Members may not be a member of this committee
Restrictions on Chairman / Vice Chairman	[to be confirmed – if any]
Quorum	[One quarter (1/4) of the committee members rounded up]
Number of Ordinary Meetings per Council Year	At least 4 per year (1 per quarter)
Standing Sub-Committee	<ul style="list-style-type: none">• None• [Standards Complaint Assessment Sub-Committee convened as required]• Standards Complaint Hearing Panel convened as required

Purpose

To provide those charged with Governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the Council's financial reporting and governance processes.

Remit and Terms of Reference

Audit

1. Oversee the Council's financial reporting process.
2. Approve the Council's Annual Statement of Accounts in accordance with the relevant prevailing legislation.
3. Receive and consider the reports, plans and opinions of the internal auditor; agreeing and monitoring the implementation of actions agreed in respect of such reports, plans and opinions, and ensuring effective control within the assurance framework.
4. Receive and consider the reports and opinions of the external auditor and external inspection agencies; monitoring the implementation of actions agreed in respect of such reports and opinions.
5. Scrutiny of the Council's Treasury Management Strategy, Investments Strategy and Capital Strategy and the in-year monitoring of compliance with these.
6. Scrutiny of the Council's Medium Term Financial Plan, annual budget and in-year monitoring of these in the context of financial sustainability.
7. Act as an advisory committee to the Cabinet and Council on audit matters
8. Such other matters as required by law or guidance to be the proper remit of the Audit & Governance Committee.

Governance

1. Assurance of the Council's governance, risk management framework and associated control environment and policies including the Council's Risk Register, Risk Management Strategy, 'whistle-blowing', anti-fraud and anti-corruption arrangements.
2. Overview of the Council's Constitution and consideration of proposed amendments or revisions to the Constitution including the Schemes of Delegation, Procedure Rules and Protocols.

3. Review any matters within the committees' remit and terms of reference referred to it by the Chief Executive, Section 151 Officer, Monitoring Officer or any Body of the Council.
4. Act as an advisory committee to the Cabinet and Council on governance matters
5. Such other matters as required by law or guidance to be the proper remit of the Audit & Governance Committee.
6. Ensure that the Council achieves value for money through all of its arrangements.

Standards

1. Promote and maintain high standards of conduct by Members and Co-opted Members of the Council.
2. Overview of the Council's Members' Code of Conduct, Arrangements for Dealing with Standards Complaints and associated Protocols; recommendations as to the adoption of and / or amendments to the Code, Arrangements and associated Protocols.
3. Assist and advice Members and Co-opted Members of the Council [and parish councils within the district of the Council] on standards and compliance with the Code and associated Protocols [including as regards members' interests, gifts and hospitality].
4. Make recommendations as to the appointment of Independent Persons.
5. Support and assist the Monitoring Officer in their discharge of the role as regards member standards, conduct and behaviour.
6. [Act as an advisory committee to the Cabinet and Council on standards matters]
7. [Convene an Assessment Sub-Committee to consider and determine a standards complaint made against a Member or Co-opted Member of the Council or a parish council in accordance with the Arrangements where the Monitoring Officer has determined to refer such a complaint].
8. Convene a Standards Hearing Panel as may be required by the Monitoring Officer for the purpose of determining a standards complaint made against a Member or Co-opted Member of the Council or parish council in accordance with the Arrangements.

[Standards Complaint Assessment Sub-Committee

1. Shall be a Sub-Committee of the Audit & Governance Committee constituted as may be required by the Monitoring Officer
2. Shall comprise 3 elected Members of the Council, one of whom [shall] be a member of the Audit and Governance Committee.
3. Shall be politically proportionate so far as practicable and shall ordinarily comprise Members drawn from at least 2 of the Council's Political Groups.
4. Shall receive and determine in accordance with the Arrangements standards complaints as may be referred by the Monitoring Officer for the purpose].

Standards Complaint Hearing Panel

1. Shall be a Sub-Committee of the Audit & Governance Committee constituted as required by the Monitoring Officer.
2. Shall comprise 3 elected Members of the Council, one of whom [shall] be a member of the Audit and Governance Committee.
3. Shall be politically proportionate.
4. Shall hear and determine in accordance with the Arrangements as regards standards complaints referred to the Hearing Panel.

Note:

Electoral matters, ombudsman reports (maladministration); functions concerning parish councils and as regards corporate complaints could also sit with the A&G Committee – if not, they need to be included within the ToR of an alternative committee.

14. Employment Committee

Rules

- The Committee Procedure Rules and the Access to Information Procedure Rules shall apply to the Employment Committee and as applicable to its Hearing Panel.
- The Local Authorities (Standing Orders) (England) Regulations 2001 & Local Authorities (as amended) shall apply to the Employment Committee and as applicable to its Hearing Panel and shall take precedence in the event of their conflicting with the Committee Procedure Rules and / or the Access to Information Procedure Rules.

Membership, Chairman and Quorum

Number of Members	[]
Substitute Members Permitted	Yes
Political Proportionality Rules Apply	Yes
Appointments / Removals	Resolution of full Council
Restrictions on Membership	Must include at least 1 Cabinet Member
Restrictions on Chairman / Vice Chairman	[to be confirmed – if any]
Quorum	[One quarter (1/4) of the committee members rounded up]
Number of Ordinary Meetings per Council Year	At least [4] per year
Hearing Panel	<ul style="list-style-type: none">• Number of Members []• Must included at least 1 Cabinet Member• A minimum of 2 Independent Persons shall be included in a Hearing Panel• Political Proportionality Rules apply• Convened as required

Remit and Terms of Reference

The Employment Committee shall be primarily responsible for:

1. Undertaking the selection process for the appointment, and formulating recommendations to the full Council, in relation to the appointment and dismissal of the Head of Paid Service, Monitoring Officer and Chief Finance Officer of the Council (the Statutory Officers) and other members of the Council's Senior Leadership Team as applicable in accordance with The Local Authorities (Standing Orders) (England) Regulations 2001 (as amended).
2. Ensuring that the appropriate policies, guidelines and timescales are adhered to in dealing with Statutory Officers including the application of any procedures and legislation relevant to the office.
3. Acting as the disciplinary hearing body for cases involving a Statutory Officer, where dismissal is not the likely outcome.
4. Where dismissal is a possibility for a Statutory Officer, appoint a Hearing Panel in accordance with legislative requirements outlined in the Local Authorities (Standing Orders) (England) Regulations 2001 & Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 which set out some particular matters with relation to employment processes for Statutory Officers and these terms of reference.
5. Advising the Council in relation to any proposed dismissal of a Statutory Officer. To carry out this role by appointing a Panel to consider any disciplinary action in relation to a Statutory Officer. The membership of the Panel shall be determined by the Committee. The Panel membership must include at least 1 Cabinet Member up to 2 of the Independent Persons appointed by the Council (who shall be full voting members of the Panel) and may include any number of additional members so long as those members are from within the membership of the Committee and the proportionality rules shall apply to such a Panel.
6. Forwarding the outcome of the Hearing Panel to Council for consideration;
7. Overview of the Council's Officer Code of Conduct;
8. Dealing with any personnel or pension matters not covered by any other Committee or by Officer delegation;
9. Dealing with any functions relating to the designation of a Proper Officer;
10. Hearing appeals on decisions made by the Chief Executive from a Director;

11. Consulting on, and determining, pay awards to employees on locally agreed Pay Conditions (subsequent to taking into account any representations made by recognised Trade Unions and affected employees).
12. To do anything which is incidental, conducive or calculated to facilitate any of the Committee's functions or which are necessary for the discharge of the functions.

DRAFT

15. Planning Committee

Rules

- The Committee Procedure Rules and the Access to Information Procedure Rules shall apply to the Planning Committee.
- The Planning Committee Procedure Rules shall apply to the Planning Committee and shall take precedence in the event of their conflicting with the Committee Procedure Rules.

Membership, Chairman and Quorum

Number of Members	[15]
Substitute Members Permitted	No
Political Proportionality Rules Apply	Yes
Appointments / Removals	Resolution of Full Council
Restrictions on Membership	<ul style="list-style-type: none">• Cabinet Members may not be a member of this committee• All Members of the Planning Committee must have undertaken the required training, a minimum of once a year.
Restrictions on Chairman / Vice Chairman	[to be confirmed – if any]
Quorum	[One quarter (1/4) of the committee members rounded up]
Number of Ordinary Meetings per Council Year	At least [4] per year

Remit and Terms of Reference

1. To perform the duties and exercise the powers of the Council as the local planning authority.
2. To determine and advise on all planning and development management applications, including but not limited to:-
 - Planning obligations;

- All matters concerning public path orders required as a result of planning legislation;
 - Advertisement consents;
 - Conservation area consents and notices;
 - Revocation or modification of planning permissions by order under planning legislation;
 - Enforcement action including in respect of advertisement contraventions;
 - Tree preservation orders;
 - Consent to carry out work to protected trees;
 - Listed building consents and notices;
 - Certificates of alternative development;
 - Direct action by execution of works, taking steps and/or carrying out operations, by or on behalf of the Council under any current planning legislation, including the recovery of any costs or expenses;
 - Legal proceedings in respect of any breach of planning obligations;
 - Any other notices, orders, demands, permissions, consents and grants under current planning legislation; and
 - Observations, comments and representations on development proposals being determined by other bodies and/or in adjoining or nearby administrative areas.
3. To determine planning and development management applications referred by Members or Officers of the Council.
 4. To determine planning and development management applications submitted by, or on behalf of, the Council or such applications in which the Council has an interest [save in respect of applications pertaining to the HRA housing development programme or the HRA housing stock];
 5. To determine planning and development management applications submitted by Members, Senior Officers (Senior Leadership Team and Business Managers) and Officers who would otherwise be involved in the determination of the application.
 6. The monitoring of enforcement action taken under planning and other applicable legislation.

7. To administer the registration and record keeping provisions required under applicable legislation.
8. To exercise the Council's statutory duties in respect of the Building Regulations and associated legislation.
9. To exercise the Council's statutory powers in respect of land drainage and associated legislation.
10. To exercise the Council's statutory powers in respect of highways and associated legislation.
11. To do anything which is incidental, conducive or calculated to facilitate any of the Committee's functions or which are necessary for the discharge of the functions.
12. To adopt a scheme of delegation to Officers, including the ability for District Councillors to reserve matters to Committee in circumstances prescribed by the scheme; the scheme to be reviewed as necessary and at least annually, and
13. To adopt a Protocol for Planning Committee

Planning Committee Procedure Rules

1. The Chairman will preside over meetings of the Planning Committee and, where the Chairman is absent for the whole or part of the meeting, the Vice-Chairman will preside over the meeting or that part of it. In the absence of both the appointed Chairman and Vice-Chairman for either the whole of or part of a meeting, the Planning Committee will appoint from those Councillors then present a person to act as Chairman for the duration of that meeting or part of it. (All references to 'Chairman' in these rules will be read as referring to the person acting as Chairman at the relevant meeting or part of it).
2. The Chairman of the Planning Committee meeting will be responsible for:
 - 2.1 calling items for consideration as they appear on the Agenda;
 - 2.2 maintaining good order at the Planning Committee meeting. For this purpose,
 - 2.3 the Chairman has the right to curtail any speaker (including a Councillor of the Committee), or to suspend the Planning Committee meeting, in cases of disorder, until good order has been restored.
3. In all matters of procedure and interpretation of these rules, the Chairman's decision will be final.

4. Decisions of the Planning Committee are not subject to scrutiny arrangements / call-in by a Call-In Sub-Committee of the PPI Committee.
5. The order of business for each meeting of the Planning Committee shall be:-
 - i. Opening matters;
 - ii. Apologies;
 - iii. Substitutes;
 - iv. Minutes;
 - v. Declarations of interest,
 - vi. Planning Applications (the planning applications will be listed in chronological order but will be considered in such order as determined by the Chairman)
 - vii. Other matters requiring consideration by the committee
6. Prior to the Planning Committee meeting, the Chairman and Vice-Chairman will whenever possible meet with Officers to discuss the process and speaking arrangements for each item to be heard at the meeting. Officers present will usually include planning and legal officers.
7. Where there is no provision made in these Planning Committee Procedure Rules the requirements of the Committee Procedure Rules will be followed at the discretion of the Chairman.

Minutes

8. Minutes will contain all motions and amendments in the form and order they were put.

Approval of Minutes

9. At every meeting of the Planning Committee the Chairman will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

Declarations of Interests

10. Declarations will be made in accordance with the Code of Conduct. These declarations will be made at the outset of the meeting under the item listed as 'declarations of interests' on that Planning Committee's agenda or as soon as the interest comes to light.

Consideration of Business on the Public Agenda

11. All Planning Applications to be decided by the Planning Committee will be dealt with as follows:

The Chairman will announce the agenda item number.

- i. The Planning Officer will introduce the application with any relevant updates and provide a visual presentation to aid members' understanding of the context of the application.
- ii. The Chairman will then ask members if they have technical questions of officers
- iii. The entire committee will then discuss/debate the application.
- iv. Members may seek further clarification of:-
 - (a) particular points from Officers, regarding the application; or
 - (b) on points raised by speakers, in the main debate, through the Chairman. Officers will respond to issues and questions raised by members.

The Committee will then make a decision by vote.

16. The Planning Policy Board

Rules

- The Planning Policy Board is an advisory body and has no decision-making authority.
- The Committee Procedure Rules do not apply

Membership, Chairman and Quorum

Number of Members	7
Substitute Members Permitted	[Yes / No]
Political Proportionality Rules Apply	[No]
Appointments / Removals	[]
Restrictions on Membership	The Planning Policy Board shall comprise:- <ul style="list-style-type: none">• Portfolio Holder for Economic Development & Visitors• 3 Members of the PPI Committee• 3 Members of the Planning Committee
Restrictions on Chairman / Vice Chairman	Board meetings to be chaired by the Portfolio Holder for Development & Visitors
Quorum	[]
Number of Ordinary Meetings per Council Year	At least [4] per year

Remit and Terms of Reference

1. To act in an advisory capacity to the Portfolio Holder for Economic Development & Visitor and Officers in the preparation of the Council's Planning Development Plan for its adoption by the Council.
2. To oversee the preparation of the Planning Development Plan including development targets, allocations of land for new development, planning policies for the determination of planning applications and the planning policies map which details where such land allocations and planning policies apply across the District of the Council.

