



*Castle House
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Wednesday, 1 March 2023

Chairman: Councillor S Saddington
Vice-Chairman: Councillor Mrs L Hurst

To all Members of the Council:

MEETING: Full Council

DATE: Thursday, 9 March 2023 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. Declarations of Interest by Members and Officers	
3. Notification to those present that the meeting will be recorded and streamed online	
4. Minutes from the meeting held on 7 February 2023	6 - 10
5. Communications which the Chairman, Leader, Chief Executive or Portfolio Holders may wish to lay before the Council	
6. In accordance with Rule No. 3.1 to receive the presentation or the debating of any Petitions from Members of the Council	
<p>A petition calling for improved and increased local services in Clipstone before any future housing developments are given planning permission, to be presented by Councillor P Peacock.</p>	
7. Questions from Members of the Public and Council	
<p>In accordance with Rule No. 3.3.3, the following question has been submitted to the Council from Councillor L Goff:</p> <p>The Brompton Bike Hire service in Newark, delivered as part of the Towns Fund initiatives, is the first in the East Midlands and will have been operational for a year in April. There is a docking station at Castle House, close to Newark Castle Station which holds eight folding Brompton bicycles.</p> <p>I ask if the scheme has been a success, and request an update on the number of users, including if any Councillors or Council staff have made use of the facility? Such schemes need to be successful to make Newark a cycling town again. Are other cycling hubs being considered for strategic locations across the District, and have any employers shown an interest in such docking stations?</p>	
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| 14. | Pay Policy Statement 2023/24 | 119 - 138 |
| 15. | Six Month Review of the Council's Revised Governance Arrangements - Constitution Amendments | 139 - 145 |
| 16. | Notices of Motion | |

Care Leavers

In accordance with Rule No. 3.4, Councillor P Peacock will move and Councillor M Pringle, will second a motion to the following effect:

"The Independent Review of Children's Social Care headed by Josh McCallister published in May 2022 a final report and recommendations that included: "Government should make care experience a protected characteristic"

On Protected Characteristics for Care Experience:

"Many care experienced people face discrimination, stigma and prejudice in their day to day lives. Public perceptions of care experience centre on the idea that children are irredeemably damaged and that can lead to discrimination and assumptions being made."

One young person told the review that a teacher had told them "You're smart - for a kid in care" another young person said "I don't want people to point out that I am in care if I don't want that mentioned. It makes me so cross - that shouldn't happen."

This stigma and discrimination can be explicit and often comes with assumptions about the likely characteristics of children and adults that have care experience. They can also be implicit and are evidenced in the way care experience is discussed in schools, workplaces and the media.

At its worst this can lead to care experienced people being refused employment, failing to succeed in education or facing unfair judgements about their ability to parent when they have children and families of their own.

Hearing testimony from care experienced people sharing the discrimination they have experienced, even from a very young age, it is clear that such discrimination can be similar in nature to other groups that have a legally protected characteristic under the Equality Act (2010).

So, while there may be ways that society can help reduce stigma and discrimination, including creating greater public consciousness on these issues, just as with other areas of equality, there is a case to go further. Therefore, the government is being encouraged to make care experience a protected characteristic.

"Making care experience a protected characteristic would provide greater

authority to employers, businesses, public services, and policy makers to put in place policies and programmes which promote better outcomes for care experienced people. It will make the UK the first country in the world to recognise care experienced people in this way. As a measure, it will bolster and pave the way for a number of the recommendations in this chapter." *Independent Review of Children's Social Care May 2022*

Newark and Sherwood District Council acknowledges that Care experienced people face significant barriers that can impact them throughout their lives.

- Despite the resilience of many care experienced people, society too often does not take their needs into account;
- Care experienced people often face discrimination and stigma across housing, health, education, relationships, employment and in the criminal justice system;
- Care experienced people often face a postcode lottery of support;
- As corporate parents, councillors have a collective responsibility for providing the best possible care and safeguarding for the children who are looked after by us as an authority;
- All corporate parents should commit to acting as mentors, hearing the voices of looked after children and young people and to consider their needs in any aspect of council work;
- Councillors should be champions of our looked after children and challenge the negative attitudes and prejudice that exists in all aspects of society;
- The Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment and victimisation of people with protected characteristics;
- Newark and Sherwood District Council acknowledges that Children entering the care system are often split from their siblings and placed outside their home Local Authority Area. That they don't choose to enter the care system, that they don't choose to be split up from their siblings and don't choose to be placed outside their local area.

The Council therefore resolves to:-

- Re-affirm our responsibilities as a corporate parent to children and young people with care experience
- Undertake a review of the impact of the Council's Care Leaver Offer and identify potential improvements/developments to improve the quality of life of Care Experienced People
- Agree to include people with care experience as a category within our Equalities Impact Assessment Process, in the same way as other groups afforded Protected Characteristic status
- Include people with care experience in general engagement exercises and discussions on new policy so they have opportunities to shape and influence what we do."

Universal Free School Meals

In accordance with Rule No. 3.4, Councillor L Brazier will move and Councillor Mrs Y Woodhead, will second a motion to the following effect:

“We need Free School Meals for all to ensure no child is left behind.

Free School Meals are a way of ensuring that all children receive a nutritious, hot meal every day. Reliable, nutritious food at school helps children to focus on their learning and their attainment improves.

Education staff see first-hand the impact that poverty has on a child’s educational experience and outcomes in school. When children come to school hungry they find it hard to concentrate and focus on their learning.

As a Council, Newark and Sherwood have supported projects throughout the district that are dealing with food poverty, as well as directly supporting with the set up of social supermarkets in the district.

This Council therefore calls upon the UK government to support families in the current cost of living crisis, by extending free school meals to all children in UK primary education.”

17. Minutes for Noting

(a)	Cabinet - 21 February 2023	146 - 158
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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, 7 February 2023 at 6.00 pm.

PRESENT: Councillor S Saddington (Chairman)
Councillor Mrs L Hurst (Vice-Chairman)

Councillor Mrs P Rainbow, 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 A Freeman, Councillor L Goff, Councillor P Harris, Councillor S Haynes, Councillor Mrs R Holloway, Councillor R Jackson, Councillor J Kellas, Councillor B Laughton, Councillor J Lee, Councillor D Lloyd, Councillor Mrs S Michael, Councillor N Mison, Councillor P Peacock, Councillor M Pringle, Councillor M Skinner, Councillor T Smith, Councillor T Thompson, Councillor I Walker, Councillor K Walker, Councillor T Wendels, Councillor R White and Councillor T Wildgust

APOLOGIES FOR ABSENCE: Councillor Mrs E Davis, Councillor K Girling and Councillor Mrs Y Woodhead

49 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Councillor T Wendels declared an Other Registerable Interest in Agenda Item No. 9 – Arkwood Developments Limited Governance Agreement Amendments as a Director of Arkwood Developments. The Council noted the interests previously declared by Members in Agenda Item No. 12 – Minutes for Noting.

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

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

51 MINUTES FROM THE MEETING HELD ON 13 DECEMBER 2022

AGREED that the minutes of the meeting held on 13 December 2022 be approved as a correct record and signed by the Chairman.

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

The Chairman announced the winners of the ‘Serving People – Improving Lives’ Awards for staff in 2022. The winners were at Full Council having already been presented with their awards at an event held in December 2022.

Team of the Year – Street Scene
Manager of the Year – Sarah Lawrie
Colleague of the Year – Clare Johnson-Cooper

Apprentice of the Year – Lily Kempster
Chief Executive’s Award – Andy Hardy

The Council congratulated the award winners.

The Chairman also received the Armed Forces Covenant Gold Award Certificate from Andrew Weaver and Kevin Winter on behalf of the Council.

The Chairman also invites Councillor Mrs R Crowe to share in her success in being presented with a Badge of Honour by representatives from Emmendigen. This was only the third award of the Badge of Honour that had been given.

The Chairman also reminded Members of her charity fund raising musical event being held on Saturday, 25 February 2023 at 7pm, at the North Muskham Rural Community Centre.

The Portfolio Holder for Homes & Health, Councillor T Wendels, advised Members that the Broadleaves Extra Care Housing Scheme in Boughton had been announced as the regional winner of the LABC Building Excellence Awards 2022 for Best Large Social Housing Development and he thanked everyone involved.

The Portfolio Holder for Cleaner, Safer, Greener, Councillor R Jackson, reminded Members that the Great British Spring Clean week started on 17 March 2023, and encouraged parishes to participate. He also advised that on 18 March 2023 the Major Oak saplings would be planted for those who had applied for them.

53 IN ACCORDANCE WITH RULE NO. 3.1 TO RECEIVE THE PRESENTATION OR THE DEBATING OF ANY PETITIONS FROM MEMBERS OF THE COUNCIL

In accordance with Council Procedure Rule No. 3.1, Councillor A Freeman presented a petition with 250 signatures which called for the foot crossing across the railway line at Thoresby Junction, Edwinstowe to be kept open.

It was noted this would be taken up by the local Ward Members with Nottinghamshire County Council as the appropriate body.

54 2023/24 HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING REPORT

The Council considered the joint report of the Deputy Chief Executive, Director – Resources and Section 151 Officer and Director – Housing, Health & Wellbeing which set out the proposed income and expenditure on the HRA for the 2023/24 financial year, provided indicative amounts of income and expenditure for the 2024/25 to 2026/27 financial years; and sought approval for rent levels and service charges for 2023/24 (with effect from the first Monday in April 2023) as detailed in Appendices A, B and C to the report.

The Cabinet, at their meeting held on 17 January 2023, recommended approval of the HRA budget for 2023/24, an increase of 5% on rents, a rent increase of 11.1% on all relets, changes in service charges, and the creation of a £30,000 tenant support fund.

Councillor T Wendels moved and Councillor D Lloyd seconded the recommendations contained in the report, which reflected the recommendations made by the Cabinet.

Councillor P Peacock moved, and Councillor L Brazier seconded an amendment that:

- a) the HRA budget for 2023/24, as set out in Appendix A to this report be approved;
- b) an increase of 3% in the 2022/23 rents of all properties in the HRA as of 31 March 2023 be applied from 1 April 2023;
- c) the 2023/24 service charges, as set out in Appendix C, to this report be approved; and
- d) a fund of £300,000 be created, funded by the Newark and Sherwood Homes Transfer Reserve to fund initiatives to support tenants impacted by the increased charges including a tenant welfare fund as outlined from 2.44 of this report.

Members debated the proposed amendment and on being put to the vote, it was lost with 9 votes for and 27 against.

The Council considered the substantive motion and it was AGREED (with 29 votes for and 7 against) that:

- a) the HRA budget for 2023/24, as set out in Appendix A to this report be approved;
- b) an increase of 5% in the 2022/23 rents of all properties in the HRA as of 31 March 2023 be applied from 1 April 2023;
- c) a rent increase of 11.1% on all formula rents which will be applied upon relet;
- d) the 2023/24 service charges, as set out in Appendix C, to this report be approved: and
- e) a fund of £300,000 be created, funded by the Newark and Sherwood Homes Transfer Reserve to fund initiatives to support tenants impacted by the increased charges including a tenant welfare fund as outlined from 2.44 of the report.

(Councillor R White left the meeting following consideration of this item).

55 ARKWOOD DEVELOPMENTS LIMITED GOVERNANCE AGREEMENT AMENDMENTS

The Council considered the report of the Assistant Director – Legal & Democratic Services which proposed some minor amendments to the Governance Agreement between the Council and Arkwood Developments Limited.

A review of the Governance Agreement had been undertaken to ensure consistency with the Council's revised governance arrangements, and to consider if any other revisions should be recommended. The proposed minor amendments were highlighted in the appendix to the report, and these had been recommended for approval by the Executive Shareholder Committee at their meeting held on 20 December 2022.

AGREED (unanimously) that the updated Governance Agreement as set out in the Appendix to the report be approved.

56 APPOINTMENT OF DEPUTY ELECTORAL REGISTRATION OFFICER

The Council considered the report of the Assistant Director – Legal & Democratic Services which sought to appoint deputies for the statutory role of Electoral Registration Officer which is held by the Chief Executive. It was reported that this would enable other officers to act in the absence of the Electoral Registration Officer which may be required given the legislative change introduced by the Elections Act 2022.

AGREED (unanimously) that the appointments of the Business Manager – Elections & Democratic Services and the Electoral Services Manager as Deputy Electoral Registration Officers, be approved.

57 NOTICE OF MOTION

In accordance with Council Procedure Rule No. 3.4.3, Councillor A Freeman moved and Councillor L Brazier seconded a motion to the following effect:

“That the Council in its reports, minutes, press releases and general communications stops referring to a ‘cost of living challenge’ and call it what it actually is, a ‘cost of living crisis’”.

Councillor D Lloyd proposed an addition to the wording, which was supported by Councillor A Freeman as the mover of the motion, as follows:

“acknowledging the financial support from central government, the speed with which this Council has distributed its component of that and the additional finances and initiatives that this Council is implementing both directly and with partners”.

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

58 MINUTES FOR NOTING

58a CABINET - 6 DECEMBER 2022

58b CABINET (PERFORMANCE) - 20 DECEMBER 2022

58c CABINET - 17 JANUARY 2023

58d EXECUTIVE SHAREHOLDER COMMITTEE - 20 DECEMBER 2022

58e PLANNING COMMITTEE - 8 DECEMBER 2022

58f PLANNING COMMITTEE - 19 JANUARY 2023

Minute No. 86 – Temporary Vaccination Centre, Brackenhurst (Nottingham Trent University), Southwell

Councillor B Loughton thanked the NHS and the volunteers who had provided the covid vaccination service at Brackenhurst.

58g TRUSTEE BOARD OF THE GILSTRAP AND WILLIAM EDWARD KNIGHT CHARITIES - 11
JANUARY 2023

Meeting closed at 7.18 pm.

Chairman



Report to: Full Council Meeting – 9 March 2023

Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli – Director – Resources and Section 151 Officer

Lead Officers: Nick Wilson, Business Manager - Financial Services Ext 5317, Phil Ward, Business Manager - Revenues & Benefits Ext 5347

Report Summary	
Report Title	Revenue Budget and Council Tax Setting for 2023/24
Purpose of Report	The functions of calculating the Council Tax requirement and the District element of the Council Tax, and the function of setting the Council Tax are the responsibility of the Full Council. This report provides members of the Council with the information required to set a Council Tax for 2023/24 in accordance with statutory regulations.
Recommendations	That Council: a) note the proposals under section 2 of the report; b) approve the proposals under section 3 of the report; c) note sections 4, 5 and 6 of the report; d) note the proposal in section 7 of the report; and e) note the determination in section 8 of the report.
Reason for Recommendation	To ensure the Council fulfils its statutory duty, under Section 30 of the Local Government Act 1992, to set a Council Tax for 2023/24.

1.0 Background

1.1 The Council is required by the Local Government Finance Act 1992 to set a Council Tax for 2023/2024.

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

1.3 In setting the level of Council Tax for 2023/2024 it is necessary to consider the requirements of the Council Tax Collection Fund for 2023/2024. This incorporates the District Council's Council Tax Requirement, Parish Council Precepts, and the Council Tax requirements of Nottinghamshire County Council, the Nottinghamshire Police and Crime Commissioner and the Nottinghamshire Fire and Rescue Service.

- 1.4 The Cabinet meeting held on the 21 February 2023, recommended that the District Council's Net Budget Requirement for 2023/2024 should be £16,959,000 as detailed in the Council's Budget Book for 2023/2024.
- 1.5 As part of the budget process, the views of the operational committees have been taken into account.
- 1.6 The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 require that "immediately after any vote is taken at a budget decision meeting of an authority there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting". Members will be aware that this applies to all parts of Proposals 3 a-i in this report.
- 1.7 All Parish Council precepts have now been received. Parish precepts total £3,572,738.30. Individual Parish Council precepts are shown in the table below.

	PARISH	PRECEPT 2023-24 £
1	Alverton	-
2	Averham	*
3	Balderton	351,558.00
4	Barnby in the Willows	4,072.86
5	Bathley	1,612.00
6	Besthorpe	7,660.00
7	Bilsthorpe	83,525.75
8	Bleasby	18,683.00
9	Blidworth	90,323.00
10	Bulcote	10,000.00
11	Carlton-on-Trent	3,564.00
12	Caunton	6,500.00
13	Caythorpe	4,300.00
14	Clipstone	170,003.00
15	Coddington	16,927.00
16	Collingham	47,078.00
17	Cotham	-
18	Cromwell	1,050.00

	PARISH	PRECEPT 2023-24 £
19	Eakring	5,188.00
20	East Stoke	****
21	Edingley	11,500.00
22	Edwinstowe	185,000.00
23	Egmanton	5,000.00
24	Elston	28,000.00
25	Epperstone	16,050.00
26	Farndon	58,280.00
27	Farnsfield	84,708.00
28	Fiskerton-cum-Morton	9,300.00
29	Girton and Meering	1,202.00
30	Gonalston	-
31	Grassthorpe	-
32	Gunthorpe	22,377.00
33	Halam	4,000.00
34	Halloughton	-
35	Harby	6,239.00
36	Hawton	1,250.00
37	Hockerton	5,000.00
38	Holme	-
39	Hoveringham	16,000.00
40	Kelham	*
41	Kersall	**
42	Kilvington	-
43	Kirklington	6,700.00
44	Kirton	7,875.00
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	4,600.00

	PARISH	PRECEPT 2023-24 £
48	Lowdham	79,042.00
49	Lyndhurst	-
50	Maplebeck	-
51	Meering	-
52	Newark	1,093,358.69
53	North Clifton	1,787.00
54	North Muskham	18,405.00
55	Norwell	9,123.00
56	Ollerton and Boughton	471,064.00
57	Ompton	**
58	Ossington	-
59	Oxton	17,941.00
60	Perlethorpe-cum-Budby	1,800.00
61	Rainworth	67,000.00
62	Rolleston	7,250.00
63	Rufford	4,000.00
64	South Clifton	2,750.00
65	South Muskham	13,717.00
66	South Scarle	5,145.00
67	Southwell	258,374.00
68	Spalford	-
69	Staunton	-
70	Staythorpe	*
71	Sutton-on-Trent	26,958.00
72	Syerston	-
73	Thorney	2,646.00
74	Thorpe	****
75	Thurgarton	13,275.00
76	Upton	8,400.00

	PARISH	PRECEPT 2023-24 £
77	Walesby	44,412.00
78	Wellow	7,200.00
79	Weston	4,685.00
80	Wigsley	-
81	Winkburn	-
82	Winthorpe	***
83	Fernwood	89,112.00
84	Kings Clipstone	9,975.00

Parishes Grouped for Precept Purposes

*	Averham, Kelham, Staythorpe	4,725.00
**	Kneesall, Kersall, Ompton	3,018.00
***	Winthorpe, Langford	9,450.00
****	East Stoke, Thorpe	3,000.00
	Total	3,572,738.30

- 1.8 The Government Grants 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 £10,651,860 for 2023/24 and are shown at 3(d).
- 1.9 In setting the level of Council Tax for 2023/2024, it is necessary to assess whether any adjustment is necessary due to the level of Council Tax levy prior to 2023/2024. This involves calculations according to the provisions of the Local Authorities (Funds)(England) Regulations 1992, as subsequently amended. The position of the Council Tax Collection Fund was examined on 15 January, 2023, as required by the Regulations. After calculation, it is considered that there is a deficit on the Council Tax Collection Fund and therefore an adjustment is necessary to the level of Council Tax for 2032/2024 precepts for 2023/2024 in respect of this.
- 1.10 Any deficit on the Collection Fund has, by law, to be apportioned between the District Council, the County Council, the Police and Crime Commissioner and the Fire Authority in proportion to their respective calls on the Collection Fund for the previous year.
- 1.11 The proportion of the deficit relating to Newark & Sherwood District Council is £141,120, this reduction is shown at 3 (e).

- 1.12 The amount shown at 3(f) of £1,456,910 is the amount that the Council has determined to contribute to usable reserves.
- 1.13 The amount shown at 3(g) of £7,905,170.00 is the Council Tax requirement for Newark and Sherwood District Council (excluding parish precepts) net of revenue support grant and business rates income as shown at 3(d).
- 1.14 The basic level of tax (i.e. the level of tax for Band D properties) required to fund District Council Services in areas where no parish charge is levied is £189.16 as shown at 3(h).
- 1.15 There are no District Council Special Expenses for 2023/2024. The amount shown at 3(i) of £3,572,738.30 for special items relates to Parish Precepts only.
- 1.16 The basic level of tax i.e. the level of tax for Band D properties for District Council Services and the average of all parish precepts is shown at 3(j).
- 1.17 The basic level of tax for Band D properties in each parish, including parish charges (where appropriate) is shown at 3(k).
- 1.18 The basic level of tax for Band D properties is then multiplied by the appropriate statutory factor for each valuation band in order to arrive at the level of tax for District and Parish services for each valuation band. The resulting figures are shown at 3(l).
- 1.19 These figures then have to be added to the level of tax set by Nottinghamshire County Council, the Nottinghamshire Police & Crime Commissioner and the Nottingham and Nottinghamshire Fire and Rescue Service, for the provision of its services.
- 1.20 Nottinghamshire County Council has set a precept on Newark and Sherwood District Council's collection fund for 2023/2024 of £72,033,406.00, equivalent to a Band D Council Tax of £1,723.66. Council Tax figures for each Band are set out in section 4.
- 1.21 The Nottinghamshire Police & Crime Commissioner has set a precept on Newark and Sherwood District Council's Collection fund for 2023/2024 of £11,249,708.52, equivalent to a Band D Council Tax of £269.19. Council Tax figures for each Band are set out in section 5.
- 1.22 The Nottingham and Nottinghamshire Fire and Rescue Service (the "Combined Fire Authority") has set a precept on Newark and Sherwood District Council's Collection fund for 2023/2024 of £3,743,216.00 equivalent to a Band D Council Tax of £89.57. Council Tax figures for each Band are set out in section 6.
- 1.23 The total levels of Council Tax for 2023/2024 for each Council Tax valuation band in each parish is shown in section 7.
- 1.24 The level of Council Tax for Newark and Sherwood District Council services only is:

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32

1.25 From 2012/13, the Government replaced the former Council Tax Capping provisions with regulations requiring a Council Tax referendum to be held where a Council proposes a Council Tax increase in excess of a level set by the Secretary of State. For 2023/24, the level of Council Tax increase that would trigger a referendum has been set at the higher of 3.0% or more than £5.00. Having carried out the necessary calculation, the Council's budget and Council Tax do not exceed the threshold and so do not trigger a referendum. This is reflected in section 8.

