

Council Tax Resolution and Budget Book

2016/17

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Head of Finance & Property & Section 151 Officer

BASSETLAW DISTRICT COUNCIL

COUNCIL

7TH MARCH 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

COUNCIL TAX RESOLUTION & BUDGET HEADLINES 2016/17

Cabinet Member: Finance
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1. Public Interest Test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 Under the Council's Constitution, 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. The function of preparing estimates and calculations for submission to Council is the responsibility of the Cabinet.

2.2 This report assists Members of the Council to consider the background to their budgetary and Council Tax decisions, and sets out the recommendations from Cabinet on the 11th February 2016.

3. Background and Discussion

INTRODUCTION

3.1 The Council Tax is a tax on property with a personal element in the form of a discount for dwellings with less than two relevant residents, plus reductions awarded under approved council tax reduction schemes. All dwellings are listed in one of eight valuation Bands and the amount of Council Tax payable in respect of each dwelling (before discounts and other reductions) is in a set proportion between each Band.

3.2 The headline Council Tax is calculated for Band D, and the Tax in the remaining Bands are worked out as a proportion of this amount. The lowest Band (A) is two-thirds of Band D and the highest Band (H) is twice Band D and three times Band A. The proportions are therefore as follows:

Band A	6/9	Band E	11/9
Band B	7/9	Band F	13/9
Band C	8/9	Band G	15/9
Band D	9/9	Band H	18/9

THE COUNCIL'S LEGAL DUTIES

- 3.3 In coming to decisions in relation to the revenue budget and the Council Tax, the District Council – and Members – have various legal duties, namely:
- (a) The Council must act in accordance with its statutory duties and responsibilities;
 - (b) The Council must act reasonably;
 - (c) The Council must not act in breach of its fiduciary duty to its Ratepayers and Council Taxpayers.

Statutory Duty

- 3.4 As part of the Budget and the Council Tax setting process, the Council was previously required by the Local Government Finance Act 1992 to make various specific calculations and decisions. The Localism Act 2011 made significant changes to the LGFA 1992, and requires the billing authority (Bassetlaw District Council) to calculate a **Council Tax requirement** for the year, not its budget requirement as previously.
- 3.5 These calculations must be made **before 11th March** (i.e. midnight on 10th March), although they are not invalid merely because they are made on or after that date. However, until the calculations are made any attempt to set the Council Tax will be treated as null and void.
- 3.6 The District Council has a clear legal duty to set a Council Tax, and a resolution not to set a Council Tax would be unlawful, being in breach of Section 30 of the Local Government Finance Act 1992. Similarly, so would be a resolution to set a Council Tax that deliberately did not balance the various calculations.

ADEQUACY OF COUNCIL TAX REQUIREMENT AND FINANCIAL RESERVES

- 3.7 The Local Government Act 2003 requires the Chief Financial Officer to report to the authority on the robustness of the estimates made for the purposes of the calculation and the adequacy of the proposed financial reserves. This will include estimates and reserves used for the purpose of the Cabinet's recommendations to Council, and for the purpose of any amendments to those recommendations. The Council has a statutory duty to have regard to the Chief Financial Officer's report when making decisions about the Section 31 calculations. This is set out in the *Robustness of Estimates and Adequacy of Reserves 2016/17* report contained within this document.

SETTING THE COUNCIL TAX

- 3.8 The final stage of the Council Tax setting process is for the Council, as billing authority, to set the overall Council Tax for each Band. Whereas the billing authorities and major precepting authorities calculate their own budget requirements, basic amounts, and amounts of each Band, the setting of the Council Tax is solely the responsibility of the District Council as billing authority.

COUNCIL TAX FREEZE SCHEME

- 3.9 No offer has been made by the Department for Communities and Local Government in respect of a council tax freeze scheme for 2016/17.

COUNCIL TAX REFERENDUMS

- 3.10 Schedule 5 to the Localism Act 2011 introduced a new section into the Local Government Finance Act 1992 ("the 1992 Act"), making provision for council tax referendums to be held if an authority increases its relevant basic amount of council tax by an amount exceeding principles determined by the Secretary of State and agreed by the House of Commons. The Localism Act also abolished the capping regime in England.
- 3.11 The final settlement for 2016/17 was announced on 9th February 2016, and one of the supporting documents is "*The Referendums Relating to Council Tax Increases (Principles) (England) Report 2016/2017*". This sets out the council tax referendum principles, and authorities' responsibilities in the event that they are required to arrange for a referendum to be held in 2016/17.
- 3.12 In short, each authority must determine whether its relevant basic amount of council tax is excessive. If it is deemed to be so, then a referendum must be held in relation to that amount. For district councils, the authority will be required to seek the approval of their local electorate in a referendum if:
- the council sets a council tax increase (calculated on the relevant basic amount of council tax) of 2.0% or more than the equivalent 2015/16 figure, and,
 - is more than £5.00 greater than its relevant basic amount of council tax for 2015/16.

CHANGES MADE TO THE BUDGET SINCE THE 11TH FEBRUARY 2016 CABINET REPORT

- 3.13 Since the meeting of the Cabinet on 11th February 2016, the following information has been received/determined:
- The final Revenue Support Grant entitlement and Baseline Funding Level for business rates was announced on 9th February 2016, with no overall changes made to the provisional settlement figures.
 - A Rural Services Delivery Grant was also confirmed as part of the 9th February 2016 announcement. This is an addition to the Council's budget presented on 11th February 2016, and has been placed into a holding pot pending decisions on allocation by Members.
 - The annual levy for the Doncaster East Internal Drainage Board has been set at £3,700 lower than the Council estimated for 2016/17. This has resulted in this amount being added into the Corporate Contingency in 2016/17, and reduced the savings target for the Council in 2017/18 and 2018/19.
 - The Town/Parish precepts have now been received for 2016/17, and the budget for 2016/17 has been amended to £976,200, being an increase of £26,200 over the reported budget.
 - These movements are presented in the table below, and Appendices 1 and 2 to the *General Fund Revenue Budget 2016/17 to 2018/19* (in the budget book) has been updated to reflect these changes:

	2016/17	2017/18	2018/19
	£	£	£
Tariff	800	3,900	(2,500)
Retained Business Rates (baseline)	(800)	(3,900)	2,500
Rural Services Delivery Grant Income	(53,400)	(43,100)	(33,200)
Rural Services Delivery Grant Expenditure	53,400	43,100	33,200
Internal Drainage Board Levies	(3,700)	(3,700)	(3,700)
Corporate Contingency	3,700	0	0
Savings Target Adjustment	0	3,700	3,700
Parish Precepts	26,200	26,200	26,200
Council Tax – Parishes	(26,200)	(26,200)	(26,200)
TOTAL MOVEMENTS:	0	0	0

BUDGET CONSULTATION

3.14 Officers have consulted with the Council's stakeholders on the 2016/17 budget as follows:

- The Council Tax Reduction Scheme is a major part of the Council's budget as circa £7.9m is spent on council tax benefits. The Reduction Scheme results from a change in government policy, whereby only 90% of the costs of council tax benefits was funded by central government in the first year, leaving Bassetlaw as the billing authority to find circa £0.8m through a combination of savings, charging 10% to council tax benefit recipients, and premiums on second and empty homes. The original scheme consultation exercise was undertaken during October 2013, and included the major preceptors and Town/Parish Councils, the Financial Inclusion Forum, and the general public via the One Stop Shops and the website. There is no requirement to consult again unless there are major changes to the scheme. At the full Council meeting in January 2016, it was approved that the Council Tax Reduction Scheme remains unchanged from the previous year. However, as part of best practice, the major preceptors have again been consulted for their views on the scheme.
- The Council has undertaken a public consultation on car parking in Bassetlaw, with residents asked for their views on a number of issues, including the charging structure for the financial year 2016/17.
- Bassetlaw has a statutory duty to consult the business community as part of its budget preparations, and held a public meeting to fulfil this requirement on the 8th February 2016. No interested parties attended this meeting.

OTHER PRECEPTING BODIES

3.15 Since the meeting of the Cabinet on 11th February 2016 the precept levels of other precepting bodies have been received. These are detailed below:

Town and Parish Councils

The Town and Parish Council Precepts for 2016/17 are detailed in Appendix B and total £976,176. The increase in the average Band D Council Tax for Town and Parish Councils is 2.54% and results in an average Band D Council Tax figure of £29.51 for 2016/17. Out of the 56 Town/Parish councils, 29 have increased their precept, 14 have stayed the same, and 13 have reduced.

Nottinghamshire County Council

Nottinghamshire County Council met on 25th February 2016 and set their precept at £42,694,736. This includes an additional precept solely for Adult Social Care, and results in a Band D Council Tax of £1,290.66 (£1,265.84 + £24.82).

Nottinghamshire Police & Crime Commissioner

Nottinghamshire Police & Crime Commissioner met on 1st February 2016 and set their precept at £5,951,381. This results in a Band D Council Tax of £179.91.

Nottinghamshire Fire & Rescue Authority

Nottinghamshire Fire & Rescue Authority met on 26th February 2016 and set their precept at £2,442,941. This results in a Band D Council Tax of £73.85.

4. Implications

a) For service users

The Council Tax Resolution effectively sets the revenue and capital budgets and the Council Tax level for 2016/17.

b) Strategic & Policy

As contained within this report and the individual budget reports.

c) Financial – Ref: 16/316

As contained within this report and the individual budget reports.

d) Legal - Ref: 414/03/16

Under the Council's Constitution, 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. The function of preparing estimates and calculations for submission to Council is the responsibility of the Cabinet.

e) Human Resources

As contained within this report and the individual budget reports.

f) Community Safety, Equalities, Environmental

As contained within this report and the individual budget reports.

- g) This is key decision number 552, but accompanies the reports under key decision numbers 545 to 549.

5. Options, Risks and Reasons for Recommendations

- 5.1 This report is a statutory requirement. It is for Members to decide on the balance between council taxation and service levels.