3. To Provide strategic overview of the production of those documents which will comprise the Planning Development Plan.
4. To provide strategic overview of the production of those documents which will support the production and implementation of the Planning Development Plan.
5. At the discretion of the Chairman, Members of the Council may be invited to meetings of the Planning Policy Board and / or consulted on matters pertaining to the Planning Development Plan which may affect their Wards.

DRAFT

22. Responsibility for Functions

1. Functions of the Council (Non-Executive Functions)

- 1.1 Those functions reserved as Council Functions by the Local Government Act 2000 (as amended) or any other Act.
- 1.2 Those functions set in Schedule 1 of the Local Authorities (Functions and Responsibilities (England) Regulations 2000 (as amended);
- 1.3 Those plans and strategies set out in Schedule 3 of the of the Local Authorities (Functions and Responsibilities (England) Regulations 2000 (as amended);
- 1.5 Those functions which would be Cabinet functions but for the circumstances set out in Schedule 4 of the Local Authorities (Functions and Responsibilities (England) Regulations 2000 (as amended);
- 1.6 Those functions set out at Part C Section 1 which the Council has determined shall be reserved to the Council.

- 2. The Council's functions may be discharged by the Council as a whole or delegated to a Committee or individual Officer in accordance with the Non-Executive Function Scheme of Delegation or the Officer Scheme of Delegation.

3. Functions of the Cabinet (Executive Functions)

- 3.1 The Cabinet exercises those exercises those functions which are not Non-Executive functions or otherwise reserved to the Council.
- 3.2 The Council has determined that the Cabinet shall exercise those 'local choice' functions set out in Schedule 2 of the of the Local Authorities (Functions and Responsibilities (England) Regulations 2000 (as amended);
- 3.3 Functions of the Cabinet may be discharged by the Cabinet as a whole, a Cabinet Committee, an individual Cabinet Member, and individual Officer or a joint committee in accordance with the Cabinet Scheme of Delegation or the Officer Scheme of Delegation respectively.

23. The Non-Executive Function Scheme of Delegation

1. The Non-executive functions out at Section 22 paragraph 1 above are the responsibility of the Council.
2. Non-Executive functions must be discharged by the Council but unless otherwise reserved to the Council, may be exercised under delegated authority to a Committee (including a joint committee) or an individual Officer.
3. Non-Executive functions cannot be delegated to, discharged by,:-
 - i. An individual Councillor (including the Chairmen of Non-Executive Committees);
 - ii. The Leader or Deputy Leader;
 - iii. The Cabinet, a Cabinet Committee or an individual Cabinet Member;
4. The Council has delegated to the following Non-Executive Committees the Non-Executive functions detailed in the Committees' remit and terms of reference responsibilities):-
 - i. Policy Performance and Improvement Committee
 - ii. Licensing and General Purpose Committee
 - iii. Audit & Governance Committee
 - iv. Planning Committee
 - v. Statutory Staffing Committee
 - vi. Mansfield Crematorium Joint Committee
 - vii. Trustee Board of Gilstrap & W.E. Knight
5. Where a Non-Executive Committee establishes a Sub-Committee it may delegate its functions to the Sub-Committee. The following Sub-Committees have been established:-
 - i. Licensing Hearing Sub-Committee (Licensing & General Purpose Committee)
 - ii. Call-In Sub-Committee (PPI Committee)
 - iii. Standards Hearing Sub-Committee (Audit & Governance Committee)
 - iv. Disciplinary Hearing Panel (Statutory Employment Committee)

Non-Executive Function Delegation to Officers

6. The Council has also delegated to individual Officers Non-Executive functions and decision-making via the Officer Scheme of Delegation and the Proper Officer Functions set out at Part C Section 25 and Part C Section 26 of this Constitution.
7. Individual Officers making Non-Executive decisions must comply with the Openness of Local Government Bodies Regulations 2014 and in accordance with the decision-making principles set out at Part C Section 10, the Protocol for Individual Decision-Making and Procedure Rule [] set at Part D Section []

DRAFT

24. The Cabinet Scheme of Delegation

Introduction

1. The Leader is responsible overall for the discharge of Cabinet functions and may discharge any such function themselves regardless of whether the given function has been delegated.
2. The Leader has the power to delegate the discharge of Cabinet functions to:-
 - i. The Cabinet as a whole
 - ii. A Committee of the Cabinet
 - iii. An individual Cabinet Member
 - iv. An individual Officer
 - v. A Joint Committee

Functions Delegated to Cabinet Members (Portfolio Holders)

3. The Leader delegates to those Cabinet Members with portfolio the Cabinet functions which fall within their respective portfolio as set out at Part C Section 5 of this Constitution.
4. Cabinet Members with portfolio may take any decision in relation to their delegated functions, including Key Decisions.
5. In the discharge of their delegated functions and decision-making in respect thereof Cabinet Members shall comply with:-
 - 5.1 Any reservations, limits or restrictions set by the Leader including particularly and without limitation those set out below at 9.1 – 9.14 and 10.1 – 7.
 - 5.2 The law;
 - 5.3 This constitution, including particularly and without limitation:-
 - i. The approved Budget and Policy Framework
 - ii. The decision-making principles and Protocol for Individual Cabinet Member / Officer Decision-Making;
 - iii. The Contract Procedure Rules
 - iv. The Financial Procedure Rules
 - v. The advice of the Head of Paid Service, Monitoring Officer or the Chief Finance Officer

vi. The Members' Code of Conduct

6. Where an individual Cabinet Member is exercising their delegated powers, the Leader or the Cabinet as a whole may exercise that power where the Leader determines it appropriate to do so.
7. Where an individual Cabinet Member is making a decision under their delegated powers, they may refer that decision to the Leader or the Cabinet as a whole where they consider it appropriate to do so.
8. The portfolios and functions in respect of which the Cabinet Members with portfolio have been delegated authority are set out at Part C Section 5 of this Constitution.

Functions Reserved to the Leader

9. The following functions are reserved to the Leader:-
 - 9.1 To lead on implementing the Council's policy and budget decisions
 - 9.2 To provide leadership of the Council by setting the strategic direction and key priorities and overseeing the development of the financial strategies.
 - 9.3 To represent the Council in the community and in negotiations with regional and national public service organisations
 - 9.4 To be the lead spokesperson for the Council and deal with external relations with partners and other stakeholders.
 - 9.5 To take overall responsibility for the performance framework, including the monitoring of targets.
 - 9.6 To lead and co-ordinate the Council's work on key cross-cutting policy areas such as equalities, sustainability and communications.
 - 9.7 The appointment of a Deputy Leader
 - 9.8 To appoint up to 9 Councillors to be Cabinet Members
 - 9.9 To allocate to Cabinet Members areas of responsibility (portfolios)
 - 9.10 To provide leadership to the Cabinet and to chair Cabinet meetings
 - 9.11 To ensure the efficient despatch of business consistent with the Council's policies and strategies.
 - 9.12 To notify the Monitoring Officer of the allocation of responsibility so that the information can be published in the Constitution.

- 9.13 To take responsibility for Cabinet or portfolio functions in the absence of a Cabinet or individual Cabinet Member.
- 9.14 To reserve to themselves or the Cabinet as a whole the determination of an executive decision or the taking of a particular course of action pertaining to a Cabinet function.
- 9.15 To reserve to individual Cabinet Members or the Cabinet as a whole the determination of consultation responses and the launch of consultation exercises on behalf of the Council, except for day-to-day technical and operational consultations which amount to Administrative Decisions made by Officers.

Functions Reserved to the Cabinet

- 10. Decisions in respect of the following shall be taken by the Cabinet as a whole:
 - 10.1 Any decisions which in the opinion of the Leader should be determined by Cabinet;
 - 10.2 Proposing the Budget and Policy Framework and Capital Programme to the Council;
 - 10.3 Approving the Risk Management Strategies and Policies and reviewing the effectiveness of Risk Management Arrangements;
 - 10.4 Approval to the carry forward of underspends as required by the Council's Financial Regulations;
 - 10.5 Approval of in year budget reallocations above the limit stipulated by the Council's Financial Regulations;
 - 10.6 Reallocation of capital budgets which do not exceed the overall capital programme;
 - 10.7 Authorising the write-off of bad or doubtful debts above the amount specified as delegated to the Section 151 Officer in the Scheme of Delegation to Officers.

25. The Officer Scheme of Delegation

1. Introduction

- 1.1 This Officer Scheme of Delegation (the Scheme) has been adopted by the Council and sets out the extent to which the powers and duties of the Council are delegated to Officers under the Local Government Act 1972, the Local Government Act 2000 (as amended) and all other powers enabling the delegation of Executive and Non-Executive functions to Officers.
- 1.2 The Officer Scheme of Delegation is intended to provide a streamlined, clear and simple decision-making process and empower Officers to carry out their functions and deliver the Council's services within the Budget and Policy Framework set by the Council, and subject to the guidelines set by the Council, the Cabinet and the Council's management team. The Scheme should be interpreted widely.
- 1.3 All references to legislation shall be deemed to include any subsequent amendments to such legislation.
- 1.4 Under section 101 of the Local Government Act 1972 the Council may authorise an Officer to commission and monitor work for and on behalf of the Council by people who are not Officers of the Council. Such people will be bound by this Scheme, and the obligations contained in it, at all times when engaged on Council business.
- 1.5 In this Scheme references to powers and functions of 'the Council' include the powers and functions of the Cabinet (Executive).
- 1.6 The delegations under this Scheme are intended to be cumulative. Each delegation may be read on its own unless it is specifically expressed to be subject to another.
- 1.7 Where an Officer has delegated powers, the Council or the Cabinet or a Committee (as appropriate) can still exercise that power in a particular case if it considers it appropriate to do so. Equally it is always open to an Officer not to exercise delegated powers but to refer the matter up as appropriate.

2. Limitations

- 2.1 Any exercise of delegated powers under this Scheme is subject to the overriding requirements, restrictions and exceptions as set out below.

3. Consultation and Liaison

- 3.1 When exercising delegated powers Officers must consult as appropriate, give due regard to any advice received and keep Councillors and relevant other Officers properly informed of actions arising within the scope of the delegation exercised.

- 3.2 Officers must liaise closely with the Cabinet / Portfolio Holder in respect of Executive functions and the Chairman of the relevant Committee in respect of Non-Executive functions which fall within the remit of that Committee.
- 3.3 Officers must ensure Ward Councillors are consulted or advised of the exercise of delegated powers relevant to their area where appropriate.
- 3.4 Officers must ensure that the Chief Executive (Head of Paid Service) Chief Finance Officer (Section 151 Officer) and the Assistant Director Legal & Democratic Services (Monitoring Officer) are consulted and advised of any decisions as necessary.

4. Using a Delegation

- 4.1 Before exercising any delegated power, Officers must consider whether to consult with the relevant Portfolio Holder or Committee Chairman on the exercise of the delegated powers, or not to exercise delegated power and instead refer the matter to the relevant Councillor or Council Body to decide.
- 4.2 The Leader or any Cabinet Member may at any time, following consultation with the Chief Executive and relevant Officer, require a particular issue or any aspect of delegated powers to be referred to the appropriate Council Body for a decision.
- 4.3 This does not limit the general requirements set out elsewhere in the Constitution to consult with relevant Ward Councillors, Committee Chairmen and interested groups in reaching decisions.

5. Functions Which Are Not Delegated

- 5.1 This Scheme does not delegate to Officers:-
 - 5.1.1 any matter reserved to full Council;
 - 5.1.2 any matter which by law may not be delegated to an Officer;
 - 5.1.3 any Key Decision;
 - 5.1.4 any matter expressly withdrawn from delegation by the Council, Committees, Leader or Cabinet.

6. Restrictions

- 6.1 Any exercise of delegated powers is subject to:
 - 6.1.1 any statutory restrictions;
 - 6.1.2 the budget and policy framework;
 - 6.1.3 any provision of this Constitution including the Procedure Rules;

- 6.1.4 any financial limits set out in the revenue or capital budgets except as set out in the Financial Procedure Rules;
- 6.1.5 any policy set by the Council or its Committees, the Cabinet, the Leader or Chief Executive;
- 6.1.6 the Employee Code of Conduct;
- 6.1.7 the exceptions set out below at paragraph 20.

7. Transfer of Functions

- 7.1 Where the name of a post is changed, or its relevant functions become vested in a different post, any delegated powers possessed by the post shall be retained by the renamed post or transferred to the different post as the case may be. This includes any delegated powers vested in a post by resolution of the Council, the Cabinet, or a Committee / Sub Committee.
- 7.2 In the event of a restructure the Chief Executive shall have authority to re-allocate the delegated powers to other posts and shall give notice of this to the Assistant Director Legal & Democratic Services. Any use of this delegated power must be reported to the Council and / or to the Cabinet as soon as practicable.

8. General Delegation of Powers

- 8.1 This Scheme delegates to the Council's Chief Executive and Chief Officers (Directors*) all executive and non-executive powers and duties relevant and to their areas of responsibility as set out in the table below at paragraph 19, and as may be assigned from time to time, that rest with the Council or which have been delegated or granted to the Council, subject to the restrictions, requirements and exceptions set out below. This includes all powers and duties under all legislation present and future relating to a Director's area of responsibility and all powers and duties incidental and conducive to that legislation and the discharge of their functions including, but not limited to, those detailed in this Scheme.

*Includes the Assistant Director Legal & Democratic Services

9. Powers in Relation to Staff

- 9.1 Any action in accordance with the Council's agreed policies and procedures with respect to the recruitment, appointment, promotion, training, grading, discipline, determination of wages and salary scales, determination of allowances, determination and application of conditions of service, including but not limited to allocation of leave,

honorariums, ill health retirement and determination of establishment except as detailed in the Staff and Employment Exceptions Chart below at paragraph 22.