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

Valuation Band

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16

2.0 Proposals for Noting

2.1 **The revenue estimates for 2023/2024 and schedule of fees and charges, as submitted in the Council's Budget book be approved;**

2.2 **it be noted that the following amounts have been determined for the year 2023/2024 in accordance with regulations made under Section 31(B) of the Local Government Finance Act 1992:-**

- (a) **41,790.96** 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) **£42,354,993** 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	27.09
2	Averham	119.16
3	Balderton	3,068.01

	PARISH	TOTAL LOCAL TAX BASE
4	Barnby in the Willows	110.43
5	Bathley	121.50
6	Besthorpe	81.36
7	Bilsthorpe	1,007.55
8	Bleasby	393.66
9	Blidworth	1,131.57
10	Bulcote	166.95
11	Carlton-on-Trent	97.11
12	Caunton	211.23
13	Caythorpe	143.01
14	Clipstone	1,708.92
15	Coddington	571.77
16	Collingham	1,267.92
17	Cotham	42.75
18	Cromwell	102.33
19	Eakring	200.79
20	East Stoke	70.38
21	Edingley	190.08
22	Edwinstowe	1,933.92
23	Egmanton	132.12
24	Elston	287.28
25	Epperstone	276.12
26	Farndon	825.21
27	Farnsfield	1,335.96
28	Fiskerton-cum-Morton	419.85
29	Girton and Meering	60.03
30	Gonalston	52.47
31	Grassthorpe	28.98
32	Gunthorpe	317.52
33	Halam	204.30

	PARISH	TOTAL LOCAL TAX BASE
34	Halloughton	39.24
35	Harby	123.48
36	Hawton	33.12
37	Hockerton	100.71
38	Holme	41.13
39	Hoveringham	175.77
40	Kelham	89.64
41	Kersall	22.50
42	Kilvington	13.77
43	Kirklington	171.00
44	Kirton	122.94
45	Kneesall	88.47
46	Langford	42.21
47	Laxton & Moorhouse	117.63
48	Lowdham	1,018.71
49	Lyndhurst	7.20
50	Maplebeck	47.16
51	Meering	-
52	Newark	9,125.01
53	North Clifton	74.52
54	North Muskham	417.24
55	Norwell	216.90
56	Ollerton and Boughton	2,976.12
57	Ompton	22.32
58	Ossington	39.69
59	Oxton	274.41
60	Perlethorpe-cum-Budby	70.02
61	Rainworth	1,942.29
62	Rolleston	163.71
63	Rufford	234.99

	PARISH	TOTAL LOCAL TAX BASE
64	South Clifton	129.33
65	South Muskham	200.79
66	South Scarle	98.28
67	Southwell	3,026.52
68	Spalford	39.60
69	Staunton	28.62
70	Staythorpe	44.73
71	Sutton-on-Trent	558.63
72	Syerston	97.83
73	Thorney	99.54
74	Thorpe	32.31
75	Thurgarton	255.42
76	Upton	193.23
77	Walesby	440.28
78	Wellow	189.18
79	Weston	137.79
80	Wigsley	50.94
81	Winkburn	41.67
82	Winthorpe	296.28
83	Fernwood	1,187.37
84	Kings Clipstone	123.39
	Total Rounded	41,790.96

Parishes Grouped For Precept Purposes

	Averham, Kelham, Staythorpe	253.53
	Kneesall, Kersall, Ompton	133.29
	Winthorpe, Langford	338.49
	East Stoke, Thorpe	102.69

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

3.0 Proposals to be Approved

That the following amounts be now calculated by the Council for the year 2023/2024 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992:-

- (a) £52,026,050.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) to (4) of the Act;
- (b) £35,067,050.00 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) £16,959,000.00 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) £10,651,860.00 being the amount of Government Grants (£2,115,860) and net retained Business Rates (£8,536,000) which the Council estimates will be payable for the year into its general fund;
- (e) £141,120.00 being the amount which the Council has estimated in accordance with regulations issued under Section 97(3) of the Local Government Finance Act 1988 as its proportion of the deficit on the Council Tax Collection Fund;
- (f) £1,456,910.00 being the amount that the Council has determined to contribute to usable reserves;
- (g) £7,905,170.00 being the amount at 3(c) above less the amount at 3(d) above plus the amount at 3(e) above less the amount at 3(f) above calculated by the Council as its' net Council Tax requirement for the year.
- (h) £189.16 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) £3,572,738.30 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) £274.65 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	189.16
2	Averham	*
3	Balderton	303.75
4	Barnby in the Willows	226.04
5	Bathley	202.43
6	Besthorpe	283.31
7	Bilsthorpe	272.06
8	Bleasby	236.62
9	Blidworth	268.98
10	Bulcote	249.06
11	Carlton-on-Trent	225.86
12	Caunton	219.93
13	Caythorpe	219.23
14	Clipstone	288.64
15	Coddington	218.76
16	Collingham	226.29
17	Cotham	189.16
18	Cromwell	199.42
19	Eakring	215.00
20	East Stoke	****
21	Edingley	249.66
22	Edwinstowe	284.82
23	Egmanton	227.00
24	Elston	286.63
25	Epperstone	247.29
26	Farndon	259.78
27	Farnsfield	252.57

	PARISH	BASIC TAX (£)
28	Fiskerton-cum-Morton	211.31
29	Girton and Meering	209.18
30	Gonalston	189.16
31	Grassthorpe	189.16
32	Gunthorpe	259.63
33	Halam	208.74
34	Halloughton	189.16
35	Harby	239.69
36	Hawton	226.90
37	Hockerton	238.81
38	Holme	189.16
39	Hoveringham	280.19
40	Kelham	*
41	Kersall	**
42	Kilvington	189.16
43	Kirklington	228.34
44	Kirton	253.22
45	Kneesall	**
46	Langford	***
47	Laxton & Moorhouse	228.27
48	Lowdham	266.75
49	Lyndhurst	189.16
50	Maplebeck	189.16
51	Meering	189.16
52	Newark	308.98
53	North Clifton	213.14
54	North Muskham	233.27
55	Norwell	231.22
56	Ollerton and Boughton	347.44

	PARISH	BASIC TAX (£)
57	Ompton	**
58	Ossington	189.16
59	Oxton	254.54
60	Perlethorpe-cum-Budby	214.87
61	Rainworth	223.66
62	Rolleston	233.45
63	Rufford	206.18
64	South Clifton	210.42
65	South Muskham	257.48
66	South Scarle	241.51
67	Southwell	274.53
68	Spalford	189.16
69	Staunton	189.16
70	Staythorpe	*
71	Sutton-on-Trent	237.42
72	Syerston	189.16
73	Thorney	215.74
74	Thorpe	****
75	Thurgarton	241.13
76	Upton	232.63
77	Walesby	290.03
78	Wellow	227.22
79	Weston	223.16
80	Wigsley	189.16
81	Winkburn	189.16
82	Winthorpe	***
83	Fernwood	264.21
84	Kings Clipstone	270.00

	Parishes Grouped for Parish Purposes	Basic Tax (£)
*	Averham, Kelham, Staythorpe	207.80
**	Kneesall, Kersall, Ompton	211.80
***	Winthorpe, Langford	217.08
****	East Stoke, Thorpe	218.37

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.

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

Part of the Council's area, being the Parishes of:-	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
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		£	£	£	£	£	£	£	£
1	Alverton	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
2	Averham	*	*	*	*	*	*	*	*
3	Balderton	202.50	236.25	270.00	303.75	371.25	438.75	506.25	607.50
4	Barnby in the Willows	150.69	175.81	200.92	226.04	276.27	326.50	376.73	452.08
5	Bathley	134.95	157.45	179.94	202.43	247.41	292.40	337.38	404.86
6	Besthorpe	188.87	220.35	251.83	283.31	346.27	409.23	472.18	566.62
7	Bilsthorpe	181.37	211.60	241.83	272.06	332.52	392.98	453.43	544.12
8	Bleasby	157.75	184.04	210.33	236.62	289.20	341.78	394.37	473.24
9	Blidworth	179.32	209.21	239.09	268.98	328.75	388.53	448.30	537.96
10	Bulcote	166.04	193.71	221.39	249.06	304.41	359.75	415.10	498.12
11	Carlton-on-Trent	150.57	175.67	200.76	225.86	276.05	326.24	376.43	451.72
12	Caunton	146.62	171.06	195.49	219.93	268.80	317.68	366.55	439.86
13	Caythorpe	146.15	170.51	194.87	219.23	267.95	316.67	365.38	438.46

14	Clipstone	192.43	224.50	256.57	288.64	352.78	416.92	481.07	577.28
15	Coddington	145.84	170.15	194.45	218.76	267.37	315.99	364.60	437.52
16	Collingham	150.86	176.00	201.15	226.29	276.58	326.86	377.15	452.58
17	Cotham	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
18	Cromwell	132.95	155.10	177.26	199.42	243.74	288.05	332.37	398.84
19	Eakring	143.33	167.22	191.11	215.00	262.78	310.56	358.33	430.00
20	East Stoke	****	****	****	****	****	****	****	****
21	Edingley	166.44	194.18	221.92	249.66	305.14	360.62	416.10	499.32
22	Edwinstowe	189.88	221.53	253.17	284.82	348.11	411.41	474.70	569.64
23	Egmanton	151.33	176.56	201.78	227.00	277.44	327.89	378.33	454.00
24	Elston	191.09	222.93	254.78	286.63	350.33	414.02	477.72	573.26
25	Epperstone	164.86	192.34	219.81	247.29	302.24	357.20	412.15	494.58
26	Farndon	173.19	202.05	230.92	259.78	317.51	375.24	432.97	519.56
27	Farnsfield	168.38	196.44	224.51	252.57	308.70	364.82	420.95	505.14
28	Fiskerton-cum-Morton	140.87	164.35	187.83	211.31	258.27	305.23	352.18	422.62
29	Girton	139.45	162.70	185.94	209.18	255.66	302.15	348.63	418.36
30	Gonalston	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
31	Grassthorpe	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
32	Gunthorpe	173.09	201.93	230.78	259.63	317.33	375.02	432.72	519.26
33	Halam	139.16	162.35	185.55	208.74	255.13	301.51	347.90	417.48
34	Halloughton	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
35	Harby	159.79	186.43	213.06	239.69	292.95	346.22	399.48	479.38
36	Hawton	151.27	176.48	201.69	226.90	277.32	327.74	378.17	453.80
37	Hockerton	159.21	185.74	212.28	238.81	291.88	344.95	398.02	477.62
38	Holme	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
39	Hoveringham	186.79	217.93	249.06	280.19	342.45	404.72	466.98	560.38
40	Kelham	*	*	*	*	*	*	*	*
41	Kersall	**	**	**	**	**	**	**	**
42	Kilvington	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
43	Kirklington	152.23	177.60	202.97	228.34	279.08	329.82	380.57	456.68
44	Kirton	168.81	196.95	225.08	253.22	309.49	365.76	422.03	506.44

45	Kneesall	**	**	**	**	**	**	**	**
46	Langford	***	***	***	***	***	***	***	***
47	Laxton & Moorhouse	152.18	177.54	202.91	228.27	279.00	329.72	380.45	456.54
48	Lowdham	177.83	207.47	237.11	266.75	326.03	385.31	444.58	533.50
49	Lyndhurst	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
50	Maplebeck	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
51	Meering	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
52	Newark	205.99	240.32	274.65	308.98	377.64	446.30	514.97	617.96
53	North Clifton	142.09	165.78	189.46	213.14	260.50	307.87	355.23	426.28
54	North Muskham	155.51	181.43	207.35	233.27	285.11	336.95	388.78	466.54
55	Norwell	154.15	179.84	205.53	231.22	282.60	333.98	385.37	462.44
56	Ollerton and Boughton	231.63	270.23	308.84	347.44	424.65	501.86	579.07	694.88
57	Ompton	**	**	**	**	**	**	**	**
58	Ossington	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
59	Oxton	169.69	197.98	226.26	254.54	311.10	367.67	424.23	509.08
60	Perlethorpe-cum-Budby	143.25	167.12	191.00	214.87	262.62	310.37	358.12	429.74
61	Rainworth	149.11	173.96	198.81	223.66	273.36	323.06	372.77	447.32
62	Rolleston	155.63	181.57	207.51	233.45	285.33	337.21	389.08	466.90
63	Rufford	137.45	160.36	183.27	206.18	252.00	297.82	343.63	412.36
64	South Clifton	140.28	163.66	187.04	210.42	257.18	303.94	350.70	420.84
65	South Muskham	171.65	200.26	228.87	257.48	314.70	371.92	429.13	514.96
66	South Scarle	161.01	187.84	214.68	241.51	295.18	348.85	402.52	483.02
67	Southwell	183.02	213.52	244.03	274.53	335.54	396.54	457.55	549.06
68	Spalford	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
69	Staunton	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
70	Staythorpe	*	*	*	*	*	*	*	*
71	Sutton-on-Trent	158.28	184.66	211.04	237.42	290.18	342.94	395.70	474.84
72	Syerston	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32

73	Thorney	143.83	167.80	191.77	215.74	263.68	311.62	359.57	431.48
74	Thorpe	****	****	****	****	****	****	****	****
75	Thurgarton	160.75	187.55	214.34	241.13	294.71	348.30	401.88	482.26
76	Upton	155.09	180.93	206.78	232.63	284.33	336.02	387.72	465.26
77	Walesby	193.35	225.58	257.80	290.03	354.48	418.93	483.38	580.06
78	Wellow	151.48	176.73	201.97	227.22	277.71	328.21	378.70	454.44
79	Weston	148.77	173.57	198.36	223.16	272.75	322.34	371.93	446.32
80	Wigsley	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
81	Winkburn	126.11	147.12	168.14	189.16	231.20	273.23	315.27	378.32
82	Winthorpe	***	***	***	***	***	***	***	***
83	Fernwood	176.14	205.50	234.85	264.21	322.92	381.64	440.35	528.42
84	Kings Clipstone	180.00	210.00	240.00	270.00	330.00	390.00	450.00	540.00

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	138.53	161.62	184.71	207.80	253.98	300.16	346.33	415.60
**	Kneesall, Kersall, Ompton	141.20	164.73	188.27	211.80	258.87	305.93	353.00	423.60
***	Winthorpe, Langford	144.72	168.84	192.96	217.08	265.32	313.56	361.80	434.16
*** *	East Stoke, Thorpe	145.58	169.84	194.11	218.37	266.90	315.42	363.95	436.74

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 2023/2024 that the Nottinghamshire County Council has stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below;

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
1,149.11	1,340.62	1,532.14	1,723.66	2,106.70	2,489.73	2,872.77	3,447.32

5. it be noted for the year 2023/2024 that the Nottinghamshire Police and Crime Commissioner has stated the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below;

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
179.46	209.37	239.28	269.19	329.01	388.83	448.65	538.38

6. it be noted for the year 2023/2024 that the Nottinghamshire Fire and Rescue Service has proposed the following amounts in precepts issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each valuation band shown below; and

Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
£	£	£	£	£	£	£	£
59.71	69.67	79.62	89.57	109.47	129.38	149.28	179.14

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 2023/2024 for each valuation band shown on the following pages:

Proposal 7									
Part of the Council's area, being the Parishes of:-		Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
		£	£	£	£	£	£	£	£
1	Alverton	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
2	Averham	1,526.81	1,781.28	2,035.75	2,290.22	2,799.16	3,308.10	3,817.03	4,580.44
3	Balderton	1,590.78	1,855.91	2,121.04	2,386.17	2,916.43	3,446.69	3,976.95	4,772.34
4	Barnby in the Willows	1,538.97	1,795.47	2,051.96	2,308.46	2,821.45	3,334.44	3,847.43	4,616.92
5	Bathley	1,523.23	1,777.11	2,030.98	2,284.85	2,792.59	3,300.34	3,808.08	4,569.70
6	Besthorpe	1,577.15	1,840.01	2,102.87	2,365.73	2,891.45	3,417.17	3,942.88	4,731.46
7	Bilsthorpe	1,569.65	1,831.26	2,092.87	2,354.48	2,877.70	3,400.92	3,924.13	4,708.96
8	Bleasby	1,546.03	1,803.70	2,061.37	2,319.04	2,834.38	3,349.72	3,865.07	4,638.08

9	Blidworth	1,567.60	1,828.87	2,090.13	2,351.40	2,873.93	3,396.47	3,919.00	4,702.80
10	Bulcote	1,554.32	1,813.37	2,072.43	2,331.48	2,849.59	3,367.69	3,885.80	4,662.96
11	Carlton-on-Trent	1,538.85	1,795.33	2,051.80	2,308.28	2,821.23	3,334.18	3,847.13	4,616.56
12	Caunton	1,534.90	1,790.72	2,046.53	2,302.35	2,813.98	3,325.62	3,837.25	4,604.70
13	Caythorpe	1,534.43	1,790.17	2,045.91	2,301.65	2,813.13	3,324.61	3,836.08	4,603.30
14	Clipstone	1,580.71	1,844.16	2,107.61	2,371.06	2,897.96	3,424.86	3,951.77	4,742.12
15	Coddington	1,534.12	1,789.81	2,045.49	2,301.18	2,812.55	3,323.93	3,835.30	4,602.36
16	Collingham	1,539.14	1,795.66	2,052.19	2,308.71	2,821.76	3,334.80	3,847.85	4,617.42
17	Cotham	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
18	Cromwell	1,521.23	1,774.76	2,028.30	2,281.84	2,788.92	3,295.99	3,803.07	4,563.68
19	Eakring	1,531.61	1,786.88	2,042.15	2,297.42	2,807.96	3,318.50	3,829.03	4,594.84
20	East Stoke	1,533.86	1,789.50	2,045.15	2,300.79	2,812.08	3,323.36	3,834.65	4,601.58
21	Edingley	1,554.72	1,813.84	2,072.96	2,332.08	2,850.32	3,368.56	3,886.80	4,664.16
22	Edwinstowe	1,578.16	1,841.19	2,104.21	2,367.24	2,893.29	3,419.35	3,945.40	4,734.48
23	Egmanton	1,539.61	1,796.22	2,052.82	2,309.42	2,822.62	3,335.83	3,849.03	4,618.84
24	Elston	1,579.37	1,842.59	2,105.82	2,369.05	2,895.51	3,421.96	3,948.42	4,738.10
25	Epperstone	1,553.14	1,812.00	2,070.85	2,329.71	2,847.42	3,365.14	3,882.85	4,659.42
26	Farndon	1,561.47	1,821.71	2,081.96	2,342.20	2,862.69	3,383.18	3,903.67	4,684.40
27	Farnsfield	1,556.66	1,816.10	2,075.55	2,334.99	2,853.88	3,372.76	3,891.65	4,669.98
28	Fiskerton-cum-Morton	1,529.15	1,784.01	2,038.87	2,293.73	2,803.45	3,313.17	3,822.88	4,587.46
29	Girton	1,527.73	1,782.36	2,036.98	2,291.60	2,800.84	3,310.09	3,819.33	4,583.20
30	Gonalston	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
31	Grassthorpe	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
32	Gunthorpe	1,561.37	1,821.59	2,081.82	2,342.05	2,862.51	3,382.96	3,903.42	4,684.10
33	Halam	1,527.44	1,782.01	2,036.59	2,291.16	2,800.31	3,309.45	3,818.60	4,582.32
34	Halloughton	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
35	Harby	1,548.07	1,806.09	2,064.10	2,322.11	2,838.13	3,354.16	3,870.18	4,644.22
36	Hawton	1,539.55	1,796.14	2,052.73	2,309.32	2,822.50	3,335.68	3,848.87	4,618.64
37	Hockerton	1,547.49	1,805.40	2,063.32	2,321.23	2,837.06	3,352.89	3,868.72	4,642.46
38	Holme	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
39	Hoveringham	1,575.07	1,837.59	2,100.10	2,362.61	2,887.63	3,412.66	3,937.68	4,725.22

40	Kelham	1,526.81	1,781.28	2,035.75	2,290.22	2,799.16	3,308.10	3,817.03	4,580.44
41	Kersall	1,529.48	1,784.39	2,039.31	2,294.22	2,804.05	3,313.87	3,823.70	4,588.44
42	Kilvington	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
43	Kirklington	1,540.51	1,797.26	2,054.01	2,310.76	2,824.26	3,337.76	3,851.27	4,621.52
44	Kirton	1,557.09	1,816.61	2,076.12	2,335.64	2,854.67	3,373.70	3,892.73	4,671.28
45	Kneesall	1,529.48	1,784.39	2,039.31	2,294.22	2,804.05	3,313.87	3,823.70	4,588.44
46	Langford	1,533.00	1,788.50	2,044.00	2,299.50	2,810.50	3,321.50	3,832.50	4,599.00
47	Laxton & Moorhouse	1,540.46	1,797.20	2,053.95	2,310.69	2,824.18	3,337.66	3,851.15	4,621.38
48	Lowdham	1,566.11	1,827.13	2,088.15	2,349.17	2,871.21	3,393.25	3,915.28	4,698.34
49	Lyndhurst	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
50	Maplebeck	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
51	Meering	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
52	Newark	1,594.27	1,859.98	2,125.69	2,391.40	2,922.82	3,454.24	3,985.67	4,782.80
53	North Clifton	1,530.37	1,785.44	2,040.50	2,295.56	2,805.68	3,315.81	3,825.93	4,591.12
54	North Muskham	1,543.79	1,801.09	2,058.39	2,315.69	2,830.29	3,344.89	3,859.48	4,631.38
55	Norwell	1,542.43	1,799.50	2,056.57	2,313.64	2,827.78	3,341.92	3,856.07	4,627.28
56	Ollerton and Boughton	1,619.91	1,889.89	2,159.88	2,429.86	2,969.83	3,509.80	4,049.77	4,859.72
57	Ompton	1,529.48	1,784.39	2,039.31	2,294.22	2,804.05	3,313.87	3,823.70	4,588.44
58	Ossington	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
59	Oxton	1,557.97	1,817.64	2,077.30	2,336.96	2,856.28	3,375.61	3,894.93	4,673.92
60	Perlethorpe-cum-Budby	1,531.53	1,786.78	2,042.04	2,297.29	2,807.80	3,318.31	3,828.82	4,594.58
61	Rainworth	1,537.39	1,793.62	2,049.85	2,306.08	2,818.54	3,331.00	3,843.47	4,612.16
62	Rolleston	1,543.91	1,801.23	2,058.55	2,315.87	2,830.51	3,345.15	3,859.78	4,631.74
63	Rufford	1,525.73	1,780.02	2,034.31	2,288.60	2,797.18	3,305.76	3,814.33	4,577.20
64	South Clifton	1,528.56	1,783.32	2,038.08	2,292.84	2,802.36	3,311.88	3,821.40	4,585.68
65	South Muskham	1,559.93	1,819.92	2,079.91	2,339.90	2,859.88	3,379.86	3,899.83	4,679.80
66	South Scarle	1,549.29	1,807.50	2,065.72	2,323.93	2,840.36	3,356.79	3,873.22	4,647.86
67	Southwell	1,571.30	1,833.18	2,095.07	2,356.95	2,880.72	3,404.48	3,928.25	4,713.90
68	Spalford	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
69	Staunton	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16

70	Staythorpe	1,526.81	1,781.28	2,035.75	2,290.22	2,799.16	3,308.10	3,817.03	4,580.44
71	Sutton-on-Trent	1,546.56	1,804.32	2,062.08	2,319.84	2,835.36	3,350.88	3,866.40	4,639.68
72	Syerston	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
73	Thorney	1,532.11	1,787.46	2,042.81	2,298.16	2,808.86	3,319.56	3,830.27	4,596.32
74	Thorpe	1,533.86	1,789.50	2,045.15	2,300.79	2,812.08	3,323.36	3,834.65	4,601.58
75	Thurgarton	1,549.03	1,807.21	2,065.38	2,323.55	2,839.89	3,356.24	3,872.58	4,647.10
76	Upton	1,543.37	1,800.59	2,057.82	2,315.05	2,829.51	3,343.96	3,858.42	4,630.10
77	Walesby	1,581.63	1,845.24	2,108.84	2,372.45	2,899.66	3,426.87	3,954.08	4,744.90
78	Wellow	1,539.76	1,796.39	2,053.01	2,309.64	2,822.89	3,336.15	3,849.40	4,619.28
79	Weston	1,537.05	1,793.23	2,049.40	2,305.58	2,817.93	3,330.28	3,842.63	4,611.16
80	Wigsley	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
81	Winkburn	1,514.39	1,766.78	2,019.18	2,271.58	2,776.38	3,281.17	3,785.97	4,543.16
82	Winthorpe	1,533.00	1,788.50	2,044.00	2,299.50	2,810.50	3,321.50	3,832.50	4,599.00
83	Fernwood	1,564.42	1,825.16	2,085.89	2,346.63	2,868.10	3,389.58	3,911.05	4,693.26
84	Kings Clipstone	1,568.28	1,829.66	2,091.04	2,352.42	2,875.18	3,397.94	3,920.70	4,704.84

Parishes joint for Precept purposes

*	Averham, Kelham, Staythorpe	1,526.81	1,781.28	2,035.75	2,290.22	2,799.16	3,308.10	3,817.03	4,580.44
**	Kneesall, Kersall, Ompton	1,529.48	1,784.39	2,039.31	2,294.22	2,804.05	3,313.87	3,823.70	4,588.44
***	Winthorpe, Langford	1,533.00	1,788.50	2,044.00	2,299.50	2,810.50	3,321.50	3,832.50	4,599.00
*** *	East Stoke, Thorpe	1,533.86	1,789.50	2,045.15	2,300.79	2,812.08	3,323.36	3,834.65	4,601.58

8. **determine that the Council's basic amount of council tax for 2023/24 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 2023/24. As the billing authority, the Council has not been notified by a major precepting authority that its relevant basic amount of Council Tax for 2023/24 is excessive and that the billing authority is not required to hold a referendum in accordance with Section 52ZK Local Government Finance Act 1992.**

5.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding, Sustainability, and Crime and

Disorder and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

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

Budget Book 2023/24 available at <https://www.newark-sherwooddc.gov.uk/budgets/>

Local Government Finance Act 1992

Local Government Finance Act 2012

Localism Act 2012

Regulations and Directions issued annually under the above Acts



Report to: Full Council Meeting – 9 March 2023

Relevant Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

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

Lead Officers: Jenna Norton, Senior Accountant, Financial Services, Ext. 5327

Report Summary	
Report Title	Capital Programme Budget 2023/24 to 2026/27
Purpose of Report	To approve the Council’s Capital Programme for 2023/24 to 2026/27.
Recommendations	<p>That:</p> <ul style="list-style-type: none"> a) the General Fund schemes shown in Appendix A and the Housing Revenue Account schemes 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 2023/24 to 2026/27 be financed to maximise the resources available, having regard to the provisions of the Local Government and Housing Act 1989 and subsequent legislation; and d) any changes above the limit delegated to the Section 151 Officer (i.e., £10,000), either in funding or the total cost of the capital scheme, be reported to the Cabinet for consideration.
Reason for Recommendations	The Capital Programme to be approved by Council in accordance with Financial Regulation 6.2.3 following recommendation from Cabinet.