6. Recommendations

- 6.1 That recommendations 3(a) to 3(m) of Appendix F which is a summary of the recommendations made in the suite of the 2016/17 budget reports be approved.
- 6.2 That the formal Council Tax Resolution set out at Appendix A be approved.
- 6.3 That if the formal Council Tax Resolution at Appendix A is approved, the total Band D Council Tax will be as follows:

	2015/16	2016/17	Increase
	£	£	%
Bassetlaw District Council	157.44	160.43	1.90%
Nottinghamshire County Council	1,241.14	1,265.84	1.99%
Nottinghamshire County Council – Adult Social Care	0	24.82	2.00%
Nottinghamshire Police & Crime Commissioner	176.40	179.91	1.99%
Nottinghamshire Fire & Rescue Authority	72.44	73.85	1.95%
Sub-Total	1,647.42	1,704.85	3.49%
Town & Parish Council (average)	28.78	29.51	2.54%
Total	1,676.20	1,734.36	3.47%

APPENDIX A

The Council is recommended to resolve as follows:

1. It be noted that on 28th January 2016 the Council calculated the Council Tax Base 2016/17:
 - (a) For the whole Council area as 33,079.77 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended by The Localism Act 2011 (the "Act")]; and
 - (b) For dwellings in those parts of its area to which one or more special items relate as in the attached Appendix C.
2. Calculate that the Council Tax requirement for the Council's own purposes for 2016/17 (excluding Parish precepts and Special Expenses) is £5,307,000.
3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:
 - (a) £97,864,600 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils and any additional special expenses.
 - (b) (£91,581,400) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £6,283,200 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 (Item R in the formula in Section 31B of the Act).
 - (d) £189.94 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts and special expenses).
 - (e) £976,200 being the aggregate amount of all special items (Parish precepts and special expenses) referred to in Section 34(1) of the Act (as per the attached Appendix C).
 - (f) £160.43 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), 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 Parish precept or special item relates.
4. To note that the County Council, the Police & Crime Commissioner and the Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

	Valuation Bands							
	A £	B £	C £	D £	E £	F £	G £	H £
Bassetlaw District Council	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Nottinghamshire County Council	843.90	984.54	1125.19	1265.84	1547.14	1828.44	2109.74	2531.68
Nottinghamshire County Council – Adult Social Care	16.54	19.31	22.06	24.82	30.33	35.85	41.36	49.64
Nottinghamshire Police & Crime Commissioner	119.94	139.93	159.92	179.91	219.89	259.87	299.85	359.82
Nottinghamshire Fire & Rescue Authority	49.23	57.44	65.64	73.85	90.26	106.67	123.08	147.70
Aggregate of Council Tax Requirements	1136.56	1326.00	1515.41	1704.85	2083.70	2462.56	2841.41	3409.70

6. That the Council's basic amount of Council Tax for 2016/17 is not excessive in accordance with the principles approved under Section 52ZB of the Local Government Finance Act 1992.
7. The Council hereby authorises the Section 151 Officer to administer the provisions of the Local Government Finance Acts 1988 and 1992 with regard to the demand, collection and recovery of Council Tax and Non-Domestic Rates and the operation of the Collection Fund.
8. (a) The Council hereby specifies that the Business Rates shall be collected in accordance with respective statutory monthly instalment schemes laid down in Regulations within a 10 month period from April to January, or a 12 month period April to March.
- (b) The Council hereby specifies that the Council Tax shall be collected in accordance with respective statutory monthly instalment schemes laid down in Regulations within a 10 month period from April to January, or a 12 month period April to March, except where agreements are made with the taxpayer to pay in weekly instalments.
- (c) Payments will fall due on the first day of each month except where specific arrangements for Direct Debit apply for Council Tax and Business Rates.

BASSETLAW DISTRICT COUNCIL TAXBASE & LOCAL PRECEPTS 2016/17

Parish/Town Council	2015/16			2016/17			Council Tax Increase
	Taxbase	Precept	Council Tax Band D	Taxbase	Precept	Council Tax Band D	
		£	£		£	£	%
Askham	82.49	0	0.00	80.73	1,500	18.58	0.00%
Babworth	220.92	4,951	22.41	222.12	5,090	22.92	2.28%
Barnby Moor	112.09	2,767	24.69	111.78	3,144	28.13	13.93%
Beckingham-cum-Saundby	470.04	22,428	47.72	470.88	22,454	47.69	-0.06%
Blyth	473.34	25,626	54.14	478.44	25,936	54.21	0.13%
Bole	49.44	0	0.00	49.05	0	0.00	0.00%
Bothamsall	92.05	1,000	10.86	97.56	1,200	12.30	13.26%
Carburton	23.41	0	0.00	24.84	0	0.00	0.00%
Carlton in Lindrick	1,560.03	148,202	95.00	1,583.10	150,394	95.00	0.00%
Clarborough & Welham	383.24	15,000	39.14	384.84	15,000	38.98	-0.41%
Clayworth	140.42	7,600	54.12	141.03	7,600	53.89	-0.42%
Clumber and Hardwick	29.57	0	0.00	33.66	0	0.00	0.00%
Dunham on Trent with Ragnall, Fledborough and Darlton	214.56	9,946	46.36	212.76	10,158	47.74	2.98%
East Drayton	112.97	3,315	29.34	114.57	3,399	29.67	1.12%
East Markham	470.70	17,948	38.13	471.78	18,307	38.80	1.76%
East Retford Charter Trustees	6,443.72	9,215	1.43	6,582.06	9,412	1.43	0.00%
Eikesley	221.84	12,610	56.84	227.34	13,051	57.41	1.00%
Everton	352.63	11,650	33.04	361.08	11,650	32.26	-2.36%
Gamston with West Drayton & Eaton	239.63	6,226	25.98	239.58	6,224	25.98	0.00%
Gringley-on-the Hill	308.21	18,983	61.59	327.06	20,150	61.61	0.03%
Harworth & Bircotes	1,795.35	201,000	111.96	1,856.79	206,025	110.96	-0.89%
Haughton	19.98	0	0.00	20.34	0	0.00	0.00%
Hayton	155.03	6,800	43.86	155.43	11,300	72.70	65.75%
Headon-cum-Upton with Grove & Stokeham	149.21	3,572	23.94	152.64	3,654	23.94	0.00%
Hodsock	541.12	34,759	64.24	570.51	36,650	64.24	0.00%
Holbeck & Welbeck	125.22	3,404	27.18	123.39	3,369	27.30	0.44%
Laneham	140.52	6,152	43.78	145.26	7,021	48.33	10.39%
Lound	191.33	5,124	26.78	188.82	5,844	30.95	15.57%
Markham Clinton	93.99	3,140	33.41	93.24	3,176	34.06	1.95%
Mattersey	235.94	8,604	36.47	241.65	8,682	35.93	-1.48%
Misson	263.12	9,864	37.49	265.59	10,850	40.85	8.96%
Misterton	696.83	55,000	78.93	705.78	60,000	85.01	7.70%
Nether Langwith	136.52	7,956	58.28	137.07	8,852	64.58	10.81%
Normanton-on-Trent with Marnham	184.70	4,630	25.07	197.55	4,685	23.72	-5.38%
North Leverton with Habbleshorpe	328.43	19,256	58.63	339.48	19,560	57.62	-1.72%
North and South Wheatley	263.30	20,011	76.00	263.88	20,011	75.83	-0.22%
Norton and Cuckney	126.24	7,450	59.01	131.04	8,946	68.27	15.69%
Rampton	263.36	7,855	29.83	269.82	8,448	31.31	4.96%
Ranskill	484.23	17,900	36.97	488.34	17,900	36.65	-0.87%
Rhodesia	211.57	3,148	14.88	214.47	3,560	16.60	11.56%
Scaftworth	16.77	0	0.00	17.19	0	0.00	0.00%
Scrooby	130.38	4,574	35.08	130.32	4,779	36.67	4.53%
Shireoaks	445.55	12,679	28.46	445.95	14,355	32.19	13.11%
South Leverton	187.58	9,000	47.98	192.78	8,000	41.50	-13.51%
Sturton-le-Steeple	189.54	15,000	79.14	192.87	16,500	85.55	8.10%
Styrrup with Oldcotes	238.06	14,992	62.98	243.54	15,192	62.38	-0.95%
Sutton	256.06	10,957	42.79	257.58	11,023	42.79	0.00%
Tonworth	78.91	5,131	65.02	83.25	5,755	69.13	6.32%
Treswell-with-Cottam	121.06	1,887	15.59	118.44	2,393	20.20	29.57%
Tuxford	762.14	92,282	121.08	770.49	93,493	121.34	0.21%
Walkeringham	340.74	17,971	52.74	350.19	19,203	54.84	3.98%
Wallingwells	14.19	0	0.00	14.40	0	0.00	0.00%
West Burton	6.30	0	0.00	6.66	0	0.00	0.00%
West Stockwith	109.27	8,553	78.27	110.97	10,677	96.22	22.93%
Wiseton	42.00	458	10.90	44.19	471	10.66	-2.20%
Worksop Charter Trustees	11,199.51	112	0.01	11,325.60	1,133	0.10	900.00%
Total:	32,545.35	936,688	28.78	33,079.77	976,176	29.51	2.54%

Summary:

Increased	29
Remained the same	14
Reduced	13
	56

LOCAL PRECEPTS 2016/17

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Bassetlaw District Council	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Nottinghamshire County Council	843.90	984.54	1125.19	1265.84	1547.14	1828.44	2109.74	2531.68
Nottinghamshire County Council - Adult Social Care	16.54	19.31	22.06	24.82	30.33	35.85	41.36	49.64
Nottinghamshire Police & Crime Commissioner	119.94	139.93	159.92	179.91	219.89	259.87	299.85	359.82
Nottinghamshire Fire & Rescue Authority	49.23	57.44	65.64	73.85	90.26	106.67	123.08	147.70
TOTAL:	1136.56	1326.00	1515.41	1704.85	2083.70	2462.56	2841.41	3409.70
Askham	12.39	14.45	16.52	18.58	22.71	26.84	30.97	37.16
Babworth	15.28	17.83	20.37	22.92	28.01	33.11	38.20	45.84
Barnby Moor	18.75	21.88	25.00	28.13	34.38	40.63	46.88	56.26
Beckingham-cum-Saundby	31.79	37.09	42.39	47.69	58.29	68.89	79.48	95.38
Blyth	36.14	42.16	48.19	54.21	66.26	78.30	90.35	108.42
Bole	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bothamsall	8.20	9.57	10.93	12.30	15.03	17.77	20.50	24.60
Carburton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Carlton in Lindrick	63.33	73.89	84.44	95.00	116.11	137.22	158.33	190.00
Clarborough & Welham	25.99	30.32	34.65	38.98	47.64	56.30	64.97	77.96
Clayworth	35.93	41.91	47.90	53.89	65.87	77.84	89.82	107.78
Clumber and Hardwick	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dunham on Trent with Ragnall, Fledborough and Darlton	31.83	37.13	42.44	47.74	58.35	68.96	79.57	95.48
East Drayton	19.78	23.08	26.37	29.67	36.26	42.86	49.45	59.34
East Markham	25.87	30.18	34.49	38.80	47.42	56.04	64.67	77.60
East Retford Charter Trustees	0.95	1.11	1.27	1.43	1.75	2.07	2.38	2.86
Elkesley	38.27	44.65	51.03	57.41	70.17	82.93	95.68	114.82
Everton	21.51	25.09	28.68	32.26	39.43	46.60	53.77	64.52
Gamston with West Drayton & Eaton	17.32	20.21	23.09	25.98	31.75	37.53	43.30	51.96
Gringley-on-the Hill	41.07	47.92	54.76	61.61	75.30	88.99	102.68	123.22
Harworth & Bircotes	73.97	86.30	98.63	110.96	135.62	160.28	184.93	221.92
Haughton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hayton	48.47	56.54	64.62	72.70	88.86	105.01	121.17	145.40
Headon-cum-Upton with Grove & Stokeham	15.96	18.62	21.28	23.94	29.26	34.58	39.90	47.88
Hodsock	42.83	49.96	57.10	64.24	78.52	92.79	107.07	128.48
Holbeck & Welbeck	18.20	21.23	24.27	27.30	33.37	39.43	45.50	54.60
Laneham	32.22	37.59	42.96	48.33	59.07	69.81	80.55	96.66
Lound	20.63	24.07	27.51	30.95	37.83	44.71	51.58	61.90
Markham Clinton	22.71	26.49	30.28	34.06	41.63	49.20	56.77	68.12
Mattersey	23.95	27.95	31.94	35.93	43.91	51.90	59.88	71.86
Misson	27.23	31.77	36.31	40.85	49.93	59.01	68.08	81.70
Misterton	56.67	66.12	75.56	85.01	103.90	122.79	141.68	170.02
Nether Langwith	43.05	50.23	57.40	64.58	78.93	93.28	107.63	129.16
Normanton-on-Trent with Marnham	15.81	18.45	21.08	23.72	28.99	34.26	39.53	47.44
North Leverton with Hablesthorpe	38.41	44.82	51.22	57.62	70.42	83.23	96.03	115.24
North and South Wheatley	50.55	58.98	67.40	75.83	92.68	109.53	126.38	151.66
Norton and Cuckney	45.51	53.10	60.68	68.27	83.44	98.61	113.78	136.54
Rampton	20.87	24.35	27.83	31.31	38.27	45.23	52.18	62.62
Ranskill	24.43	28.51	32.58	36.65	44.79	52.94	61.08	73.30
Rhodesia	11.07	12.91	14.76	16.60	20.29	23.98	27.67	33.20
Scaftworth	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Scrooby	24.45	28.52	32.60	36.67	44.82	52.97	61.12	73.34
Shireoaks	21.46	25.04	28.61	32.19	39.34	46.50	53.65	64.38
South Leverton	27.67	32.28	36.89	41.50	50.72	59.94	69.17	83.00
Sturton-le-Steeple	57.03	66.54	76.04	85.55	104.56	123.57	142.58	171.10
Styrrup with Oldcotes	41.59	48.52	55.45	62.38	76.24	90.10	103.97	124.76
Sutton	28.53	33.28	38.04	42.79	52.30	61.81	71.32	85.58
Torworth	46.09	53.77	61.45	69.13	84.49	99.85	115.22	138.26
Treswell-with-Cottam	13.47	15.71	17.96	20.20	24.69	29.18	33.67	40.40
Tuxford	80.89	94.38	107.86	121.34	148.30	175.27	202.23	242.68
Wakeringham	36.56	42.65	48.75	54.84	67.03	79.21	91.40	109.68
Wallingwells	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
West Burton	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
West Stockwith	64.15	74.84	85.53	96.22	117.60	138.98	160.37	192.44
Wiseton	7.11	8.29	9.48	10.66	13.03	15.40	17.77	21.32
Worksop Charter Trustees	0.07	0.08	0.09	0.10	0.12	0.14	0.17	0.20

BASSETLAW DISTRICT COUNCIL TAX INCLUDING LOCAL PRECEPTS 2016/17

Parish/Town	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Askham	119.34	139.23	159.12	179.01	218.79	258.57	298.35	358.02
Babworth	122.23	142.61	162.97	183.35	224.09	264.84	305.58	366.70
Barnby Moor	125.70	146.66	167.60	188.56	230.46	272.36	314.26	377.12
Beckingham-cum-Saundby	138.74	161.87	184.99	208.12	254.37	300.62	346.86	416.24
Blyth	143.09	166.94	190.79	214.64	262.34	310.03	357.73	429.28
Bole	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Bothamsall	115.15	134.35	153.53	172.73	211.11	249.50	287.88	345.46
Carburton	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Carlton in Lindrick	170.28	198.67	227.04	255.43	312.19	368.95	425.71	510.86
Clarborough & Welham	132.94	155.10	177.25	199.41	243.72	288.03	332.35	398.82
Clayworth	142.88	166.69	190.50	214.32	261.95	309.57	357.20	428.64
Clumber and Hardwick	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Dunham on Trent with Ragnall, Fledborough and Darlton	138.78	161.91	185.04	208.17	254.43	300.69	346.95	416.34
East Drayton	126.73	147.86	168.97	190.10	232.34	274.59	316.83	380.20
East Markham	132.82	154.96	177.09	199.23	243.50	287.77	332.05	398.46
East Retford Charter Trustees	107.90	125.89	143.87	161.86	197.83	233.80	269.76	323.72
Elkesley	145.22	169.43	193.63	217.84	266.25	314.66	363.06	435.68
Everton	128.46	149.87	171.28	192.69	235.51	278.33	321.15	385.38
Gamston with West Drayton & Eaton	124.27	144.99	165.69	186.41	227.83	269.26	310.68	372.82
Gringley-on-the Hill	148.02	172.70	197.36	222.04	271.38	320.72	370.06	444.08
Harworth & Bircotes	180.92	211.08	241.23	271.39	331.70	392.01	452.31	542.78
Haughton	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Hayton	155.42	181.32	207.22	233.13	284.94	336.74	388.55	466.26
Headon-cum-Upton with Grove & Stokeham	122.91	143.40	163.88	184.37	225.34	266.31	307.28	368.74
Hodsock	149.78	174.74	199.70	224.67	274.60	324.52	374.45	449.34
Holbeck & Welbeck	125.15	146.01	166.87	187.73	229.45	271.16	312.88	375.46
Laneham	139.17	162.37	185.56	208.76	255.15	301.54	347.93	417.52
Lound	127.58	148.85	170.11	191.38	233.91	276.44	318.96	382.76
Markham Clinton	129.66	151.27	172.88	194.49	237.71	280.93	324.15	388.98
Mattersey	130.90	152.73	174.54	196.36	239.99	283.63	327.26	392.72
Misson	134.18	156.55	178.91	201.28	246.01	290.74	335.46	402.56
Misterton	163.62	190.90	218.16	245.44	299.98	354.52	409.06	490.88
Nether Langwith	150.00	175.01	200.00	225.01	275.01	325.01	375.01	450.02
Normanton-on-Trent with Marnham	122.76	143.23	163.68	184.15	225.07	265.99	306.91	368.30
North Leverton with Habblesthorpe	145.36	169.60	193.82	218.05	266.50	314.96	363.41	436.10
North and South Wheatley	157.50	183.76	210.00	236.26	288.76	341.26	393.76	472.52
Norton and Cuckney	152.46	177.88	203.28	228.70	279.52	330.34	381.16	457.40
Rampton	127.82	149.13	170.43	191.74	234.35	276.96	319.56	383.48
Ranskill	131.38	153.29	175.18	197.08	240.87	284.67	328.46	394.16
Rhodesia	118.02	137.69	157.36	177.03	216.37	255.71	295.05	354.06
Scaftworth	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
Scrooby	131.40	153.30	175.20	197.10	240.90	284.70	328.50	394.20
Shireoaks	128.41	149.82	171.21	192.62	235.42	278.23	321.03	385.24
South Leverton	134.62	157.06	179.49	201.93	246.80	291.67	336.55	403.86
Sturton-le-Steeple	163.98	191.32	218.64	245.98	300.64	355.30	409.96	491.96
Styrrup with Oldcotes	148.54	173.30	198.05	222.81	272.32	321.83	371.35	445.62
Sutton	135.48	158.06	180.64	203.22	248.38	293.54	338.70	406.44
Torworth	153.04	178.55	204.05	229.56	280.57	331.58	382.60	459.12
Treswell-with-Cottam	120.42	140.49	160.56	180.63	220.77	260.91	301.05	361.26
Tuxford	187.84	219.16	250.46	281.77	344.38	407.00	469.61	563.54
Walkeringham	143.51	167.43	191.35	215.27	263.11	310.94	358.78	430.54
Wallingwells	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
West Burton	106.95	124.78	142.60	160.43	196.08	231.73	267.38	320.86
West Stockwith	171.10	199.62	228.13	256.65	313.68	370.71	427.75	513.30
Wiseton	114.06	133.07	152.08	171.09	209.11	247.13	285.15	342.18
Worksop Charter Trustees	107.02	124.86	142.69	160.53	196.20	231.87	267.55	321.06

**BASSETLAW DISTRICT COUNCIL TAX INCLUDING COUNTY COUNCIL, POLICE & CRIME
COMMISSIONER, FIRE & RESCUE AUTHORITY, DISTRICT COUNCIL AND LOCAL PRECEPTS
2016/17**