10. Powers in Relation to Contracts and Property

- 10.1 Powers in relation to contracts and property agreements to negotiate, put out to tender, bid, submit tenders, vary, terminate, dispute, extend and renew and in relation to contracts to buy and sell and in relation to property to acquire, dispose of, let and licence subject to the Contract Procedure Rules and Financial Procedure Rules.

11. Powers in Relation to Finance

- 11.1 Powers to incur capital and revenue expenditure, to seek recovery of amounts owed, to exercise discretion in recovery, alter or waive repayment periods, or approve exemptions in relation to repayments, agree refunds, reduce or remit payments and waive fines, subject to the requirements of the Financial Procedure Rules or the Legal Exceptions Chart.

12. Powers in Relation to Equipment

- 12.1 Purchase of vehicles, plant and equipment for which expenditure has been approved subject to any policy for standardisation (but if the purchase involves a leasing arrangement this must be made by the Section 151 Officer).
- 12.2 Hire of plant subject to inclusion of cost of hire within approved estimates.
- 12.3 Disposal of surplus plant, equipment and materials

13. Powers in Relation to Legal Action

- 13.1 In consultation with the Assistant Director Legal & Democratic Services as appropriate, take any steps to implement a decision of the Council, Cabinet or any Committee.
- 13.2 In consultation with, and subject to the agreement of, the Assistant Director Legal & Democratic Services as appropriate, authority to appear, institute proceedings, prosecute, defend, negotiate a settlement and take any steps necessary in any proceedings on behalf of the Council.
- 13.3 Instruct the Council's Legal Service.
- 13.4 Exclude people from Council premises where they consider it necessary in the interests of health and safety or the maintenance of order.
- 13.5 In consultation with the Assistant Director Legal & Democratic Services as appropriate, powers to authorise, appoint or nominate Officers and without limitation to:-
- investigate, prosecute, enforce, lay summons

- require individuals to disclose information,
- serve requisitions for information;
- publish information;
- make applications to court (including for warrants);
- sign, issue, serve, vary, revoke and publish notices, including fixed penalty notices, and serve documents;
- make, suspend, or vary prohibition notices or prohibition orders;
- issue temporary exemption notices;
- take emergency remedial action;
- carry out works in default;
- issue certificates, consents, permits, licenses;
- refuse, vary, suspend or revoke licences or licensing applications;
- obtain, introduce, operate, amend, extend, vary and revoke orders;
- impose conditions;
- introduce and maintain registers;
- without force, exercise powers of entry and / or seizure;
- vary or revoke and in relation to land relevant to service functions, to note applications for licences, planning, consents and approvals, a declaration; and grant, vary, revoke and attach conditions to consents and charge property except as detailed in the Legal Exceptions Chart.

Delegation of Specific Powers

14. The Head of Paid Service (Chief Executive)

14.1 The Chief Executive may carry out the powers and duties of the Deputy Chief Executive and the Directors in their absence or in consultation with them and in addition to the powers detailed above, or in their capacity as a designated Proper Officer, has following additional powers:-

14.1.1 to carry out the powers and duties of any of Officers in their absence or in consultation with them;

14.1.2 to incur expenditure in the event of a civil emergency;

14.1.3 in cases of urgency to take any decision which could be taken by the Council, the Cabinet or a Committee, in consultation with the Leader or relevant Committee Chairman;

14.1.4 to alter the areas of responsibility of the Directors set out in the areas of responsibility table below;

14.1.5 to make arrangements for the appointment of Chief Officer roles and to make appointments to Deputy Chief Officer roles;

14.1.5 to agree the Human Resources Policies following relevant consultation;

14.1.6 to make any changes necessary to the Employee Code of Conduct following relevant consultation.

15. The Monitoring Officer (Assistant Director Legal & Democratic Services)

15.1 In addition to any powers delegated as detailed above or in their capacity as a designated Proper Officer, the Monitoring Officer has delegated authority to:-

15.1.1 affix the Common Seal of the Council to any document;

15.1.2 to certify resolutions and documents as being true copies;

15.1.3 grant dispensations to councillors in accordance with the Localism Act 2011 with the power to refer any request for a dispensation back to the Audit & Governance Committee Purposes;

15.1.4 undertake an initial assessment of Member Code of Conduct complaints and determine any further in consultation with an Independent Person;

15.1.5 convene a Standards Hearing Sub-Committee;

15.1.6 determine the validity of a Call-In Notice in consultation with the Head of Paid Service and Chief Finance Officer where appropriate;

15.1.6 convene a Call-In Sub-Committee;

15.1.7 make minor amendments to this Constitution which are required to remove inconsistency or ambiguity, reflect legislative changes or are required to give effect to any decision of the Council or its Committees.

16. The Chief Finance Officer / Section 151 Officer

16.1 In addition to any powers detailed above or in their capacity as a designated Proper Officer, the Chief Finance Officer has delegated authority to carry out those responsibilities set out as delegated to them in the Financial Procedure Rules set out at Part D Section [] of this Constitution.

17. Officer Sub-Delegation

17.1 Any delegation to a Statutory Officer, Proper Officer, Chief Officer (Director) or other Officer includes authority for any further sub-delegation of powers within their area of responsibility (including cross-service delegation where appropriate).

17.2 Officers shall sub-delegate and devolve powers for service delivery and management to Officers who represent the nearest practicable point of delivery to the service user.

18. Decision-Making, Records and Publicity

18.1 Officers must make, record and publish decisions made under delegated authority in compliance with the Access to Information Regulations 2012 (executive decisions), Openness of Local Government Bodies Regulations 2014 (non-executive decisions), and in accordance with principles of decision-making and Protocol for Individual Member / Officer Decision-Making set out at Part C Section 10 and Part H Section []

19. Chief Officer / Director Areas of Responsibility

Post	Main Areas of Responsibility
Deputy Chief Executive & Director of Resources	<ul style="list-style-type: none"> • Financial Services • Corporate Property • ICT & Digital Services • Revenue & Benefits
Director of Housing, Health & Wellbeing	<ul style="list-style-type: none"> • Housing Estates & Management • Housing Income & Leaseholder Management • Housing Maintenance & Asset Management • Housing Strategy & Development • Housing Options & Community Relations
Director of Communities & Environment	<ul style="list-style-type: none"> • Environmental Services • Public Protection • Heritage & Culture
Director of Customer Services & Organisational Development	<ul style="list-style-type: none"> • HR & Training • Administrative Services • Customer Services • Communications • Transformation
Director of Planning & Growth	<ul style="list-style-type: none"> • Economic Growth & Visitor Economy • Planning Development (including development management) • Planning Policy

Assistant Director of Legal & Democratic Services	<ul style="list-style-type: none"> • Law & Governance • Elections & Democratic Services • Information Governance
---	---

20. Exceptions

20.1 As applicable, the exercise of delegated authority under the Scheme is subject to the following:-

20.1.1 Contract Exceptions – refer to the Contract Procedure Rules;

20.1.2 Financial Exceptions – refer to the Financial Procedure Rules;

20.1.3 Planning & Legal Exceptions – refer to the Planning & Legal Exceptions Chart below at paragraph 21.

20.1.4 Staff and Employment Exceptions – refer to the Staff & Employment Exceptions Chart below at paragraph 22.

21. Planning & Legal Exceptions Chart

21.1 The planning and legal functions detailed in the Planning & Legal Exceptions Chart are not to be discharged by Officers under the Scheme.

21.2 The planning and legal functions detailed below must be discharged by an Officer, Committee or the Cabinet as indicated in the Chart.

Function	Officer	Committee	Cabinet
Planning Determination of outline, full or reserved matters and planning / development management applications in relation to applications referred by:- <ul style="list-style-type: none"> • Councillors • Officers 		Panning Committee	

<p>Determination of outline, full or reserved matters and planning / development management applications in relation to applications submitted by, or on behalf of:-</p> <ul style="list-style-type: none"> • the Council* • a Councillor • a Chief Officer / Director • Officers of the Senior Leadership Team • Business Managers • Officers who would otherwise be involved in the determination of the application 		Planning Committee	
<p>Determination of outline, full or reserved matters and planning / development management applications in relation to applications:-</p> <ul style="list-style-type: none"> • in which the Council has an interest* 		Planning Committee	

*Except where such applications pertain to the HRA housing development programme or the HRA housing stock.

Function	Officer	Committee	Cabinet
Legal <ul style="list-style-type: none"> Sealing Documents Legal Action paragraphs 13.1, 13.2 and 13.5 of the Scheme 	Assistant Director Legal & Democratic Services		
Legal <ul style="list-style-type: none"> Legal Action paragraphs 13.1, 13.2 and 13.5 of the Scheme 	Chief Officer / Director in consultation with and agreement of Assistant Director Legal & Democratic Service		

22. Staff & Employment Exceptions Chart

In accordance with the Local Government and Housing Act 1989 and the Local Authority (Standing Orders) (England) Regulations 2001:-

22.1 The staff and employment functions detailed in the Staff & Employment Exceptions Chart are not to be discharged by Officers under the Scheme.

22.2 The functions detailed below must be discharged as indicated in the Chart.

Function	Officer Delegation	Statutory Cabinet Member Consultation	Member Decision	Council Decision
Appointment of Head of Service	No	Yes (prescribed procedure)	Full Council	Yes (prescribed procedure)

Appointment of Monitoring Officer	No	Yes (prescribed procedure)	Statutory Employment Committee	Approval of recommendation of Statutory Employment Committee
Appointment of S151 Officer	No	Yes (prescribed procedure)	Statutory Employment Committee	Approval of recommendation of Statutory Employment Committee
Appointment of Chief Officers (Directors)	No	Yes (prescribed procedure)	Statutory Employment Committee	If required by Council
Appointment of Deputy Chief Officers [(Assistant Directors)]	Yes	No	No	No
Appointments below Deputy Chief Officers	Yes	Members cannot be involved in the appointment of Officers below Deputy Chief Officer	Members cannot be involved in the appointment of Officers below Deputy Chief Officer	Members cannot be involved in the appointment of Officers below Deputy Chief Officer
Dismissal of Head of Paid Service	No	Yes (prescribed procedure)	Yes (prescribed procedure)	Yes (prescribed procedure)
Dismissal of Monitoring Officer	No	Yes (prescribed procedure)	Yes (prescribed procedure)	If required by Council
Dismissal of S151 Officer	No	Yes (prescribed procedure)	Yes (prescribed procedure)	If required by Council

Dismissal of Chief Officers (Directors)	No	No	Statutory Employment Committee	If required by Council
Dismissal of Deputy Chief Officers [(Assistant Directors)]	Yes	No	No	No
Dismissals below Deputy Chief Officers	Yes	Members cannot be involved in the appointment of Officers below Deputy Chief Officer	Members cannot be involved in the appointment of Officers below Deputy Chief Officer	Members cannot be involved in the appointment of Officers below Deputy Chief Officer
Disciplinary Action	[]	[]	[]	[]
Redundancy	[]	[]	[]	[]
The Council's powers and duties as an employer under the Health and Safety at Work etc Act 1974	Head of Paid Service	No	No	No
The issuing of 'certificates of opinion' as to whether or not the duties of a post are within the criteria of	Relevant Director in consultation with the Customer Services & Organisational Development	No	No	No

'political sensitive'	[and the Monitoring Officer]			
-----------------------	------------------------------	--	--	--

DRAFT

26. Proper Officer Designations and Functions

- 26.1 There are a number Acts which require certain functions to be undertaken by the "Proper Officer" of the Council. The below is a list of the Council's designated Proper Officers and their functions. In the event that a Proper Officer is not listed then the Proper Officer shall be the Director with responsibility for the function in question or in the alternative their authorised deputy.
- 26.2 "Proper Officer" functions may be discharged by their authorised deputies or other Officers duly authorised to act in the name of the "Proper Officer" concerned.

Statutory Post / Functions and Designated Officers

Legislation	Statutory Post / Function	Designated Officer
Section 4(1) Local Government and Housing Act 1989	Head of Paid Service	Chief Executive
Section 151 Local Government Act 1972	Chief Finance Officer (Section 151 Officer)	Director of Resources
Section 5(1) Local Government and Housing Act 1989	Monitoring Officer	Assistant Director Legal & Democratic Services
Section 28 and 35 Representation of the People Act 1983	Returning Officer	Chief Executive
Section 28(5) Representation of the People Act 1983	Deputy Returning Officer	As appointed from time to time by the Returning Officer
Section 8 Representation of the People Act 1983	Electoral Registration Officer	Chief Executive
Data Protection Act 2018 General Data Protection Regulations	Data Protection Officer	Information Governance/Data Protection Officer

Proper Officer Functions – Schedule of Appointments

Local Government Act 1972

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
13 (3)	Parish Trustee where no Parish Council.	Chief Executive
83 (1) to (4)	To witness and receive declarations of acceptance of office of Chairman, Vice-Chairman or Councillor made to the proper officer.	Chief Executive Assistant Director Legal & Democratic Services
84	To accept written notice of resignations from Councillors.	Chief Executive Assistant Director Legal & Democratic Services
88 (2)	Convening meetings of the Council for the purpose of filling a casual vacancy in case of Chairman of the Council.	Chief Executive Assistant Director Legal & Democratic Services
89 (1)(b)	Receipt of notice from electors requiring election to fill casual vacancy occurring in the office of Councillor.	Chief Executive Assistant Director Legal & Democratic Services
96 (1) & (2)	The officer to whom Members must give written notice of interests in contracts	Chief Executive Assistant Director Legal & Democratic Services
99 and Sch 12	To give notice and send summonses and receive formal notifications from councillors in respect of any Council meeting	Chief Executive Assistant Director Legal & Democratic Services
100 (A) to (F)	The provision of information about the decisions made or to be made by Councillors including access to agenda, reports, background papers, Members additional document access rights, minutes and records of decisions	Assistant Director Legal & Democratic Services Democratic Services Manager