1.0 Background

1.1 At its meeting on 21 February 2023 Cabinet considered the proposed Capital Programme and agreed to recommend it to Council. A copy of the report is attached at **Appendix 1**.

- 1.2 Since the meeting, a Portfolio Holder decision has been approved for one additional scheme which can be found at appendix A for a Female only Shower Block at the Lorry Park. The financing for the scheme is currently proposed as 50/50 external grant funding from the Department for Transport and a revenue contribution from existing budgets, available in 2022/23.

2.0 Proposal/Options Considered

- 2.1 The Capital Programme for 2023/24 to 2026/27 proposes investment of £129.298m over the 4 year programme. General Fund projects of £78.691m and HRA projects of £50.607m (made up of Property Investment and the New Build Programme).
- 2.2 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.

3.0 Implications (FIN22-23/9446)

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

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

Background Papers and Published Documents

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

None



Report to: Cabinet Meeting: 21 February 2023
 Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance
 Director Lead: Sanjiv Kohli, Director – Resources and Deputy Chief Executive
 Lead Officer: Jenna Norton, Senior Accountant – Financial Services Extension 5327

Report Summary	
Type of Report	Open, Key Decision
Report Title	Capital Programme Budget 2023/24 to 2026/27
Purpose of Report	In accordance with the Financial Regulations 6.2.3, Cabinet is required to consider the Capital Programme and recommend to the Council the final Programme for approval. This report details the proposed capital schemes over the medium term, together with the available resources to finance this.
Recommendations	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 2023 as committed expenditure in the Capital Programme for 2023/24 to 2026/27.
Alternative Options Considered	If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the community plan.
Reason for Recommendations	To enable the Capital Programme to be considered by Cabinet in accordance with Financial Regulation 6.2.3 prior to its submission to Council.

1.0 Background

- 1.1 The Capital Strategy was approved by Council on 9 March 2022. It contains the Capital Appraisal form template and the prioritisation criteria, which is in two stages. The schemes need to meet the criteria in stage 1, to progress to stage 2.
- 1.2 Capital Appraisal forms were circulated to all Business Managers during summer 2022 to enable bids for new Capital schemes. Completed forms were scored in conjunction with the prioritisation criteria. SLT considered the results of this exercise and the proposed Capital

Programme included within this report, contain those schemes that were agreed to be appropriate.

2.0 **Capital Expenditure – General Fund**

2.1 The Council intends to spend £78.631m in general fund capital expenditure from 2023/24 to 2026/27.

2.2 The major schemes in this programme are:

Scheme Name	Summary of Proposed Financing
Yorke Drive Regeneration and Community Facility	Borrowing plus external grant
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.
Glass Recycling Bin Purchase	Funded by Change Management reserve
Vehicles and Plant Replacement	£900k borrowing in relation to the X3 Glass collection vehicles
Cliptone Holding Centre Development	£5m borrowing, with remaining from Change Management Reserve
Southern Link Road Contribution	External Grant supplemented by a revenue contribution
Rural Prosperity Fund	Wholly funded by Grant
A1 Overbridge	Community Infrastructure Levy
Arkwood Developments Regeneration Loan Facility	Borrowing
32 Stodman Street	£2.2m Town Fund, £284k One Public Estate, £400k Rural Prosperity Fund with the remainder supplemented Reserves and borrowing
Contribution to the IASI	Towns Fund Grant

2.3 A number of new schemes have been added to the Capital Programme as part of the budget process. The total over the period of 2023/24 to 2026/27 of £5.097m in General Fund and £5.082m HRA. Details of which can be found labelled 'New' at Appendix A and B, and are summarised below:

Scheme Name	Summary of Proposed Financing
Glass Recycling Transfer Station	Borrowing
Glass Recycling Bin Purchase	Change Management Reserve

Playground Equipment Improvement	Third Party Contribution from Miner 2 Major (£8k) and the remaining from the Capital Reserve
Rural Prosperity Fund	Wholly funded by Grant
Beacon EV Charge Points	Capital Reserve
Security Gates Burma Road, Clipstone, Southwell, SOT & SFACC	Capital Reserve
Shared Prosperity Year 2 & 3	Wholly funded by Grant
Information Technology Investment	Capital Receipts and Capital Reserve
Jubilee Bridge Works	Asset Maintenance Reserve
HRA Playground Equipment Improvement	HRA Efficiencies
HRA Thermal Comfort	Major Repairs Reserve
HRA Housing Management System	Housing Reserve
HRA Carelines	Housing Reserve

2.4 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**.

3.0 Capital Expenditure – Housing Revenue Account (HRA)

3.1 The Council intends to spend £50.607m from the HRA from 2023/24 to 2026/27. This is made up of £27.624m on existing property investment and £22.983m on additional Affordable Housing.

3.2 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.

3.3 Major schemes included in the HRA are:

- Yorke Drive Estate Regeneration
- Phases 5 of the Council House Development Programme
- Replacement of the Housing Management System

3.4 Details of individual schemes are shown in **Appendix B**.

4.0 Resources Available

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

4.2 The most significant grants currently forecast over the medium term are from the Towns Fund, Levelling up Fund, Grant from Nottinghamshire County Council (for the Southern Link Road), Rural Prosperity Fund and the Better Care Fund (BCF) for Disabled Facilities Grants (DFG's). In addition to this, grants held from previous years for specific purposes are due to be utilised. For example, the 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 financial year.

4.3 Grants and Contributions in relation to the Southern Link Road, include £17.5m (the balance estimated to be remaining from the £20m awarded) from the Levelling up Fund and a third party contribution from Nottinghamshire County Council which was secured during 2022/23, to be administered by the Council on behalf of Nottinghamshire County Council in line with the current monitoring process for the other Public Sector grant.

4.4 The Rural Prosperity Fund (RPF) is a wholly Capital allocation, that has been bid through an addendum to the SPF Investment Plan that the Council will be informed of in March 2023. This will provide an allocation of £892k over two years 2023/24 and 2024/25. The programme will include an ability for external stakeholders to bid and will be a multiple series of small capital improvement that will be overseen and approved by the Portfolio Holder for Economic Growth & Visitors.

4.5 Capital Receipts

	General Fund	HRA	1-4-1	Total
	£'m	£'m	£'m	£'m
Estimated Balance @ 1 Apr 2023	0.994	1.710	1.197	3.901
Estimated Receipts 2023/24 – 2026/27	7.900	4.577	3.162	15.639
Approved for Financing 2023/24 – 2026/27	6.080	2.997	1.987	11.064
Unallocated Capital Receipts Balance	2.814	3.290	2.372	8.476

4.6 The general fund capital estimated receipts of £7.9m are made up of the sale of the residential properties on Stodman Street and the land at Lowfield Lane, due to be sold to Arkwood Developments.

4.7 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.

4.8 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.

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

5.0 Financing

5.1 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	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Borrowing	22.753	1.032	0	0
Government Grants	26.043	2.674	0.860	0.860
Contributions from Third Parties	3.008	0.225	0	0
Community Infrastructure Levy	5.540	0	0	0
Capital Receipts	0.753	1.781	1.762	1.783
Capital Reserve	0.754	0.080	0	0
RCCO	7.442	1.280	0	0
Total	66.294	7.072	2.622	2.643

Housing Revenue Account Capital Programme Financing Summary

HRA	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Borrowing	7.510	6.474	0	0
Government Grants	0	0	0	0
Contributions from Third Parties	0	0	0	0
Capital Receipts	4.985	0	0	0
RCCO	0.637	0.655	0	0
Revenue Support	9.913	6.846	6.846	6.741
Total	23.045	13.975	6.846	6.741

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

6.0 Implications

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

Background Papers and Published Documents

Capital Strategy 2023/24 report to Audit and Governance on 1 February 2023

GENERAL FUND CAPITAL PROGRAMME 2023/24 to 2026/27

SCHEME		EXTERNAL FUNDING	NSDC COSTS	TOTAL SCHEME COST	BEFORE 2023/24 (INC FORECAST FOR 2022/23)	2023/24	2024/25	2025/26	2026/27
TB2253	Vehicles & Plant	0	9,015,867	9,015,867	4,989,342	1,187,800	50,400	1,287,285	1,501,040
TF2000	CCTV Replacement Programme	15,500	189,850	205,350	86,000	90,500	20,070	8,780	
TF3227	Lowdham Flood Alleviation	0	200,000	200,000	0		200,000		
TF3231	Safer Streets 4	305,000	0	305,000		305,000			
TF3232	Rural Crime and Prevention	39,000	0	39,000		39,000			
TF6011	Private Sector Disabled Facilities Grants	4,200,000	0	4,200,000	1,400,000	700,000	700,000	700,000	700,000
TF6012	Discretionary DFG	540,000	0	540,000	180,000	90,000	90,000	90,000	90,000
New	Glass Recycling Transfer Station	0	38,400	38,400	0	38,400			
New	Glass Recycling Bin Purchase	0	1,411,909	1,411,909	0	1,411,909			
New	Playground Equipment Improvement Programme	0	249,200	249,200	0	249,200			
Cleaner, Safer Greener Total		5,099,500	11,105,226	16,204,726	6,655,342	4,111,809	1,060,470	2,086,065	2,291,040
TA3053	Museum Improvements	0	770,000	770,000	585,706	184,294			
TA3060	Beacon - New Boiler	0	61,525	61,525	0	61,525			
TA3061	Beacon - LED Lights	0	81,995	81,995	0	81,995			
TB3154	Castle Gatehouse Project	3,000,000	1,025,150	4,025,150	515,602	3,509,548			
TC3142	Common Lighting at Industrial Estates	0	66,750	66,750	1,253	65,497			
TC3143	Roller Shutter Doors at Industrial Units	0	224,750	224,750	0	224,750			
TC3145	Fire Signage and Emergency Lighting at Industrial Units	0	222,500	222,500	0	222,500			
TE3250 / New	Shared Prosperity Fund Year 1-3	427,550	0	427,550	40,000	59,750	327,800		
TI1002	A1 Overbridge Improvements	60,000	5,540,000	5,600,000	60,000	5,540,000			
TI1000	Towns Fund - 32 Stodman Street Regeneration	2,768,000	8,332,000	11,000,000	2,437,954	6,830,046	1,832,000		
TI1002	Town Fund - Contribution to IASTI	10,677,000	0	10,677,000	7,677,000	3,000,000			
TI1006	Towns Fund - Cultural Heart of Newark	1,500,000	0	1,500,000	0	900,000	600,000		
New	Rural England Prosperity Fund	892,000	0	892,000		446,000	446,000		
New	Beacon EV Chargepoints	0	36,850	36,850	0	36,850			
New	Security Gates Burma Road, Clipstone, S'well, SOT, SFACC	0	25,000	25,000	0	25,000			
New	Jubilee Bridge Works	0	333,500	333,500		333,500			
New	Palace Backstage Safety Improvements	0	59,526	59,526	0	59,526			
New	Female only Showers Lorry Park	30,000	30,000	60,000		60,000			
Economic Development & Visitors		19,354,550	16,809,546	36,064,096	11,317,515	21,640,781	3,205,800	0	0
TA1217	Southwell Leisure Centre Improvements	225,000	750,000	975,000	0		975,000		
TA1218	Leisure Equipment Purchase	0	760,000	760,000	0		760,000		
TA3097	Yorke Drive Regeneration and Community Facilities	100,000	3,358,000	3,458,000	403,719	3,054,281			
TF3228	Homeless Hostel	0	3,850,000	3,850,000	3,300,000	550,000			
TF6807	Warm Homes on Prescription	416,616	0	416,616	136,616	70,000	70,000	70,000	70,000
Homes & Health		741,616	8,718,000	9,459,617	3,840,336	3,674,281	1,805,000	70,000	70,000
TA3286 / New	Information Technology Investment	0	3,953,896	3,953,896	1,944,756	335,000	925,930	466,000	282,210
New	Upgrade Charging point at Castle House	0	50,000	50,000		50,000			
Organisational Development & Governance		0	4,003,896	4,003,896	1,944,756	385,000	925,930	466,000	282,210
TC2007	Clipstone Holding Centre Purchase & Works	0	8,413,250	8,413,250	1,093,250	7,320,000			
TC3136	Climate Change	0	205,200	205,200	55,200	75,000	75,000		
TE3268	Southern Link Road Contribution	29,114,779	5,904,436	35,019,215	14,519,215	20,500,000			
TG1003	Housing Regeneration Loan Facility	0		11,408,071	2,761,203	8,646,868			
Strategy Performance & Finance		29,114,779	14,522,886	55,045,736	18,428,868	36,541,868	75,000	0	0
Total Programme		54,310,446	55,159,554	120,778,070	42,186,816	66,353,739	7,072,200	2,622,065	2,643,250

HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2023/24 to 2026/27

SCHEME	EXTERNAL FUNDING	NSDC COSTS	TOTAL SCHEME COST	BEFORE 2023/24 INC FORECAST FOR 2022/23	2023/24	2024/25	2025/26	2026/27	
HOUSING REVENUE ACCOUNT									
PROPERTY INVESTMENT PROGRAMME									
S91100	ROOF REPLACEMENTS	2,400,000	2,400,000	0.00	480,000	480,000	480,000	480,000	
S91115	Roof Replacement Works	111,355	111,355	0.00	0	0	0	0	
S91116	Flat Roof Replacements	57,341	57,341	0.00	0	0	0	0	
S711	ROOF REPLACEMENTS	0	2,568,696	2,568,696	480,000	480,000	480,000	480,000	
S91200	KITCHEN & BATHROOM CONVERSIONS	7,200,000	7,200,000	0.00	1,800,000	1,800,000	1,800,000	1,800,000	
S91218	Kitchen & Bathrooms	2,390,000	2,390,000	0.00	0	0	0	0	
S712	KITCHEN & BATHROOM CONVERSIONS	0	9,590,000	9,590,000	1,800,000	1,800,000	1,800,000	1,800,000	
S91300	EXTERNAL FABRIC	1,440,000	1,440,000	0.00	360,000	360,000	360,000	360,000	
S91336	Ext Fab Works	557,398	557,398	0.00	0	0	0	0	
S91337	Conservation Area Doors		0	0.00					
S713	EXTERNAL FABRIC	0	1,997,398	1,997,398	360,000	360,000	360,000	360,000	
S91400	DOORS & WINDOWS	816,000	816,000	0.00	204,000	204,000	204,000	204,000	
S714	DOORS & WINDOWS	0	816,000	816,000	204,000	204,000	204,000	204,000	
S91500	OTHER STRUCTURAL	432,956	432,956	0.00	60,000	60,000	60,000	60,000	
S91511	Walls Re-Rendering	260,000	260,000	0.00	60,000	60,000	60,000	60,000	
S715	OTHER STRUCTURAL	0	692,956	692,956	120,000	120,000	120,000	120,000	
S93100	ELECTRICAL	2,880,000	2,880,000	0.00	720,000	720,000	720,000	720,000	
S731	ELECTRICAL	0	2,880,000	2,880,000	720,000	720,000	720,000	720,000	
S93500	HEATING	2,640,000	2,640,000	0.00	660,000	660,000	660,000	660,000	
S735	HEATING	0	2,640,000	2,640,000	660,000	660,000	660,000	660,000	
S93600	ENERGY EFFICIENCY	1,050,000	1,050,000	0.00	180,000	180,000	180,000	180,000	
New	Thermal Comfort	800,000	800,000	0.00	200,000	200,000	200,000	200,000	
S736	ENERGY EFFICIENCY	91,760	1,850,000	1,941,760	380,000	380,000	380,000	380,000	
S95100	GARAGES, FOOTPATHS, WALKWAYS	360,000	360,000	0.00	90,000	90,000	90,000	90,000	
S95109	Garages	120,000	120,000	0.00	30,000	30,000	30,000	30,000	
S751	GARAGE FORECOURTS	0	480,000	480,000	120,000	120,000	120,000	120,000	
S95200	ENVIRONMENTAL WORKS	1,050,000	1,050,000	0.00	180,000	180,000	180,000	180,000	
S95203	Car Parking Schemes	702,817	702,817	0.00	120,000	120,000	120,000	120,000	
S95208	Sewerage Works	12,340	12,340	0.00	0	0	0	0	
S95250	Communal Lighting	96,000	96,000	0.00	24,000	24,000	24,000	24,000	
S95252	Flood Defence Systems	52,000	52,000	0.00	12,000	12,000	12,000	12,000	
S95253	Play Areas	176,000	176,000	0.00	100,000	24,000	24,000	24,000	
S95254	Estate Remodelling	375,000	375,000	0.00	78,000	78,000	78,000	78,000	
S95303	Target Hardening	18,625	18,625	2,762.67	0	0	0	0	
S752	ENVIRONMENTAL WORKS	0	2,482,781	2,482,781	514,000	438,000	438,000	438,000	
S97100	ASBESTOS	240,000	240,000	0.00	60,000	60,000	60,000	60,000	
S97115	Asbestos Surveys	40,000	40,000	0.00	0	0	0	0	
S97116	Asbestos Removal	20,000	20,000	0.00	0	0	0	0	
S771	ASBESTOS	0	300,000	300,000	60,000	60,000	60,000	60,000	
S97200	FIRE SAFETY	240,000	240,000	0.00	60,000	60,000	60,000	60,000	
S772	FIRE SAFETY	0	240,000	240,000	60,000	60,000	60,000	60,000	
S97300	DDA IMPROVEMENTS	100,008	100,008	0.00	24,000	24,000	24,000	24,000	
S773	DDA IMPROVEMENTS	0	100,008	100,008	24,000	24,000	24,000	24,000	
S97400	DISABLED ADAPTATIONS	2,400,000	2,400,000	0.00	600,000	600,000	600,000	600,000	
S774	DISABLED ADAPTATIONS	0	2,400,000	2,400,000	600,000	600,000	600,000	600,000	
S97500	LEGIONELLA	144,000	144,000	0.00	36,000	36,000	36,000	36,000	
S775	LEGIONELLA	0	144,000	144,000	36,000	36,000	36,000	36,000	
S98102	Sprinkler System	407,000	407,000	0.00	310,000				
S98103	Structural Surveys - Eivated Walkways	40,000	40,000	0.00	8,000	8,000	8,000	8,000	
S98104	Scooter Shed	60,000	60,000	0.00		30,000	30,000		
S98105	Compartmentalisation in Roof Space	1,194,800	1,194,800	0.00	256,200	256,200	256,200	256,200	
S98106	Inspection & Install Lightning Conductors	300,000	300,000	0.00	75,000	75,000	75,000	75,000	
S98107	Aerial Inspections	6,750	6,750	0.00		2,250	2,250	2,250	
S781	BUILDING SAFETY	0	2,008,550	2,008,550	649,200	371,450	371,450	266,450	
S99100	PROPERTY INVESTMENT CONTINGENCY	296,100	296,100	0.00	60,000	60,000	60,000	60,000	
S99102	Investment Programme Fees	0	1,734,990	0.00	343,120	352,680	352,680	352,680	
S791	UNALLOCATED FUNDING	0	296,100	2,031,090	403,120	412,680	412,680	412,680	
SUB TOTAL PROPERTY INVESTMENT		91,760	31,486,490	33,267,360	1,381	7,190,320	6,846,130	6,846,130	6,741,130
AFFORDABLE HOUSING									
SA1033	Yorke Drive Estate Regeneration	986,766	14,460,001	15,446,767	2,615,073.25	5,973,549.50	6,473,549.50		
SA1080	Phase 5	0	9,714,900	9,714,900	414,900.04	9,300,000.00			
New	Careline Analogue to Digital	0	460,540	460,540	42,361.80	60,000.00	320,000.00		
New	New Housing Management System	0	856,000	856,000	0.00	521,000.00	335,000.00		
SUB TOTAL AFFORDABLE HOUSING		986,766	25,491,441	26,478,207	3,072,335	15,854,550	7,128,550	0	
TOTAL HOUSING REVENUE ACCOUNT		1,078,526	85,902,101	90,521,736	20,880,381	23,044,870	13,974,680	6,846,130	6,741,130



Report to: Full Council Meeting – 9 March 2023

Relevant Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

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

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

Report Summary	
Report Title	Medium Term Financial Plan 2023/24 to 2026/27
Purpose of Report	To approve the Council’s Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2023 and 31 March 2027 (2023/24 to 2026/27).
Recommendations	That the Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27 be approved.
Reason for Recommendation	The Medium Term Financial Plan (MTFP) provides a clear financial framework for delivering the Council’s objectives and is an essential pre-requisite to the annual budget setting process.

1.0 Background

- 1.1 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.
- 1.2 Updating the Council’s MTFP is an essential pre-requisite to the annual budget setting process for future years.

2.0 Proposal/Options Considered

- 2.1 The MTFP shows that the Council is able to set a balanced budget for 2023/24, though will need to reduce expenditure and/or increase income in order to mitigate future anticipated shortfalls in funding.
- 2.2 The Council will need to continually consider how best to manage demand for its services, as well as continually monitor and review how it best delivers each service.

3.0 Implications (FIN22-23/9995)

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

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

Background Papers and Published Documents

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

Revenue Budget and Council Tax Setting for 2023/24
Capital Programme 2023/24 to 2026/27
Statement of Accounts 2021/22

2023/24 TO 2026/27 MEDIUM TERM FINANCIAL PLAN (MTFP)

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, or 2022/26) was presented to Policy & Finance 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 2023/24 and 2026/27 (2023/27).

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 2023/24 and 2026/27; 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.

	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Net Service Expenditure (less capital charges)	16.084	16.920	17.413	17.858
Total Other Expenditure	0.875	1.040	1.464	1.779
Total Expenditure	16.959	17.978	18.895	19.655
Business Rates: receivable annually	(8.702)	(8.705)	(4.991)	(5.028)
Business Rates: other adjustments	0.166	0.000	0.000	0.000
Council Tax: receivable annually	(7.811)	(8.155)	(8.313)	(8.474)
Council Tax: other adjustments	0.047	0.000	0.000	0.000
Other Grants	(1.228)	(1.563)	(0.388)	(0.708)
Contribution (to) or from Reserves	(0.569)	(0.444)	4.853	5.446

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 2025/26 at the earliest.

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 2023/24 and 2024/25 is c£6.9m higher than forecast within the MTFP that was approved on 8 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 2025/26 and future years are subject to high levels of volatility.

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.

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 2022/23 and in 2023/24, 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 2025/26 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 2025/26. 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.

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 2025/26 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 2025/26 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 2023/24:

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

2023/24 is the first year of the new revaluation to rateable values. The current forecast rateable value (RV) of all business premises within the district for 2023/24 is £114.647m. This is an increase of c£7m compared to the current RV. 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.

Currently, the Council use external consultants Analyse local, who assist the Council with forecasting losses in RV based on future appeals that may come forward. For the 2023/24 financial year £0.800m has been set aside in order to provide for any successful appeals.

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 2023/24 is 3%. The government's proposed council tax referendum principle for shire district councils therefore permits increases in the council's 2023/24 relevant basic amount of council tax of up to (and including) the greater of 2.99% 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 2023/24 CTB will be 1.4% higher than the 2022/23 CTB, and that there will be an increase of 500 band D equivalents in CTB for 2024/25 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 2022/23 level during 2023/24 but increased by 1.94% annually thereafter:

Effect of council tax changes	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)	MTFP (£m)
Additional income from 1.94% increase in all years	0.150	0.153	0.156	0.159	0.618

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 2023/24 and the three years previous are in the table below.

Year	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)	2023/24 (£m)
Total	1.741	1.187	1.573	0.888

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 2023/24 are at levels considered achievable. Further details on the fees and charges budgets for 2023/24 can be found in the 2023/24 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 2021/22. It also shows the balances expected to comprise the council's total reserves at the end of 2022/23 to 2026/27.

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 2024 is £36,888,288.

The budget has been prepared in accordance with the budget strategy approved by Cabinet on 12 July 2022. 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). 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 2023/24 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 5% increase in basic pay has been assumed for 2023/24 and 3% for each subsequent year of the Council's MTFP.

If the 2023/24 pay award is agreed at a higher rate than the 3% increase in basic pay assumed, and if reductions in employee costs elsewhere cannot offset the increase in pay award costs, the additional costs unbudgeted for will need to be funded from council reserves. Section 1.11 examines this in more detail.

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

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 2023/24, which is recommended for approval by Full Council on 9 March 2023 by the Audit and Accounts Committee on 1 February 2023.