Parish/Town	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Askham	1,148.95	1,340.45	1,531.93	1,723.43	2,106.41	2,489.40	2,872.38	3,446.86
Babworth	1,151.84	1,343.83	1,535.78	1,727.77	2,111.71	2,495.67	2,879.61	3,455.54
Barnby Moor	1,155.31	1,347.88	1,540.41	1,732.98	2,118.08	2,503.19	2,888.29	3,465.96
Beckingham-cum-Saundby	1,168.35	1,363.09	1,557.80	1,752.54	2,141.99	2,531.45	2,920.89	3,505.08
Blyth	1,172.70	1,368.16	1,563.60	1,759.06	2,149.96	2,540.86	2,931.76	3,518.12
Bole	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
Bothamsall	1,144.76	1,335.57	1,526.34	1,717.15	2,098.73	2,480.33	2,861.91	3,434.30
Carburton	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
Carlton in Lindrick	1,199.89	1,399.89	1,599.85	1,799.85	2,199.81	2,599.78	2,999.74	3,599.70
Clarborough & Welham	1,162.55	1,356.32	1,550.06	1,743.83	2,131.34	2,518.86	2,906.38	3,487.66
Clayworth	1,172.49	1,367.91	1,563.31	1,758.74	2,149.57	2,540.40	2,931.23	3,517.48
Clumber and Hardwick	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
Dunham on Trent with Ragnall, Fledborough and Darlton	1,168.39	1,363.13	1,557.85	1,752.59	2,142.05	2,531.52	2,920.98	3,505.18
East Drayton	1,156.34	1,349.08	1,541.78	1,734.52	2,119.96	2,505.42	2,890.86	3,469.04
East Markham	1,162.43	1,356.18	1,549.90	1,743.65	2,131.12	2,518.60	2,906.08	3,487.30
East Retford Charter Trustees	1,137.51	1,327.11	1,516.68	1,706.28	2,085.45	2,464.63	2,843.79	3,412.56
Elkesley	1,174.83	1,370.65	1,566.44	1,762.26	2,153.87	2,545.49	2,937.09	3,524.52
Everton	1,158.07	1,351.09	1,544.09	1,737.11	2,123.13	2,509.16	2,895.18	3,474.22
Garnston with West Drayton & Eaton	1,153.88	1,346.21	1,538.50	1,730.83	2,115.45	2,500.09	2,884.71	3,461.66
Gringley-on-the Hill	1,177.63	1,373.92	1,570.17	1,766.46	2,159.00	2,551.55	2,944.09	3,532.92
Harworth & Bircotes	1,210.53	1,412.30	1,614.04	1,815.81	2,219.32	2,622.84	3,026.34	3,631.62
Haughton	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
Hayton	1,185.03	1,382.54	1,580.03	1,777.55	2,172.56	2,567.57	2,962.58	3,555.10
Headon-cum-Upton with Grove & Stokeham	1,152.52	1,344.62	1,536.69	1,728.79	2,112.96	2,497.14	2,881.31	3,457.58
Hodsock	1,179.39	1,375.96	1,572.51	1,769.09	2,162.22	2,555.35	2,948.48	3,538.18
Holbeck & Welbeck	1,154.76	1,347.23	1,539.68	1,732.15	2,117.07	2,501.99	2,886.91	3,464.30
Laneham	1,168.78	1,363.59	1,558.37	1,753.18	2,142.77	2,532.37	2,921.96	3,506.36
Lound	1,157.19	1,350.07	1,542.92	1,735.80	2,121.53	2,507.27	2,892.99	3,471.60
Markham Clinton	1,159.27	1,352.49	1,545.69	1,738.91	2,125.33	2,511.76	2,898.18	3,477.82
Mattersey	1,160.51	1,353.95	1,547.35	1,740.78	2,127.61	2,514.46	2,901.29	3,481.56
Misson	1,163.79	1,357.77	1,551.72	1,745.70	2,133.63	2,521.57	2,909.49	3,491.40
Misterton	1,193.23	1,392.12	1,590.97	1,789.86	2,187.60	2,585.35	2,983.09	3,579.72
Nether Langwith	1,179.61	1,376.23	1,572.81	1,769.43	2,162.63	2,555.84	2,949.04	3,538.86
Normanton-on-Trent with Marnham	1,152.37	1,344.45	1,536.49	1,728.57	2,112.69	2,496.82	2,880.94	3,457.14
North Leverton with Habblesthorpe	1,174.97	1,370.82	1,566.63	1,762.47	2,154.12	2,545.79	2,937.44	3,524.94
North and South Wheatley	1,187.11	1,384.98	1,582.81	1,780.68	2,176.38	2,572.09	2,967.79	3,561.36
Norton and Cuckney	1,182.07	1,379.10	1,576.09	1,773.12	2,167.14	2,561.17	2,955.19	3,546.24
Rampton	1,157.43	1,350.35	1,543.24	1,736.16	2,121.97	2,507.79	2,893.59	3,472.32
Ranskill	1,160.99	1,354.51	1,547.99	1,741.50	2,128.49	2,515.50	2,902.49	3,483.00
Rhodesia	1,147.63	1,338.91	1,530.17	1,721.45	2,103.99	2,486.54	2,869.08	3,442.90
Scaftworth	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
Scrooby	1,161.01	1,354.52	1,548.01	1,741.52	2,128.52	2,515.53	2,902.53	3,483.04
Shireoaks	1,158.02	1,351.04	1,544.02	1,737.04	2,123.04	2,509.06	2,895.06	3,474.08
South Leverton	1,164.23	1,358.28	1,552.30	1,746.35	2,134.42	2,522.50	2,910.58	3,492.70
Sturton-le-Steeple	1,193.59	1,392.54	1,591.45	1,790.40	2,188.26	2,586.13	2,983.99	3,580.80
Styrrup with Oldcotes	1,178.15	1,374.52	1,570.86	1,767.23	2,159.94	2,552.66	2,945.38	3,534.46
Sutton	1,165.09	1,359.28	1,553.45	1,747.64	2,136.00	2,524.37	2,912.73	3,495.28
Torworth	1,182.65	1,379.77	1,576.86	1,773.98	2,168.19	2,562.41	2,956.63	3,547.96
Treswell-with-Cottam	1,150.03	1,341.71	1,533.37	1,725.05	2,108.39	2,491.74	2,875.08	3,450.10
Tuxford	1,217.45	1,420.38	1,623.27	1,826.19	2,232.00	2,637.83	3,043.64	3,652.38
Wakeringham	1,173.12	1,368.65	1,564.16	1,759.69	2,150.73	2,541.77	2,932.81	3,519.38
Wallingwells	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
West Burton	1,136.56	1,326.00	1,515.41	1,704.85	2,083.70	2,462.56	2,841.41	3,409.70
West Stockwith	1,200.71	1,400.84	1,600.94	1,801.07	2,201.30	2,601.54	3,001.78	3,602.14
Wiseton	1,143.67	1,334.29	1,524.89	1,715.51	2,096.73	2,477.96	2,859.18	3,431.02
Worksop Charter Trustees	1,136.63	1,326.08	1,515.50	1,704.95	2,083.82	2,462.70	2,841.58	3,409.90

BUDGET HEADLINES 2016/17

1. Purpose of the Report

- 1.1 This report brings together the various budget recommendations made by Cabinet on 11th February 2016 to assist the Council in determining its call upon the Collection Fund and hence the level of the Council Tax for 2016/17.

2. Background

General Fund Revenue Budget

- 2.1. With the introduction of the Retained Business Rates scheme, the main grant provided by the DCLG is the Revenue Support Grant. The final grant settlement saw a decrease of £893,400 to £1,907,100.
- 2.2. The General Fund net budget for 2016/17, as agreed by Cabinet (including adjusted final figures for parish grants and internal drainage board levies) is £16,889,000 after funding Provisions (£351,200), Parish Precepts (£976,200), and the net transfer to balances £1,242,000. This provides for a Council Tax increase of 1.90%.

Parishes

- 2.3. The Parish Precepts for 2016/17 total £976,200, an average Band D increase of 2.54%.
- 2.4. The District Council has no special expenses. This is confirmed in the Council Tax Resolution.

General Fund Reserves and Balances

- 2.5. The Council is required to operate a General Fund and a separate Collection Fund. Within the General Fund, the Council will hold £1m as a minimum working balance.

Council Tax Base

- 2.6. The Council Tax base (Band D equivalent) has increased by 534.42 Band D properties from 32,545.35 to 33,079.77.

Bassetlaw District Council Tax For 2016/17

2.7. The District Council Tax position may be summarised as follows:

	£'000	Council Tax Band D Equiv. £
General Fund Total Expenditure	15,647	473.01
Transfer to/(from) Reserves	1,242	37.55
	16,889	510.56
<u>LESS</u>		
Parish Precepts	-976	-29.51
Revenue Support Grant	-1,907	-57.65
National Non-Domestic Rates distribution	-6,083	-183.89
Other Grants	-2,466	-74.55
To be met from Collection Fund	5,457	164.96
<u>LESS</u> reductions due to better than expected local tax collection	-150	-4.53
	5,307	160.43

Housing Revenue Account (reported to Council 28th January 2016)

2.8. The Housing Revenue Account estimates for 2016/17 include an average weekly rent reduction of £0.75 per week on a 52-week collection basis as from 4th April 2016 in respect of all dwellings. This provides for an average rent reduction of 1.0%. Within the HRA, the Council will hold £1.3m as a minimum working balance.

Capital Budget

- 2.9. The CIPFA Prudential Code governs the Authority's Capital Expenditure. This is limited to the amount the Council can afford after allowing for grants, the availability of capital receipts, revenue contributions and leasing.
- 2.10. The recommended Capital Budget for 2016/17 (including the previous year's approvals) totals £14,789,000 of which £10,750,000 is for Housing, and the remaining £4,039,000 is for the General Fund.

Total Council Tax for 2016/17

2.11. In addition to the District Council Tax, the Council is required to raise monies in respect of precepts issued by the Nottinghamshire County Council, Nottinghamshire Police & Crime Commissioner, Nottinghamshire Fire & Rescue Authority, Parish Councils, and Charter Trustees.

APPENDIX F

2.12. The position may be summarised as follows:

	Band D Council Tax £	Band D Percentage Increase %
Bassetlaw District Council	160.43	1.90%
Nottinghamshire County Council	1,265.84	1.99%
Nottinghamshire County Council – Adult Social Care	24.82	2.00%
Nottinghamshire Police & Crime Commissioner	179.91	1.99%
Nottinghamshire Fire & Rescue Authority	73.85	1.95%
Parish Councils and Charter Trustees	29.51	2.54%
TOTAL	1,734.36	3.47%

Precept Requirements for 2016/17

2.13 The position may be summarised as follows:

	Band D Council Tax £	Proportion Of Band D %
Bassetlaw District Council	5,306,988	9.25%
Nottinghamshire County Council	42,694,736	74.42%
Nottinghamshire Police & Crime Commissioner	5,951,381	10.37%
Nottinghamshire Fire & Rescue Authority	2,442,941	4.26%
Parish Councils and Charter Trustees	976,176	1.70%
TOTAL	57,372,222	100.00%

3. Recommendations from the General Fund budget reports presented to Cabinet on 11th February 2016

The Council is recommended to approve for 2016/17:

General Fund Budget 2016/17 to 2018/19

- a) The General Fund net revenue budget of £15,912,800 excluding parishes, and a General Fund net revenue budget of £16,889,000 including parishes.
- b) A Council Tax increase of 1.90% for 2016/17, giving a Band D council tax amount of £160.43 for Bassetlaw District Council.
- c) The contribution of £1,242,000 into earmarked reserves.

General Fund Capital Programme 2016/17 to 2020/21

- d) The Capital Programme for 2016/17 totalling £4,039,000.
- e) The indicative Capital Programme for 2017/18 to 2020/21 totalling £7,968,000.

Treasury Management Policy and Strategy 2016/17 to 2018/19

- f) The Treasury Management Strategy, incorporating the Borrowing Strategy and the Annual Investment Strategy.
- g) The Prudential Indicators and Limits.
- h) The Authorised Limit Prudential Indicator.
- i) The Minimum Revenue Provision Policy Statement.

Capital Investment Strategy 2016/17 to 2020/21

- j) The approval of the Capital Investment Strategy.

Property Asset Management Plan 2016/17 Update

- k) The approval of the updated Property Asset Management Plan.

Robustness of Estimates and Adequacy of Reserves - 2016/17

- l) The Council notes the report.

BASSETLAW DISTRICT COUNCIL**CABINET****11th FEBRUARY 2016****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****GENERAL FUND REVENUE BUDGET 2016/17 TO 2018/19**

Cabinet Member: Finance
 Contact: Mike Hill
 Ext: 3174

1. Public Interest Test

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

- 2.1 To provide details for the General Fund Budget proposals for 2016/17, and make recommendations for the budget setting meeting at full Council on the 7th March 2016.