115 (2)	Person to whom all officers shall pay monies received by them and due to the Council	Chief Finance Officer
138	Emergency disaster powers	Chief Executive
146 (1)(a) & (b)	Statutory declarations and issue any certificate in relation to securities on change of name of authority or change of area.	Assistant Director Legal & Democratic Services
151	Arrangements for proper administration the Council's financial affairs	Chief Finance Officer
191 (2)	Functions in respect of Ordnance Survey	Director of Planning & Growth
210(6) and (7)	Appoints the proper officer to be vested with certain powers in respect of charities	Chief Executive
212	The Officer to act a local registrar for local land charges	Assistant Director Legal & Democratic Services
223 (1)	Authorising officers to attend court and appear on behalf of the Council under Local Government Act 1972 and the County Courts Act 1984	Directors Assistant Director Legal & Democratic Services

225 (1)	To receive and give receipt for any document required to be formally deposited.	Assistant Director Legal & Democratic Services
228	Accounts to be open to inspection	Chief Finance Officer
229 (5)	Certification of photographic copies of documents for use in legal proceedings.	Assistant Director Legal & Democratic Services
233	The officer to receive documents required to be served on the Council	Assistant Director Legal & Democratic Services
234	The signing of any notice, order or other document which the Council is authorised or required to give under any enactment on behalf of the authority.	Directors Assistant Director Legal & Democratic Services
236 (9) and (10) and 238	Send copy byelaws to Parish Councils and Certifying of printed copies of byelaws.	Assistant Director Legal & Democratic Services Democratic Services Manager
248	The Officer responsible for keeping the roll of freemen	Assistant Director Legal & Democratic Services
Schedule 12, Para. 3(2), 4 (2) (b)	Signature of summons to Council meeting	Chief Executive Assistant Director Legal & Democratic Services
Schedule 12, Para. 4 (3)	Receipt of notices regarding address to which summons to Council is to be sent	Chief Executive Assistant Director Legal & Democratic Services
Schedule 14	Functions under the under Public Health 1936, and the Public Health Acts 1875 - 1924	Director of Communities & Environment
Schedule 14, Para. 25 (7)	Certification of copy resolutions under the Public Health Acts 1875-1925.	Assistant Director Legal & Democratic Services

Local Government Act 1974

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
30	Receipt of Local Ombudsman Reports and giving of public notice thereof.	Chief Executive Assistant Director Legal & Democratic Services

Local Elections (Principal Areas) (England and Wales) Rules 2006

REGULATION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
All	Rules for the conduct of the election of councillors of principal area where the poll is not taken together with another a poll at another election	Chief Executive Assistant Director Legal & Democratic Services

Local Government (Committees and Political Groups) Regulations 1990

Regulation	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
All	For the purposes of the composition of committees and nominations to political groups	Assistant Director Legal & Democratic Services Democratic Services Manager

Local Authorities Cemeteries Order 1977

REGULATION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
10	To sign exclusive rights of burial	Director of Communities & Environment

Representation of the People Act 1983

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
All	All proper officer functions identified in the legislation	Chief Executive Deputy Chief Executive

Building Act 1984

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
78 and 93	To take action in relation to dangerous buildings and structures and the giving of notices.	Director of Planning & Growth

Local Government Finance Act 1989

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
114 and 115	Responsibility for Chief Financial Officer Reports.	Chief Finance Officer
116	Notification to auditor of date, time and place of meeting to consider Section 114 report and of decision of such meeting.	Chief Finance Officer
139A	Provision of information to the Secretary of State in relation to the exercise of his powers under this Act as and when required.	Chief Finance Officer

Local Government and Housing Act 1989

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
2(4)	Officer with whom the list of politically restricted posts shall be deposited.	Director of Customer Services & Organisational Development
3A	Officer responsible for the grant and supervision of exemptions from political restriction	Director of Customer Services & Organisational Development
15 -17	To undertake all matters relating to the formal establishment of political groups within the membership of the Council.	Assistant Director Legal & Democratic Services Democratic Services Manager

Local Government Act 2000

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
3	Producing a written statement of executive decisions made at meetings.	Assistant Director Legal & Democratic Services
5	Making a copy of written statements of executive decisions and associated reports available for inspection by the public.	Assistant Director Legal & Democratic Services
6	Making available for inspection a list of background papers.	Assistant Director Legal & Democratic Services

11(2)	Exclusion of whole or part of any report to the Cabinet where meeting is likely not to be open to the public.	Assistant Director Legal & Democratic Services
11(7)(c)	Provision to the press of other documents supplied to members of the Cabinet in connection with the item discussed.	Assistant Director Legal & Democratic Services
81	Establish and maintain a Register of Interests.	Assistant Director Legal & Democratic Services
	All references to the Proper Officer in the Local Government Act 2000 and subordinate legislation	Chief Executive

Local Government Act 2000 – Section 34: Local Government (Referendums) (Petitions and Directions) Regulations 2000

REGULATION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
34	Publishing the verification number of local government electors for the purpose of petitions under the Local Government Act 2000.	Assistant Director Legal & Democratic Services

Local Government (Miscellaneous Provisions) Act 1976

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
16	Notices requiring details of interest in land	Any Chief Officer
41(1)	The officer to certify copies of any resolution, order, report or minutes of proceedings of the Authority as evidence in any legal proceedings	Assistant Director Legal & Democratic Services

Local Land Charges Act 1975

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
3 and 19	Maintenance of the Local Land Charges Register	Assistant Director Legal & Democratic Services

Public Health (Control of Diseases) Act 1984

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
48	Preparation of certificate to Justice of Peace for removal of body to mortuary and for burial within a prescribed time or immediately.	Director of Communities & Environment
61	Right to enter premises to ascertain whether there has been a contravention of a provision of the 1984 Act or a Part 2A order made pursuant to the 1984 Act.	Director of Communities & Environment

	Proper Officer for the purposes of the 1984 Act and the Health protection Regulations 2010 and the Health Protection (Part 2A Orders) Regulations 2010	Director of Communities & Environment
--	--	---------------------------------------

Health Protection (Notification) Regulations 2010

Regulation	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
2, 3 and 6	Receipt and disclosure of notification of suspected notifiable disease, infection or contamination in patients and dead persons.	Director of Communities & Environment

The Civil Evidence Act 1995

Section	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
9	To certify Council records for the purposes of admitting the document in evidence in civil proceedings.	Assistant Director Legal & Democratic Services

Local Government (Contracts) Act 1997

Section	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
	Certification of relevant powers to enter into contracts.	Assistant Director Legal & Democratic Services

Food Safety Act 1990

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
49(3)	Any document authorised or required by or under this Act to give, make or issue may be signed on behalf of the authority by the proper officer of the authority as respects documents relating to matters within his province.	Director of Communities & Environment

Health Act 2006 and Smoke Free (Premises and Enforcement) Regulations 2006

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
10 (Reg 3)	To carry out the functions of an enforcement authority under Regulation 3	Director of Communities & Environment

Landlord and Tenants Acts

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
S23 of the Landlord and Tenant Act 1927 and S66 of the Landlord and Tenant Act 1954	To be the proper officer to serve and receive notices on behalf of the Council.	Director of Housing, Health & Wellbeing

Countryside and Rights of Way Act 2000

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
1	Access to the Countryside (Maps in Draft Form) (England) Regulations	Director of Housing, Health & Wellbeing

The Local Authorities (Standing Orders) (England) Regulations 2001

REGUATIONS	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
All	Giving notice in respect of Head of Paid Service, Statutory and Chief Officer appointments	Director of Customer Services & Organisational Development

The Health and Safety at Work etc Act 1974

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
	As regards the Council's powers and duties as an employer under the Health and Safety at Work etc Act 1974	Chief Executive

Other Miscellaneous Proper or Statutory Officer Functions

SECTION	BRIEF DETAILS OF FUNCTION	PROPER OFFICER
	Any other miscellaneous proper or statutory officer functions not otherwise delegated by the Council	Chief Executive or their nominee

DRAFT

Part H Section []

Protocol for Individual Cabinet Member / Officer Decision-Making

1. Principles of Decision-Making Delegation to Individual Cabinet Members / Officers

- 1.1 Unless otherwise reserved under this Constitution any Cabinet function (Executive function) and decision-making (executive decision) in respect of it can be delegated by the Leader to an individual Cabinet Member or Individual Officer as provided for and subject to, the Cabinet Scheme of Delegation and the Officer Scheme of Delegation set out respectively of Part C Section 24 and Part C Section 25 of this Constitution. The making, recording and publishing of executive decisions must comply with the Local Authorities (Executive Arrangements) (Meetings and Access to Information (England) Regulations 2012.
- 1.2 Unless reserved to the Council as a matter of law or otherwise in accordance with this Constitution, any Council function (Non-Executive function) and decision-making (non-executive decision) in respect of it can be delegated by the Council to a Committee or individual Officer as provided for and subject to, the Non-Executive Function Scheme of Delegation and the Officer Scheme of Delegation set out respectively at Part C Section 23 and Part C Section 24 of this Constitution. The making, recording and publishing of non-executive decisions must comply with the Openness of Local Government Bodies Regulations 2014.
- 1.3 Executive and non-executive decisions must be made, recorded and published in compliance with the decision-making principles set out at Part C Section 10 of this Constitution and this Protocol which give effect to the Regulations.
- 1.4 Decision-making in respect of contracts / finance are further subject to the Contract Procedure Rules and the Financial Regulations set out respectively at Part D Section [] and Part D Section [].
- 1.4 It is the responsibility of the individual Cabinet Member / Officer to consult any other Cabinet Member, Member Officer where the decision to be taken is of a cross-cutting nature.
- 1.5 Any individual Cabinet Member / Officer may refer up to the source of their delegation for determination any matter delegated to them.

- 1.6 A written record must be kept of all individual Cabinet Member / Officer decisions, which will be published and circulated to all Members to enable scrutiny of the same.

2. Procedure for Individual Cabinet Member / Officer Decision-Making

- 2.1 Where decision-making is delegated to an individual Cabinet Member or Officer, whether as a standing arrangement or on an *ad hoc* basis as needed, the individual Cabinet Member shall / Officer shall make decisions only in accordance with this protocol.
- 2.xx Paragraphs 2.4 to 2.11 below shall not apply to Administrative Decisions as defined by Part C Section 10 of this Constitution.
- 2.xx The procedure for Urgent Decisions set out in Part C Section 10 of this Constitution shall take precedence over this Procedure where necessary.
- 2.2 An individual Cabinet Member / Officer exercising their decision-making power shall not make any decision which the Cabinet (executive decisions) or the Council / Committee (non-executive decisions) would not be able to make, as a matter of law or otherwise under this Constitution. Broadly, this means no decision should be made if it is not provided for within the budget or policy framework, or it is decision on a function which is reserved to the Council or its Committees.
- 2.3 The individual Cabinet Member / Officer must take care not to be involved in making a decision in which they have an interest.
- 2.4 No decision shall be made except upon consideration by the individual Cabinet Member / Officer of a written report in accordance with this protocol.
- 2.5 The written report shall set out:
- a. the issue to be decided;
 - b. any publicity or consultation requirements (either before or after the decision is made) in respect of the decision, either under legislation or under Council policy or any which is considered appropriate;
 - c. the facts upon which any decision must be based;
 - d. any legislative requirements, including:
 - human rights issues and / or
 - equalities issues
 - e. staffing and financial implications;

- f. the outcome of any consultations undertaken;
- g. any implications for any other areas of the Council's activities;
- h. any relevant national or regional guidance;
- i. any Council policy relating to the issue, including sustainability issues;
- j. the Cabinet Portfolio / Service within which the issue falls;
- k. any Wards which are particularly affected by the issue;
- l. the options that are available;
- m. any professional recommendation that the Officer wishes to make.

2.6 The following Members / Officers shall be sent the report five clear working days (or fewer days with prior agreement) before the Member / Officer makes the decision:

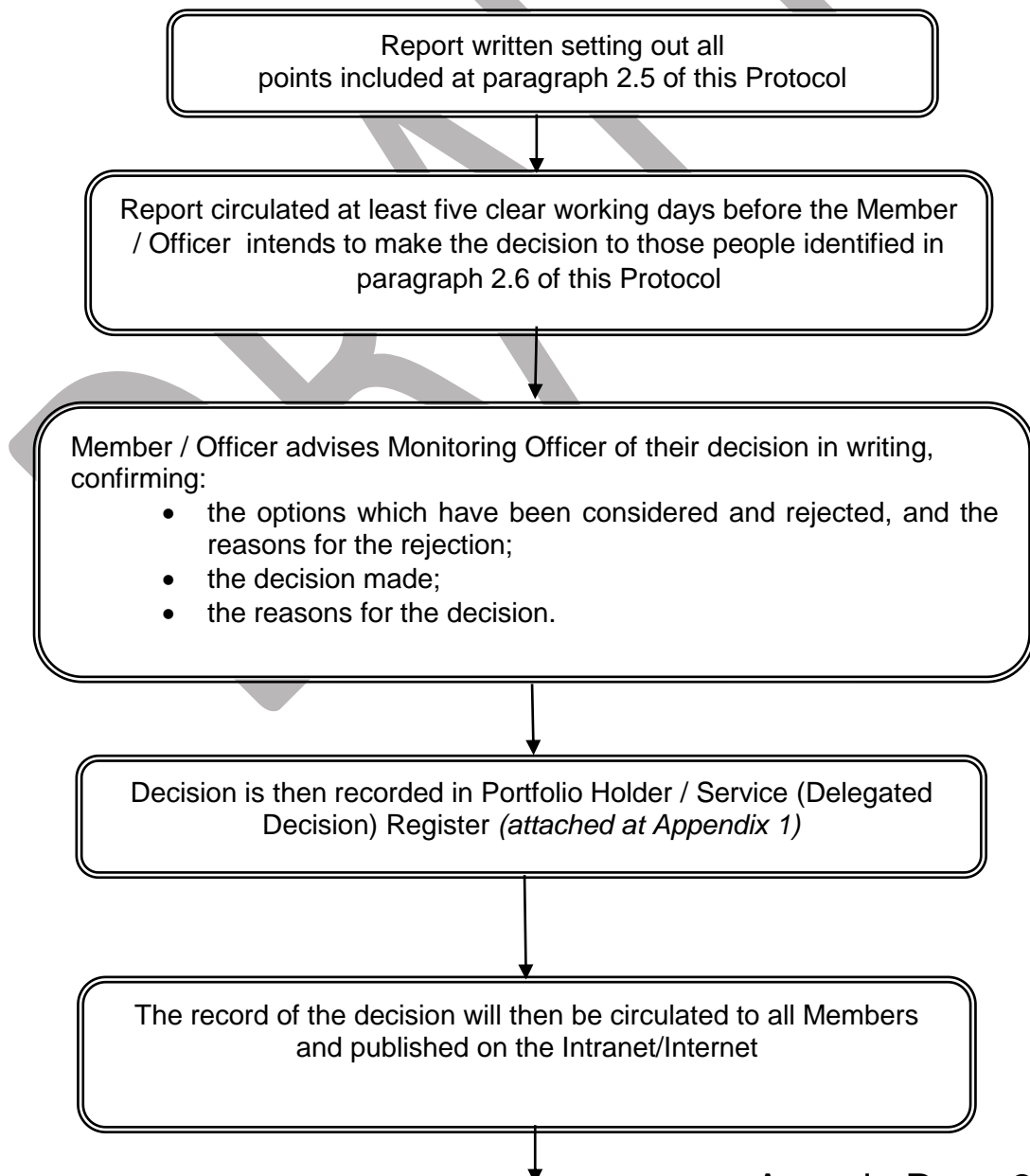
- a. the relevant Cabinet Member / Committee Chair / Officer whose Portfolio / Service includes the matter under consideration;
- b. the Chief Executive;
- c. the Monitoring Officer;
- d. the S.151 Officer
- e. the Corporate Communications Team.