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:

	2023/24 (£m)	2024/25 (£m)	2025/26 (£m)	2026/27 (£m)
Contribution (to) or from MTFP reserve, before proposed mitigations below	(0.569)	(0.445)	4.853	5.445
Contributions to or (from) other Reserves	0.468	0.200	0.237	0.248
Contribution from Nottinghamshire Business Rates Pool	(0.600)	(0.600)	-	-
Dividends from Arkwood Developments Ltd	(0.500)	(0.500)	(0.500)	(0.650)
Savings from service reviews	-	(0.100)	(0.100)	(0.170)
Savings/efficiencies from making business processes more efficient	-	(0.100)	(0.100)	(0.150)
Increased income from the council becoming more commercial	-	(0.100)	(0.100)	(0.200)
Rental income from town centre regeneration	-	-	(0.150)	(0.200)
Contribution to/(from) MTFP reserve to offset contributions from reserves in future years	1.201	1.644	(4.140)	(4.324)
Proposed General Fund Funding Gap	0.000	0.000	0.000	0.000

As per Appendix B the MTFP reserve is expected to have a closing balance at the end of March 2023 of £5.626m. The transfers into the reserve during 2023/24 and 2024/25, is expected to increase the balance to £8.471m, which will be utilised during 2025/26 and 2026/27 as per the table above.

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.

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 sections 1.5, the council can increase council tax in 2023/24 by the greater of 2.99% or £5.00 without holding a referendum. A 1% increase in council tax is equivalent to £77,547 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 2024/25 budget, compared to 2023/24 budget (£m)	Increase in 2025/26 budget, compared to 2024/25 budget (£m)	Increase in 2026/27 budget, compared to 2025/26 budget (£m)
Employees	0.482	0.316	0.438
Internal Drainage Board Levies	0.028	0.020	0.020
Electricity and gas costs	0.028	0.021	0.022

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 2023/24 and the sensitivity of expenditure and income to changes, it should be noted that:

- a) a 1% increase in Council Tax is equivalent to £77,547 of net expenditure; and
- b) a £1 increase in Council Tax is equivalent to £41,790 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 45% of the council's proposed controllable service expenditure budget for 2023/24 (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 5% pay award currently budgeted for 2023/24 and/or the 3% pay awards currently budgeted for subsequent years.

Currently vacancies are expected to amount to around 4.54% of total employee spend to the year end of 2022/23. With this in mind a forecast of 5% in 2023/24 and 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 2023/24 income budgets for services have been set at levels considered achievable. Officers will monitor this closely over the coming year and revised forecasts over the medium term will be updated for the MTFP to be developed for the 2024/25 - 2027/28 years.

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 £56,000 in 2023/24.

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 2023/24 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 5%. Some costs, such as insurance and utilities, are expected to increase by more than 5%; and others, such as fixed-price goods and services, have been increased in line with contractual obligations.

The most recent month for which inflation data was available at the time of writing, December 2021, had a 8.2% increase in inflation (Consumer Prices Index (CPI)) from December 2021.

The small differences anticipated between actual inflation rates and the 5% 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 2023/24 and 2026/27 totals £78.691m. £33.700m is financed by external grant, mainly relating to the funding for the Southern Link Road (SLR), Towns Fund Projects, Shared and Rural Prosperity Funds and Disabled Facilities Grant (DFG's). 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 and Nottinghamshire County Council, which will ensure the delivery of the scheme. The Council has received 65% of the Levelling up Funding to date. 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 £3.233m. This relates to a contribution from Nottinghamshire County Council of £3m for the Southern Link Road, along with 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 £15.636m, which relates to the Council's contribution to the funding gap in the Southern Link Road, the redevelopment of Clipstone Holding Centre, the purchase of the bins to provide the Glass Recycling service, 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 2023/24 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 £23,785m. 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	Actual Balance at 31st March 2022	Estimated Balance at 31st March 2023	Estimated Balance at 31st March 2024	Estimated Balance at 31st March 2025	Estimated Balance at 31st March 2026
Council Funds					
Investment Realisation Fund	(90,935)	(0)	(0)	(0)	(0)
Election Expenses Fund	(76,783)	(47,783)	(47,783)	(47,783)	(47,783)
Insurance Fund Excesses & Self Insured	(183,669)	(90,000)	(90,000)	(90,000)	(90,000)
Insurance Risk Management Fund	(76,666)	0	0	0	0
Repairs And Renewals Fund	(2,400,744)	(2,501,744)	(2,436,744)	(2,516,744)	(2,426,744)
Building Control Surplus	(75,429)	(35,453)	(3,978)	24,167	53,500
Museum Purchases Fund	(39,784)	(39,784)	(39,784)	(39,784)	(39,784)
Training Provision	(190,452)	(244,000)	(244,000)	(244,000)	(244,000)
Community Safety Fund	(141,737)	(97,632)	(52,204)	(5,414)	(5,414)
Restructuring And Pay	(141,200)	0	0	0	0
Court Costs	(58,959)	0	0	0	0
Change Management/Capital Fund	(13,097,010)	(13,715,553)	(9,212,930)	(3,506,930)	(3,506,930)
Planning Costs Fund	(201,140)	(201,140)	(201,140)	(201,140)	(201,140)
Homelessness Fund	(306,472)	(400,242)	(632,782)	(832,782)	(1,032,782)
Revenue Grants Unapplied	(619,269)	(484,599)	(484,599)	(484,599)	(484,599)
Fuel And Energy Reserve	(62,142)	(0)	(0)	(0)	(0)
Refuse Bin Purchase	(15,000)	0	0	0	0
Energy & Home Support Reserve	(103,171)	(103,171)	(103,171)	(103,171)	(103,171)
Growth And Prosperity Fund	(127,366)	(127,366)	0	0	0
Emergency Planning Reserve	(42,651)	0	0	0	0
Other Earmarked Reserves	(25,774)	0	0	0	0
CSG/Enforcement Reserve	(46,910)	(30,910)	(30,910)	(30,910)	(30,910)
Management Carry Forwards	(992,524)	(310,841)	(250,841)	(250,841)	(250,841)
Flood Defence Reserve	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
NNDR Volatility Reserve	(793,348)	(500,000)	(500,000)	(500,000)	(500,000)
Community Initiative Fund	(154,045)	(100,888)	(100,888)	(100,888)	(100,888)
MTFP Reserve	(5,587,314)	(5,626,084)	(6,821,084)	(8,465,084)	(4,325,084)
Asset Maintenance Fund	(500,000)	(500,000)	(166,500)	(166,500)	(166,500)
Capital Project Feasibility Fund	(347,287)	(313,816)	(237,143)	(160,470)	(160,470)
Community Engagement	(220,110)	(106,876)	(0)	(0)	(0)
COVID Pressures	(186,250)	0	0	0	0
Collection Fund Budget	(6,249,736)	0	0	0	0
COVID Compliance Reserve	(198,233)	(0)	(0)	(0)	(0)
Theatre Centenary Legacy	(14,744)	(14,744)	(14,744)	(14,744)	(14,744)
Community Lottery Fund	(7,052)	(1,052)	(1,052)	(1,052)	(1,052)
Gen Fund Balance Brought forward	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Capital					
Capital Financing Provison	(1,076,108)	(214,700)	(40,029)	(29)	(29)
General Fund Capital Receipts	(1,216,829)	(994,128)	(240,889)	(659,889)	(4,597,824)
GF Grants and Contributions Unapplied	(13,040,291)	(13,040,291)	(13,040,291)	(13,040,291)	(13,040,291)
TOTAL	(50,457,136)	(41,592,797)	(36,743,487)	(33,188,879)	(33,067,481)
Mansfield Crematorium	(144,801)	(144,801)	(144,801)	(144,801)	(144,801)
GRAND TOTAL	(50,601,937)	(41,737,599)	(36,888,288)	(33,333,680)	(33,212,282)



Report to: Full Council Meeting – 9 March 2023

Relevant Committee Chairman: Councillor Sylvia Michael, Audit & Governance

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

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services, Ext. 5523

Report Summary	
Report Title	Treasury Management, Capital and Investment Strategies 2023/24
Purpose of Report	This report seeks approval for the Treasury Management Strategy, Capital and Non-Treasury Investment strategies, updated in accordance with latest guidance.
Recommendations	<p>That Council approve:</p> <ul style="list-style-type: none"> • The Treasury Management Strategy 2023/24, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A); • The Treasury Prudential Indicators and Limits, contained within Appendix A; • The Authorised Limit Treasury Prudential Indicator contained within Appendix A; • The Capital Strategy 2023/24, contained within Appendix B; • The Capital Prudential Indicators and Limits for 2023/24, contained within Appendix B; • The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix D, which sets out the Council’s policy on MRP; • The Flexible Use of Capital Receipts Strategy, contained with Appendix E; • The Non-Treasury Investment Strategy 2023/24 Appendix F; and • The Investment Prudential Indicators and Limits for 2023/24, contained within Appendix F.
Reason for Recommendation	It is a legislative requirement for a Local Authority to approve a Treasury Management, a Capital and an Investment strategy and the attached appendices meet that requirement.

In addition, the External Auditors (Mazars) may pass comment in their Report to those charged with governance should relevant strategies not be approved.

1.0 Background

1.1 Each year the Council must approve three strategies which set out how the Council will manage its cash. Those three strategies are:

- The Treasury Strategy
- The Capital Strategy
- The Non-Treasury Investment Strategy

Treasury Strategy

1.2 Treasury Management is defined as “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

1.3 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.

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

1.5 CIPFA requires that the Council creates and maintains a Treasury Management Policy Statement which sets out the policies and objectives of the Council’s treasury management activities; creates and maintains a list of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives; and produce an annual Treasury Management Strategy Statement, a Mid-year review and an Annual report covering activity in year.

Capital Strategy

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

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

- 1.8 CIPFA requires that the Council sets Prudential Indicators which set out expected capital activities during the financial year and delegates the role of scrutiny of the Capital Strategy to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

Non-Treasury Investment Strategy

- 1.9 The definition of an investment covers all of the financial assets of the Council as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
- 1.10 A loan is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.
- 1.11 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”.
- 1.12 For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance. The Strategy should be approved by the full council.

2.0 Proposals

- 2.1 The three strategies referred to in section 1 above were tabled at the Audit and Governance Committee on the 1st February 2023 and subsequently were recommended to Full Council for approval.
- 2.2 It is proposed that the strategies, as appended to this report, are approved for the 2023/24 financial year.

3.0 Implications

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

3.1 Financial Implications (FIN22-23/6264)

All financial implications have been included within each of the appendices.

Background Papers and Published Documents

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

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

TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24

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 Governance 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 25 January 2023 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 31 December 2022, the Council held £90m of borrowing and £83m 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

	2021/22 Actual £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
General Fund services	8,298	39,358	57,707	7,072	2,622
Council housing (HRA)	12,018	19,035	23,045	13,975	6,846
Capital Loan (GF)	761	2,000	8,647	0	0
TOTAL	21,077	60,393	89,399	21,047	9,468
Capital Grants	5,668	22,909	26,073	2,674	860
Other Contributions	567	547	8,548	225	0
Capital Receipts	3,146	3,780	5,738	1,781	1,762
Revenue/ Major Repairs	5,288	16,011	18,777	8,861	6,846
Borrowing	6,408	17,146	30,263	7,506	0
TOTAL	21,077	60,393	89,399	21,047	9,468

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

	2021/22 Actual £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
General Fund CFR	26,546	38,560	63,547	63,418	62,237
HRA CFR	110,994	112,002	113,979	117,417	112,377
Total CFR	137,540	150,562	177,526	180,835	174,614
Less: Other debt liabilities	-224	-224	-224	-224	-224
Loans CFR	137,316	150,338	177,302	180,611	174,390
Less: External borrowing	-97,110	-90,469	-84,935	-81,901	-76,860
Internal (over) borrowing	40,206	59,869	92,367	98,710	97,530
Less: Usable reserves	-77,049	-57,478	-45,426	-54,444	-42,967
Less: Working capital	-7,122	-10,500	-10,500	-10,500	-10,500
Investments (or New borrowing)	43,965	8,109	-36,441	-33,766	-44,063

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 £44m 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 2023/24.

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.

	2021/22 Actual £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
Loans CFR	137,316	150,338	177,302	180,611	174,390
Less: Usable reserves	-77,049	-57,478	-45,426	-54,444	-42,967
Less: Working capital	-7,122	-10,500	-10,500	-10,500	-10,500
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	63,145	92,360	131,376	125,667	130,923

Borrowing Strategy

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

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

Current Borrowing portfolio position

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

	2021/22 Actual £'000	2022/23 Forecast £'000	2023/24 Forecast £'000	2024/25 Forecast £'000	2025/26 Forecast £'000
External Debt					
Debt at 1 April	95,212	97,334	90,803	85,269	82,234
Expected change in Debt	1,898	-6,755	-5,758	-3,259	-5,265
Other long-term liabilities	224	224	224	224	224
Actual gross debt at 31	97,334	90,803	85,269	82,234	77,193
The Capital Financing Requirement	137,540	150,562	177,526	180,835	174,614

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 2023/24 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

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

Operational Boundary	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Borrowing	155,562	182,526	185,835	179,614
Other long-term liabilities	400	400	400	400
Total Debt	155,962	182,926	186,235	180,014

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

Authorised Limit	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Borrowing	162,562	189,526	192,835	186,614
Other long-term liabilities	600	600	600	600
Total Debt	163,162	190,126	193,435	187,214

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 £30.648m in order to maintain affordability in each financial year:

HRA Debt Limit	2022/23 Revised £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
HRA CFR	112,002	113,979	117,417	112,377
Additional ICR Debt	30,648	30,648	30,648	30,648
HRA Authorised Limit	142,650	144,627	148,065	143,025

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

	Upper	Lower
Under 12 months	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 Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 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 2023/24 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 2023/24, 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
- Finance Leases

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

LOBOs: The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £3.5m of these LOBOs have options during 2023/24, 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 31 March for the relevant financial year with the credit going to the General Fund balance.

Annual Investment Strategy

Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC) 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 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

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

The above guidance from the 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 £52 and £83 million. Levels available for investment are affected by capital expenditure and use of reserves, both will continue to be monitored throughout the financial year.

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

Strategy: Given the continued risk and market volatility, the Council aims to continue investing into secure and/or higher yielding asset classes during 2023/24. 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 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. The Department for Levelling Up, Housing and Communities (DLHUC) has released a consultation in advance of the current expiry of the qualifying Pooled Fund override to IFRS 9 accounting requirements. The current regulation 30K, which was introduced on 1 April 2018 will come to an end on 31 March 2023. The consultation had a closing date of 7 October 2022 and Ministers have decided to extend the existing IFRS9 statutory override for a further 2 years until 31 March 2025.

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

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

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

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

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

Operational bank accounts: The Council will incur operational exposures through its current accounts, with Lloyds Bank. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £850,000 net in the bank. 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:

2023/24	4.00%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%

Treasury Indicators: limits to investing activity

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

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

Credit risk indicator	Target
Portfolio average credit rating	A

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

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

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

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <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.

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

Price risk indicator	2023/24	2024/25	2025/26
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 & Governance Committee

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

The Treasury Management Role of the Section 151 Officer

The S151 (Responsible) Officer

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

Economic Background and Interest Rate Forecast

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.5%	2.0%	4.25%-4.50%
GDP	-0.2%q/q Q3 (2.4%y/y)	+0.2%q/q Q3 (2.1%y/y)	2.6% Q3 Annualised
Inflation	10.7%y/y (Nov)	10.1%y/y (Nov)	7.1%y/y (Nov)
Unemployment Rate	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

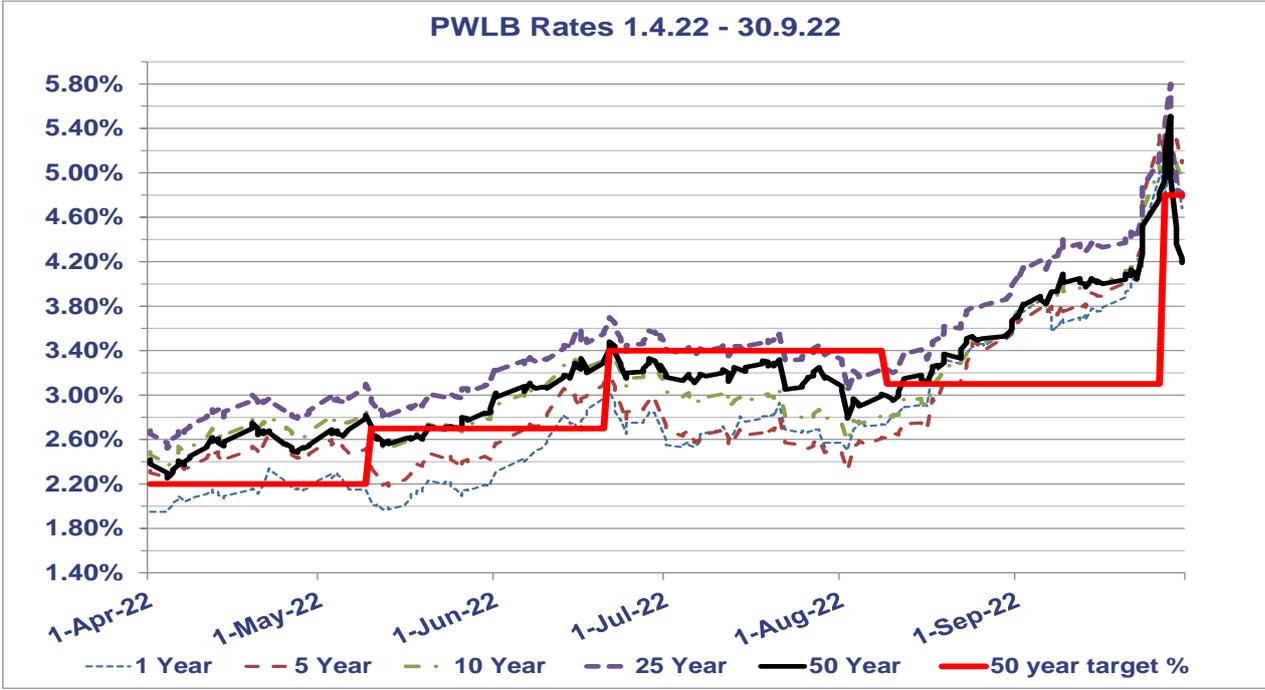
Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.22. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

INTEREST RATE FORECASTS

Significant downside risks to the forecasts

Labour and supply shortages prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).

1. **The Bank of England** acts too quickly, or too far, over the next year to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.

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.

Geopolitical risks, for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

Significant upside risks to the forecasts

2. The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates Bank Rate staying higher for longer than we currently project or even necessitates a further series of increases in Bank Rate.
3. **The Government** acts too quickly to cut taxes and/or increases expenditure in light of the cost-of-living squeeze.
4. **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
5. Longer term **US treasury yields** rise strongly and pull gilt yields up higher than currently forecast.
6. Projected **gilt issuance, inclusive of natural maturities and QT**, could be too much for the markets to comfortably digest without higher yields consequently.

The balance of risks to the UK economy: -

The overall balance of risks to economic growth in the UK is to the downside.

Summary overview of the future path of the Bank Rate

Our central forecast for interest rates was previously updated on 8 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened but the Government's policy of emphasising fiscal rectitude will probably mean Bank Rate will not need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are firmly in the rear-view mirror.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

Forecasts for PWLB rates and gilt and treasury yields

We now expect the MPC to continue to increase Bank Rate during Q1 and Q2 2023 to combat on-going inflationary and wage pressures. We do not think that the MPC will increase Bank Rate above 4.5%, but it is possible.

The overall longer-run trend is for gilt yields and PWLB rates to fall back over the timeline of our forecasts, as inflation starts to fall through 2023.

Interest Rate Forecasts 2023 – 2025

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

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Capital Strategy Report 2023/24

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

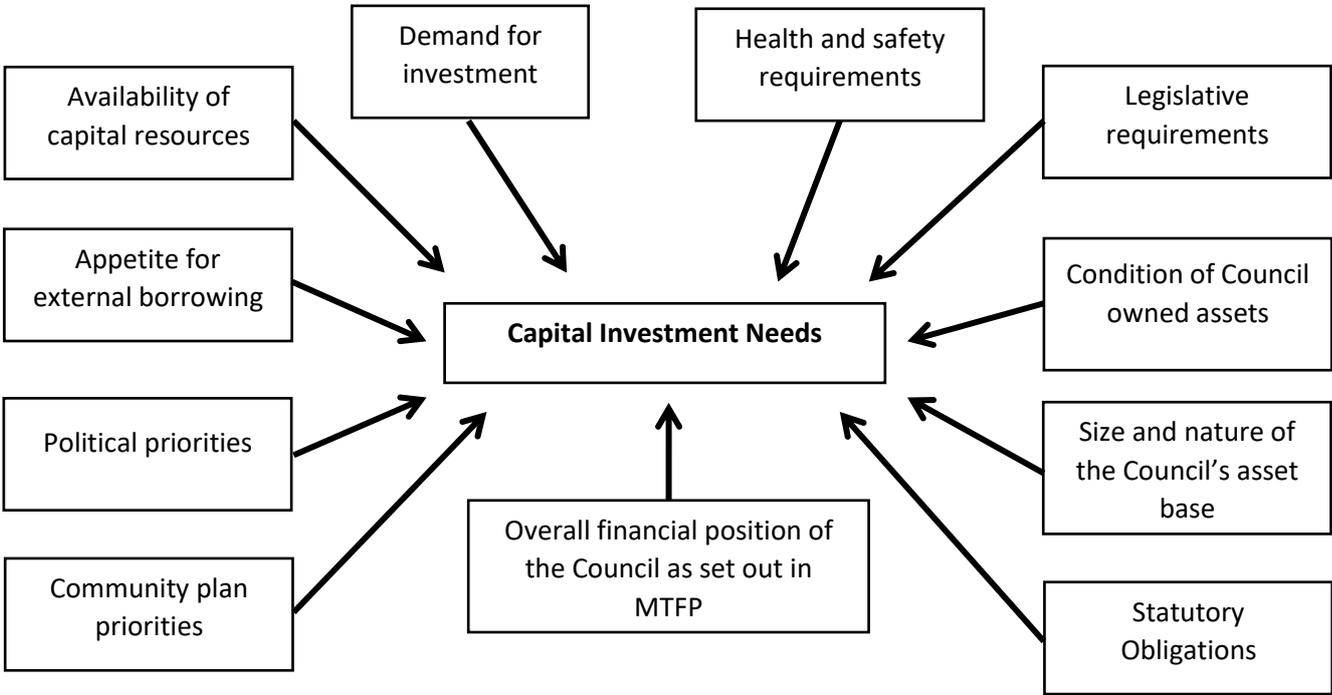
CAPITAL INVESTMENT PRIORITIES

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 2023/24, the Council is planning capital expenditure of £89.4m as summarised below:

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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund services	8,298	39,358	57,707	7,072	2,622
Council housing (HRA)	12,018	19,035	23,045	13,975	6,846
Capital Loan (GF)	761	2,000	8,647	0	0
TOTAL	21,077	60,393	89,399	21,047	9,468

The General Fund Capital Programme with a proposed budget for 2023/24 of £66.3m. Of this amount, expenditure on the Council’s General Fund assets totals £18.3m, and £0.8m will provide Disabled Facilities Grants to a number of private dwellings during the year. Also during 2023/24 the Council also plans to make available £8.6m 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 2023/24 of £23.0m, 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 Cabinet in February before final approval by Council in March.

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

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

Prudential Indicator 10: Capital financing in £'000

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
<u>External sources</u>					
Capital Grants	5,668	22,909	26,073	2,674	860
Other Contributions	567	547	8,548	225	0
<u>Own resources</u>					
Capital Receipts	3,146	3,780	5,738	1,781	1,762
Revenue/ Major Repairs Reserve	5,288	16,011	18,777	8,861	6,846
<u>Debt</u>					
Borrowing	6,408	17,146	30,263	7,506	0
Leasing	0	0	0	0	0
TOTAL	21,077	60,393	89,399	21,047	9,468

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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund - MRP	853	594	765	1,163	1,180

General Fund – RHH Ltd	3,147	0	0	0	0
HRA - Debt Repayment	3,029	6,531	5,534	3,034	5,041

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 £29.0m during 2023/24. Based on the above figures for expenditure and financing, the Council’s estimated CFR is as follows:

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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
General Fund services	25,784	35,800	52,139	52,010	50,829
Council housing (HRA)	110,994	112,002	113,979	117,417	112,377
Capital investments	762	2,760	11,408	11,408	11,408
TOTAL CFR	137,540	150,562	177,526	180,835	174,614

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 2023/24. Repayments of capital grants, loans and investments also generate capital receipts.

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

Treasury Management

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

Due to decisions taken in the past, the Council at 31 December 2022 had £90m borrowing at an average interest rate of 3.4% and £83m treasury investments at an average rate of 1.9%.