3. Background and Discussion**Introduction**

- 3.1 The financial planning context for this budget report was set out in the Medium Term Financial Plan reported to Cabinet in December 2015. This identified a total net savings requirement of £2.5m over the next 5 years, after taking account of £0.587m of savings identified to set a balanced budget for 2016/17.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Net savings requirement	0	680	835	967	(4)	2,478

- 3.2 The budget report plays a key integral role in the development of the Council, and the services it provides for local people. This budget centres on five main known factors:

- The savings made during the last 12 months in preparation of the 2016/17 budget;
- The consolidation of further budget pressures that have been experienced since the start of the economic downturn in 2008;
- Support for the Corporate Plan and Members' priorities;
- The significant and ongoing withdrawal of Revenue Support Grant funding, which represents a further 31.9% reduction between 2015/16 and 2016/17;
- Members' aspirations for Council Tax.

- 3.3 This report sets out for Members all of the considerations that have had to be made to balance the budget for 2016/17, and to establish savings targets for 2017/18 and 2018/19.
- 3.4 As Members are aware, the continual reduction of Bassetlaw's grant income is putting sustained pressure on the organisation, and this is compounded by the lateness of the Finance Settlement information which was not announced until 17th December 2015.

Revenue Budget Overview

- 3.5 The Council's budget requirement is measured by the amount of Council expenditure that can be funded from external finances (Revenue Support Grant and Retained Business Rates), and from council tax income. The budget requirement comprises gross expenditure on services, less gross income from services, less any planned use of reserves.
- 3.6 The budget requirement for 2015/16 (excluding parishes) was £15.654m. The budget requirement for 2016/17 is calculated as follows:

Net Expenditure on Services	£'000	External Finance	£'000
Gross Expenditure	67,233	Revenue Support Grant	1,907
Gross Income	(52,616)	Retained Business Rates - Baseline	3,712
		Retained Business Rates - Above Baseline	634
		Section 31 Business Rates Grants	878
		Renewable Energy Retained Business Rates	859
		Council Tax Surplus	150
		Capital Grants	422
		New Homes Bonus Grant	1,990
Net Expenditure:	14,617	External Finance:	10,552
Use of Reserves	1,242	Council Tax Income	5,307
Budget Requirement:	15,859	Income from Grant and Council Tax:	15,859

- 3.7 The annual increase in the budget requirement (net spending) for 2016/17 is £0.205m (1.3%), but this is due to the accounting of capital grants which have been included in the capital programme for Worksop Creative Village Phase 2. This has to be presented within the revenue account under the latest accounting conventions, however when excluding these the real increase between years is 10.8%. One of the main reasons for this is the increase in employee costs of £0.613m (5.2%), which is attributable to new posts, discretionary Living Wage, National Insurance legislation changes, and superannuation payment increases.

2016/17 Budget Pressures

- 3.8 The budget components are covered in greater detail in the *Robustness of Estimates and Adequacy of Reserves – 2016/17* report elsewhere on this agenda. As part of the budget process undertaken last year, the Council set a savings target of £0.587m to

balance the budget for 2016/17. This has been achieved in year primarily through a combination of:

Expenditure:

- Reductions in long term borrowing interest costs;
- Review of BDC/A1 Housing Service Level Agreements;
- Reductions in contingencies;
- Review of staff car mileage payments;
- Zero-based Budget Review;
- ICT contract reviews.

Income:

- Council tax increases and growth in the taxbase;
- Sharing of office accommodation;
- Retained business rates growth.

- 3.9 The underlying message for Members is that each year the savings target is becoming ever increasingly difficult to find. From the list of measures above, 93% (£0.546m) of the savings target has been met from non-staffing areas, and this is not sustainable.
- 3.10 All service budgets have been reduced over a number of years now (£9.8m or 28% since 2007/08), and this has impacted on the flexibility to respond to pressures once the budget has been set at the start of the financial year. Equally, it presents the continual challenge to senior managers and Members to identify suitable areas to address the identified shortfalls in funding year on year.
- 3.11 A particular problem, and this is not unique to Bassetlaw, is the proportionality of employee costs to the overall spending power of the Council. As illustrated in the table below, 52% of 'real' money (which excludes benefits payments and internal recharges), is attributable to the cost of employees. This means that the opportunity to find savings from non-employee expenditure becomes harder each year.

	Budget 2016/17	Percentage
	£'000	%
Employees	12,299	52
Premises	2,926	12
Transport	1,370	6
Supplies & Services	5,245	22
Third Party Payments (excl. parish precepts and transfers to reserves)	1,867	8
Total:	23,707	100%

2017/18 and 2018/19 Budget Pressures

- 3.12 The budget is summarised in Appendix 1, and this illustrates the magnitude of the task to provide a balanced budget each year. For 2017/18, the savings target has been set at £0.722m, and this is after making one-off contributions from the New Homes Bonus Reserve of £0.590m, and the Business Rate Pool Reserve of £0.403m. The savings target for 2018/19 is £1.955m, meaning a total of £2.677m has to be found by March 2018.

Senior Management and Organisational Service Reviews

- 3.13 The Senior Management Review was presented to Cabinet in February 2014 and became effective in 2014/15. This report recommended the optimum management structure for the top two officer tiers of the Council.
- 3.14 Phase 1 of the Organisational Service Reviews also became effective in 2014/15.
- 3.15 Phase 2 was presented to Cabinet in November 2014 and became effective in 2015/16. In conjunction with these Reviews, the Council repeated its voluntary early retirement and voluntary redundancy exercises that had proved successful in the previous two years.
- 3.16 This year, the Council has once again asked officers if they wish to consider voluntary early retirement or voluntary redundancy, and the outcomes are reported elsewhere on this agenda.
- 3.17 Service Reviews have been avoided during 2015/16, to enable the Council and officers to embed the newly created structures into the organisation. However further service adjustments will be needed to respond to the increasing demand for online and digital services, therefore this option cannot be ruled out.

General Fund Revenue Reserves & Balances

- 3.18 The Local Government Act 2003 requires authorities to consider the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation. The Council is maintaining its minimum working balance of £1.0m in 2016/17. This is essential, as the KPMG External Audit Engagement Lead will comment on it as part of his Value for Money Arrangements work for Bassetlaw, which is an important reputational issue. The estimated position at the end of 2016/17 will be:

General Fund:	Estimated Position At 31st March 2017 £'000
Minimum Working Balance	1,000
General Reserve	516
Job Evaluation Reserve	735
New Homes Bonus Reserve (Revenue)*	590
Insurance Reserve	300
Business Rates Volatility Reserve	200
Business Rates Pooling Reserve	403
Developers' Contributions Unapplied	145
Treasury Management Impairment	327
Visitors Strategy Reserve	111
Other Minor Reserves	75
Total	£4,402
New Homes Bonus Reserve (Capital)*	1,240
Total	£5,642

*Note: This relates to a decision by Cabinet in December 2015 that splits the New Homes Bonus between mainstream revenue support and the capital programme, effective from 2016/17.

3.19 The Council may have to meet the costs of staff leaving under the voluntary redundancy and voluntary early retirement arrangements this year, but it is expected that these will be found from in-year revenue savings. However, if these do not materialise, then some or all of these costs will have to be met from the Job Evaluation Reserve.

Local Government Finance Settlement 2016/17

3.20 The provisional finance settlement was published on 17th December 2015. It provides provisional figures for 2016/17 and indicative figures for the following three years. Considerable uncertainty remains for 2017/18 and beyond, as the government will consult on changes to New Homes Bonus and business rates, and a full revaluation of business properties is to be completed ready for April 2017.

3.21 The Settlement Funding Assessment from Central Government consists of the Revenue Support Grant and the Business Rates Baseline. This has now reduced to 35% of Bassetlaw's net budget for 2016/17. In 2010/11 this stood at 66%. The following table illustrates the changes the Council has had to deal with year on year:

	2012/13	2013/14	2014/15	2015/16	2016/17 Provisional
	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	20*	4,438**	4,094	2,801	1,907
Retained Business Rates Baseline	8,173	3,545***	3,613***	3,681***	3,712***
Total	£8,193	£7,983	£7,707	£6,482	£5,619
Financial Reduction	(£1,077)	(£210)	(£276)	(£1,225)	(£863)
Percentage Reduction	(12%)	(3%)	(3%)	(16%)	(13%)

*Note: the 2012/13 settlement for RSG was actually £0.158m, but £0.138m of this relates to the Council Tax Freeze Grant for 2010/11 that has now been amalgamated into the RSG formula.

**Note: to aid comparison the 2013/14 RSG figure is net of the £0.888m council tax benefit support grant that was payable for that year.

***Note: the 2013-17 figures represent the amount the Council is allowed to keep under the retained business rates scheme before sharing any additional growth. This is no longer a central government grant and is based on government forecasts of expected collection of business rates in year.

3.22 Members should be aware that the above figures for 2016/17 include an allocation in respect of Homelessness Prevention Funding of £0.090m.

3.23 In previous years, the government has used *spending power* as the key measure of a council's funding. This has been redefined as *core spending power*, and is built up from:

Element of core spending power	2015/16 £'000	2016/17 £'000	Change %
Settlement Funding Assessment (SFA):			
• Revenue Support Grant	2,801	1,907	(31.9%)
• Business Rates Baseline	3,681	3,712	0.8%
	6,482	5,619	(13.3%)
New Homes Bonus grant (NHB)	1,590	1,990	25.2%
Council Tax Income	5,124	5,300	3.4%
Core Spending Power	13,196	12,909	(2.2%)

3.24 These figures imply a small reduction of (2.2%) over 2015/16, despite a confirmed increase of 25.2% for New Homes Bonus. It should be noted that the future size of the New Homes Bonus income stream is under review (para 3.33), and that government projections are based on assumptions relating to council tax yields (a combination of increases in council tax and in the tax base). The four year estimates provided by government show a decline of 13.7% in core spending power over the four year period.

3.25 As part of the financial settlement this year, the Secretary of State for Communities and Local Government has offered a guaranteed budget to every council that wishes to take it up for a four-year period to 2019/20. The ethos of this is "to enable more proactive planning of service delivery and support strategic collaboration with local partners." This will be dependent upon the Council publishing an efficiency plan, details of which have not yet been announced. The indicative allocations are outlined below:

	ACTUAL 2015/16 £'000	PROPOSED 2016/17 £'000	INDICATIVE 2017/18 £'000	INDICATIVE 2018/19 £'000	INDICATIVE 2019/20 £'000
Revenue Support Grant	2,801	1,907	1,191	734	224
Tariff	(15,283)	(15,410)	(15,710)	(16,180)	(16,690)
Retained Business Rates Baseline	19,965	19,122	19,495	20,077	20,711
Settlement Funding Assessment (SFA)	£6,482	£5,619	£4,976	£4,631	£4,245
Financial Reduction	(£1,225)	(£863)	(£643)	(£345)	(£386)
Percentage Reduction	(16%)	(13%)	(11%)	(7%)	(8%)

3.26 The provision of indicative funding up to and including 2019/20 has allowed an update of the financial projections on which the Council's future savings requirements are based. The removal of Revenue Support Grant by the end of 2019/20 has now been confirmed. The assumption that the business rate baseline will continue to increase by RPI or 2%, whichever is the lower, remains. Proposals to allow councils to retain 100% of business rates income locally will be consulted on in summer 2016. The

mechanism of top-ups and tariffs will remain, and additional responsibilities will be transferred to local government to reflect this additional funding. No changes have been made to the Council's funding projections as the impact of these changes cannot yet be assessed.