2.7 Any of the above persons may make their written comments to the individual Cabinet Member / Officer who is due to make the decision before the five days has expired, with a copy to the Officer who wrote the report.

2.8 The individual Cabinet Member / Officer taking the decision shall as soon as reasonably practical after they have made a decision under delegated powers, produce a written statement in respect of the decision which includes the following:

- a. a record of the decision;
- b. a record of the reasons for the decision;
- c. details of alternative options considered and rejected;
- d. the reason for any urgency (if applicable);
- e. a record of any conflict of interest declared by any executive member who is consulted by the member, in relation to the decision; and
- f. a note of any dispensation granted (if a conflict of interest has been declared)

- 2.9 The Monitoring Officer, subject to confidentiality, shall ensure that a copy of the decision record and any report considered by the individual Cabinet Member / Officer (including background papers) relevant to the decision recorded are circulated and available for inspection by the public as soon as reasonably practicable at the offices of the Council and on the Council's website.
- 2.10 No decision shall take effect until it has been recorded and published in accordance with the above.
- 2.11 A decision which has been 'Called-In' in accordance with the Call-In Procedure and Call-In Sub-Committee Rules set out at Part D Section [] shall not take effect until determined in accordance with said Rules.
- 2.12 Decision-Making Flow Chart:



11 working days for the decision to be Called-In (except where decision is urgent and has been taken in accordance with the provisions urgent decisions at Part C Section 10 of the Constitution.

Lead Officer notified that decision can be implemented or if Called-In referred to PPI Committee for consideration by a Call-In Sub-Comiittee

ndix 1

1. Details of the Decision Made
2. Statement of Reasons for Decision Made
3. Details of Alternative Options Considered and Rejected (with reasons)
4. Details of Dispensation Granted (if any)
5. List of Background Papers (not including any which disclose exempt or confidential information)
6. Date of Decision
7. Date of Publication of Decision
8. Name of Decision-Maker
9. Authority of Decision-Maker
10. Name of Portfolio (Member) or Service (Officer)
11. Date Decision Shall Take Effect (subject to Call-In)
12. Deadline Date for Call-In

Call-In Procedure and Call-In Sub-Committee Rules

Rules

- The Committee Procedure Rules, Access to Information Procedure Rules and these Call-In Procedure and Call-In Sub-Committee Rules shall apply as applicable to the Call-In of a Key Decision, and any decision of Cabinet or individual Members of Cabinet and a hearing of the Call-In Sub-Committee of the PPI Committee.
- Where the Committee Procedure Rules [and / or the Access to Information Procedure Rules] conflict with these Rules as they apply to a hearing of the Call-In Sub-Committee the [Committee Procedure Rules] [and / or Access to Information Procedure Rules] [these Rules] shall take precedence.

1. Introduction

- 1.1 This "Call-In" procedure is the procedure through which a decision made by the Cabinet, any Committee of Cabinet, or an individual Cabinet Member or a Key Decisions by an Officer under delegated authority may be formally reviewed and scrutinised by a Call-In Sub-Committee of the PPI Committee and either referred back to the Cabinet or decision-maker for reconsideration or referred by the Call-In Sub-Committee to Council for review or scrutiny.
- 1.2 A decision may only be Called-In once and a decision may not be Called-In where the substance of the decision has already been subject to scrutiny by the PPI Committee or a Call-In Sub-Committee unless there have been substantial changes to the decision or where the Section 151 Officer has certified that the delay in the implementation of a decision will result in significant additional cost to the Council.
- 1.3 The Call-In of a decision must be submitted and determined in accordance with these Rules.
- 1.4 The Call-In of a decision must be submitted within three working days of the publication of the decision.

2. Decision Making Principles

- 2.1 The below principles must be applied in respect of all decisions, and decision-makers will:-

- 2.1.1 be open and transparent;
- 2.1.2 act within their authority;
- 2.1.3 take into account all relevant considerations and ignore irrelevant considerations;
- 2.1.4 evaluate alternative options;
- 2.1.5 undertake consultation as required or as may be appropriate;
- 2.1.6 make decisions which are reasonable and proportionate to the desired outcome;
- 2.4.7 obtain and consider professional advice as may be required or appropriate;
- 2.4.8 ensure best value;
- 2.4.9 have regard to the Council's Constitution and relevant policies, rules and procedures;
- 2.4.10 have regard to the rules of natural justice;
- 2.4.11 comply with all relevant legislation including but not limited to as regards human rights and the public sector equality duty.

3. Who Can Request a Call-In?

- 3.1 The Call-In of a decision can be requested by five elected Members of the Council signing a completed Call-In Notice (appendix 1) and submitting it to the Monitoring Officer.

4. Grounds for Call-In

- 4.1 The Call-In of a decision must be made on at least one of the following grounds:-
 - 4.1.1 The decision has not been made in accordance with the Council's, decision-making principles;
 - 4.1.2 The decision is outside of the Council's approved Budget or Policy Framework;
 - 4.1.3 The decision is outside of the powers of the Council;
 - 4.1.4 The decision is unlawful;

- 4.1.5 The decision is not in the public interest (it does not benefit, or disadvantages, the welfare or wellbeing of communities living or working in two or more Wards).
- 4.2 [In considering the grounds for Call-In regard should be had to the decision-making principles at Rule 2 above and their relevance to the grounds on which a decision is being Called-In.]

5. Determining the Validity of a Call-In Notice

- 5.1 The Monitoring Officer, in consultation with the Section 151 Officer and / or the Head of Paid Service as appropriate shall determine the validity of a Call-In Notice. A Call-In Notice will not be valid where:-
 - 5.1.1 The Call-In Notice does not provide sufficient information and / or has not been correctly completed, signed (electronic signature is accepted) and submitted to the Monitoring Officer within 3 working days of the publication of the decision;
 - 5.1.2 The Call-In Notice does not identify the decision being Called-In;
 - 5.1.3 The Call-In Notice does not specify at least one of the grounds detailed above at Rule 4;
 - 5.1.4 The decision has been taken as a matter of urgency in accordance with the Council's procedure for urgent decisions;
 - 5.1.5 The Call-In of the decision would seriously prejudice the legal or financial position of the Council or the interests of residents;
 - 5.1.5 The substance of the decision has already been the subject of scrutiny by the PPI Committee or a Call-In Sub-Committee;
 - 5.1.6 The Call-In notices raises a question(s) answered in the report(s) relating to the decision.
 - 5.1.7 The decision concerns an "excluded matter" pursuant to the Overview and Scrutiny (Reference by Councillors) (Excluded Matters) (England) Order 2012;
 - 5.1.8 The Call-In is considered to be vexatious or malicious.

6. Consideration of a Call-In Notice by the Call-In Sub-Committee

- 6.1 Where the Monitoring Officer has determined that a Call-In Notice is valid, the Cabinet, PPI Committee and relevant Officers will be notified and a meeting of the Call-In Sub-Committee will be convened to consider the Call-In Notice as soon as reasonably practicable.
- 6.2 The Call-In Sub-Committee shall comprise five Members of the PPI Committee and shall include the Chair or Vice Chair of the PPI Committee wherever possible.
- 6.3 The Committee Procedure Rules and the Access to Information Procedure Rules shall apply to a meeting of the Call-In Sub-Committee.
- 6.4 The purpose of the Call-In Sub-Committee meeting is to establish whether or not the decision has been made incorrectly; the meeting is not intended to be adversarial and shall take the form of a discussion to ascertain the facts.
- 6.5 In considering the Call-In Notice the Call-In Sub-Committee will have the information on which the decision-maker made the decision and the information on which the decision to Call-In the decision was made (if any).
- 6.6 The lead signatory on the Call-In Notice will be invited to attend the meeting of the Call-In Sub-Committee to present the Call-In and answer the Committee's questions.
- 6.7 The decision-maker will also be invited to attend the meeting of the Call-In Sub-Committee to address the Call-In Notice and answer the Committee's questions; the Committee may also invite relevant Officers and Members to answer questions.
- 6.8 The Call-In Sub-Committee may request the Monitoring Officer and / or the Section 151 Officer to attend the meeting and provide advice.

7. Decision of the Call-In Sub-Committee

- 7.1 Having considered the decision and the Call-In Notice the Call-In Sub-Committee may:-
 - 7.1.1 uphold the decision (in which case the decision shall take effect and may be implemented immediately;
 - 7.1.2 recommend that the decision-maker amends the decision;
 - 7.1.3 refer the decision back to the decision-maker for reconsideration;

- 7.1.4 refer the decision to the Cabinet for further consideration as to whether the decision is within the Budget and Policy Framework (where the Call-In Sub-Committee considers it may not be);
- 7.1.5 refer the decision to the Cabinet for further consideration as to whether the decision should have been a Key Decision (where the Call-In Sub-Committee considers it may be); *(link to definition of Key Decision)*
- 7.1.6 refer the matter to Council for consideration and to obtain its views.
- 7.2 The Call-In Sub-Committee will prepare a written report of its recommendations including the reasons for the recommendations. The report will be circulated to the decision-maker, the Cabinet and any relevant Officers or Members.
- 8. The Amendment and Reconsideration of Decisions**
- 8.1 The decision-maker will consider the recommendations of the Call-In Sub-Committee or reconsider the decision as soon as reasonably practicable.
- 8.2 Where the decision-maker amends the decision in line with the recommendations of the Call-In Sub-Committee the amended decision will be notified to the Sub-Committee in writing. Upon its amendment the decision will take effect and may be implemented immediately.
- 8.3 Where the decision-maker disagrees with the recommendations of the Call-In Sub-Committee or is unable to amend the decision or considers that the original decision should stand, the decision-maker shall notify the Sub-Committee as soon as reasonably practicable. The Call-In Sub-Committee may accept the decision-maker's views or may refer the decision to the Cabinet for further consideration or to the Council to obtain its views.
- 8.4 Where the views of Council are sought the Council may refer the decision back to the decision-maker with its views. Where the Council does not do so, the decision shall be of effect and may be implemented immediately.
- 8.5 The Council has no power to substitute its own decision for that of the decision-maker unless the Council determines that the decision is contrary to the Policy Framework, or contrary to, or not wholly consistent with, the Budget.
- 8.6 The Cabinet or decision maker shall meet to reconsider any decision referred back to it by the Call-In Sub-Committee or the Council as soon as reasonably practicable and

notify the Sub-Committee or the Council as the case may be in writing of its determination.

- 8.7 After the procedure set out in this section is concluded, a decision shall take effect and may be implemented three working days after the Cabinet or decision-maker has notified the Call-In Sub-Committee of its reconsideration and determination of the decision.

9. Decisions which the Call-In Sub-Committee considers may be outside of the Budget and Policy Framework

- 9.1 Where the Call-In Sub-Committee considers that a decision is, or if made, would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget, it shall obtain advice from the Monitoring Officer and Section 151 Officer.
- 9.2 The Monitoring Officer and Section 151 Officer shall provide a report to the Cabinet which will also be sent to the Call-In Sub-Committee and every Member of the Council.
- 9.3 The Cabinet will meet as soon as reasonably practicable after receiving the report. Where the Cabinet considers that the decision is, or if made, would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget, the decision shall be referred for the determination of Council at a meeting to be held within as soon as reasonably practicable.
- 9.4 Where the Cabinet considers that the decision is within the Budget and Policy Framework it shall prepare a report to the Council which will also be sent to the Call-In Sub-Committee and every Member of the Council.
- 9.5 Upon receipt of the report, where the Call-In Sub-Committee does not agree with the views of Cabinet, it will call a meeting of Council and prepare a report to Council for the purpose which will be sent to the Cabinet and every member of the Council. The meeting will be convened as soon as reasonably practicable of its being called by the Call-In Sub-Committee.
- 9.6 At the meeting the Council will consider the reports and advice from the Monitoring Officer and Section 151 Officer. The Council may:-
- 9.6.1 endorse the decision of the Cabinet as being within the approved Budget and Policy Framework;

9.6.2 determine that the decision is, or if made, would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget and amend the Budget or Policy Framework to accommodate the decision;

9.6.3 determine that the decision is, or if made, would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget and, having declined to amend the Budget or Policy Framework to accommodate the decision, refer it back to the Cabinet for reconsideration with advice from the Monitoring Officer and Section 151 Officer.

10. Decisions which the Call-In Sub-Committee considers should have been Key Decisions

10.1 Where the Call-In Sub-Committee considers that a decision should have been a Key Decision and has not been made accordingly it will seek advice from the Monitoring Officer and the Section 151 Officer.