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 2.75%) and long-term fixed rate loans where the future cost is known but higher (currently between 3.5% to 4.0% 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	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
External Debt					
Debt at 1 April	95,212	97,334	90,803	85,269	82,234
Expected change in Debt	1,898	-6,755	-5,758	-3,259	-5,265
Other long-term liabilities (OLTL)	224	224	224	224	224
Actual gross debt at 31 March	97,334	90,803	85,269	82,234	77,193
The Capital Financing Requirement	137,540	150,562	177,526	180,835	174,614
Under / (over) borrowing	40,206	59,759	92,257	98,601	97,421

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

	2022/23 revised	2023/24 limit	2024/25 limit	2025/26 limit
Authorised limit – total external debt	163,162	190,126	193,435	187,214

Operational boundary – total external debt	155,962	182,926	186,235	180,014
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- 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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
Short-term investments	66,895	46,562	32,305	38,618	30,584
Longer-term investments	7,500	11,640	13,845	16,550	13,107
TOTAL	74,395	58,202	46,150	55,168	43,691

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

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

Investments for Service Purposes

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

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

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

Commercial Activities

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

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

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

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

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

Liabilities

In addition to debt of £90m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £95m 2021/22).

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 2022/23 statement of accounts.

Revenue Budget Implications

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge

is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
<u>General Fund</u>					
MRP Charge	853	594	765	1,163	1,180
Interest Payable	49	341	397	490	490
Less: Investment Income	-932	-1,042	-1,642	-2,013	-1,624
Total GF Financing costs	-30	-107	-480	-360	46
Proportion of net revenue stream	-0.10%	-0.63%	-2.61%	-1.97%	0.33%
<u>Housing Revenue Account</u>					
Interest Payable	3,907	3,775	3,624	3,938	4,054
Depreciation	4,860	5,420	5,994	6,139	6,139
MRR contributions including debt repayments	5,009	4,333	4,851	5,453	5,872
Less: Investment Income	-4	-5	-5	-5	-5
Total HRA Financing costs	13,772	13,523	14,464	15,525	16,060
Proportion of net revenue stream	56.56%	53.97%	54.52%	56.69%	56.30%

- Further details on the revenue implications of capital expenditure are contained within the 2023/24 revenue budget.

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

Knowledge and Skills

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

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Group as treasury

management advisers. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- The Council's policy on the use of temporary agency workers and consultants is available on the Council's 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 Cabinet;
- The quarterly capital monitoring where project managers report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken; and
- Business Managers are responsible for ensuring that their Project Manager's monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet for approval of variations where necessary.

PROCUREMENT

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

VALUE FOR MONEY

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

ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2023/24

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 Department of Levelling Up, Housing and Communities (DLUHC) 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 2023/24 (excluding Right to Buy receipts) can be used to finance qualifying expenditure. Existing capital receipts in hand prior to 2023/24 are not permitted to be used.
- ii. Local authorities may not borrow to finance qualifying expenditure.
- iii. The guidance will apply for 2023/24.

**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)

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

**Consideration to be given to inflation and contingency*

2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £

6c. FUNDING AVAILABLE

2023/24 £	2024/25 £	2025/26 £	2026/27 £	2027/28 £	Source

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

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

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7. OTHER INFORMATION

7a. HEALTH & SAFETY ISSUES

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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
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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%

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

Non-Treasury Investment Strategy Report 2023/24

Introduction

The Council invests its money for three broad purposes:

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

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

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £20m and £60m during the 2023/24 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 2023/24 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

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

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

Prudential Indicator 13: Loans for service purposes

Category of borrower	2021/22 actual			2022/23	2023/24
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Forecast Actual £m	Approved Limit £m
Subsidiaries	0.761	0	0.761	2.000	13.000
Local businesses	0.013	0.013	0	0.000	0.500
Local charities	0	0	0	0	0.500
Other Bodies	0.028	0	0.028	0.026	0.500
TOTAL	0.802	0.013	0.789	2.026	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 will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

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

	2021/22 actual	2022/23 forecast	2023/24 budget	2024/25 budget	2025/26 budget
<u>General Fund</u>					
Total GF Service Investment Income	1.014	1.042	1.642	2.013	1.624
Proportion of net revenue stream	3.49%	6.11%	8.92%	10.93%	11.57%
<u>Housing Revenue Account</u>					
Total Service Investment Income	0.004	0.005	0.005	0.005	0.005
Proportion of net revenue stream	0.02%	0.02%	0.02%	0.02%	0.02%

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

Service Investments: Shares

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

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

Prudential Indicator 15: Shares held for service purposes

Category of company	Original Investment £m	Previous Years Accumulated Gains or (Losses) £m	2021/22 actual			2023/24
			Amounts invested £m	Gains or (losses) £m	Value in accounts £m	Approved Limit £m
Subsidiaries	4.000	-0.345	3.655	0.342	3.997	5.000
Suppliers	0	0	0	0	0	0
Local businesses	0	0	0	0	0	0
TOTAL	4.000	-0.345	3.655	0.342	3.997	5.000

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

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

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

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

Commercial Investments: Property

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

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

Risk assessment: The Council assesses the risk of loss before entering into and whilst holding property investments by ensuring they are prudent and has fully considered the risk implications, with regard to both the individual property and that the cumulative exposure of the council is proportionate and prudent. The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place, before entering into any commercial property investment and the business case will balance the benefits and risks. All investments of this type will be agreed by 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 2023-24 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 2023/24.

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 £191 million. The maximum period between borrowing and expenditure is expected to be two years.

Capacity, Skills and Culture

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

- take informed decisions as to whether to enter into a specific investment;

- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

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

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

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management, which includes investment decisions, receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Members of the Audit and Governance Committee received training from the Council's treasury advisers, Link Group, on 25 January 2023. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

Commercial deals: The Council will ensure that the Audit and Governance Committee, 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	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Forecast £m
Treasury management investments	62.290	56.323	28.998
Service investments: Loans	0.802	2.026	11.408
Service investments: Shares	3.997	4.000	4.000
Commercial investments: Property	0	0	0
TOTAL INVESTMENTS	67.089	62.349	44.406
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
TOTAL EXPOSURE	67.089	62.349	44.406

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	2021/22 Actual £m	2022/23 Forecast £m	2023/24 Forecast £m
Treasury management investments	0	0	0
Service investments: Loans	0.761	2.000	8.647
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
TOTAL FUNDED BY BORROWING	0.761	2.000	8.647

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	2021/22 Actual	2022/23 Forecast	2023/24 Forecast
Treasury management investments	1.54%	2.19%	4.00%
Service investments: Loans	5.49%	5.44%	5.54%
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
ALL INVESTMENTS	3.51%	3.82%	4.77%



Report to: Full Council Meeting - 9 March 2023

Relevant Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive & Director – Resources and S151 Officer

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

Report Summary	
Report Title	Council Tax Empty Homes Premium
Purpose of Report	To propose changes to the current policy on charging a Council Tax premium on long term empty homes.
Recommendations	That Full Council approves the proposal to increase the long-term empty home premium as set out in paragraph 2.2 of the report (Option 1), effective from 1 April 2023.
Reasons for Recommendations	To assist the Council with achieving its objectives of creating more and better-quality homes through our roles as landlord, developer and planning authority and reducing crime and anti-social behaviour within our communities.

1.0 Background

- 1.1 In the Local Government Act 2012 Local Authorities in England were given delegated powers, under Section 11B of the Local Government Finance Act 1992 (as amended), to increase Council Tax by adding up to 50% to the Council Tax charge on some long-term empty properties. This is known as the 'long term empty home premium'.
- 1.2 In a report of the Director - Resources to Cabinet on 6 December 2012, it was agreed that the amount of Council Tax payable in respect of properties empty for more than 2 years, should be subject to an empty homes premium of 50% of their Council Tax payable, where regulations permit.
- 1.3 The amount that councils can charge for the long-term empty home premium was changed with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018. The charges now permitted by the 2018 Act are as follows:
 - from 2019/20, for properties empty for more than 2 years, the maximum long-term empty premium is 100%
 - from 2020/21, for properties empty for more than 5 years, the maximum long-term empty premium is 200%

- from 2021/22, for properties empty for more than 10 years, the maximum long-term empty homes premium is 300%.

- 1.4 Government believes these changes could help to reduce the number of empty homes by incentivising owners to bring them back into use and thereby helping to meet the current housing shortage.
- 1.5 This report was tabled at Cabinet on the 21st February 2023 for their consideration. It was agreed at that meeting that this report would be recommended to Full Council for approval in its current form. The remainder of this report sets out the detail.
- 1.6 The Council Tax Base calculated on 1 December 2022 identified 234 properties that have been empty for more than 2 years. These properties currently attract a premium charge of 50% above the normal Council Tax liability. The total Council Tax liability, including the premium is £628,901.99, the premium element is £209,634.00, as shown in the table below.

CT Band	A	B	C	D	E	F	G	H	TOTAL
Long Term Empty Properties	133	26	28	21	16	5	5	0	234
Council Tax Liability	195,773.34	44,650.06	54,953.36	46,367.16	43,177.92	15,946.45	18,399.70		419,267.99
50% Premium Charge	97,886.67	22,325.03	27,476.68	23,183.58	21,588.96	7,973.23	9,199.85		209,634.00
TOTAL CHARGE	293,660.01	66,975.09	82,430.04	69,550.74	64,766.88	23,919.68	27,599.55		628,901.99

- 1.7 The element of the total Council Tax liability that relates to the Councils income is £51,830.05. The element of the premium charge that relates to the Councils income is £17,276.68.
- 1.8 Of the 234 long term empty homes, 40 have been empty for longer than 10 years, 73 have been empty between 5 and 10 years, 121 have been empty for longer than 2 years, but less than 5 years.
- 1.9 Information has been obtained from each of the 6 other District and Borough councils in Nottinghamshire regarding their policies. The table below shows the charging options relating to the long-term empty home premium across the County.

Council	Long Term Empty Home Premium charging
Ashfield	100% after 2 years, 200% after 5 years, 300% after 10 years
Bassetlaw	100% after 2 years, no increases
Broxtowe	100% after 2 years, 200% after 5 years, 300% after 10 years
Gedling	100% after 2 years, 200% after 5 years, 300% after 10 years
Mansfield	100% after 2 years, 200% after 5 years, 300% after 10 years
Newark	50% after 2 years, no increases
Rushcliffe	100% after 2 years, 200% after 5 years, 300% after 10 years

1.10 The above table shows the charging for long-term empty homes at Newark & Sherwood is significantly lower than the other Councils within Nottinghamshire. 5 of the Councils are charging the maximum possible to try and incentivise property occupation.

2.0 Proposal

2.1 As the regulations allow up to the maximums in the various time periods, there are a number of different options that could be used to charge in a premium. The paragraphs below set out the options.

2.2 The proposal to Cabinet is to increase the Council Tax long-term empty homes premium to the maximum allowed in regulations, for properties empty for more than 2 years to 100%, for properties empty for more than 5 years, but less than 10 years, to 200% and over 10 years to 300%.

2.3 The above proposal would best support Government policy in helping to reduce the number of empty homes by giving the highest incentive to owners to bring the properties back in to use, selling or renting the property.

2.4 **Option One** - This proposal would also maximise income to the Council Tax preceptors: Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, the Nottinghamshire Fire Authority, Newark & Sherwood District Council and the numerous town and parish councils. The total Council Tax liability, including the premium would be £1,116,984.88, the premium element would be £697,716.89, as shown in the table below.

CT Band	A	B	C	D	E	F	G	H	TOTAL
Long Term Empty Properties	133	26	28	21	16	5	5	0	234
Average Council Tax	1,471.98	1,717.31	1,962.62	2,207.96	2,698.62	3,189.29	3,679.94	4,415.93	
Council Tax Liability	195,773.34	44,650.06	54,953.36	46,367.16	43,177.92	15,946.45	18,399.70		419,267.99
100% Premium Charge - 121 Properties	103,038.60	22,325.03	33,364.54	22,079.60	16,191.72	9,567.87	7,359.88		213,927.24
200% Premium Charge - 73 Properties	120,702.36	34,346.20	27,476.68	22,079.60	32,383.44	12,757.16	14,719.76		264,465.20
300% Premium Charge - 40 Properties	97,150.68	15,455.79	23,551.44	39,743.28	32,383.44		11,039.82		219,324.45
TOTAL CHARGE	516,664.98	116,777.08	139,346.02	130,269.64	124,136.52	38,271.48	51,519.16		1,116,984.88

2.5 The element of the total Council Tax liability that relates to the Councils income increases by £40,224.64 to £92,054.69.

- 2.6 **Option Two** - Based on the analysis at paragraph 1.8 another Council within Nottinghamshire currently charges a straight 100% premium after 2 years, with no further increases thereafter. This option would result in total Council Tax liability of £838,535.98, the premium element being £419,267.99.
- 2.7 Under this option, the element of the total Council Tax liability that relates to the Councils income increases by £17,276.68 to £69,106.73.
- 2.8 **Option Three** – additionally the Council could consider a hybrid of the above proposals, increasing the premium for properties empty for more than 2 years but less than 5 years to 100% and properties empty for more than 5 years to 200%. This option would result in total Council Tax liability of £1,043,876.73, the premium element being £624,608.74.
- 2.9 Under this hybrid option, the element of the total Council Tax liability that relates to the Councils income increase by £34,199.54 to £86,029.59.
- 2.10 Alternatively, there is no requirement for the Council to charge a premium, and hence the Council could decide not to levy a premium at all, to retain the current arrangements or the Council could seek to charge any percentage up to the maximum within the realms of the legislation.
- 2.11 The table below summarises the information above together with the increase council tax income for each of the preceptors under the 3 options:

	Newark & Sherwood DC	Notts County Council	Notts Police & Crime Commissioner	Notts Fire Authority	Parish & Town Councils	Additional premium chargeable
Option One	40,224.64	356,393.71	55,114.44	18,332.46	18,017.64	488,082.89
Option Two	17,276.68	153,072.84	23,671.92	7,873.88	7,738.66	209,633.98
Option Three	34,199.54	303,010.80	46,859.05	15,586.51	15,318.84	414,974.74

- 2.12 The table above shows the additional premium generated for each of the preceptors on the basis of the 234 properties that are long term empty as at the time of writing this report.
- 2.13 The Council will write to each of the current taxpayers impacted after this decision to inform them on the changes. Where the current taxpayer has no use for the property, the Council may consider the purchase of the property either through the HRA as part of the Housing Development Programme or/and the General Fund for the provision of accommodation for Refugees. The latter option could be partly funded by newly announced government grant. Any decision to purchase a property will be in conjunction with the S151 Officer and the Director Housing, Health and Wellbeing. Should this require additional budget from the Council, this will be brought back to Cabinet at the appropriate time.
- 2.14 This premium is the first in a suite of measure that the Council will be taking to combat homes that have been left empty over the longer term. A further report on Empty Homes Strategy will be brought back to Cabinet with the Council's aims and objectives, for which this decision will form part of, at a future cycle of Cabinet.

- 2.15 To supplement this report, the document attached at **Appendix A** outlines the identified aims and objectives, and initial action plan, in order to commence our approach to bringing empty homes back into use. Further reports will be presented to Cabinet following the introduction of these initial measures.

3.0 Implications

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

Financial Implications (FIN22-23/7649)

- 3.1 Based on the current number of long-term empty properties in Newark and Sherwood District, there would be an increase in the Collection Fund of £488,082.90. £40,224.65 would come directly to the Councils budget, the remaining funding would be shared with Council Tax preceptors at proportionate levels.
- 3.2 Any subsequent increase in homes brought back into occupation following long periods of being empty could attract grant funding from central government under a New Homes Bonus scheme.
- 3.3 The District Council currently has 4 empty homes that would meet the criteria as set out above. These are void properties that are part of a key regeneration site for the Council. Where these properties are not likely to be relet, the Council is taking steps in order to secure them ahead of the planned regeneration. The forecast cost will likely be £12,192 should these properties be vacant for the full financial year of 2023/24 (an increase of circa £6,000). This will be charged to the HRA.

Legal Implications

- 3.4 There are no legal implications as a direct consequence of this report. Increasing the Empty Homes Premium to 100% for properties empty for more than 2 years, to 200% for properties empty for more than 5 years, but less than 10 years, and to 300% for properties empty more than 10 years is in line with the Local Government Finance Act 1992 (as amended).
- 3.5 In accordance with the regulations. the new scheme will be promoted through a press release. All owners of long-term empty properties will be written to, to ensure that they are aware of the change.

Background Papers and Published Documents

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

None.

Background to our proposed approach to bringing empty homes back into use

The Newark & Sherwood District Council Community Plan (2020 - 2023) has a key objective of creating more and better-quality homes through our roles as landlord, developer and planning authority. In addition, there is also an objective of reducing crime and anti-social behaviour within our communities. These objectives can be directly influenced by a robust and committed empty home strategy.

As of 2022 Council Tax records show that there were 234 long term empty homes within the district. Whilst this trend broadly less than other authorities locally, it nevertheless represents a significant number of wasted empty properties within the district.

The majority of long-term empty properties within Newark & Sherwood are hidden amongst occupied residential dwellings and are often not generally considered empty or vacant until the condition and external appearance are considered to be below the standards expected by the surrounding community. Many, if not given the appropriate attention and encouragement to the owner, can become longer-term empty, eyesores, and negatively impact their neighbourhoods significantly.

Empty homes can have a significant negative impact on neighbouring properties and wider community because of poor maintenance of the home's physical structure, boundaries and garden areas. This often results in the homes becoming magnets for vandalism and anti-social behaviour which can also create high costs for local authority service providers.

Returning empty homes to use can be the quickest and most cost-effective way to increase the supply of housing. While it will not solve the housing problem, it can nevertheless play an important part in maximising existing housing stock for the benefit of the people of Newark & Sherwood.

Aims and Objectives

The following aims and objectives have been identified to create an approach that the Council can present to owners who have empty homes that could be brought back into use, and to those communities that are affected by what can be a blight of a long-term empty home.

- To reduce the number of empty homes and return empty homes back into use;
- To collect and record relevant, accurate and current information of empty homes within the District;
- To raise awareness of empty homes and promote our approach;
- To maximise income opportunities, including Council Tax Empty Homes Premium NHB and debt recovery;
- To provide advice, assistance and guidance to landlords and property owners around the options and consequences relating to the empty home.

Action Plan

Based on agreement to the objectives above, it is proposed that the following initial tasks be instigated with the aim of tackling what is a highly complex, and not always straightforward, problem. Following the introduction of these initial measures it is proposed to bring a further report to Cabinet setting out further details of the Councils strategy for dealing with empty homes based upon initial impact and responses the Council Tax Empty Homes Premium and guidance which will be sent out concurrently.

Activity	When	Lead BU
Implement the Council Tax Empty Homes Premium.	April 2023	Finance
Collect and record relevant information, including the address of all empty homes within the district and identify those properties that would be most effective from an enforcement standpoint, with the purpose of creating an empty homes' register.	April – Oct 2023	Planning Development/ Public Protection
Prepare an implementation plan which will identify the range of measures open to the Council to tackle empty homes. The implementation plan will also identify criteria for deciding which action should be taken and monitoring criteria to measure the impact and effectiveness of the strategy. This will include prioritising those most having negative impact, including heritage assets.	July – Dec 2023	Corporate Empty Homes Group
Provide support, guidance and information on returning empty homes back into use through the relevant Council departments including housing, revenues, finance, public protection and planning.	April 2023	Corporate Empty Homes Group



Report to: Full Council Meeting – 9 March 2023

Relevant Portfolio Holder: Councillor David Lloyd, Strategy, Performance & Finance

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

Lead Officer: Phil Ward, Business Manager – Revenues & Benefits, Ext. 5347

Report Summary	
Report Title	Localised Council Tax Support Scheme 2023/24
Purpose of Report	To confirm the continuation of the Localised Council Tax Support Scheme for 2023/24 with minor changes in accordance with the annual uprating amounts applied by the Department for Works and Pensions.
Recommendations	That the Council continues to adopt the existing Localised Council Tax Support Scheme for all potential claimants for the financial year 2023/24 and uprates the applicable amounts, premiums, state benefits and disregard criteria in accordance with the annual uprating amounts applied by the Departments for Works & Pensions.
Reason for Recommendation	To ensure that the Council discharges its responsibilities to agree it's Council Tax Support scheme by 11 th March 2023.

1.0 Background

- 1.1 As part of the 2012 Welfare Reform Act the national Council Tax Benefit scheme was abolished and in accordance with the Local Government Act 2013 local authorities were required to introduce Localised Council Tax Support schemes from 1 April 2013.
- 1.2 Government funding for the new schemes was reduced by approximately 10%, for Newark and Sherwood claimants and this amounted to around £1m.
- 1.3 Support for Council Tax is now offered as reductions within the council tax system with claimants of state pension age receiving a discount of up to 100% thereby ensuring that they receive no reduction in support as a direct result of the reform.
- 1.4 Localisation provided local authorities with the flexibility to design Council Tax Support schemes for working age claimants taking into account the needs of vulnerable groups and the importance of supporting work incentives. Our current scheme provides the following:-

- a) A maximum award of 80% of the liability that Council Tax Support would cover for properties in Bands A and B.
- b) A maximum award of the liability that Council Tax Support would cover equivalent to a council tax band A charge for properties in Bands C to H.
- c) No entitlement to Council Tax Support where claimants have in excess of £16,000 in capital.
- d) A work incentive entitlement that maintains the current rate of council tax support for six weeks when moving into employment.
- e) Providing additional support to vulnerable groups by applying the annual uprating of income and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works and Pensions.

2.0 Proposal

- 2.1 Council Tax Support is calculated by comparing the claimants income and capital to the applicable amount. The applicable amount is a notional figure made up of amounts set by the Department for Works and Pensions each year and is a measure of someone's basic living requirements.
- 2.2 The applicable amount is made up of one or more of the following; dependent upon the makeup of the household:-
 - A personal allowance for the claimant/partner and children
 - Any qualifying premiums such as the disability living premium
- 2.3 By comparing the claimant(s) income and capital to the applicable amount a decision can then be made on the amount of any Council Tax Support entitlement.
- 2.4 This report asks Members to confirm the continuation of the current Localised Council Tax Support Scheme for 2023/24 financial year; whilst uprating the applicable amounts, premiums, state benefits and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works and Pensions (DWP).
- 2.5 In consideration of the obligation to consider vulnerable groups within the design of our local scheme Child Benefit, War Pensions, Personal Independence Payments, Disability Living Allowance and Attendance Allowance continue to be disregarded as income and the disability premiums are retained to protect families with children and people with disabilities.
- 2.6 By applying the annual uprating of income and disregards to the 2023/24 scheme the Council will continue to maintain the current level of support to all Council Tax Support claimants.
- 2.7 Should the Council decide not to uprate the income and disregards inline with the annual uprating amounts applied by the DWP, this would then penalise claimants as where their income increases their applicable amount would remain the same as the current year. This would then potentially lead to a reduction in Council Tax support awarded.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability.

Financial Implications

- 3.1 As at the end of November 2022, the number of working age claimants eligible for Council Tax Support was 3,771 and the number of pensioners eligible for Council Tax Support was 2,931.
- 3.2 The value of support awarded to date for the 2022/23 year is £6.94m, in line with the forecast expenditure for the scheme. This would be forecast to increase for 2023/24 but will be dependant on the total Council Tax bill including preceptors, which at the time of writing this report are not available.
- 3.3 The additional estimated cost of moving to a maximum (working age) award of up to 90% would be approximately £0.905m of which the cost to Newark and Sherwood District Council would be £0.075m.
- 3.4 The additional estimated cost of moving to a maximum (working age) award of 100% would be £1.981m of which the cost to Newark and Sherwood District Council would be an additional £0.150m.

Background Papers and Published Documents

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

Adjudication and Operations Circular HB A1/203



Report to: Full Council Meeting - 9 March 2023

Relevant Portfolio Holder: Councillor Keith Girling, Organisational Development & Governance

Director Lead: Deborah Johnson, Director - Customer Services & Organisational Development

Lead Officer: Sarah Lawrie, Business Manager - HR & Training, Ext. 5447

Report Summary	
Report Title	Pay Policy Statement 2023/24
Purpose of Report	To approve the proposed Pay Policy Statement for 2023/24 which we are required to produce annually in accordance with Section 38 (1) of the Localism Act 2011.
Recommendations	That: a) the Pay Policy Statement for 2023/34 (Appendix A) including amendments as detailed at section 2 of the report be approved; and b) the ongoing issues with recruitment and the review of pay and market supplements be noted.
Reason for Recommendation	To ensure compliance with Section 38 (1) of the Localism Act 2011.

1.0 Background

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

- 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.
- 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 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.
- 1.4 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.
- 1.5 Appropriate links to published policies and information are included within the final version of the Pay Policy Statement.
- 1.6 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.