- 3.27 The Settlement Funding Assessment approach enables local authorities to benefit directly from supporting local business growth. The assessment includes a baseline level of business rates receivable (index-linked from an initial assessment in 2013/14), with the level of rates receivable above that being taken by government as a 'tariff' – which is used to 'top-up' local authorities who would receive less than their funding level i.e. most counties and unitaries. Government intends that this will be fixed until 2020.
- 3.28 In addition the Council retains 40% of any business rates collected above the assumed baseline level (with the County and Fire also receiving 9% and 1% respectively), with the remaining 50% being contributed to the Nottinghamshire Business Rates Pool. If business rates income falls to less than 92.5% of the baseline, the Council will receive a 'safety net' payment from the Pool, so that any loss of income below the baseline is capped at 7.5%.
- 3.29 One of the challenges faced by all authorities is effectively predicting the level of movement in the business rate tax base. This is dependent on accurately forecasting the timing and incidences of new properties, demolitions and significant refurbishments – together with the consequent effect on valuations. This is further complicated by the need to assess the level of appeals that will be lodged successfully against new/revised valuations, together with their timing.
- 3.30 Although there has been growth in the tax base since the scheme started in 2013/14, officers are also expecting significant reductions as a result of the settling of appeals against rateable value, which includes backdating to previous years. There are currently circa 600 appeals awaiting a decision from the Valuation Office, giving an estimated loss of business rate income of circa £8m (BDC share @ 40% = £3.2m). Provisions have been made in the accounts to cover these amounts, but the risk is always there that the value of the settled appeals could be much higher.
- 3.31 Significant uncertainties currently exist around the operation of the business rates retention scheme in the next few years. These include:
- Confirmation in the Autumn Statement that the CLG will consult on changes to the local government finance system to pave the way for the implementation of 100% business rate retention by the end of the parliament. The consultation in 2016 will take into account the main resources currently available to councils, including council tax and business rates. This review may rebalance the distribution of business rates away from district councils towards those authorities with social care responsibilities, for example by changing the tariff and top-up payments, or the relative shares of income between the tiers of local government.
 - The government has also indicated that 100% retention will mean the transfer of additional funding burdens to local government. The exact timing of the change or whether it will be phased is not clear.

- o A rates revaluation at 1st April 2017. At this stage both the rateable value of properties and the business rates multiplier will be revised so that the overall national business rates bill will only rise with inflation. Although intended to be fiscally neutral, it will be difficult for the impact of the revaluation to be completely neutral for every authority.
- o The appeals position nationally remains difficult to forecast accurately, with appeals settled elsewhere in the country having knock-on effects locally. For example doctors surgeries, school academies, Virgin Media, and gas-fired power stations have either been settled or awaiting settlement, which has/will remove prodigious amounts of business rates income from local authorities nationwide.

New Homes Bonus

3.32 The New Homes Bonus was first introduced in 2011/12 and this gave some relief against the backdrop of government grant cuts, but it is another variable that is top-sliced from the Revenue Support Grant, and is paid as a separate specific grant. Members will be aware that each year's New Homes Bonus will only be in place for six years before dropping out, subject to any changes made to the scheme by the CLG:

	£'000
New Homes Bonus 2011/12 (last year of payment is 2016/17)	286
New Homes Bonus 2012/13 (last year of payment is 2017/18)	261
New Homes Bonus 2013/14 (last year of payment is 2018/19)	344
New Homes Bonus 2014/15 (last year of payment is 2019/20)	355
New Homes Bonus 2015/16 (last year of payment is 2020/21)	344
New Homes Bonus 2016/17 (last year of payment is 2021/22)	400
TOTAL	£1,990

3.33 As part of the financial settlement, the Secretary of State also launched a technical consultation aimed at sharpening the incentive for New Homes Bonus. It seeks views on the options to change the New Homes Bonus to better reflect authorities' delivery of new housing, and also seeks to reduce the number of years in which current and future payments are made. The consultation closes on 10th March 2016.

3.34 A cut of approximately two-thirds of the funding available for New Homes Bonus was announced in the Spending Review, and due to the uncertainty around this grant, and the Council's reliance on this money as mainstream funding, Cabinet agreed as part of the Medium Term Financial Plan to reduce the amount used for core funding by £0.25m per annum as follows:

- 2015/16 £1.00m
- 2016/17 £0.75m
- 2017/18 £0.50m
- 2018/19 £0.25m
- 2019/20 £Nil

- 3.35 It was also agreed by Cabinet that the remaining balance of New Homes Bonus would then be utilised to fund the capital programme in future years from 2016/17. For 2015/16, only £1.0m of the £1.59m allocation has been used for funding the revenue budget, with the remaining £0.59m being put into reserves and allocated towards the 2017/18 savings target.

Inflation and Other Budget Provisions

- 3.36 An annual pay award of 1% has been built into the budget for future years. This has been supplemented in the budget for increases associated with the discretionary Living Wage. The introduction of the new State Pension from April 2016 has increased the National Insurance Contributions base budget for 2016/17 by 28%, and an assumed 12% increase has been applied to the superannuation budgets.
- 3.37 There is also a Corporate Contingency of £0.100m, plus a provision for external legal costs of £0.100m. Both of these measures should ensure that the Council has enough in-built flexibility to manage budgets throughout the financial year. There has however, been no increase allowed for inflation on supplies and services - in effect this means an in-built efficiency on these budgets.

Discretionary Grants to Outside Bodies

- 3.38 Despite current financial pressures, Bassetlaw will still provide a significant level of funding to the third sector, parish/town councils, and other external organisations during 2016/17 as follows:

	£'000
Grants for Voluntary & Community Sector	96
Councillor Community Grants	24
Parish/Town Concurrent Grants	17
Parish/Town Street Cleaning Grants	21
Parish/Town Public Convenience Grants	12
Parish/Town Cemetery Grants	9
Misterton Centre	9
Total	188

Council Tax

- 3.39 Bassetlaw did not increase its level of council tax between 2009/10 and 2013/14 and instead opted to take the Council Tax Freeze grant. This decision, however, came at a cost. Since 2009/10 the level of RPI increased by 16.3% (CPI by 13.4%) and Bassetlaw dealt with all these inflationary pressures through reductions in expenditure and not increased its local level of tax. This equated to £0.8m per annum in income that was foregone by the Council to assist residents' domestic budgets and the local economy.
- 3.40 For 2014/15, Members recognised this dilemma, but given the financial situation ahead, it was deemed prudent to reconsider this position, and approved a council tax increase of 1.5%.

- 3.41 A Council Tax Freeze grant of 1% was again offered by CLG in return for setting the council tax for 2015/16 at a zero per cent increase - however the Council made the decision for a 1.5% increase.
- 3.42 There has been no offer of a Council Tax Freeze grant for 2016/17.
- 3.43 The government have confirmed a referendum limit for 2016/17 of 2.0%.
- 3.44 The report to Council on 28th January 2016 proposed a council tax base for collection purposes of 33,079.77 Band D properties for 2016/17, which reflects a growth in Band D of 534.42 properties or 1.64%.
- 3.45 The average Band D council tax for 2015/16 for Bassetlaw District Council services is £157.44 or £3.03 per week. In preparation for the 2016/17 budget, three options have been considered:
- a 0% increase which would mean the council tax remains at £157.44;
 - a 1.5% increase which would mean a new council tax of £159.80. This represents an annual increase of £2.36, and a 5p per week increase.
 - a 1.9% increase which would mean a new council tax of £160.43. This represents an annual increase of £2.99, and a 6p per week increase.
- 3.46 As each 1% council tax increase generates an additional £0.051m of revenue for the Council, the maximum that could be levied before a local referendum is £0.102m, and this is very small compared to the gross budget for the General Fund which is £69.5m.
- 3.47 The majority of properties (approximately 52%) in the Council's area are in Band A with a 2015/16 council tax of £104.96. An increase of 1.9% for 2016/17 would mean a new council tax level of £106.95. This would represent an annual increase of £1.99, or a weekly increase of 4p.
- 3.48 Parish, Police, Fire and County precepts are still to be set by the precepting authorities and will be included in the Council Tax Resolution in the 7th March 2016 report.

Collection Fund Surplus

- 3.49 The Council is statutorily obliged on 15th January each year to prepare an estimate of its Collection Fund transactions for Council Tax. This estimate enables Bassetlaw and the three major precepting authorities to take account of any surpluses or deficits on the Fund when they set their own authority budgets.
- 3.50 Collections to 31st March 2015 were slightly better than forecast and resulted in a surplus of £1.629m carried forward. A surplus of £1.0m was declared on 15th January 2015 for 2015/16, and a surplus of £1.35m has been declared for 2016/17, which will be split between the major preceptors in line with their council tax requirements – for Bassetlaw, the share of the declared surplus is £0.150m. The primary reasons for the increase in council tax revenue are threefold: a higher collection rate, a higher than expected growth in property numbers, and less than expected payment amounts for housing benefits under the Local Council Tax Reduction Scheme.

- 3.51 The council taxbase report to Council on 28th January 2016 recommended that the estimated collection rate be retained at 98.0%. The Collection Fund estimates are provided at Appendix 3.

Budget Consultation

- 3.52 Officers have consulted with the Council's stakeholders on the 2016/17 budget as follows:

- The Council Tax Reduction Scheme is a major part of the Council's budget as circa £7.9m is spent on council tax benefits. The Reduction Scheme results from a change in government policy, whereby only 90% of the costs of council tax benefits was funded by central government in the first year, leaving Bassetlaw as the billing authority to find circa £0.8m through a combination of savings, charging 10% to council tax benefit recipients, and premiums on second and empty homes. The original scheme consultation exercise was undertaken during October 2013, and included the major preceptors and Town/Parish Councils, the Financial Inclusion Forum, and the general public via the One Stop Shops and the website. There is no requirement to consult again unless there are major changes to the scheme. At the full Council meeting in January 2016, it was approved that the Council Tax Reduction Scheme remains unchanged from the previous year. However, as part of best practice, the major preceptors have again been consulted for their views on the scheme.

The Council has undertaken a public consultation on car parking in Bassetlaw, with residents asked for their views on a number of issues, including the charging structure for the financial year 2016/17.

- Bassetlaw has a statutory duty to consult the business community as part of its budget preparations, and will be holding a public meeting to fulfil this requirement on the 8th February 2016.