10.2 The Monitoring Officer and Section 151 Officer shall provide a report to the Cabinet which will also be sent to the Call-In Sub-Committee and every Member of the Council.

10.3 The Cabinet will meet as soon as reasonably practicable after receiving the report. Where the Cabinet considers that the decision should have been a Key Decision it shall notify the Call-In Sub-Committee in writing and reconsider the decision accordingly with advice from the Monitoring Officer and Section 151 Officer.

10.4 Where the Cabinet remains of the view that the decision is not a Key Decision it will prepare a report to Council which will be sent to the Call-In Sub-Committee and every member of the Council.

10.5 Upon receipt of the report, where the Call-In Sub-Committee does not agree with the views of Cabinet, it will call a meeting of Council and prepare a report to Council for the purpose which will be sent to the Cabinet and every member of the Council. The meeting will be convened as soon as reasonably practicable after its having been called by the Call-In Sub-Committee.

10.6 At the meeting the Council will consider the reports and advice from the Monitoring Officer and Section 151 Officer. The Council may:-

10.6.1 endorse the decision of the Cabinet that the decision is not a Key Decision;

10.6.2 determine that the decision is a Key Decision and refer the decision back to the Cabinet for reconsideration as a Key Decision with advice from the Monitoring Officer and Section 151 Officer.

11. Review of the Call-In Procedure Rules

- 11.1 These Call-In Procedure Rules and their operational effect will be monitored by the Monitoring Officer, reviewed as required and at least annually.
- 11.2 As required and at least annually the Monitoring Officer will prepare a report to Council as to the Call-In of decisions, which may include recommendations for amendments to the Call-In Procedure Rules.

DRAFT

NOTICE OF CALL-IN OF DECISION

In accordance with [] of the Council's Constitution, we the undersigned hereby give notice that we wish to Call-In the following Decision):

1. Decision reference and description.....

.....

2. Date of decision.....

We consider that the decision should be Called-In on the following grounds (delete as appropriate):

1. The decision is not in accordance with the Council's decision-making principles;
2. The decision is outside the approved Budget or Policy Framework;
3. The decision is outside the powers of the Council
4. The decision is unlawful;
5. The decision is not in the public interest.

Reasons (in relation to grounds 2-5 above)

In relation to **ground number 1** above, we consider that the following principle(s) of decision-making have been breached (tick as appropriate)

Decision- Making Principle(s) Breached		Reasons	Please tick
a	open and transparent		
b	within their authority		
c	take into account all relevant considerations and ignore irrelevant considerations		

d	evaluate alternative options		
e	undertake consultation as required or as may be appropriate		
f	make decisions which are reasonable and proportionate to the desired outcome		
g	obtain and consider professional advice as may be required or appropriate		
h	ensure best value		
i	have regard to the Council's Constitution and relevant policies, rules and procedures		
j	Having regard to the rules of natural justice		
k	comply with all relevant legislation including but not limited to as regards human rights and the public sector equality duty		

1. Signed.....Name.....

2. Signed.....Name.....

3. Signed.....Name.....

4. Signed.....Name.....

5. Signed.....Name.....

COUNCIL MEETING – 8 MARCH 2022

PROPOSALS FOR A COMMUNITY GRANT SCHEME

1.0 Purpose of Report

- 1.1 As part of the ongoing review of the Council's governance arrangements, to seek approval for the establishment of a new community grant scheme to replace and consolidate both the current Covid Resilience Grant Scheme and Community & Arts grant scheme.

2.0 Background Information

- 2.1 The District Council has delivered a number of community grant schemes over recent years to successfully support community and voluntary partners in their objectives. It is now proposed that two of these Council funded schemes are consolidated into a new 'Community Grant Scheme' that will support applicant bodies to achieve their objectives, in alignment with the Council's Community Plan objectives.
- 2.2 The consolidation of the two schemes will demonstrate the Council's commitment to supporting and strengthening community organisations through increased access to funding and improved scheme flexibility for applicants. The Council will allocate £100,000 for 2022/23.
- 2.3 As part of the Council's review of its governance arrangements, the Governance Review Working Group has considered how the Council could better support all Members in their roles as community leaders. A list of proposals was presented to Full Council on 14 December, including a proposal to create an annual Member fund with spending linked to community plan priorities. The Working Group reached the conclusion that the preferred option would be to combine existing schemes and make provision for proactive Member involvement in the delivery of a new consolidated scheme. The new scheme requires applicants to demonstrate the support/endorsement of the local District Ward Councillor(s). Under the new governance arrangements, the Council's Cabinet will assess applications based on the criteria set out in guidance. The Councillors' Commission considered the scheme at their meeting held on 23 February 2022 and recommended to Full Council for approval.
- 2.4 The draft guidance and application form created for the new grant scheme are attached to this report as **Appendices A and B**.

3.0 Proposals

- 3.1 To approve and adopt the Community Grant Scheme as proposed.

4.0 Equalities Implications

- 4.1 There are no negative equality implications associated with this report. The Community Grant Scheme would be open to all sections of the community and the application assessment process would take into consideration fair and equitable distribution of grants across the district. In order to support this the Community Relations Team will actively work with Local Members, groups and organisations in localities to encourage applications to the scheme.

5.0 Financial Implications (FIN21-22/702)

- 5.1 The Council currently has an allocation of £12,000 within its annual revenue budget in respect of Community and Arts grants. For 2022/23 it is proposed to allocate this budget together with a contribution of £88,000 from the Community Engagement Reserve and consolidate these to generate a £100,000 grant fund.
- 5.2 The existing annual allocation of £12,000 has been forecast to remain within the Medium Term Financial Plan over the three years post 2022/23.
- 5.3 Where the £100,000 is not fully utilised within 2022/23 any balance remaining will be carried forward at that point in time in order to supplement the annual budget as described at paragraph 5.2.

6.0 Community Plan – Alignment to Objectives

- 6.1 The Community Grant Scheme aims to support projects and initiatives that contribute towards the Council's current Community Plan objectives.

7.0 RECOMMENDATIONS that:

- (a) the Council approve the Community Grant Scheme; and
- (b) £88,000 is allocated from the Community Engagement Reserve to the General Fund Revenue budget for 2022/23 in order to supplement the £12,000 already approved within the 2022/23 budget.

Background Papers

Nil

For further information, please contact Andy Hardy on Ext. 5708

Suzanne Shead
Director – Housing, Health & Wellbeing

Newark and Sherwood Community Grant Scheme

Guidance



Overview

Newark and Sherwood Community Grant Scheme aims to support District based constituted groups, charities and not-for profit organisations with projects or initiatives that align to the [Council's Community Plan objectives](#).

The scheme recognises the important contribution that local organisations make to improving peoples' quality of life and that small amounts of funding can often help to get a project off the ground or enhance its impact.

Grants will be available up to £5,000.

Applications will be assessed and presented to the Council's Cabinet for decision three times a year (in exceptional circumstances, an application will be dealt with urgently). To be successful, applicants will need to demonstrate:

- The local need for the project/initiative.
- The support/endorsement of the local District ward Councillor(s)
- How the application contributes to delivery of the Council's Community Plan objectives.
- Their own financial position and what other funding has been sought

Funding Criteria

- Funding applications can be submitted up the value of 100% of the total project costs however, projects/initiatives with a joint financial contribution will be considered more favourably.
- The scheme is unable to support the following:
 - Projects that are delivered outside of Newark and Sherwood.
 - Applications submitted by profit making and/or private businesses.
 - Curriculum based activities in schools
 - Retrospective applications for project/initiatives that have already commenced or been completed.
 - Ongoing revenue support for existing projects, initiatives or services

Eligibility

Applications will not be considered without the endorsement of the relevant District Councillor(s) [A Local Councillor](#). Applications may be submitted by the following:

- Charities registered with the Charity Commission* (e.g. Charitable Incorporated Organisations (CIOs))
- Unincorporated associations, trust or charitable / not-for-profit companies limited by guarantee).

- Constituted voluntary and community groups, societies and clubs.
- Parish and Town Councils

Application Process

The application form, submission deadline dates and further information can be found here:

* add link *

All applications should be returned to communityengagement@nsdc.info by the relevant deadline. A member of the Community Engagement Team will contact you to confirm receipt of your application and may request any outstanding documentation or supporting information to ensure your application can be submitted to Cabinet.

The Panel reserves the right to use a level of discretion in exceptional circumstances where deemed appropriate when considering requests for grant support to ensure opportunities are not missed.

Equal opportunities

Newark and Sherwood District Council always welcome applications from all sections of the community.

All groups and individuals who receive support will be expected to follow current equal opportunity policy and practice in relation to management, employment practices, service delivery and training provision, and not to engage in any discriminatory activity.

Conditions of Grants

- The applicant must obtain approval for any changes to the original project outline.
- In the event of a grant aided asset becoming surplus to requirements, this should be returned for reallocation or disposal.
- The applicant will agree to submit progress reports, as deemed appropriate, and a post event/project evaluation report. The frequency of the progress reports will be agreed between the applicant and the council.
- By accepting the award, the applicant agrees to comply with all statutory laws such as Town and Country Planning Legislation, Licensing Law etc as deemed necessary.
- The grant must be spent within 12 months of receipt, otherwise we may request any under spend to be returned or reallocated. Any requests for an extension to the grant period must be submitted in writing to us.
- Applications will only be considered when submitted via email, duly completed and signed and with any supporting documentation.
- If the project involves young people, the applicant may be required to attend additional training such as 'Safeguarding Children and Young People' as deemed appropriate and to comply with any reasonable requests to attend on-going training opportunities.
- Recipients agree to provide us with monitoring and evaluation information on request in order to measure the value and impact of the scheme.
- Publicity for funded projects will include the Council's logo.
- The district council and will be able to use details of the funded project for publicity on their websites and via their social media channels.

Contact Information

If you would like to discuss your application proposal prior to submission or would like more information on the different sources of funding available please contact:

Community Engagement
Newark & Sherwood District Council
communityengagement@newark-sherwooddc.gov.uk

Newark & Sherwood Community Grant Scheme Application Form

Please refer to the guidance document when completing this form. Please submit completed form and supporting documents to communityengagement@nsdc.info.

<u>About the Applicant</u>			
Name of organisation:			
Lead contact name:			
Position in organisation:			
Charity No. (If applicable):			
Address:			
Postcode:		Tel no.	
Email address:			
<p>Please provide the name of the local Councillor that is supporting this application:</p> <p>Please ensure that the following documents are provided on submission of this form:</p> <ul style="list-style-type: none"> • A copy of a recent bank statement. • A copy of a constitution or governing document (not required by registered Charities). • Quotes, evidence of cost or supporting plans and images if applicable. 			

Expected start date:		Expected finish date :	
Where will your project/event take place?			
<u>Community Involvement</u>			
Which areas/villages of Newark and Sherwood district do you anticipate to attract your participants from?			
How many participants do you hope to involve in the project/event?			
Total number of participants		<input type="text"/>	
In the boxes below, please provide estimated numbers of participants involved from the specified groups			
Children and young people (up to age 18)	<input type="text"/>	People with a disability	<input type="text"/>
Adults (age 18 to 60)	<input type="text"/>	People at risk of 'social exclusion'	<input type="text"/>
Adults (age 60+)	<input type="text"/>	People from an ethnic minority	<input type="text"/>
How will you promote and publicise your project to the wider community?			

<u>Project Expenses</u>			
<p>Please complete the table below with a breakdown of the cost per item and the request for financial contribution from NSDC.</p> <ul style="list-style-type: none"> • Include everything you need to deliver your project (total project costs), even if you are not requesting a contribution via the scheme. • The total request to NSDC must not exceed £5,000. • Include VAT costs - NSDC will only refund VAT where it is unrecoverable. 			
Item or Activity	Total cost (£)	VAT (£)	Amount requested from NSDC (£)
TOTALS			
<p>If the total cost is more than the grant requested, where will the rest of the funding come from? i.e. sponsorship, club, subs, entry fees?</p>			
<p>Is your organisation VAT registered?</p>			
<p>If yes, please provide your VAT Registration Number:- _____</p>			
<u>Supporting Comments or Information</u>			

BANK ACCOUNT DETAILS (If your application is successful, we will pay the award through a BACS transfer)	
Account Name _____	
Account No. _____	Sort Code _____
DECLARATION	
I confirm I am authorised to sign this application on behalf of _____ (organisation)	
I, the undersigned, undertake that any grant awarded will be used solely for the purpose outlined in this application. I also understand that Newark & Sherwood District Council reserves the right to withhold the payment of the whole or any part of a grant or to require repayment of any grant if the information is subsequently discovered to be false.	
Signed _____	Print Name _____
Date _____	

General Data Protection Regulation (GDPR) 2016 Privacy Notice

The personal information you provide will only be used by Newark and Sherwood District Council, the data controller, in accordance with General Data Protection Regulation 2016 to process your application for a grant.

The basis for processing this information is to enable the council to undertake a public task. Should your application be successful, some of your personal information may be included in a public register in accordance with our statutory responsibility under the Local Government Transparency Code.

Your personal data will be kept in accordance with the council's retention policy and schedule. Details of which can be found on the council's asset register on our website:

In accordance with GDPR you have a right to:

- have a copy of the personal information that we hold about you
- complain to the Information Commissioner if you feel that your information is not being handled appropriately

You may also have a right

- to erasure (also known as the right to be forgotten)
- to stop processing

For further details about how your information may be used or about your rights under this legislation and any subsequent data protection legislation, please contact the council's Information Governance Officer on 01636 655216 or via email on freedom@nsdc.info

COUNCIL MEETING - 8 MARCH 2022

MEMBERS ALLOWANCES

1.0 Purpose of Report

- 1.1 To give an update in respect of the Report of the Independent Remuneration Panel.
- 1.2 To consider recommendations from the Councillors Commission in relation to the circumstances in which Members can claim mileage allowance.