1.7 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.

1.8 **Pay Claim for 2023/24**

Pay Claims have been received as follows:

NJC – ‘Green Book’

- An increase of RPI + 2% on all spinal column points
- Consideration of a flat rate increase to hourly rates of pay in order to bring the minimum rate up to £15 per hour within two years
- A review and improvement of NJC terms for family leave and pay
- An additional day of annual leave for personal or well-being purposes
- A homeworking allowance for staff for whom it is a requirement to work from home
- A reduction in the working week by two hours
- A review of the pay spine, including looking at the top end, and discussions about the link between how remuneration can be used to improve retention.

Craft NJC – ‘Red Book’

- An increase in all pay rates and allowances of RPI (13.40 per cent) + 2.0 per cent
- A substantial additional increase to tool allowances and tool insurance cover
- A recruitment and retention payment
- Reduction in the basic working week to 35 hours, with no loss of earnings
- An increase of two annual leave days
- A payment for increasing use of technology (PDAs) and home energy systems around tools and vehicles.

JNC - Chief Officers

- RPI (10.70 per cent) + 2.0 per cent
- Additional day’s leave with effect from 1 April 2023
- An additional day of annual leave for personal or well-being purposes

ALACE - Chief Executives

ALACE seeks a pay increase for all chief executives in April 2023 and subsequent years that is the same as the percentage increase for the top point on the scale for local government staff covered by the National Joint Council for Local Government Services. As set out above, if the pay offer is expressed in £s rather than a percentage for the NJC scale, we are seeking a pay increase for chief executives that is not less than the percentage increase for the top point on the NJC scale.

Pay Offers:

Full and final pay offers have been made as follows:

NJC – ‘Green Book’

- With effect from 1 April 2023, an increase of £1,925 (pro rata for part-time employees) to be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive. The equivalent percentage increases to each pay point are shown at Annex A

- With effect from 1 April 2023, an increase of 3.88 per cent on all pay points above the maximum of the pay spine but graded below deputy chief officer (in accordance with Green Book Part 2 Para 5.42)
- With effect from 1 April 2023, an increase of 3.88 per cent on all allowances (as listed in the 2022 NJC pay agreement circular dated 1 November 2022)

Craft NJC – ‘Red Book’

- With effect from 1 April 2023, an increase of £1,925 on basic salary
- With effect from 1 April 2023, an increase of 3.88 per cent on all allowances

ALACE - Chief Executives

With effect from 1 April 2023, an increase of 3.50 per cent on basic salary¹

JNC Chief Officers

With effect from 1 April 2023, an increase of 3.50 per cent on basic salary¹

The Council have budgeted for a 5% pay increase across all grades.

1.9 Pay Issues – The National Living Wage

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

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

The 2022 local government pay award of £1,925 on each pay point on the pay spine meant pay was increased by 10.5% on the bottom pay point to 4% at the top of the pay spine.

- 1.11 The chart below shows how the differentials have been eroded at the low end of the pay spine which means that unskilled and semi-skilled workers receive similar pay. This does not include the voluntary uplift through the Living Wage Foundation which was implemented in 2013 to support those on low pay and is reviewed annually. The current rate is £10.50 per hour and therefore is not currently applied to any posts.

	2016	2017	2018	2019	2020	2021	2022	% increase
NS1	£7.52	£7.78	£8.50	£9.00	£9.25	£9.50	£10.50	40%
NS2	£7.66	£7.90	£8.62	£9.00	£9.25	£9.60	£10.60	38%
NS3	£8.04	£8.19	£8.82	£9.36	£9.62	£9.79	£10.79	34%
NS4	£8.54	£8.70	£9.16	£9.55	£9.81	£9.99	£10.98	29%
NS5	£9.10	£9.21	£9.68	£9.94	£10.21	£10.19	£11.39	25%
Differential per hour between NS1 & NS5	£1.58	£1.43	£1.18	£0.94	£0.96	£0.69	£0.89	-43%

1.12 The following chart indicates roles on these lowest grades for comparison.

Post	Grade	Salary / Hour	Difference to NS1 / hour
Cleaner / Bar or Coffee Shop Staff	NS1	£10.50	n/a
Catering Assistant	NS2	£10.60	10p
Domestic Services Assistant / Technical Assistant / Lorry Park Attendant	NS3	£10.79	29p
Business Admin Assistant / Street Warden / Visitor Information Assistant	NS4	£10.98	48p
ICT First Line Tech / Waste Management Operative / Tenancy Assistant	NS5	£11.39	89p

1.13 The 2022 pay award also included the deletion of scale point 1, NS1, from 01 April 23, and therefore all NS1 graded staff, subject to consultation with the Unions, will be progressed onto NS2 effective 01 April 23.

1.14 **The Current Recruitment Market**

Recruitment remains challenging with more jobs than jobseekers, coupled with the cost of living, jobseekers are being choosy and selecting roles that pay more. Many sectors are also experiencing skills shortages. Whilst our benefits are generous, we are behind on base pay in the jobs market across a wide range of roles.

1.15 **Job Evaluation**

SLT have recently approved a review of other Job Evaluation models to determine whether these would better suit the needs of the Council in relation to pay to ensure it remains competitive and can attract and retain top quality employees. The current LGPS scheme was implemented in 2005 and has not been updated since, and as such no longer accurately reflects what is important or valuable in the modern world of work.

1.16 **Cabinet**

This report was recommended for approval by the Cabinet at their meeting held on 21 February 2023.

2.0 **Implications**

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

Background Papers and Published Documents

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

None

NEWARK & SHERWOOD DISTRICT COUNCIL

Pay Policy Statement 2023/24

1. Introduction

1.1 This document sets out a Statement of Pay Policy for Newark & Sherwood District Council (the Council) for 2023/24 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 2022 pending finalisation of negotiations with the recognised Trades Unions for the period of 2023/24. Once the 1 April 2023/24 pay award has been agreed 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:

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

4.3 Pay Bargaining - the National Context

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

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

4.4 Remuneration of the Council's Lowest Paid Employees

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

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

4.4.3 In accordance with the current pay scales the lowest substantive point at which a Council officer can be paid is £20,258 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 Pay Multiples

4.5.1 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.

4.5.2 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.

4.5.3 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);
- Statutory Officers (Section 2 (6) of the Act);
- Business Managers on Zone 1 or above (Section 2 (8) 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).

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:

Chief	Scale Point	Salary
	1	£114,766
	2	£119,106
	3	£123,446
	4	£127,787
	5	£132,128

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 and Local Returning Officer for 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 review and a benchmarking exercise in 2023 to ensure they were comparable with other county areas and appropriate given the National Minimum Wage. [\[link to document to be inserted\]](#)

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' Honorarium Scheme.

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

5.4.2 Remuneration

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

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

5.4.3 Pay Scale for Deputy Chief Executives

Deputy	Scale Point	Salary
	1	£97,827
	2	£102,408
	3	£105,459
	4	£108,946

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

Director	Scale Point	Salary
	1	£77,847
	2	£80,950
	3	£83,491
	4	£86,595
	5	£89,135

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

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

5.4.5 Pay Scale for Assistant Director

94%		
Director	Scale Point	Salary
	1	£73,176
	2	£76,093
	3	£78,481

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

Assistant Director – Law & Democratic Services

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

Zone	Scale Point	Salary
Zone 1	101	£52,726
	102	£53,855
	103	£54,984
	104	£56,111
Zone 2	201	£57,242
	202	£58,371
	203	£59,499
	204	£60,629
Zone 3	301	£61,756
	302	£62,886
	303	£64,016
	304	£65,147
Zone 4	401	£66,277
	402	£67,407
	403	£68,538
	404	£69,669

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 & 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 where 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 - £40,478	36 - £42,503	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 compromising of a Deputy Chief Officer or above will then determine the most appropriate scale point at which to make an offer to the successful candidate 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 will be implementing a staff discounts and benefits platform, some of these options may be considered as Benefits in Kind, however, all options that may fall into this category are funded by the employee via a salary sacrifice scheme.

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 display details of the following data on their websites:

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

7. Equality Implications

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

8. Approval/Review

8.1 Before it takes effect, the Pay Policy Statement 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 Cabinet for consideration and approval, before being referred through to the Joint Consultative Committee (JCC) to allow for consultation and/or negotiation (where appropriate). Approval of Human Resources policies and procedures is delegated to the Head of Paid Service after prior consultation at the JCC.
- 8.3 Given that the Pay Policy Statement relates to terms and conditions of employment as well as making reference to Human Resources policies and procedures it is appropriate for it to be considered by Cabinet and any amendments made thereto before it is referred on to Full Council for approval.
- 8.4 Any proposed changes to terms and conditions of employment including salaries arising from collaboration activities (e.g. shared services) will be subject to the prior approval of Cabinet.
- 8.5 A review of the Pay Policy Statement will take place annually. It will be referred to Full Council for approval in advance of the financial year to which it relates. In certain circumstances it may be necessary to review the policy in year 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 Cabinet.



Report to: Full Council Meeting - 9 March 2023

Relevant Committee Chairman: Councillor Sylvia Michael, Audit & Governance

Director Lead: Sue Bearman, Assistant Director - Legal & Democratic Services and Monitoring Officer

Lead Officer: Nigel Hill - Business Manager Elections & Democratic Services, Ext. 5243

Report Summary	
Report Title	Six Month Review of the Council’s Revised Governance Arrangements – Constitution Amendments
Purpose of Report	To consider Constitution amendments proposed by the Audit & Governance Committee following its six-month review of the Council’s revised Governance Arrangements.
Recommendations	<ol style="list-style-type: none"> 1. To update the Urgency Procedure as per Appendix 1 of this report; 2. To amend the threshold for registration of gifts and hospitality contained in the Code of Conduct for Councillors and the Protocol for Members on Gifts and Hospitality to £25; 3. To note the amendments/corrections to the Constitution since May 2022 as per Appendix 2 of this report; and 4. To note that a further review of the Council’s governance arrangements is included on the Work Plan for Audit & Governance Committee.
Reason for Recommendation	To ensure the Council meets its Community Plan objectives to be ambitious and forward thinking – always looking to improve and innovate, be welcoming and responsive, and open to feedback and challenge.

1.0 Background

- 1.1 On 17 May 2022 the Council moved from a committee system of governance to an executive cabinet system. Given the significant change, the Full Council agreed for the Member Governance Review Working Party (GRWP) to undertake a review of the new governance arrangements six months after implementation. The GRWP’s proposed plan for this consultation was endorsed by the Audit & Governance Committee on 23 November 2022.
- 1.2 Between October and December 2022 various activities and meetings took place with officers and members to review how the Council’s governance was working and make recommendations for improvement. The GRWP reviewed the findings.

1.3 The GRWP also reviewed the Urgency Procedure set out in the Council's Constitution, and considered some amendments aimed at clarification rather than substantive amendment.

1.4 The Audit & Governance Committee considered the findings of the GRWP on 1 February 2023.

2.0 Proposal/Options Considered

2.1 Overall the feedback on the new governance arrangements from both Members and Officers was positive and that the arrangements were working well. However, it was considered that it may be too early to make a fully informed view at this point as the new practices were still to be embedded. It was therefore agreed that a further review of the operation of the Council's governance arrangements should be undertaken at an appropriate point by the new Council, and this has now been included in the Work Plan for the Audit & Governance Committee.

2.2 It was also noted that some sections of the Constitution were not updated prior to May 2022, and that a review would be of benefit. This has now been incorporated into the Audit & Governance Committee work plan for future consideration by way of an annual review of the Constitution.

2.3 One issue that came up during the review of governance was the importance of the new Member induction process following the elections on 4 May 2023. This was seen as an opportunity to drive engagement and inform Members as to the Council's decision-making processes. Audit & Governance Committee resolved that the Member induction programme for May 2023 be reviewed by a working group of the Audit & Governance Committee to gain Member insight. The date for the working group was subsequently agreed as 8 March 2023.

2.4 The Audit & Governance Committee resolved to recommend some revisions to the Urgency Procedure to Full Council and the revised draft (showing tracked changes) is attached as **Appendix 1** to this report. The following is a summary of the material changes: -

- i. To avoid the Procedure being over-used, a preliminary paragraph has been added about appropriate reasons for its use (paragraph 1.1)
- ii. The Procedure has been clarified to include reference to other options that already exist for taking urgent decisions, for example adding a late item to a meeting agenda, calling an extra meeting, and the Leader taking a delegated decision in relation to a matter that would normally go to Cabinet (paragraphs 1.2-1.4)
- iii. For added scrutiny of the use of the Head of Paid service delegation, the consultation list now includes the leader of the Council's largest opposition group (paragraph 1.5)

2.5 A small number of omissions have been identified and corrections made to the Council's Constitution since May 2022. A list of amendments in relation to Executive Functions agreed by the Leader, and minor and consequential changes made to the Constitution under the Monitoring Officer's delegation are summarised at **Appendix 2** to this report.

2.6 At its 1 February meeting Audit & Governance Committee also considered a report regarding the Council's gifts and hospitality policies for Councillors and Officers. On review, the Committee resolved to recommend to Full Council that the registration requirement for Councillors be amended to £25 for enhanced transparency. There is currently an inconsistency following an update to the Code of Conduct for Councillors in 2021; the Code required all gifts or hospitality with an estimated value of at least £50 to be publicly registered, while the Protocol on Gifts & Hospitality gives a figure of £100.

3.0 Implications

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

Background Papers and Published Documents

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

Audit & Governance Committee Report 1 February 2023 [Item 10](#) published

Audit & Governance Committee Report 23 November 2022 [Item 11](#) published

Full Council Report 17 May 2022 [Item 8](#) published

The Protocol for Members on Hospitality and Gifts is published in the [Council's Constitution](#) – page F19

The Code of Conduct for Members is published in the [Council's Constitution](#) – Gifts and Hospitality are referenced on page F8

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**PART D
PROCEDURE RULES**

SECTION 6: PROCEDURE FOR TAKING URGENT DECISIONS

1. Background

1.1 Sometimes events will occur which require decisions to be taken urgently. The Council needs to be able to respond quickly where failure to do so would not be in the public interest, for example a service would not be provided, the public would be put at risk of harm, the Council would suffer financial loss, or a government deadline would not be met. Poor planning would not be a suitable justification for taking a decision urgently.

1.2 Where the agenda for the relevant meeting has been published, an urgent item may be added to the agenda if the Chairman of the meeting is in agreement. Every effort must be made to circulate the urgent report to Councillors at least 24 hours before the meeting and make it available for public inspection.

1.3 The issue may be of such significance that it may be more appropriate to call an additional meeting. The procedure for calling additional meetings is set out in the relevant Council, Cabinet or Committee Procedure Rules.

4.1.4 Note - in accordance with the Cabinet Scheme of Delegation in Part C of this Constitution – Responsibility for Functions, 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 to Cabinet.

2. Procedure for taking Urgent Decisions

2.1 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).

iii.iv. The leader of the Council's largest opposition group.

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2.2 Decisions taken by the Head of Paid Service or their nominated deputy as a matter of urgency must be reported to the next available meeting of the Council together with the reasons for urgency.

3. Additional Rules for taking Key Decisions with less than 28 days notice

General Exception

- 3.2.1 Subject to the rules ~~below~~ regarding Special Urgency and Major Emergencies below, if a matter which is likely to be a Key Decision has not been advertised for a minimum of **28 clear days** on the Council's website, then the decision may still be taken if:
- The decision must be taken by such a date that it is impracticable to defer the decision until it has been possible for **28 clear days' notice** to be given;
 - The Monitoring Officer has informed the Chairman of the PPI Committee (in its capacity as the overview and scrutiny committee) in advance in writing that the taking of the decision cannot be reasonably deferred and should not be subject to 'Call-In' and made copies of that notice available to the public at the offices of the Council; and on the Council's website; and
 - At least **5 clear days** have elapsed since the Monitoring Officer complied with Rules a. and b. above

Special Urgency

- 3.24 If the rule below regarding Major Emergency does not apply and, by virtue of the date by which a decision must be taken the General Exception rule above cannot be followed and the **5 clear days'** notice of the decision cannot be given then the decision can only be taken if the decision taker (if an individual) or the Chairman of the body making the decision, obtains the agreement of the Leader and the Chairman of the PPI Committee (in its capacity as the overview and scrutiny committee) that the taking of the decision cannot be reasonably deferred and should not be subject to 'Call-In'. Notice in writing of the application to the Chairman of the PPI Committee must be published on the Council's website and copies made available to the public at the offices of the Council. If there is no Chairman of the PPI Committee or the Chairman is unable to act, then the agreement of the Chairman of the Council, or in their absence the Vice Chairman of the Council will suffice.

Major Emergencies

- 4.1 In a major emergency listed below, the Leader or Deputy Leader or in their absence the relevant Cabinet Member or, if appropriate, the Chief Executive or a Director may take any immediate urgent Key Decision if required without consultation. Such decisions will not be subject to 'Call-in'. Note - separate provision for the Chief Executive's delegation in relation to civil emergency/disaster is made in Part C Section 5 – Officer Scheme of Delegation.

NEWARK & SHERWOOD DISTRICT COUNCIL

CONSTITUTION
MAY 2022Part D – Council Procedure Rules
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4.2 For the purposes of this rule, a major emergency is any event or circumstance (happening with or without warning) that causes or threatens death or injury, disruption to the community, or damage to property or to the environment on such a scale that the effects cannot be dealt with by the emergency services, local authorities and other organisations as part of their normal, day-to-day activities.

5. Quarterly Reports on Special and Major Emergency Urgent Decisions

5.1 The Leader will submit quarterly reports to the Council on the Key Decisions taken under the Special Urgency and/or Major Emergencies rules in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken and the reasons for urgency.

6. Urgent Decisions Outside the Budget or Policy Framework

6.1 Separate provision for these decisions is made in Part E Section 3 – Budget and Policy Framework Procedure Rules.

Review of the Council’s Governance Arrangements

Date	Brief Details of Amendment	Part/Page/Para	Authorisation Monitoring Officer (MO) <i>C5, para 4.2 (i)</i> Leader <i>C30 para 1.2.2, C36 5.1.2</i>
08.06.22	Remove remaining highlighted paragraph numbers and renumber. <i>Correction</i>	Part C – Responsibility for Functions. Page C59 – 2.6.1 vii Page C60 – 3.1 and 4.1 Page C66 – 15.1	Monitoring Officer
09.06.22	Insert the wording <u>Building Control</u> under the Director – Planning & Growth’s Main Areas of Responsibility. <i>This wording was accidentally omitted when the new constitution was drafted.</i>	Part C – Responsibility for Functions. Page C66	Monitoring Officer
28.06.22	Insert the wording <u>Building Control</u> directly beneath Planning Enforcement under the remit of the Portfolio Holder – Economic Development & Visitors.	Part C – Responsibility for Functions. Page C33	Leader
	Insert the wording <u>Street Naming & Numbering</u> under the Director – Planning & Growth’s Main Areas of Responsibility. <i>This wording was accidentally omitted when the new constitution was drafted</i>	Part C – Responsibility for Functions. Page C66	Monitoring Officer
	Amend the order of business (part) to ensure the following order is reflected on each committee’s agenda: Apologies / Declarations of Interest / Notification of Recording & Streaming / Approve Minutes <i>Correction for consistency</i>	Part D – Section 1 – Council Procedure Rules Page D4 – 1.2.3	Monitoring Officer
	Amend the order of business (part) to ensure the following order is reflected on each committee’s agenda: Apologies / Declarations of Interest / Notification of Recording & Streaming / Approve Minutes <i>Correction for consistency</i>	Part D – Section 4 – Committee Procedure Rules Page D29 – 3.1	Monitoring Officer

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Cabinet** held in the Civic Suite, Castle House, Great North Road, Newark NG24 1BY on Tuesday, 21 February 2023 at 6.00 pm.

PRESENT: Councillor D Lloyd (Chairman)

Councillor K Girling, Councillor Mrs R Holloway, Councillor R Jackson, Councillor P Peacock and Councillor T Wendels

ALSO IN ATTENDANCE: Councillor Mrs B Brooks, Councillor S Carlton, Councillor L Goff, Councillor Mrs S Michael, Councillor Mrs P Rainbow and Councillor R White

75 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

Councillor T Wendels and Sanjiv Kohli, Deputy Chief Executive, Director – Resources and Section 151 Officer declared Other Registerable Interests in Agenda Item No. 12 – Stodman Street Update as Directors of Arkwood.

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

The Leader advised that the proceedings were being audio recorded and live streamed by the Council.

77 MINUTES FROM THE PREVIOUS MEETING HELD ON 20 DECEMBER 2022 AND 17 JANUARY 2023

The minutes from the meetings held on 20 December 2022 and 17 January 2023 were agreed as a correct record and signed by the Chairman.

78 2023/24 PROPOSED REVENUE BUDGET (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report which enabled Members to consider the spending proposals in the Council's proposed 2023/24 General Fund Revenue Budget. The budget proposals had been prepared in accordance with the Council's budget setting strategy for 2023/24, as approved by Cabinet on 12 July 2022.

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 19 December 2022 with the final settlement still to be announced. It was reported that the assumed Council Tax increase within the proposed revenue budget was an increase in the Band D equivalent of 1.94%

AGREED (with 5 votes for and 1 vote against) that Cabinet recommends to Full Council at its meeting on 9 March 2023 that:

- i. the following amounts be now calculated by the council for the 2023/24 financial year, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:
 1. £51,696,080 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);
 2. £32,709,480 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
 3. £18,986,600 being the amount by which the aggregate at (b)(i) above exceeds the aggregate at (b)(ii) above, calculated by the council, in accordance with Section 31A(4) of the Act, as its Net Budget Requirement for the year;
- ii. the figures shown as i.1. and i.3. above to be increased only by the amount of Parish Precepts for 2023/24;
- iii. the budget amounts included in the report be the council's budget for 2023/24; and
- iv. the fees and charges shown in Appendices C1-C21 be implemented with effect from 1 April 2023.

Reasons for Decision:

To enable Cabinet to make recommendations to Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, for the purposes of setting Council Tax levels for the 2022/23 financial year.

Options Considered:

Not applicable

79 CAPITAL PROGRAMME BUDGET 2023/24 TO 2026/27 (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report which detailed the proposed capital schemes over the medium term, together with the available resources to finance them. In accordance with the Financial Regulations, Cabinet was required to consider the Capital Programme and recommend to the Council the final Programme for approval on 9 March 2023.

In respect of the general fund capital expenditure, the Council intended to spend £78.631m from 2023/24 to 2026/27 on the schemes set out in Appendix A to the report. In respect of the Housing Revenue Account expenditure, the Council intended to spend £50.607 from 2023/24 to 2026/27. This was made up of £27.624m on existing property investment and £22.983m on additional Affordable Housing. Details of the individual schemes 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 2023 as committed expenditure in the Capital Programme for 2023/24 to 2026/27.

Reasons for Decision:

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

Options Considered:

If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the community plan.

80 MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27 (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report concerning the Council's Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27. 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 4 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 2023/24, though would need to reduce expenditure and/or increase income to pay for service delivery in future years.

AGREED (with 5 votes for and 1 abstention) that Cabinet recommends the 2023/24 to 2026/27 Medium Term Financial Plan (MTFP) for approval by Full Council at their meeting to be held on 9 March 2023.

Reasons for Decision:

To provide a framework to support the Council's future spending plans.

Options Considered:

Not applicable

81 LOCALISED COUNCIL TAX SUPPORT SCHEME

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report in relation to the continuation of the Localised Council Tax Support Scheme for 2023/24 with minor changes in accordance with the annual uprating amounts applied by the Department for Works & Pensions.

Members were provided with details of the current scheme and the proposals for the forthcoming year in order to continue to maintain the current level of support to all Council Tax Support claimants.

AGREED (unanimously) that Cabinet recommends to Council the uprating of the applicable amounts, premiums, state benefits and disregard criteria in accordance with the annual uprating amounts applied by the Department for Works & Pensions (DWP); whilst continuing the current Localised Council Tax Support Scheme for 2023/24 financial year.

Reasons for Decision:

To ensure the Council discharges its responsibilities to agree its Council Tax Support scheme by 11 March 2023.

Options Considered:

An alternative option would be to increase the maximum award of 80% - the cost of doing this has been considered at 3.4 and 3.5 of this report.

82 COUNCIL TAX EMPTY HOMES PREMIUM (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report in relation to the options for and proposed changes to the current policy on charging a Council Tax premium on long term empty homes in the district.

The Local Government Act 2012 gave deleted powers, under Section 11B of the Local Government Finance Act 1992 (as amended) to increase Council Tax by adding up to 50% to the Council Tax charge on some long-term empty properties. The amount that councils could charge for long-term empty properties was further amended with the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018, details of which were reported at paragraph 1.3 of the report.