Future Issues and Prospects

- 3.53 The impact of a number of uncertainties and challenges outlined below are likely to become clearer in the early part of 2016/17. The new or developing issues and projects which are not clear at the time of agreeing this budget report include:

- Announcements Made in the Spending Review – how business rates retention will work in practice and what changes will be made to New Homes Bonus are still unclear. The detail of how both schemes are implemented and how expenditure will be shared between counties and districts will be crucial in determining the impact on Council finances.
- Delivery of Planned Savings – the Council has delivered significant savings in previous years. As a result, current and future savings are more difficult to deliver. This represents a considerable challenge for the organisation.
- Financial Pressure on Other Partners – as other agencies come under spending pressure there may be direct impacts on services which are

currently funded by them or in partnership with them. The County Council is facing significant cuts over coming years and the Health sector continues to be under stress. Even when there are not direct cuts to Council funding there are likely to be indirect impacts on our community based services.

- Devolution – the Council continues to explore the opportunities for devolution of government powers and spending with local partners. This may or may not provide new opportunities to deliver services in different ways.
- Welfare Reform – the government’s plans to reform the country’s system of welfare payments continue to have implications for the Council - not least the introduction of Universal Credit. The timing of the handover of services is still unclear, and the government has announced its expectation that officers will not TUPE across to the DWP, and so the Council will need to reduce the service as elements transfer.

4. Implications

- a) For service users.

The savings outlined in the report have enabled Members to keep council tax increases at a minimum, but budgets have already been significantly reduced over prolonged periods, and the Council is now facing further increasing pressure from central government cuts.

- b) Strategic & Policy.

The General Fund revenue budget complements the capital report elsewhere on this agenda, and both contribute to the action plan that is the Corporate Plan.

- c) Financial - Ref: 16/185

All of the financial implications are contained within the body of this report. If there are any further changes they will be itemised in the Budget Setting Report to full Council on the 7th March 2016.

- d) Legal – Ref: 369/02/16

The Local Government Act 1988 provides the legislative framework which requires the Council to set a balanced budget. These responsibilities are placed in the Section 151 Officer as outlined in the *Robustness of Estimates and Adequacy of Reserves 2016/17* report elsewhere on this agenda.

- e) Human Resources.

The outcome of the voluntary redundancy and voluntary early retirement programme is reported elsewhere on this agenda.

- f) Community Safety, Equalities, Environmental.

The Equality Impact Assessment has been updated for the 2016/17 budget, and there are no adverse impacts.

- g) This is Key Decision Number 545.

5. Options, Risks and Reasons for Recommendations

- 5.1 The Council is exposed to a number of risks and uncertainties which could affect its financial position and the deliverability of the proposed budget. These risks include:
- Savings plans may not deliver projected savings to expected timescales;
 - Assumptions and estimates, such as inflation and interest rates, may prove incorrect;
 - Funding from central government (Settlement Funding Assessment, New Homes Bonus, and other grants) may fall below projections;
 - The actual impact and timing of local growth on the demand for some services may not reflect projections used;
 - Increases in council tax and business rates receipts due to local growth may not meet expectations;
 - Business rates appeals, which may be backdated to 2005, may significantly exceed the provision set aside for this purpose;
 - The local and national economic climate may change, impacting on some of the Council's income streams such as car parking income, commercial rents and planning fee income;
 - New legislation or changes to existing legislation may have budgetary impacts.
- 5.2 The Council is required to set a balanced budget, but may otherwise vary its spending and taxation proposals below the excessive capping referendum trigger. For the 2016/17 revenue budget, the following decisions are available to Members:
- i) Change the level of service spending or income projections;
 - ii) Revise the level of any reserves to support the revenue Budget;
 - iii) Change the planned level of increase in Council Tax for 2016/17;
 - iv) Revise the General Fund Capital Programme and its associated funding strategy.

6. Conclusions

- 6.1 The 2016/17 budget process has been planned and tightly controlled throughout the financial year, thus enabling managers and Members the opportunity to consider a number of work programmes to deliver the required £0.587m savings target for 2016/17, with the minimum amount of disruption.
- 6.2 In addition the separate balancing of the Local Council Tax Reduction Scheme has been an additional task which Members and officers have had to address. This does not add to the financial stability of the Council as any growth in the cost of benefits (either through volume or cost increases) will now be required to be met locally. Moreover, the initial council tax support funding from central government has been transferred into the Revenue Support Grant, which is of course reducing year on year.

- 6.3 The budget has been constructed using a 1.9% council tax increase. As Bassetlaw's reserves and balances remain low in comparison to gross expenditure, the Council will need to reassess its financial position in July 2016 after the 2015/16 out-turn is declared.
- 6.4 Whilst the Council has covered all its foreseeable commitments for 2016/17, the budget is made up of hundreds of different elements, and from that point of view is the best plan that can be constructed for events that will conclude in 14 months' time.
- 6.5 The voluntary redundancy/early retirement initiative has enabled the Council to make savings year on year, but these will be increasingly limited as the organisation contracts and continues to do so. Staff will need to be briefed about the scale of the challenge for the period 2016-2020, as it will represent the biggest financial target Bassetlaw has faced – another £2.7m of savings need to be found over the next two years.
- 6.6 Members and officers' attention must be first drawn to addressing the £0.722m target for 2017/18 and the £1.955m target for 2018/19. Together, savings of £2.677m are required by March 2018.
- 6.7 These savings requirements stem from the expectation of significant reductions in government funding, and unavoidable cost increases and pressures, including that arising from increases to employers' National Insurance Contributions as a result of the abolition of the second state pension. Whilst the Council has a record of identifying and delivering savings through service reviews and value for money improvements, many such savings have already been delivered and it is becoming more difficult to identify and deliver further savings and efficiencies.
- 6.8 As a working guide, Members must consider approaching the task as follows: £1m in additional income, and £1m from reductions in expenditure. The remaining sums will have to be determined after these initial targets have been met.
- 6.9 Additional income must be raised from a combination of increasing fees and charges above the level of inflation, and adopting the principles of commercialism for property i.e. an asset should make a suitable rate of return in terms of *rent v value*, otherwise it needs to be considered for disposal. Further letting of available space in buildings must also be considered to increase rental income levels.
- 6.10 Potential income generation options do exist in the form of the expansion of the CCTV and broadband functions, and the development of a council-operated crematorium. However, whilst these aspirations may become profitable in the medium term, it is highly unlikely that significant profits will be made before 2019/20, as new arrangements have to be put in place, and for the crematorium it has to be constructed and then build up its customer base in competition with other similar facilities in the locality.
- 6.11 Continued reductions in expenditure will be a prerequisite moving forward, and it will be a difficult balancing act when trying to retain service quality when set against reductions in service expenditure.
- 6.12 Options do exist following the work of the Transformation Board, which will instigate a number of in-year reviews within services. Savings can still be made through ICT by the continued rationalisation of systems and contracts, and the further roll-out of

digital by default processes - the reality of this will be further efficiencies in staffing levels.

- 6.13 Greater integration with our colleagues at A1 Housing could deliver smarter and more effective working, particularly in the back-office and customer services areas where similar processes are taking place in each organisation.
- 6.14 Working with all other parts of the public sector in the district in the Bassetlaw Community Partnership must continue to develop to maximise the synergies between the Police, the Fire & Rescue service, the County Council, the local Clinical Commissioning Group and other local groups such as the Bassetlaw Community and Voluntary Sector. This could then facilitate how local services could be financed and delivered in a more integrated, modern and efficient way.

7. Recommendations

Cabinet is recommended to agree the following recommendations to full Council on 7th March 2016:

- 7.1 That Cabinet considers the budget for 2016/17 and future years, together with the associated comments from the Audit & Risk Scrutiny Committee on 9th February 2016, and to recommend their approval.
- 7.2 That Cabinet recommends a council tax increase of 1.9% for 2016/17.
- 7.3 That Cabinet notes the declaration of a £1.35m surplus on the Collection Fund for 2016/17 as summarised in para 3.50 and detailed in Appendix 3 of this report.
- 7.4 That Cabinet delegates authority to the Cabinet Member for Finance for addressing any issues arising from the Business Ratepayers meeting on the 8th February 2016.
- 7.5 That Cabinet delegates authority to the Head of Finance & Property to deal with amendments to the budget for any changes to Drainage Board and Parish Town Council precepts.

Background Papers

Medium Term Financial Plan 2016/17 – 2020/21
Local Government Finance Settlement Data
Budget Model.

Location

Head of Finance & Property
office.

GENERAL FUND BUDGET 2016/17 TO 2018/19

Approved Budget 2015/16		Budget 2016/17	Budget 2017/18	Budget 2018/19
£		£	£	£
SERVICE BUDGETS				
183,700	Chief Executive Department	143,800	143,800	143,800
1,313,600	Corporate Services	1,246,500	1,232,500	1,212,700
2,178,200	Finance, Property & Revenue Services	2,884,600	2,922,600	3,243,900
0	Human Resources	0	0	0
6,782,600	Neighbourhoods	7,094,500	7,265,900	7,386,600
3,461,400	Regeneration	3,609,900	3,074,700	3,074,800
13,919,500	Total Net Cost of Services	14,979,300	14,639,500	15,061,800
OTHER BUDGETS				
(2,858,600)	Asset Rents	(3,129,600)	(2,492,800)	(2,580,000)
1,720,000	Capital Grants	422,000	0	0
150,000	Provisions - Corporate Contingency	103,700	100,000	100,000
100,000	Provisions - Bad Debts	100,000	100,000	100,000
110,400	Provisions - Legal Contingency	100,000	100,000	100,000
0	Provisions - Local Plan	37,500	58,000	44,000
30,000	Provisions - Utilities	10,000	10,000	10,000
1,605,300	Net interest and borrowing costs	1,468,400	1,528,400	1,681,400
529,200	Concurrent functions & drainage board levies	526,100	530,000	534,400
0	Rural Services Delivery Grant	53,400	43,100	33,200
936,700	Parish Precepts	976,200	996,200	1,016,200
2,323,000	Total Other Budgets	667,700	972,900	1,039,200
(73,500)	Transfer to/(from) General Reserves	0	0	0
421,700	Transfer to/(from) Earmarked Reserves	1,242,000	554,200	1,097,500
	Savings Target	0	(718,600)	(2,673,100)
16,590,700	Total Council Net Budget	16,889,000	15,448,000	14,525,400
FUNDED BY				
(2,800,500)	Revenue Support Grant	(1,907,100)	(1,190,700)	(734,000)
15,283,400	Tariff	15,410,000	15,710,000	16,180,000
(18,964,900)	Retained Business Rates (baseline)	(19,122,200)	(19,495,200)	(20,076,900)
(6,482,000)	Sub-total: Settlement Funding Assessment	(5,619,300)	(4,975,900)	(4,630,900)
(492,000)	Retained Business Rates (over and above baseline)	(633,700)	(619,800)	(568,100)
0	Section 31 Business Rates Grants	(878,000)	(888,000)	(901,000)
0	Renewable Energy Retained Business Rates	(859,000)	(467,000)	(474,000)
(1,590,300)	New Homes Bonus Grant	(1,990,400)	(2,000,000)	(1,300,000)
0	Rural Services Delivery Grant	(53,400)	(43,100)	(33,200)
(134,300)	Council Tax Support Admin Grant	0	0	0
(1,720,000)	Capital Grants Received	(422,000)	0	0
(111,600)	Collection Fund Deficit/(Surplus)	(150,000)	0	0
(5,123,800)	Council Tax - BDC	(5,307,000)	(5,458,000)	(5,602,000)
(936,700)	Council Tax - Parishes	(976,200)	(996,200)	(1,016,200)
(16,590,700)	Total Funding	(16,889,000)	(15,448,000)	(14,525,400)
32,545.35	Tax Base	33,079.77	33,385.00	33,630.00
157.44	Council Tax	160.43	163.48	166.59
GENERAL FUND BALANCES:				
	Balance @ 1 April	1,516,000	1,516,000	1,516,000
	Movement in year	0	0	0
	Balance @ 31 March	1,516,000	1,516,000	1,516,000