2.0 Background Information

Members Independent Remuneration Panel

- 2.1 As Members will be aware, the Full Council agreed to reconvene the Independent Remuneration Panel at their meeting held on 12 October 2021.
- 2.2 The Panel had previously conducted a review in late 2020 and their final report at that time was considered by the Full Council at their meeting held on 9 March 2021. The Council approved the recommendations made by the Panel in their report, but resolved not to implement at the current time, given the pandemic, the constraints on public sector pay and the review of the Council's governance arrangements.
- 2.3 The reconvened Panel undertook this further review of Members Allowances in the context of the proposed new governance arrangements to be implemented as from May 2022.
- 2.4 In accordance with the timetable for the review, the Independent Panel submitted their report to the Council last month, with the intention that this was submitted to this meeting of the Council.
- 2.5 Their report was considered by the Councillors Commission at the meeting held on 23 February 2022.
- 2.6 The Commission had a number of queries regarding the proposals for Special Responsibility Allowances. Given that, it was agreed to ask the Panel to relook at their final report which would be further considered by the Councillors Commission, ahead of this being submitted to the Annual Council Meeting on 17 May 2022 for consideration.
- 2.7 The new Scheme of Members Allowances will need to take effect following the Annual Council Meeting.

Claiming for Travel Expenses

- 2.8 At their meeting on 23 February 2022, the Councillors Commission also considered the current provisions in respect of what Members could claim in respect of travel allowances. The issue of being able to claim mileage for attending political group meetings and for conducting ward / constituency matters had been raised with the Independent Remuneration Panel but they determined that it was for the Council to consider as such activities would need to be defined as an approved duty by the Council for the purposes of claiming allowances.

- 2.9 The position for Members wishing to claim mileage allowance for undertaking Council business is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003.
- 2.10 Regulation 8.1 (h) gives the Council the ability to designate other duties as approved, provided that they are undertaken as part of the functions of the Council.
- 2.11 The Commission considered that political group meetings should be considered as an approved duty for the purposes of claiming mileage, with the definition requirement for these being – convened political group meetings (dates to be supplied to Democratic Services) for the purposes of District Council business, with all meetings to be held at Castle House or other venue within the District.
- 2.12 The Commission considered that it was not appropriate for ward / constituency matters to be defined as an approved duty.
- 2.13 In respect of claiming mileage for attending meetings of Parish Councils, the Full Council agreed at their meeting held on 21 July 2015 that these could be approved duties where:
- a) If all or part of the parish or town Council is within the ward of the District Council Member;
 - b) so long as they are not otherwise a member of that parish council; and
 - c) if the parish council has included on its agenda an item to receive reports from and raise issues (relating to the activities of the district council) with its ward councillor.

The Commission agreed that these provisions continue.

3.0 Financial Implications (FIN21-22/5892)

- 3.1 There is a proposed budget allocation of £6,000 for the 2022/23 financial year in respect of Members' travel allowances.
- 3.2 During the 2019/20 financial year (prior to the pandemic) £5,992 was claimed in respect of Members' travel allowances.

4.0 RECOMMENDATIONS that the Council:

- (a) note the final report of the Members Independent Remuneration Panel will be submitted to the Annual Council Meeting on 17 May 2022; and**
- (b) include political group meetings which are convened for District Council business (dates to be supplied to Democratic Services) and held at Castle House or elsewhere in the District in the definition of approved duties for the purposes of the Members' Allowances Scheme.**

Background Papers

Reports to the Councillors' Commission on 23 February 2022.

For further information please contact Nigel Hill on Ext. 5243

John Robinson
Chief Executive

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 Monday, 21 February 2022 at 6.00 pm.

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

Councillor Mrs R Holloway, Councillor R Jackson, Councillor P Peacock
and Councillor T Wendels

APOLOGIES FOR Councillor R White (Committee Member)
ABSENCE:

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

There were no declarations of interest.

312 DECLARATIONS OF INTENTION TO RECORD THE MEETING

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

313 MINUTES OF THE MEETING HELD ON 27 JANUARY 2022

The minutes from the meeting held on 27 January 2022 were agreed as a correct record and signed by the Chairman.

314 PAY POLICY STATEMENT 2022/23

The Business Manager – Human Resources & Training presented a report which sought to review the content of the Pay Policy Statement for 2022/2023 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, Newark & Sherwood District Council are required to produce a Pay Policy Statement for 2012/13 and for each financial year thereafter.

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.

The minimal changes that had been made to the Policy for the year were highlighted in the report. The changes included the removal of the requirement for Directors and Business Managers to progress on the pay scale subject to performance review; the Living Wage Foundation rate increase to £9.90 per hour from 1 October; and some Business Manager posts being regraded.

It was also reported that no pay claim had been submitted by the Trades Unions for 2022/2023 but the Council had budgeted for a 2% pay increase across all grades. Furthermore, the pay negotiations for 2021/22 had still not been settled, therefore the pay scales shown were as of 1 April 2020. It was noted that the Chief Officers' Pay Negotiations had been settled at 1.5% and that the Statement would be updated prior to consideration at the Full Council on 8 March 2022.

AGREED (unanimously) that the Pay Policy Statement 2022/2023 be recommended for approval by the Full Council at their meeting to be held on 8 March 2022.

Reason for Recommendation

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

315 2022/23 PROPOSED GENERAL FUND REVENUE BUDGET

The Business Manager – Financial Services presented a report which enabled Members to consider spending proposals and recommendations to the Council for the General Fund revenue budget in 2022/2023. The budget proposals had been formulated in accordance with the framework set out in the Council's Constitution, and built on the draft budget reports which were presented to each functional committee in January 2022. The revenue budget had been prepared in accordance with the Council's Budget Setting Strategy for 2022/23 which had been approved by the Policy & Finance Committee on 24 June 2021.

The Local Government Finance Settlement provided key figures for Government Grant that formed part of the Council's budget. The provisional settlement was announced on 16 December 2021 with the final settlement being announced on 8 February 2022.

The Business Manager – Financial Services reported that the assumed Council Tax increase within the proposed revenue budget was an increase in the Band D equivalent of 1.94%.

AGREED (unanimously) that the Committee recommends to Full Council at its meeting on 8 March 2022 that:

- (a) the following amounts be now calculated by the council for the 2022/23 financial year, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:

- (i) £47,563,170 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 District Council's gross expenditure for 2022/23);
- (ii) £32,027,260 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 District Council's gross income for 2022/23); and
- (iii) £15,535,910 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;
- (b) the figures shown as (i) and (iii) above to be increased only by the amount of Parish Precepts for 2022/23;
- (c) the budget amounts included in the report be the Council's budget for 2022/23; and
- (d) the fees and charges shown in Appendices E1-E21 be implemented with effect from 1 April 2022.

Reason for Recommendations

To enable the Policy & Finance Committee to make recommendations to Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, for the purposes of setting Council Tax levels for the 2022/23 financial year.

316 2022/23 TO 2025/26 MEDIUM TERM FINANCIAL PLAN

The Business Manager – Financial Services presented a report concerning the Council's Medium Term Financial Plan (MTFP) for 2022/23 to 2025/26. A copy of the MTFP was attached as an appendix to the report.

The MTFP provided Members and Officers with a clear financial framework for delivering the Council's Community Plan objectives over the next four financial years and maintaining the Council's MTFP was an essential pre-requisite to the annual budget setting process for future years.

The MTFP showed that the Council was able to set a balanced budget for 2022/23, though would need to reduce expenditure and or increase income to pay for service delivery in future years.

AGREED (unanimously) that the Committee recommends the 2022/23 to 2025/26 Medium Term Financial Plan (MTFP) for approval by the Full Council at their meeting to be held on 8 March 2022.

Reason for Recommendation

To provide a framework to support the Council's future spending plans.

317 CAPITAL PROGRAMME 2022/23 TO 2025/26

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 on 8 March 2022.

In respect of the general fund capital expenditure the Council intended to spend £74.719m from 2022/23 to 2025/26 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 £54.326m from 2022/23 to 2025/26. This was made up of £28.220m on existing property investment and £26.106m on additional Affordable Housing. The HRA property investment and development programme were set out in Appendix B to the report.

AGREED (unanimously) that the General Fund schemes set out at Appendix A to the report, and the Housing Services schemes set out at Appendix B to the report, be recommended to Full Council on 8 March 2022 as committed expenditure in the Capital Programme for 2022/23 to 2025/26.

Reason for Recommendation

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 full Council.

318 NEWARK CASTLE - CONDITION SURVEY

The Business Manager – Heritage & Culture presented a report advising Members of the results of the condition survey undertaken at Newark Castle and requesting that the schedule of work required be added to the Capital Programme for 2022/23.

The condition survey report was received in January 2022, and gave a matrix of repairs which had been RAG rated. The red items required immediate repair, amber to be placed on a five year schedule for completion by 2026, and green items which were for review post 2026. The report set out the impact the required repairs were having to the Castle's operations, what works were necessary and the costs thereof.

It was proposed to add £570,000 to the capital programme to complete the urgent repairs, to protect the legacy of the Castle, to ensure the safety of the public visiting the site and to enable the grounds and green space to remain accessible to the public. It was also proposed that the Business Manager – Heritage & Culture reviews the past ten years' repairs in conjunction with Corporate Property to assess the level of investment that had been made previously and better understand the future impact to the Council.

AGREED (unanimously) that:

- (a) the inclusion of this work in the 2022/23 Capital Programme for £570,000 be approved, to be funded from borrowing; and
- (b) the Business Manager - Heritage & Culture works with the Corporate Property Team to develop a management and maintenance plan to include all amber and green items from the condition survey, with any revenue implications to be picked up as part of 2023/24 revenue budget setting.

Reason for Recommendations

To ensure the preservation of Newark Castle, ensuring that the Castle and Gardens remain safe and accessible for residents and to mitigate the risk of unforeseen emergency work as the Gatehouse Project progresses.

319 PLAYING PITCH STRATEGY AND SPORT & RECREATION FACILITIES IMPROVEMENT PLAN REVIEWS

In accordance with Section 100(B)(4)(b) of the Local Government Act 1972, the Chairman agreed to take this item as a late item of business in order to ensure that the proposed budget provision of £25,000 was included within the Revenue Budget proposals for 2022/23.

The Health Improvement & Community Relations Manager presented a report which sought approval to appoint an external consultant to deliver an updated Playing Pitch Strategy (PPS) and Sport & Recreation Facilities Improvement Plan (S&RFIP) through the Sport England Active Environment Framework to ensure that the Council had up to date strategy documents.

The current PPS and S&RFIP had last been reviewed and refreshed in 2017 and 2019 respectively, but due to changes to the current sport and leisure landscape locally over the last 5 years, the strategies were no longer considered to be in accordance with Sport England advice and guidance. It was noted that updated strategy document would provide a sound basis on which to develop policy and make informed decisions for sports development and investment in facilities. Such an approach would assist the Council to meet the requirements of the National Planning Policy Framework. It would also provide a clear and strategic approach to future sports provision and investment together with providing an evidence base to support bids for external funding.

AGREED (unanimously) that:

- (a) the Playing Pitch Strategy and Sport & Recreation Facilities Improvement Plans be reviewed and refreshed; and
- (b) a budget provision of £25k, to commission consultants to develop the strategies in association with the Council's project team, be approved and added to the 2022/23 budget report to be approved at Full Council on 8 March 2022.

Reason for Recommendations

To ensure that the Council has current and accurate strategy documents that it could rely on as a robust evidence base of provision of sport and recreation facilities across the District.

Meeting closed at 6.40 pm.

Chairman

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Planning Committee** held in the Civic Suite, Castle House, Great North Road, Newark, Notts, NG24 1BY on Tuesday, 15 February 2022 at 4.00 pm.

PRESENT: Councillor R Blaney (Chairman)
Councillor Mrs L Dales (Vice-Chairman)

Councillor M Brock, Councillor R Crowe, Councillor L Goff, Councillor Mrs R Holloway, Councillor Mrs P Rainbow, Councillor Mrs S Saddington, Councillor M Skinner, Councillor T Smith, Councillor T Thompson, Councillor I Walker, Councillor K Walker, Councillor T Wildgust and Councillor Mrs Y Woodhead

ALSO IN ATTENDANCE: Councillor L. Brailsford, Councillor R. Jackson and Councillor T. Wendels

104 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Councillors Mrs L Dales, I Walker and K Walker declared Registerable Interests as Council appointed representatives on the Trent Valley Internal Drainage Board and Upper Witham Valley Drainage Board.

Councillor Mrs Y. Woodhead informed the Committee that she had received 2 phone calls and emails in relation to item 12 – Field Reference 8024, Wellow Road, Eakring.

All Members noted that Newark and Sherwood District Council was the applicant in relation to item 6- 32 Stodman Street, Newark, and the land owner in relation to item 7- Former Newark Livestock Market, Great North Road.

The Committee noted that Councillor R. Jackson, who was in attendance, was the joint applicant for Agenda Item 10- Site Adjacent the Old Grain Store, Old Epperstone.

105 DECLARATION OF ANY INTENTIONS TO RECORD THE MEETING

The Chairman advised the Committee that the proceedings were being recorded by the Council and that the meeting was being livestreamed and broadcast from the Civic Suite, Castle House.

106 MINUTES OF THE MEETING HELD ON 18 JANUARY 2022

AGREED that the minutes of the meeting held on 18 January 2022 were approved as a correct record and signed by the Chairman.

107 ORDER OF BUSINESS

With the agreement of the Committee, the Chairman changed the order of business and Agenda items 8 and 9 were taken after Item 4. The agenda resumed its stated order thereafter.

108 PARK VIEW CARAVAN PARK, TOLNEY LANE, NEWARK ON TRENT - 21/02492/S73

The Committee considered the report of the Business Manager- Planning Development, which sought the Variation of Condition 1 attached to planning permission 18/01430/FUL to make the temporary permission permanent (Change of use of former abattoir site and paddock to gypsy and traveller caravan site).

Members considered the presentation from the Senior Planner, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published from the Agent. The Senior Planner explained that this detailed an amendment to the recommendation in the report to one of approval, for a temporary three year period.

Members considered the application, with some Members raising concern over flooding of the site, noting the objections of the Environment Agency. However, others were mindful that the residents of the site were aware of the flooding risks and felt that the application should be approved to give the residents security whilst alternative sites could be found.