In noting the proposed changes to the current policy, as detailed in paragraph 2.2 of the report, Members agreed that it would incentivise the owners of long-term empty properties to bring the dwellings back into much needed use.

AGREED (unanimously) that Cabinet recommends to Full Council the proposal to increase the long-term empty home premium as set out in paragraph 2.2 of the report, Option 1, effective from 1 April 2023.

Reasons for Decision:

To assist the Council with achieving its objectives of creating more and better-quality homes through our roles as landlord, developer and planning authority and reducing crime and anti-social behaviour within our communities.

Options Considered:

Section 2 of the report details the alternative options that have been considered as part of the production of this report.

83 RESPONSE TO THE COST OF LIVING CRISIS (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report which sought to update Members on the development of proposals to assist tenants and residents, local businesses and employees with the rise in the cost of living.

The report set out the proposals which had been developed by a cross-council group of officers who had considered how best to allocate the fund of £150,000, established by Cabinet at their meeting held on 6 December 2022. Paragraph 2.0 of the report provided details of the proposed individual projects/activities the fund would be used for to support with paragraph 3 providing Members with information as to the ongoing activities.

It was noted that following a meeting held earlier that day with Nottinghamshire County Council, there was potential for a number of the proposals to be funded from the Household Support Fund and, if so, this would enable money to go back into the Council's fund to support additional activities.

AGREED (unanimously) that the initial list of proposals set out at paragraph 2.0 of the report be supported.

Reasons for Decision:

To support tenants, residents, businesses and employees with the rise in the cost of living.

Options Considered:

A number of different ideas/options have been explored, with those contained at Section 2.0 being those considered to be of most value at the present time.

84 STODMAN STREET UPDATE (KEY DECISION)

The Leader and Portfolio Holder for Strategy, Performance & Finance presented a report which sought to update Members on the project, including procurement and revisions to the Council's Capital budget to allow a start on site at the earliest opportunity. Details of the works undertaken so far were provided in the report together with an indicative timetable for delivery, subject to agreement of the appointed contractor and approval of the increase in the capital budget for the scheme.

AGREED (unanimously) that Cabinet:

- a) note and welcome the updates provided; and
- b) approve an amendment to the Council's Capital Programme to the Maximum Capital budget detailed in Exempt Report in order to secure a contractor and delivery of the 32 Stodman Street project.

Reasons for Decision:

The project, one of 9 priority Towns Fund and Town Investment Plan project will contribute to all of the Council's Community Plan objectives, including creating more and better-quality homes through our role as landlord and developer.

Options Considered:

Cabinet could decide not to proceed with the development, which would result in the lack of a much-needed town centre intervention which has the full support of this Council, the Newark Towns Board, the Newark Town Investment Plan and Central

Government who have approved the Newark Towns Fund. Moreover, Newark Towns Fund grant would be at risk if the project does not proceed.

(Having declared an Other Registerable Interest, Councillor Wendels did not take part in the consideration or voting of this item.)

85 FUNDING REQUIREMENT FOR JUBILEE BRIDGE MAINTENANCE COSTS (KEY DECISION)

The Leader and Portfolio Holder - Strategy, Performance & Finance presented a report to brief Members on the options and financial implementations in relation to Jubilee Bridge, Newark. The Jubilee Bridge was constructed circa 2002 acting as one of the principal pedestrian crossing points across the river Trent from the Maltings Retail Park/Aldi on the West to Waitrose and the Newark Castle train station. The Jubilee Bridges current inspection certificate would expire on the 25 May 2023 and in its current condition the Bridge was unlikely to pass the next inspection without undergoing necessary repairs.

Members were requested to approve option three for the reasons cited within the contents of the report to give the prolonged lifespan of the more durable materials and the lower repair costs. On approval of option three an estimated budget cost of £333,499.67 + Vat would then be added to the capital programme.

AGREED (unanimously) that Cabinet:

- a) approve repair option 3 to Upgrade the existing approach ramp with steel trays infilled with tarmacadam / hot rolled stone chippings to match the existing subject to approval by a structural engineer; and
- b) approve an estimated budget cost of £333,499.67 + Vat will then be added to the capital programme.

Reasons for Decision:

To ensure the maintenance of the Jubilee Bridge is undertaken to provide safe use and enhancement of the area for local residents.

Options Considered:

Not completing the works would result in the eventual closure of the bridge and the detrimental impact to the area because of poorly maintained public infrastructure.

86 OUTCOME OF THE CONSULTATION ON A KERBSIDE GLASS SERVICE (KEY DECISION)

The Leader and Portfolio Holder – Strategy, Performance and Finance presented a report detailing the outcomes of the consultation on a Kerbside Glass Service and to consider resident views in a decision on implementation of a glass collection service.

The consultation showed residents are overwhelmingly in favour of the introduction of a kerbside glass recycling service. 2,690 responses had been reviewed and the themes raised by 1% or more were;

- 25.3% positive/supportive comments

- 3.4% commented on wanting to say with a ROB (Recycling Ollerton and Boughton) service and/or not disrupting/negatively impacting their service
- 2.8% commented that the proposed collection frequency is not frequent enough
- 1.7% commented that they would prefer a box
- 1.5% commented that the service was too expensive and the fundings should be invested elsewhere
- 1.2% commented that NSDC should look to lobby NCC to change the contract detailing what could be included in the recycling bins.

The Cabinet welcomed the proposed service, which would improve recycling rates but acknowledged the cost to the Council. The Council proposed to improve working with Recycling Ollerton and Boughton to help them improve and expand their own service.

AGREED (unanimously) that Cabinet:

- a) approve, based on resident support, the implementation of a glass collection service in the district as agreed by Cabinet, 8 weekly, 140l bin, and assign the required budget, as detailed at 6.0 in the report; and
- b) approve the next steps for implementing the service, as outlined at 5.0 in the report, including contacting all households, and assign £35,900 from the Change Management Reserve for the implementation activity.

Reasons for Decision:

To decide on the implementation of a kerbside glass collection service based on resident views and considering the costs and options presented to Cabinet on 1 November.

Options Considered:

Not to introduce the service.

87 PAY POLICY STATEMENT 2023/24

The Portfolio Holder – Organisational Development & Governance presented the proposed Pay Policy Statement for 2023/24 which the Council was required to produce annually in accordance with Section 38 (1) of the Localism Act 2011. The Statement would be submitted to Full Council for approval subject to any revisions required.

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 cessation of the voluntary application of uplift for the living wage as basic salaries now exceeded that level amendments to reflect the introduction of the Vivup staff benefits platform.

Details of the pay claim for 2023/24 were included in the covering report. The Council had budgeted for a 5% pay increase across all grades.

AGREED (unanimously) that Cabinet:

- a) approve the Pay Policy Statement for presentation to Full Council including amendments as detailed at section 2 of the report; and
- b) note the ongoing issues with recruitment and endorse a review of pay and market supplements.

Reasons for Decision:

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

Options Considered:

Not applicable - the publication of the Pay Policy Statement is required by the Localism Act 2011.

88 AMENDED ALLOCATIONS AND DEVELOPMENT MANAGEMENT DPD REPRESENTATION PERIOD AND GYPSY, ROMA TRAVELLER SITE PROVISION AND DELIVERY (KEY DECISION)

The Leader and Portfolio Holder – Strategy, Performance & Finance and the Portfolio Holder – Economic Development and Visitors presented a report to update the Cabinet on the initial results of the period of public representation of the Amended Allocations & Development Management Development Plan Document (DPD) and which sought approval to delay submission of the DPD because of the objection of the Environment Agency.

Members all agreed that they were frustrated and upset by the delay caused by the Environment Agency objection. Officers had worked hard to produce the Plan. The Leader explained that he had a meeting scheduled with a Minister representing the Secretary of State to discuss the issue and raise concerns about the particular burden of funding placed on the small number of authorities who were required to provide sites for Gypsy, Roma and Travellers in meeting a national policy directive.

AGREED (unanimously) that Cabinet:

- a) note the initial results of the period of public representation of the Amended Allocations & Development Management Development Plan Document; and

- b) authorise the delay of the submission of the DPD to allow the Environment Agency to validate the results of the Tolney Lane Flood Alleviation Scheme modelling.

Reasons for Decision:

To allow for the update to be noted.

The objection of the Environment Agency means that submission of the DPD is not possible in March 2023.

Options Considered:

As set out at 2.3 without support by the Environment Agency for the overall strategy the DPD cannot currently be submitted.

89 NEXT STEP WITH THE DELIVERY OF THE FOREST CORNER MASTERPLAN PROJECT (KEY DECISION)

The Portfolio Holder – Economic Development & Visitors presented a report which provided an update on the work to develop a revised masterplan and strategy for the Forest Corner area near Edwinstowe, including proposals to allocate resource for 2023-24, and to develop a second phase of work to maximise the wider Sherwood Forest offer.

AGREED (unanimously) that Cabinet:

- a) note the update and endorse the direction of travel for the Forest Corner project;
- b) welcome plans to commence a second phase of work to develop the wider offer for Sherwood Forest; and
- c) approve £75k revenue for 2023-24 to sustain this work through project management, specialist studies and short-term improvements.

Reasons for Decision:

These recommendations are made in order to ensure Cabinet is aware of recent work and intended next steps and to secure the necessary resources to maintain momentum.

The proposals align with the Community Plan objectives to:

- Deliver inclusive and sustainable economic growth
- Enhance and protect the district's natural environment

Improve the health and well-being of local residents

Options Considered:

A 'do nothing' alternative has been considered with regard to the Forest Corner project. This would have significant reputational risk given the undertaking made to stakeholders in 2020 to revise the masterplan in light of consultation responses. It would also fail to realise the potential of the area and close the gap between visitor expectation and experience.

90 TENANCY AGREEMENT REVIEW (KEY DECISION)

The Portfolio Holder – Homes & Health presented a report detailing the outcomes of the Council's tenancy agreement review following tenant and officer consultation and which set out the key changes proposed to the existing agreement along with a new draft tenancy agreement. The Council was legally obligated to consult with all tenants in line with section 103 of the Housing Act 1985; and this period of consultation commenced on 9 December 2022 and closed on 16 January 2023. The review process included a working group consisting of members of the tenancy team and involved tenants.

AGREED (unanimously) That Cabinet approve the adoption and implementation of the revised Tenancy Agreement.

Reasons for Decision:

The current tenancy agreement has been in use since 2010 and needs updating to reflect changes in the law, regulation, our policies and general accepted good practice.

The revised agreement aligns with the Community Plan objectives:

Create vibrant and self-sufficient local communities where residents look out for each other and actively contribute to their local area

Improve the health and wellbeing of local residents

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

Options Considered:

Not applicable

91 COMMUNITY GRANT SCHEME - ROUND 3

The Portfolio Holder – Homes & Health presented a report to advise the Cabinet of the recommendations made by relevant Portfolio Holders in respects of grant applications submitted under the District Council's Community Grant Scheme. Members noted that the scheme was oversubscribed and popular within the community and parish councils. It was anticipated that the review of the criteria would help improve the viability of approved schemes by requiring levels of sustainability and in the case of local councils, reserves, to be identified within the application process.

AGREED (unanimously) that:

- a) the recommendations of the Portfolio Holders as detailed in Appendix A of the report be approved; and
- b) a review of the criteria for Community Grant Scheme applications be undertaken and any proposed amendments reported back to Cabinet for approval.

Reasons for Decision:

The schemes have been assessed by Portfolio Holders and Members in respect of alignment to the Council's wider 'Community Plan' objectives and each will provide community value and benefit when delivered.

To enable the approved schemes, submitted under Round Three of the Community Grant Scheme, to be delivered and thereby provide valuable community benefits aligned to the current approved Council Community Plan objectives.

Options Considered:

That the awards as recommended are increased which would require further additional budget provision.

92 PLANS FOR A PROGRAMME OF PLAYGROUND IMPROVEMENT WORKS (KEY DECISION)

The Portfolio Holder- Cleaner, Safer, Greener presented a report proposing a programme to modernise a number of Newark and Sherwood's play areas and equipment provision. The programme would replace aging equipment for new, pieces of play equipment and included inclusive play equipment for all ability users where possible to do so. It also put forward plans for consultation on new play facilities at one of Newark and Sherwood's Green Flag parks.

Members noted that at present, there was no national accreditation on play parks and, as such, officers were proposing that the approach used to make the assessments in 2022 was now formally contained within a Play Park Plan for Newark and Sherwood. It was hoped that towns and parishes across the District would apply that policy in making judgements about their own play park assets and when seeking local grants or funding support to ensure high standards of play equipment across Newark and Sherwood.

AGREED (unanimously) that Cabinet:

- a) approve the replacement and modernisation programme at the ten sites across Newark & Sherwood that are identified in the report;
- b) approve, in principle, that a budget of £349, 201 is entered into the General Fund and Housing Revenue Account capital budgets for 2023/24, subject to approval from Cabinet;

- c) subject to the above, Cabinet approve that public consultation is sought on the plans to develop a new Castle-style playground and outdoor fitness zone at the Sconce and Devon Park, and on plans for improvements at the Turner Lane play park in Boughton and the Cleveland Square play park in Newark; and
- d) support the medium-term development of a formal play park and play equipment policy, together with a complementary asset register, to guide the future development and investment in play parks in its ownership across Newark and Sherwood.

Reasons for Decision:

The recommendations align with the Community Plan objectives in relation to health and wellbeing and the environment and in response to resident feedback as evidenced through the latest resident survey.

Options Considered:

Given the age of the equipment, doing nothing was not deemed to be a viable option. The plan to develop a play park and play equipment policy, together with an asset register, will lead to a cycle of play park improvements at all sites over the medium and longer term.

93 ANTI-SOCIAL BEHAVIOUR WORKING GROUP REVIEW

The Portfolio Holder – Cleaner, Safer, Greener presented a report detailing recommendations made by the ASB (Anti-Social Behaviour) Policy & Performance Improvement Working Group. The Policy & Performance Improvement Committee (PPIC) set-up a working group to look at ASB on 13 June 2022 to look at current working practices with a view to making recommendations about how they can be improved further. Cabinet expressed their thanks to the ASB working group and requested that members of the public report any ASB so they could be addressed.

AGREED (unanimously) that Cabinet approve the recommendations of the ASB Working Group within the report as endorsed by the Policy & Performance Improvement Committee.

These are set out in section 2 of the report. Noting that a timeline of 9 months is added to recommendation (q) to ensure it is undertaken within an appropriate timeframe.

Reasons for Decision:

To consider the work the Council currently undertakes to tackle ASB within the district and to suggest ways in which this could be enhanced.

Options Considered:

Alternative recommendations and suggestions were debated throughout the working group process. These were outlined in appendix 1 to the original working group report.

The Portfolio Holder- Cleaner, Safer, Greener presented a report which sought to notify the Cabinet of the required operational changes to ensure legal compliance associated with how waste containing Persistent Organic Pollutants (POPs) was collected and disposed of.

The Environment Agency had advised that all upholstered items would require incineration from 1 January 2023, which was a County/Veolia responsibility. However, we were notified by Nottinghamshire County Council during the week before Christmas that there was a requirement for all collection authorities to collect and transport all upholstered items (including sofas, sofa beds, armchairs, kitchen and dining room chairs, foot stools, office chairs, futons, bean bags and sofa cushions) to Veolia's Waste Transfer Station at Welshcroft Close at Kirkby-in-Ashfield from 1 January 2023.

Members raised their concern over the cost implications to the Council and the risk of increasing levels of fly-tipping in the District as a result of the requirements from the Environment Agency.

AGREED (unanimously) that Cabinet:

- a) approve the proposed changes detailed in this report to ensure that there are sufficient resources to facilitate the changes in collections;
- b) approve that 3 additional staff be added to the establishment in line with paragraph 4.1 below; and
- c) approve the vehicle purchase to be financed from the change management reserve in line with paragraph 4.1 below.

Reasons for Decision:

In order to meet the new legislative requirements and mitigate the risk of service reduction in cleansing services which are valued by local residents and a key component of the Council's work to create a Cleaner, Safer, Greener Newark & Sherwood as set out in the Community Plan.

Options Considered:

Officers have considered alternatives to the proposed solution and consulted Councils across Nottinghamshire. Some are choosing to re-direct cleansing resources to undertake this function, whilst others have no plans as yet. The size of Newark and Sherwood, accounting for one-third of the landmass of Nottinghamshire, and the volume of fly tips due to its size and connectivity to main trunk roads, are considerations specific to the N&S area. Given the Community Plan objectives to cleaner, safer and greener, it is also not recommended to divert away resources from cleansing duties.

Meeting closed at 7.20 pm.

Chairman

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Policy & Performance Improvement Committee** held in the Civic Suite, Castle House, Great North Road, Newark, Nottinghamshire, NG24 1BY on Monday, 30 January 2023 at 6.00 pm.

PRESENT: Councillor R White (Chairman)
Councillor Mrs P Rainbow (Vice-Chairman)

Councillor L Brazier, Councillor Mrs B Brooks, Councillor S Carlton,
Councillor D Cumberlidge, Councillor Mrs L Dales, Councillor P Harris,
Councillor S Haynes, Councillor Mrs L Hurst, Councillor J Kellas,
Councillor N Mison and Councillor M Pringle

53 DECLARATION OF INTEREST BY MEMBERS AND OFFICERS

There were no declarations of interest.

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

The Chairman advised that the proceedings were being recorded by the Council and that the meeting was being livestreamed and broadcast from the Civic Suite, Castle House.

55 MINUTES OF THE MEETING HELD ON 28 NOVEMBER 2022

Minute No. 41 – Climate Emergency Update

The Chairman provided Members with an update on the Green Rewards app, advising that information had been forwarded to all Town and Parish Councils.

AGREED that the minutes from the meeting held on 28 November 2022 were a correct record and signed by the Chairman.

56 CHANGE TO AGENDA RUNNING ORDER

The Chairman informed the Committee that the running order of the Agenda would be amended.

Agenda Item No. 10 – Update to the Medium Term Financial Plan 2022/23 to 2026/26 would be taken next. The Agenda would then resume its published running order.

57 UPDATE TO THE MEDIUM-TERM FINANCIAL PLAN 2022/23 TO 2025/26

The Committee considered the report presented by the Business Manager – Financial Services which updated Members on the position of the currently approved Medium Term Financial Plan (MTFP). The report provided extracts of the forecasted financial position of the authority when the MTFP was set at full Council on 8 March 2022. It was reported that the Government's expected consultation paper on the Fair Funding

Review had been delayed until after 2023/24. Paragraph 1.8 of the report set out the updated position based on the increases in inflation set within the Budget Strategy, together with the assumption that the changes in local government financial system would not be implemented until 2025/26 at the earliest.

Members considered the report and noted that the final version of the MTFP would be considered by Cabinet on 21 February 2023 before being presented to full Council on 9 March 2023.

AGREED (unanimously) that the Medium Term Financial Plan be noted.

58 ACTIVITY REPORT AND FUTURE PROPOSALS RELATING TO THE ENVIRO-CRIME ENFORCEMENT PILOT PROJECT

The Committee considered the report presented by the Business Manager – Public Protection which sought to provide Members with an update on the enviro-crime activity undertaken by Waste Investigations Support & Enforcement Ltd. (WISE) as part of the enforcement pilot. Members views were also sought as to what criteria might be included in any future contract specification.

Included within the report were the duties and activities undertaken by WISE with paragraph 1.2 providing statistical information thereon, this also included information as to the number of Fixed Penalty Notices (FPNs) issued, paid, remained outstanding and cancelled. The information was further broken down into FPNs issued within each of the district wards together with the number of patrol hours by WISE operatives.

In considering the report, Members raised a number of queries which the Business Manager responded to. These included, but were not limited to: how the areas to patrol were determined; the reason for the high proportion of FPNs not paid or cancelled; effectiveness of partnership working between WISE and the Council; effects and possible remedies of littering from vehicles; working in schools to educate students; evidence gathered to aid in possible prosecutions; do FPNs act as a deterrent; are sufficient and appropriate receptacles provided to stop littering occurring; and training of WISE operatives.

Members were in agreement that the issue of littering from vehicles was a matter for concern. They noted that the litter was mainly from fast-food outlets and queried what more, if anything, could be done to prevent this. The Business Manager advised that it was challenging to catch the offender and also to prove who actually threw the litter from the vehicle. He added that on occasion a receipt was found alongside the litter which detailed the premise the food was purchased from. However, despite the premise having CCTV, it was not permissible to view the footage for the purpose of identifying the individual and again, this would not provide evidence of who threw the items from the vehicle.

In relation to the number of FPNs either cancelled or payment remaining outstanding, the Business Manager advised that there would always be a period of time between the FPN being issued and payment being received which accounted for the high number remaining unpaid. He added that FPNs were cancelled for a number of

reasons e.g. false details being given to WISE operatives (name and address) or possibly the perpetrator being underage or deemed to be vulnerable on further investigation. He further added that several perpetrators who had not paid their fines had recently been successfully prosecuted.

Members suggested a number of issues be considered for inclusion in future contract specifications, these being: a review of whether FPNs were effective and appropriate for identified repeat offenders; that there be specific targeting of littering where it had a visual impact on an area e.g. removal of all the litter rather than just cigarette ends; that a review of the provision of bins be carried out to ensure they were appropriate for the area they were located in e.g. if there was a known issue with cigarette ends then the bin should have a specific disposal cavity for those. It was noted that the existing good working relation with cleansing services resulted in a review of the provision of bins where littering was identified as an issue.

AGREED (unanimously) that:

- a) the enforcement activity of the Enviro-Crime pilot to-date, be noted; and
- b) when areas of service activity or performance were considered for inclusion in any future contract specification, the comments made by Members, as above, also be considered.

59 COMPLIANCE UPDATE - HOUSING STOCK PRESENTATION

The Committee considered the presentation delivered by the Director – Housing, Health & Wellbeing which sought to present Members with an overview of the Housing Regulatory Framework and the Council's compliance thereon. Additional information was contained in a briefing note that was circulated ahead of the meeting and this is attached as an **appendix** to the minutes.

The presentation highlighted the four elements of the framework being: Regulator of Social Housing; Housing Ombudsman; Building Safety Regulator; and Dept. of Levelling Up, Housing & Communities with further details being provided as to the Council's responsibilities for each one. The aforementioned briefing note highlighted the actual performance of housing compliance services as at the end of December 2022.

In considering the presentation and briefing note, Members commented that it was pleasing to see that the gas servicing situation continued to improve and requested further information as the reason why tenants were refusing access to the remaining 26 properties that were non-compliant.

In response as to whether the Council engaged with tenants, other than when access to their properties was needed, the Director advised that information was sent out to tenants on a quarterly basis, advising of what the Council, as their landlord, was doing e.g. the need for annual safety checks. The Annual Tenant Report was also sent out. The Director acknowledged that further consideration needed to be given on other methods of communicating with tenants, other than the written word. She added

that a review had just been launched as to the customer experience from gas and electricity servicing and findings from that would be used to further improve the customer experience.

In light of the findings of the Grenfell Tower tragedy, a Member queried whether the Council was compliant with all necessary fire safety regulations. The Director advised that the Council did not have any properties over 18m high but did, nevertheless, adhere to best practice for that type of property. She added that it was her intention to provide a briefing on this issue to the wider Council.

In noting that overseas developers did not appear to be adhering to the new building regulations issued following the Grenfell Tower tragedy, a Member queried whether the Council were experiencing such issues and also whether the Council's more constant partners were adhering to regulations. The Director advised that the Council undertook stringent checks on any partners they engaged with and that all landlords would have to abide by the same conditions. This would include ensuring that any materials used during a development met with all the necessary health and safety regulations. In response to whether the Council's housing service were informed of any environmental issues arising e.g. damp and mould in properties, the Director advised that in the case of enforcement, it sat within the Public Protection Business Unit and work was currently being undertaken to strengthen how this type of issue was assessed, understood and responded to, both from an enforcement stance and as a landlord.

In response to who was responsible for the installation and upkeep of smoke detectors and carbon monoxide detectors, the Director advised that it was the Council, as landlord, to install such devices but the tenant was required to carry out regular checks to ensure they were in working order. In noting that many individuals did not realise that carbon monoxide monitors had an expiration date, the Director advise that this could form part of wider publicity about similar issues.

AGREED (unanimously) that the presentation and compliance performance exceptions be noted.

60 BRIEFING ON PROPERTY COMPLIANCE ACROSS THE CORPORATE ESTATE

The Committee considered the report presented by the Business Manager – Corporate Property which sought to update Members on compliance management across the estate with a focus on the corporate estate and tenanted properties.

The reported provided Members with an overview of the core elements of compliance related activities together with statistical information as to the number and type of sites managed and visited. Also provided were details of occupancy levels across the estate and budgeted rental income receipts together with projected figures. Paragraph 2 of the report set out in further detail examples of compliance servicing and repairs and necessary annual reviews, with these being noted as: fire, gas and electrical safety; legionella; asbestos; air conditioning systems; lifts and lifting equipment; and fall arrest systems.

In response to whether tenants could report any issues directly themselves by accessing and using the Council's bespoke web-based application, Concerto, the Business Manager advised that tenants were offered that facility.

AGREED (unanimously) that the contents of the report be noted.

61 COST OF LIVING PRESENTATION

The Committee considered the verbal update provided by the Director – Housing, Health & Wellbeing relating to the Council's response to the Cost of Living Challenge. The Director advised that the Council's response to this so far had focussed on four elements: residents; tenants; businesses; and colleagues. She further advised that more specific initiatives were currently being discussed and that these would be presented to Cabinet in February for consideration.

AGREED (unanimously) that the verbal update be noted.

62 HOUSING STRATEGY PRESENTATION

The Committee considered the presentation delivered by the Housing Development Officer which sought to provide Members with details of the development of a Housing Strategy which would demonstrate the Council's vision for housing and also outline issues and actions on housing delivery. It was noted that whilst it was not a statutory document, it would support and link into a number of other policies and strategies e.g. the local plan and would provide RP Stakeholders, developers/applicants and residents with a clearer picture of the Council's priorities and funding.

Contained within the presentation were details of housing within a national context, together with policy and legislative drivers. Also included were details of work already undertaken from a local context together with key housing facts from within the district and the key findings of that work. It was noted that three themes had emerged:

Theme 1 – enabling housing growth and regeneration;

Theme 2 – meeting the district's housing needs and aspirations; and

Theme 3 – driving excellence in housing standards across tenures.

Members welcomed and supported the development of a Housing Strategy, noting that it would offer opportunities for collaborative working with partners. Members noted that some of the proposals were contrary to the Council's Local Plan and queried how this would be resolved. In response, they were informed that the Strategy's development would involve working with the Council's Planning Policy & Infrastructure Business Unit on such issues.

In response to a Member raising the issue of the cost of utilising emergency accommodation, the Director – Housing, Health & Wellbeing advised that new emergency accommodation was currently being developed in Newark, following which a review would be undertaken of the emergency accommodation at Wellow Green.

AGREED (unanimously) that the presentation be noted.

63 CUSTOMER STRATEGY WORKING GROUP

The Chairman of the Customer Strategy Working Group, Councillor Peter Harris, provided the Committee with a verbal update on the work of the group undertaken to-date.

He advised that two meetings had taken place, with the third happening the following day. He noted that the input from the Tenant Engagement Group representative had been valuable. The main themes that had emerged so far were noted as:

How the Council engaged with its customers;
How that engagement took place (how do they get in touch);
How are enquiries handled;
How can the Council constantly improve their engagement with customers.

Councillor Harris stated that a pilot project may be developed in conjunction with the relevant Portfolio Holder, with the final report and recommendations being present to Cabinet, possibly in March or April 2023. He also advised that the report which was to be considered by the Working Group the following day would be circulated to Members of the Committee, asking them to forward their comments to feed into the Groups considerations.

AGREED (unanimously) that the verbal update be noted.

Councillor Harris left the meeting at 19:45 hours

64 CABINET FORWARD PLAN (JANUARY 2023 TO APRIL 2023)

NOTED the Forward Plan of the Cabinet for the period January to April 2023.

65 MINUTES OF CABINET MEETING HELD ON 1 NOVEMBER 2022

NOTED the Minutes of the Cabinet meeting held on 1 November 2022.

66 MINUTES OF CABINET MEETING HELD ON 6 DECEMBER 2022

NOTED the Minutes of the Cabinet meeting held on 6 December 2022.

67 MINUTES OF CABINET (PERFORMANCE) MEETING HELD ON 20 DECEMBER 2022

NOTED the Minutes of the Cabinet (Performance) meeting held on 20 December 2022.

68 MINUTES OF EXECUTIVE SHAREHOLDER COMMITTEE HELD ON 20 DECEMBER 2022

NOTED the Minutes of the Executive Shareholder Committee meeting held on 20 December 2022.

69 ITEMS FOR NEXT AGENDA

NOTED the items listed for future meetings.

Meeting closed at 7.50 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 Thursday, 16 February 2023 at 4.00 pm.

PRESENT: Councillor R Blaney (Chairman)
Councillor Mrs L Dales (Vice-Chairman)

Councillor M Brock, Councillor R Crowe, Councillor A Freeman,
Councillor L Goff, Councillor Mrs P Rainbow, Councillor M Skinner,
Councillor T Smith, Councillor I Walker, Councillor T Wildgust and
Councillor Mrs Y Woodhead

APOLOGIES FOR ABSENCE: Councillor Mrs R Holloway (Committee Member), Councillor S Saddington (Committee Member) and Councillor K Walker (Committee Member)

91 DECLARATIONS OF INTEREST BY MEMBERS AND OFFICERS

Councillor M Skinner declared a Non-Registrable Interest regarding Application No. 22/02394/FUL – Green Bank Lodge, Barnby Road, Balderton, Newark On Trent, as he was known to the neighbouring property.

Councillor M Brock declared a Non-Registrable Interest regarding Application No. 22/02309/S73 – Pear Tree Cottage, Lower Kirklington Road, Southwell, as he had taken part in the debate at Southwell Town Council and would not take part in the debate or vote at the Planning Committee.

Councillors L Dales and I Walker declared Non-Registerable Interests as appointed representatives on the Trent Valley Internal Drainage Board.

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

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

93 MINUTES OF THE MEETING HELD ON 17 JANUARY 2023

AGREED that the Minutes of the meeting held on 17 January 2023 were approved as a correct record and signed by the Chairman.

94 FIELD REFERENCE NUMBER 9227, STATION ROAD, COLLINGHAM - 22/01933/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought the change of use to public space and construction of path. A site visit had taken place before the commencement of the Planning Committee.

Members considered the presentation from the Senior Planning Officer, which

included photographs and plans of the proposed development.

A schedule of communication was tabled at the meeting, which detailed correspondence received from the Local Residents and Agent.

The Agent had submitted a landscape plan since the officer report was written details were considered acceptable, therefore condition 03 could be omitted from the recommendation.

Condition 02 revised as follows;

The development hereby permitted shall be carried out only in accordance with the details and specifications included on the submitted application form and shown on the submitted drawings as listed below:

- Location Plan, Existing and Proposed Block Plan Drawing AR-AL-0001 Rev A
- Proposed Layout and Landscape Drawing AR-AL0002 Rev A Received 14.02.2023
- Planning Statement Received 07.12.2022

Reason: To ensure that the development takes the agreed form envisaged by the Local Planning Authority when determining the application.

Members considered the application and the local Ward Member commented that the field had previously been left unattended and there had been vermin reported on site. It was considered that the application increased the benefits to the users of Phoenix Hall. The objection from residents on Station Road regarding car parking was considered not accurate as there had not been any previous issues regarding the over-flow car park from Phoenix Hall. The photographs provided to Members on the late Schedule of Communication were questioned as Members were unclear as to where the photographs had been taken and any Scouts events undertaken would be supervised. Loss of privacy was also raised and it was suggested that the landscape buffer should be planted with mature trees.

A Member commented that he was on an adjoining site Monday of that week to watch a football match where 1,000 people were in attendance. A car parking operation was put in place. It was considered that if the area could cope with that amount of car parking, the Hall would have no problem. This application was considered as a form of devolution at its best. The Parish Council would be accountable for this, and the local people could contact the Parish Council. It was further commented that a condition to exclude any fires or BBQs on site could be included. Other Members commented that they saw no reason for the site to be used for camping and considered the site ideal for young people to learn about living outdoors and the Parish Council would be answerable for any concerns raised.

AGREED (unanimously) that planning permission be approved subject to the conditions contained within the report, the amendment of Condition 2 and deletion of Condition 3.

95 DEAN FAIRHURST BESPOKE KITCHENS AND INTERIORS, THE DUTCH BARN, GREAT NORTH ROAD, CARLTON ON TRENT, NG23 6NL - 22/02262/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought the conversion of former joinery and kitchen workshop into two dwellings. A site visit had taken place before the commencement of the Planning Committee.

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 from the Agent.

Members considered the application acceptable.

AGREED (unanimously) that planning permission be approved subject to the conditions contained within the report.

96 11 STATION ROAD, COLLINGHAM, NG23 7RA - 22/02248/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought the erection of a new dwelling; alteration of existing dwelling; demolition of existing garage and shed and the erection of new garaging. A site visit had taken place before the commencement of the Planning Committee.

Members considered the presentation from the Senior Planning Officer, which included photographs and plans of the proposed development.

Councillor Davies, on behalf of Collingham Parish Council, spoke against the application in accordance with the views of Collingham Parish Council, as contained within the report.

Members considered the application. The local Ward Member commented that she called this application to Committee as Collingham Parish Council opposed the application. It was considered that there wasn't a need for housing in this particular location. If back land development was continued to be allowed, it would become the norm and change the character of the area. It was felt that a large detached property behind a semi-detached property was not in character with the area and the density was being increased. It was accepted that this application was finally balanced, but was contrary to DM5 and CP9, which was out of keeping with the density and character of the area. Another Member commented that he had no concerns with the proposal and felt that the development would tidy up the plot.

A vote was taken to approve Planning Permission with 6 votes For and 6 votes Against. The Chairman on using his casting vote, voted against approval.

AGREED (with 8 votes For and 4 votes Against) (Moved by Councillor L Dales and Seconded by Councillor M Skinner), that: contrary to officer recommendation planning permission be refused on the following

grounds: Contrary to Policy DM5 – backland development contrary to character of the area and Policy CP9 – inappropriate form and scale of development, design fails to compliment and respect the existing built environment and landscape character. The size of the dwelling is too big, overbearing and over intensive, not in keeping with the area’s character, larger gardens are a characteristic of the locality and the density of development would be doubled if this were approved.

In accordance with paragraph 13.5 of the Protocol for Members on Dealing with Planning Matters, 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
A Freeman	For
L Goff	Against
Mrs P Rainbow	For
M Skinner	For
T Smith	Against
I Walker	Against
T Wildgust	For
Mrs Y Woodhead	Against

97 MANOR LODGE, MANOR WALK, EPPERSTONE, NG14 6RP - 22/01550/HOUSE

The Committee considered the report of the Business Manager – Planning Development, which sought a proposed shed, revised rooflights and new dormer window to rear elevation. A site visit had taken place before the commencement of the Planning Committee.

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 from the Agent.

Councillor Home, on behalf of Epperstone Parish Council, spoke against the application in accordance with the views of Epperstone Parish Council, as contained within the report.

Councillor R Jackson, Local Ward Member for Dover Beck spoke against the application on the grounds that the development was in the conservation area and green belt and Epperstone had, had a number of applications turned down for that reason and expected consistency of decision making. The building currently had storage, including six garages, it was questioned whether it warranted more.

Members considered the application and the Chairman commented on the state of

the site and informed Committee that the Enforcement team would address that matter. There was some debate regarding the red line drawn in terms of ownership on the application plan, the Chairman requested a deferral in order to investigate whether the red line was accurately drawn.

AGREED (unanimously) that the application be deferred, due to the uncertainty of the accuracy of the red line shown in the plan attached to the report.

98 4 THE ORCHARDS, OXTON, NG25 0SY - 22/01655/HOUSE

The application was withdrawn from the agenda.

99 GREEN BANK LODGE, BARNBY ROAD, BALDERTON, NEWARK ON TRENT, NG24 3NE - 22/02394/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought the change of use of land to residential, erection of a two-storey extension and alterations to the dwelling.

Members considered the presentation from the Business Manager – Planning Development, which included photographs and plans of the proposed development.

Councillor J Lee, Local Ward Member for Balderton North & Coddington, spoke in support of the application and informed Committee that there were no neighbour objections, the land was set back and the applicant had a growing family which wanted to live and work on the land.

Members considered the application acceptable.

The Business Manager – Planning Development informed the Committee that this application was still out to consultation and was subject to expiry of the notices and subject to no new material considerations.

AGREED (unanimously) that planning permission be approved subject to the conditions contained within the report and subject to the expiration of the press notice/site notice advertising the application as a departure from the Development Plan and no new material considerations being raised.

100 THE DRIVE, CLIPSTONE, NG21 9ED - 22/02369/S73

The Committee considered the report of the Business Manager – Planning Development, which sought an application for variation of Condition 02 (approved plans) 05 (tree protection measures) and 09 (tree retention) to remove reference to T1 due to tree being removed, as attached to planning permission 22/00302/FUL; 3 new dwellings.

Members considered the presentation from the Senior Planning Officer, which included photographs and plans of the proposed development.

Members considered the application and asked that procedures be put in place to

prevent protected trees by condition being felled. The Business Manager - Planning Development confirmed that discussions would take place with the relevant Business Manager to ensure measures were in place to prevent this from happening in the future.

AGREED (with 11 votes For and 1 vote Against) that planning permission be approved subject to the conditions contained within the report.

101 PEAR TREE COTTAGE, LOWER KIRKLINGTON ROAD, SOUTHWELL - 22/02309/S73

The Committee considered the report of the Business Manager – Planning Development, which sought the variation of condition 11 attached to planning permission 22/01089/FUL to amend the approved plans (original application was for ‘New dwelling and garage, relocation of garage to existing house and alterations to access and drive’)

Members considered the presentation from the Business Manager – Planning Development, which included photographs and plans of the proposed development.

Members considered the application and it was commented that there would be limited visual impact as the development was behind Pear Tree Cottage, another Member commented that the change in materials would be visually out of character in the area.

Having declared a Non-Registrable Interest, Councillor M Brock took no part in the vote or debate regarding this application.

AGREED (with 9 votes For and 2 Against) that planning permission be approved subject to the conditions contained within the report.

102 TRAVAIL EMPLOYMENT GROUP, 1 APPLETON GATE, NEWARK ON TRENT, NG24 1JR - 22/02458/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought the provision of a new shopfront.

Members considered the presentation from the Senior Planning Officer, which included photographs and plans of the proposed development.

Members considered the application acceptable and commented that it would enhance the street scene.

AGREED (unanimously) that planning permission be approved subject to the conditions contained within the report.

103 TRAVAIL EMPLOYMENT GROUP, 1 APPLETON GATE, NEWARK ON TRENT, NG24 1JR - 22/02457/LBC

The Committee considered the report of the Business Manager – Planning Development, which sought the provision of a new shop front.

Members considered the application acceptable.

AGREED (unanimously) that Listed Building Consent be granted subject to the conditions contained within the report.

104 FLOSSIE AND BOO, 19 MARKET PLACE, NEWARK ON TRENT, NG24 1EA - 23/00014/FUL

The Committee considered the report of the Business Manager – Planning Development, which sought alterations to reinstate the former traditional shopfront.

Members considered the presentation from the Business Manager – Planning Development, which included photographs and plans of the proposed development.

Members commented that the alterations would enhance the marketplace.

AGREED (unanimously) that planning permission be approved subject to the conditions contained within the report.

105 FLOSSIE AND BOO, 19 MARKET PLACE, NEWARK ON TRENT, NG24 1EA - 23/00015/LBC

The Committee considered the report of the Business Manager – Planning Development, which sought alterations to reinstate the former traditional shopfront.

Members considered the application acceptable.

AGREED (unanimously) that Listed Building Consent be granted subject to the conditions contained within the report.

106 APPEALS LODGED

AGREED that the report be noted.

107 APPEALS DETERMINED

AGREED that the report be noted.

Meeting closed at 6.25 pm.

Chairman

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit and Governance Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 1 February 2023 at 6.00 pm.

PRESENT: Councillor Mrs S Michael (Chairman)
Councillor R Crowe (Vice-Chairman)

Councillor R Blaney, Councillor Mrs B Brooks, Councillor D Cumberlidge, Councillor P Harris, Councillor J Kellas, Councillor B Laughton, Councillor J Lee and Councillor T Smith

APOLOGIES FOR ABSENCE: Councillor Mrs E Davis (Committee Member) and Councillor S Haynes (Committee Member)

33 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

That no Member or Officer declared any interest pursuant to any statutory requirement in any matter discussed or voted upon at the meeting.

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

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

35 MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2022

AGREED that the minutes of the meeting held on 23 November 2022 be approved as a correct record and signed by the Chairman.

The Director of Housing, Health and Wellbeing provided the Committee with an update to the Gas Audits, noting that it had reduced to 5 properties out of compliance for a gas service. The Committee noted going forward gas and electric would be carried out at properties at the same time.

36 EXTERNAL AUDITORS AUDIT PROGRESS REPORT 2021/22

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditor's Progress Report for Newark and Sherwood District Council for the 2021/22 audit based on work completed to date.

The representative from Mazars, present at the meeting provided progress to the Committee of the Auditor's External Audit Progress Report for 2021/22 at Appendix A summarising the work undertaken by the auditors for year ended 31 March 2022.

The Committee understood this was not the final report from the External Auditor noting it would conclude audit for the 2021/22 financial year. The Value for Money work is in progress, expected to be completed within 3 months of 5 January 2023 and will be brought to the next Audit & Governance Committee in April 2023.

The Mazars representative confirmed to the Chairman that the Value for Money was at the planning stage, Councillor Harris highlighting that the library park issue was part of the Value for Money analysis which the Mazars representative would consider.

AGREED (unanimously) that Members considered and noted the External Auditor's Progress Report.

37 TREASURY MANAGEMENT STRATEGY 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services to seek approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.

Before discussing the report, the Chairman thanked the Assistant Business Manager for Financial Services for arranging the Treasury Management training which was enjoyed by those who attended, although disappointed that not everyone was able to attend especially as it was an invitation to all Members not just those on the Audit & Governance Committee.

Councillor Blaney referring to the Reason for Recommendation, commented that the wording could be more clear in future; that policies, as opposed to the precise content of the strategies proposed, are a requirement of legislation and good practice. The Assistant Business Manager for Financial Services therefore noted for future reference.

Councillor Harris suggested local bonds to encourage investment, noting the Council has invested in a community lottery.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Treasury Management Strategy 2023/24, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix A).
 - The Treasury Prudential Indicators and Limits, contained within Appendix A.
 - The Authorised Limit Treasury Prudential Indicator contained within Appendix A.

38 CAPITAL STRATEGY 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services to seek approval to the Capital Strategy 2023/24, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

The Assistant Business Manager for Financial Services explained to the Committee that this was a high level overview and may change in March when taken to Full Council. Councillor Harris referred to the weighting of the Prioritisation Criteria at Appendix E of the report; the Assistant Business Manager for Financial Services was happy to consider alternative proposals put forward by the Committee.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Capital Strategy 2023/24 Appendix A.
 - The Capital Prudential Indicators and Limits for 2023/24, contained within Appendix A.
 - The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix C, which sets out the Council's policy on MRP.
 - The Flexible Use of Capital Receipts Strategy, contained with Appendix D.

39 INVESTMENT STRATEGY 2023/24

The Committee considered the report from the Assistant Business Manager for Financial Services explaining that this Investment Strategy is for 2023/24, meeting the requirements of statutory guidance issued by Department of Levelling Up, Housing and Communities DLUHC (previously MHCLG) Investment Guidance in January 2018.

The report provided a table summarising the proposed limits within the Investment Strategy 2023/24 for the non-treasury investments, the categories providing in more detail within the appendix and the report to also be taken to Full Council in March.

AGREED (unanimously) that:

- a) the Committee approved each of the following key elements and recommended these to Full Council on 9 March 2023 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter:
 - The Investment Strategy 2023/24 Appendix A.
 - The Investment Prudential Indicators and Limits for 2023/24, contained within Appendix A.

40 REVIEW OF SIGNIFICANT ISSUES IN THE ANNUAL GOVERNANCE STATEMENT

The Committee considered the report from the Business Manager for Financial Services updating Members of the Audit & Governance Committee on the significant governance issues identified in the Annual Governance Statement.

Members had approved the Annual Governance Statement for the financial year ended 31 March 2022 at its meeting on 23 November 2022 and this report updated the Committee of the status of the governance issues identified.

Councillor Harris referred to minute 23 of the 23 November 2022 minutes, to bring Strategic Risk to the February meeting; the Chairman advised that this item would be brought to the April meeting, highlighting its inclusion on the Work Plan.

AGREED (unanimously) that the Committee noted the results of the review of significant governance issues as identified in the Annual Governance Statement.

41 SIX MONTH REVIEW OF THE COUNCIL'S REVISED GOVERNANCE ARRANGEMENTS

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer with findings from the Governance Review Working Party's six-month review of the new executive governance arrangements.

The report proposed that a working group of Members be convened, to have oversight of the Member induction process following the May 2023 District Council elections, initially liaising with each of the political group leaders for nominations. The working group to meet in February/March. The Committee agreed for the Conservative group leader to nominate four, Labour group leader two and Liberal Democrat leader to provide one nomination.

AGREED (9 votes For and 1 vote Against) that:

- a) a further review of the operation of the Council's governance arrangements should be undertaken at an appropriate point by the new Council;
- b) for the further review of the operation of the Council's governance arrangements to include a request for specific feedback from the Tenant representatives on the Tenant Engagement Board;
- c) to establish a Working Group of Members to have oversight of the Member induction process following the May 2023 District Council elections; for each political group leader to be asked to nominate Members to participate in the Working Group;
- d) to note that a bi-annual 'What's on' presentation for all Members is included in the Transformation Business Unit's annual work programme;
- e) to recommend the revised Urgency Procedure attached at Appendix 1 to Full Council for approval;
- f) to note the amendments/corrections to the Constitution since May 2022 and that these will also be reported to Full Council for noting (attached at Appendix 2); and

- g) for an annual review of the Council's Constitution to be included in the Committee's Work Plan.

42 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) ANNUAL REPORT

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer providing the following to the Committee:

- i. Activity by the Council under RIPA from 2021 to date
- ii. Relevant minor amendments to the RIPA policy
- iii. An update on mandatory training for officers.

The report highlighted that the use of authorised RIPA surveillance remains low, which is in line with the majority of other authorities. The annual statistical return to IPCO for 2022 is submitted by the Council at the end of January with a Nil return since 2016.

AGREED (unanimously) that Members noted the content of the report.

43 REVIEW OF THE COUNCIL'S WHISTLEBLOWING POLICY

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer providing an updated version of the Council's Whistleblowing Policy and proposals to raise awareness of the Policy.

The report explained how the Council has an adopted Whistleblowing Policy requiring updating as changes in the Council's structure along with external contacts. A review of the Policy has also been identified as an audit requirement for this financial year.

The Policy having been reviewed and updated as the revised Policy at Appendix 1 of the report and the current policy shown with tracked changes provided as Appendix 2.

Training for Councillors would be covered as part of the induction training.

AGREED (unanimously) that:

- a) the Committee adopts the revised Whistleblowing Policy attached as Appendix 1 to this report subject to consultation with the Council's Joint Consultative Committee;
- b) the Committee approves proposals for raising awareness of the Policy; and
- c) the Committee includes an annual review of the Whistleblowing Policy and concerns raised under it in the Committee's work plan.

44 GIFTS AND HOSPITALITY PROTOCOL AND POLICY

The Committee considered the report from the Assistant Director Legal & Democratic Services and Monitoring Officer to review the Council's policies for Members and Officers (employees) for consistency and to ensure they are fit for purpose.

The report explained that Members are required to register gifts and hospitality over a certain value even if declined. The Code of Conduct did state that all gifts and hospitality with an estimated value of £50 be registered however the Protocol gave a figure of £100. The Protocol had not been updated and after the Committee Members discussed this it was agreed to reduce the figure to £25 and make a correction which as an amendment would be required to be reported through Full Council.

The report also highlighted the gifts and hospitality requirements be included as part of the new Member induction programme after the May 2023 elections.

AGREED (unanimously) that:

- a) the report be noted;
- b) the Committee includes an annual review of the operation of the Council's Gifts and Hospitality arrangements in the Committee's work plan; and
- c) the Committee recommends to Full Council that all gifts and hospitality offered to Members over the value of £25 be registered and for the Code of Conduct for Councillors and Gifts and Hospitality Protocol to be amended accordingly.

45 AUDIT & GOVERNANCE COMMITTEE WORK PLAN

The Committee considered the Audit & Governance Committee Work Plan, noting a training session on Statement of Accounts to be confirmed in June 2023.

AGREED (unanimously) that the Audit & Governance Committee Work Plan be approved.

46 DATE OF NEXT MEETING - WEDNESDAY 26 APRIL 2023

The date of the next meeting was discussed by the Committee to bring forward to an earlier date in April 2023.

AGREED to consider by the Chairman to bring forward the date of the next meeting and to inform the Committee.

Meeting closed at 7.13 pm.

Chairman