AGREED (unanimously) that Planning Permission be approved for a period of three years as a temporary permission in accordance with the Officer recommendation set out in the late items schedule.

109 LAND AT SHANNON FALLS, TOLNEY LANE, NEWARK ON TRENT - 21/02613/FUL

The Committee considered the report of the Business Manager- Planning Development, which sought use of land as a Gypsy and Travellers' site, erection of amenity blocks and associated works for temporary 3 year period (Retrospective) Re-submission of 21/01900/FUL. The application was being reported to the Planning Committee as the specifics of the application warranted determination by the Planning Committee in line with the Council's Scheme of Delegation.

Members considered the presentation from the Business Manager- Planning Development, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published which included an objection from a neighbour and correspondence from the Agent.

Members considered the application with general agreement that the permission should be granted on a temporary basis. Amenity blocks were a necessity for the residents of the site, who were aware of the flooding risks. Members discussed the extant enforcement notice on the site, relating to the requirement to remove materials that had been used to raise the level of the site. The Legal Advisor to the Committee suggested that a condition to require the removal of the material where possible be included, should the application be permitted.

A vote was taken to refuse planning permission which fell, with 0 votes for.

AGREED (unanimously) that contrary to Officer recommendation, that Planning Permission be granted for a temporary period of three years subject to conditions appropriate to the proposal (aligning as appropriate with those included within the decision for Park View) as well as a condition requiring the levels to be reduced to align with the extant enforcement notice on the site.

In accordance with paragraph 12.5 of the Planning Protocol, as the motion was against officer recommendation, a recorded vote was taken.

Councillor	Vote
R Blaney	For
M. Brock	For
R. Crowe	For
Mrs L. Dales	For
L. Goff	For
Mrs R. Holloway	For
Mrs P Rainbow	For
Mrs S. Saddington	For
M. Skinner	For
T. Smith	For
T. Thompson	For
I.Walker	For
k. Walker	For
T. Wildgust	For
Mrs Y. Woodhead	For

110 SITE ADJACENT 'THE OLD GRAIN STORE', OLD EPPERSTONE ROAD, LOWDHAM, NOTTINGHAMSHIRE - 21/01830/FUL

Councillor R. Jackson, who was in attendance at the meeting, left the meeting for the whole of the duration of this item.

The Committee considered the report of the Business Manager- Planning Development, which retrospectively sought the change of use of agricultural land and extension to the existing wood fuel production business, retention of earth bunds, retention of concrete retaining wall/clamp, retention of re-sited biomass boiler, wood drying kiln and roof cover over. The application was before the Planning Committee for determination as a District Councillor was joint applicant.

Members considered the presentation from the Business Manager- Planning Development, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published.

Councillor T. Wendels, Local Ward Member was in attendance and spoke in support of the application. Members considered the application with comments in support of rural business, but others frustrated at the retrospective application and concern over the extension into Green Belt land.

A vote to refuse the application fell, with 3 For, 10 Against and 2 Abstentions.

It was therefore proposed, and duly seconded by Councillors I. Walker and R. Blaney that the application be deferred pending further negotiation and a Noise Impact Assessment.

AGREED (with 12 For and 3 Against) that the application be deferred for the applicant to address concerns relating to amenity/noise and, if required, undertake a Noise Impact Assessment and for any mitigation works to also be explored.

111 32 STODMAN STREET, NEWARK ON TRENT - 21/00699/FULM (MAJOR)

The Committee considered the report of the Business Manager- Planning Development, which sought the demolition of the building with retention of the Art Deco façade and replacement with a 4-Storey development comprising parking, services and mixed use (Class E) space at ground floor with apartments above. The application was before the Planning Committee as the District Council was the applicant.

Members considered the presentation from the Planning Officer, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published.

Members considered the application, agreeing that it would be a positive development within the town and emphasised the need for the building materials to be sympathetic to the local area.

AGREED (unanimously) that Planning Permission be granted in accordance with the Officer recommendation and subject to the Conditions contained in the report.

112 FORMER NEWARK LIVESTOCK MARKET, UNIT 1 GREAT NORTH ROAD, NEWARK ON TRENT - 21/02484/FULM (MAJOR)

The Committee considered the report of the Business Manager- Planning Development, which sought the erection of a new further educational establishment for the training of young adults within the aviation and space industries along with associated infrastructure including use of an existing car park, access, refuse area, substation and landscaping. The application was before the Planning Committee as the District Council was the landowner.

Members considered the presentation from the Senior Planner, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published, including requirement of a parking scheme to prevent errant parking on Great North Road.

Members considered the application, welcoming the economic benefits the proposed development would bring, and the opportunities to raise aspirations for young people in the area. Members did comment on the colour of the bricks and agreed that parking restrictions would be required for Great North Road.

AGREED (unanimously) that Planning Permission be granted subject to the Conditions contained in the report and subject to the condition changes in late items (22 and 23) and to condition 16). Reason associated with Condition 3 amended to read 'Conservation Area'.

113 HILL HOUSE, CHAPEL LANE, EPPERSTONE - 21/02533/FUL

The Committee considered the report of the Business Manager- Planning Development, which sought the erection of a replacement dwelling and associated works and landscape enhancements. This application was being presented to the Planning Committee in line with the Council's Scheme of Delegation as it has been called to Committee by Cllr R Jackson on behalf of Epperstone Parish Council.

Members considered the presentation from the Planning Officer, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published which clarified that should the application be resolved to be approved, it would be subject to referral to the Secretary of State due to the size of the proposed development on Green Belt land.

Councillor R. Jackson, Local Ward Member, was in attendance, to speak against the application on behalf of Epperstone Parish Council, who raised concern over the scale of the development which they felt was out of keeping with the conservation area of Epperstone.

Members considered the application and following discussion agreed that a site visit would be useful to understand the site and the sizing and location of the proposed development.

AGREED (11 For 4 Against) that the Application be deferred to March committee for a site visit to be undertaken.

Councillors R. Jackson and I. Walker left the meeting at this point.

The meeting adjourned at 18:02 and reconvened at 18:10.

114 LAND ADJACENT ORCHARD HOUSE, THORNEY ROAD, WIGSLEY - 21/02336/OUT

The Committee considered the report of the Business Manager- Planning Development, which sought the erection of two dwellings with all matters reserved.

Members considered the presentation from the Senior Planner, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published, including a letter of objection from the Parish Meeting due to overcrowding of the proposed site.

Members considered the application, noting the concerns raised by the Parish Meeting. However it was felt that as the application was an outline application, when the reserved matters application was submitted, concerns of over intensification and over development could be addressed dependant on the design.

AGREED (with 10 and 4 for) that Planning Permission be granted in accordance with Officer recommendation, subject to the Conditions within the report.

115 FIELD REFERENCE NUMBER 8024, WELLOW ROAD, EAKRING - 20/02296/FUL

The Committee considered the report of the Business Manager- Planning Development, which sought the erection of 1 single storey fossil-fuel-free dwelling and detached car port.

Members considered the presentation from the Business Manager- Planning Development, which included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received by the Planning Case Officer, after the Agenda was published, including a short video of the proposed development.

Members discussed the proposed application, considering aspects such as ventilation, heating, sustainability of design and the proposed battery storage. Members noted the requirements for a Section 106 agreement and were supportive of the innovative design and experimental nature of the development.

AGREED (unanimously) that Planning Permission be granted subject to the completion of a planning obligation securing the measures and conditions contained in the report.

116 APPEALS LODGED

AGREED that the report be noted.

117 APPEALS DETERMINED

AGREED that the report be noted.

118 DEVELOPMENT MANAGEMENT PERFORMANCE REPORT

The Committee considered a report presented by the Business Manager- Planning Development which related to the performance of the Planning Development Business Unit over the three month period October to December 2021. In order for the latest quarter's performance to be understood in context, in some areas data going back to October 2020 was provided. The performance of the Planning Enforcement team was provided as a separate report.

AGREED that the report be noted.

119 QUARTERLY ENFORCEMENT ACTIVITY UPDATE REPORT

The Committee considered the report presented by the Business Manager- Planning Development which provided an update on Enforcement Action for the third quarter from 1 October to the 30 December 2021, including cases where formal action had been taken and case studies which showed how the breaches of planning control had been resolved through negotiation. Members discussed enforcement action taken at Greater Fernwood in November 2021.

AGREED that the report be noted.

Meeting closed at 6.54 pm.

Chairman

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Councillors Commission** held virtually by Teams on Wednesday, 23 February 2022 at 5.00 pm.

PRESENT: Councillor R Blaney (Chairman)

Councillor Mrs R Crowe, Councillor Mrs L Dales, Councillor P Harris,
Councillor J Kellas and Councillor P Peacock

53 MINUTES OF MEETING HELD ON 2 DECEMBER 2021

AGREED that the Minutes of the meeting held on 2 December 2021 be approved as a correct record and signed by the Chairman.

54 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

There were no declarations of interest.

55 MEMBERS TRAVEL ALLOWANCES

The Business Manager – Elections & Democratic Services presented a report which sought to clarify the circumstances in which Members could claim mileage allowance for undertaking Council business, in particular whether that included ward/constituency matters and political group meetings. Contained within the report were the relevant extracts of the Members' Allowances Regulations together with explanatory comments to assist Members with their considerations.

The report also provided details of how neighbouring authorities treated claims for ward / constituency business and attending political group meetings. The allowances paid by neighbouring authorities were also provided.

In considering the report the Commission debated what, if any, changes should be made to the current arrangements. The Commission considered that attending political group meetings should be defined as an approved duty, but ward / constituency matters should not. In addition, it was considered that the current provisions in respect of attending parish council meetings, as detailed in the report, should remain unchanged.

The Commission also noted that the current mileage rate of 45pence per mile as set by the Local Government Association was due for a review given the rise in the price of fuel.

AGREED (unanimously) that it be recommended to the Full Council on 8 March 2022 that attending political group meetings be defined as an approved duty for the purposes of Members' Allowances where these have been convened for District Council business (dates to be supplied to Democratic Services) and are held at Castle House or elsewhere in the District.

56 REPORT OF THE INDEPENDENT REMUNERATION PANEL

The Commission considered the Draft Report of the Independent Remuneration Panel which had been undertaken in the context of the proposed new governance arrangements which are due to be implemented as from May 2022.

In considering the content of the Draft Report of the Panel, the Commission expressed concerns in relation to anomalies between this Report and the previous one approved, but not implemented, by full Council on 9 March 2021. A number of practical examples were highlighted, with specific reference being made to the Special Responsibility Allowances (SRA) for the Leader & Deputy Leader of the Council and the Leader of the Main Opposition Group. Reference was also made to Vice-Chairmen receiving a SRA of 20% of the Chairmen which had not been carried forward into the latest proposals.

Given the concerns about the proposals it was considered that the consideration of the Independent Remuneration Panel Report should be deferred to the Annual Council Meeting to be held on 17 May 2022, which would still enable the new Scheme to be implemented in time for the new governance arrangements.

AGREED (unanimously) that:

- (a) the report of the Independent Remuneration Panel be noted;
- (b) the Independent Remuneration Panel be asked to review its Report for consistency and in the context of its previous recommendations in 2021; and
- (c) a meeting of the Councillors' Commission be convened to reconsider the Independent Remuneration Panel's revised report, prior to its consideration by the Full Council at the Annual Meeting to be held on 17 May 2022.

57 PROPOSED NEW GOVERNANCE ARRANGEMENTS

The Assistant Director – Legal & Democratic Services presented a report which updated Members on the progress made by the Governance Review Working Party (GRWP) on the design of the new governance arrangements for implementation from May 2022.

The Commission were invited to provide comments on draft parts of the Council's revised Constitution prior to initial presentation to full Council on 8 March 2022. The extracts covered: Summary and Introduction; Responsibility for Functions; Protocol for Decision Making; and Call-In Procedure.

In considering the draft extracts, the following specific points were raised:

RESPONSIBILITY FOR FUNCTIONS

The Commission referred to the role of the Leader of the Main Opposition Group given that post was to be effectively a Cabinet Member without portfolio. It was felt that the role for this position should be defined in the Constitution.

The Commission highlighted text which referred to 'Deputy Cabinet Members' which was not something which had been considered, and therefore required removal.

Committees – Paragraph 6.2 v – it was noted that the statutory staffing committee required further consideration.

Joint Arrangements – Paragraph 9.4.5 ii – it was noted that these required further review, particularly in respect of the reference to the Leader of Nottinghamshire County Council.

Planning Committee – Paragraph 15 - The Commission stated they were opposed to the appointment of substitute Members on the Committee and were not in favour of the introduction of public speaking. It was noted that both District and Parish Councillors were elected to take decisions and to represent their constituents.

Cabinet Scheme of Delegation – Paragraph 10.5 – It was noted that the approval of in-year budget allocations were still to be finalised and would be consistent with the new Financial Procedure Rules.

Councillor P. Harris joined the meeting at this point (5.40pm).

PROTOCOL FOR INDIVIDUAL CABINET MEMBER/OFFICER DECISION MAKING

Paragraphs 2.4 and 2.5 – the Commission expressed concerns that the process as drafted was overly bureaucratic and may result in a delay in decision making. It was noted that the process would likely be streamlined but the purpose was to reduce the potential for the call-in of decisions. It was also noted that the wording would be cross-referenced with administrative decision making to ensure consistency.

The Assistant Director advised that following the meeting of the GRWP the following day, the constitution would be further refined with a draft being presented to full Council on 8 March 2022 with the final document being presented on 17 May 2022.

The Commission also considered draft proposals for a Community Grant Scheme Guidance. This was fully supported by the Commission who noted that this would be referred through to Full Council for adoption.

AGREED (unanimously) that:

- (a) the progress on the design of the new governance arrangements be noted; and

- (b) the comments of the Commission on the Constitution extracts be reported to the Governance Review Working Party for their consideration, ahead of these being presented to the Full Council at their meeting on 8 March 2022 for further consideration.

Meeting closed at 5.50 pm.

Chairman