GENERAL FUND

SUMMARY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
11,701,100	Employees	12,298,800	12,389,700	12,651,100
2,879,300	Premises	2,926,000	3,003,700	3,278,900
1,473,400	Transport	1,369,700	1,370,600	1,371,000
4,711,500	Supplies and Services	5,302,300	4,004,300	4,493,200
4,699,700	Third Party Payments	4,131,500	4,322,400	4,381,600
30,710,700	Transfer Payments	29,359,900	29,628,900	29,188,500
10,404,400	Internal Services Recharged	10,516,100	9,419,100	9,616,400
2,831,600	Depreciation	2,959,600	3,113,800	3,174,000
831,100	Capital Financing Costs	686,600	686,600	686,600
70,242,800	TOTAL EXPENDITURE	69,550,500	67,939,100	68,841,300
	INCOME			
(14,814,400)	Internal Services Recharges	(15,846,800)	(16,268,600)	(17,776,100)
(32,479,400)	Grants/Contributions/Reimbursements	(30,570,200)	(29,989,400)	(30,298,000)
(6,358,100)	Customer & Client Receipts	(6,244,300)	(6,232,900)	(6,241,600)
(200)	Interest	(200)	(200)	(200)
(53,652,100)	TOTAL INCOME	(52,661,500)	(52,491,100)	(54,315,900)
16,590,700	NET BUDGET	16,889,000	15,448,000	14,525,400

CHIEF EXECUTIVE DEPARTMENT

CHIEF EXECUTIVE DEPARTMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0	Directors	0	0	0
183,700	Major Grants	143,800	143,800	143,800
0	Strategic Management	0	0	0
183,700	TOTAL EXPENDITURE	143,800	143,800	143,800

CHIEF EXECUTIVE DEPARTMENT

CHIEF EXECUTIVE DEPARTMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
403,200	Employees	411,700	416,600	420,600
0	Premises	0	0	0
7,600	Transport	7,500	7,500	7,500
188,800	Supplies and Services	148,800	148,800	148,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
24,000	Internal Services Recharged	22,800	22,800	22,800
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
623,600	TOTAL EXPENDITURE	590,800	595,700	599,700
	INCOME			
(439,900)	Internal Services Recharges	(447,000)	(451,900)	(455,900)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(439,900)	TOTAL INCOME	(447,000)	(451,900)	(455,900)
183,700	NET BUDGET	143,800	143,800	143,800

Responsible Budget Holder: Neil Taylor

BRIEF DESCRIPTION OF SERVICE

Overall corporate control and management of the Authority in line with Council Policies and objectives. To provide overall management and control of the Directorate of Corporate Resources and the Directorate of Regeneration & Neighbourhoods. To provide effective leadership and management of the Human Resource Service.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
5.51	Expenditure per Resident	5.18	5.22	5.25
(3.89)	Income per Resident	(3.92)	(3.96)	(3.99)

CHIEF EXECUTIVE DEPARTMENT

DIRECTORS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
239,300	Employees	245,700	247,900	250,300
0	Premises	0	0	0
1,400	Transport	2,900	2,900	2,900
3,200	Supplies and Services	3,200	3,200	3,200
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
12,800	Internal Services Recharged	12,000	12,000	12,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
256,700	TOTAL EXPENDITURE	263,800	266,000	268,400
	INCOME			
(256,700)	Internal Services Recharges	(263,800)	(266,000)	(268,400)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(256,700)	TOTAL INCOME	(263,800)	(266,000)	(268,400)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Neil Taylor

BRIEF DESCRIPTION OF SERVICE

To provide overall management and control of the Directorate of Corporate Resources and Directorate of Regeneration & Neighbourhoods.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.27	Expenditure per Resident	2.31	2.33	2.35
(2.27)	Income per Resident	(2.31)	(2.33)	(2.35)

CHIEF EXECUTIVE DEPARTMENT

MAJOR GRANTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
181,000	Supplies and Services	141,000	141,000	141,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
2,700	Internal Services Recharged	2,800	2,800	2,800
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
183,700	TOTAL EXPENDITURE	143,800	143,800	143,800
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
183,700	NET BUDGET	143,800	143,800	143,800

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

Manages the payment of approved grants.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.62	Expenditure per Resident	1.26	1.26	1.26
0.00	Income per Resident	0.00	0.00	0.00

CHIEF EXECUTIVE DEPARTMENT

STRATEGIC MANAGEMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
163,900	Employees	166,000	168,700	170,300
0	Premises	0	0	0
6,200	Transport	4,600	4,600	4,600
4,600	Supplies and Services	4,600	4,600	4,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
8,500	Internal Services Recharged	8,000	8,000	8,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
183,200	TOTAL EXPENDITURE	183,200	185,900	187,500
	INCOME			
(183,200)	Internal Services Recharges	(183,200)	(185,900)	(187,500)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(183,200)	TOTAL INCOME	(183,200)	(185,900)	(187,500)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Neil Taylor

BRIEF DESCRIPTION OF SERVICE

The Chief Executive ensures overall Corporate control and management of the Authority in line with Council policies and objectives.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.62	Expenditure per Resident	1.61	1.63	1.64
(1.62)	Income per Resident	(1.61)	(1.63)	(1.64)

DIRECTOR OF CORPORATE RESOURCES
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CORPORATE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
257,800	Communities	279,500	276,800	267,700
605,700	Democratic Representation & Support	589,000	580,100	569,900
334,900	Elections	262,300	261,800	263,500
71,800	Front Line Services	69,600	69,200	68,700
0	General Administration & Support	0	0	0
36,400	GIS	29,600	29,500	31,000
0	Head of Corporate Services	0	0	0
0	IT Services	0	0	0
0	Land Charges	0	0	0
(23,800)	Legal & Licensing Services	(10,400)	(11,800)	(15,000)
16,700	Public Relations	12,400	12,400	12,400
3,800	Service & Corporate Management	3,800	3,800	3,800
10,300	T-Government	10,700	10,700	10,700
1,313,600	TOTAL EXPENDITURE	1,246,500	1,232,500	1,212,700

DIRECTOR OF CORPORATE RESOURCES

CORPORATE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
1,792,400	Employees	1,801,500	1,824,900	1,850,100
31,100	Premises	10,800	10,900	11,000
51,600	Transport	44,400	44,600	44,600
1,203,400	Supplies and Services	1,220,800	1,220,800	1,223,800
64,800	Third Party Payments	63,200	63,200	63,200
0	Transfer Payments	0	0	0
1,049,000	Internal Services Recharged	1,180,100	1,166,900	1,139,100
163,300	Depreciation	359,500	296,200	124,500
100	Capital Financing Costs	100	100	100
4,355,700	TOTAL EXPENDITURE	4,680,400	4,627,600	4,456,400
	INCOME			
(2,085,600)	Internal Services Recharges	(2,552,600)	(2,508,200)	(2,351,200)
(124,400)	Grants/Contributions/Reimbursements	(13,800)	(13,800)	(13,800)
(832,100)	Customer & Client Receipts	(867,500)	(873,100)	(878,700)
(3,042,100)	TOTAL INCOME	(3,433,900)	(3,395,100)	(3,243,700)
1,313,600	NET BUDGET	1,246,500	1,232,500	1,212,700

Responsible Budget Holder: Steve Brown

BRIEF DESCRIPTION OF SERVICE

To provide overall control and management of Corporate Services.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
38.48	Expenditure per Resident	41.00	40.54	39.04
(26.87)	Income per Resident	(30.08)	(29.74)	(28.42)

DIRECTOR OF CORPORATE RESOURCES
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COMMUNITIES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
108,100	Employees	111,600	113,500	115,600
0	Premises	0	0	0
7,600	Transport	6,700	6,800	6,800
18,900	Supplies and Services	23,600	23,600	23,600
23,000	Third Party Payments	23,000	23,000	23,000
0	Transfer Payments	0	0	0
100,200	Internal Services Recharged	114,600	109,900	98,700
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
257,800	TOTAL EXPENDITURE	279,500	276,800	267,700
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
257,800	NET BUDGET	279,500	276,800	267,700

Responsible Budget Holder: Steve Brown

BRIEF DESCRIPTION OF SERVICE

Working with our partners to reduce crime and fear of crime. Enables the council to respond to national, regional and local issues, and supports the Bassetlaw Public and Third Sector Partnership which sets an overall vision to improve the District and delivers action to achieve this in its Community Strategy.
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.28	Expenditure per Resident	2.45	2.43	2.35
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
--

DEMOCRATIC REPRESENTATION & SUPPORT
--

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
161,900	Employees	148,900	145,000	146,100
400	Premises	700	700	700
22,400	Transport	17,900	18,000	18,000
365,400	Supplies and Services	366,600	366,600	366,600
1,000	Third Party Payments	1,000	1,000	1,000
0	Transfer Payments	0	0	0
232,700	Internal Services Recharged	225,000	221,900	211,700
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
783,800	TOTAL EXPENDITURE	760,100	753,200	744,100
	<u>INCOME</u>			
(177,800)	Internal Services Recharges	(170,800)	(172,800)	(173,900)
0	Grants/Contributions/Reimbursements	0	0	0
(300)	Customer & Client Receipts	(300)	(300)	(300)
(178,100)	TOTAL INCOME	(171,100)	(173,100)	(174,200)
605,700	NET BUDGET	589,000	580,100	569,900

Responsible Budget Holder:	Steve Brown
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BRIEF DESCRIPTION OF SERVICE

Services Council, Cabinet and other statutory and non statutory meetings. Also, includes the costs of Members' allowances and expenses.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
6.92	Expenditure per Resident	6.66	6.60	6.52
(1.57)	Income per Resident	(1.50)	(1.52)	(1.53)

DIRECTOR OF CORPORATE RESOURCES

ELECTIONS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
103,300	Employees	57,300	57,900	58,400
5,800	Premises	(3,000)	(3,000)	(3,000)
600	Transport	1,100	1,100	1,100
97,300	Supplies and Services	69,700	69,700	72,700
500	Third Party Payments	500	500	500
0	Transfer Payments	0	0	0
126,100	Internal Services Recharged	134,800	133,700	131,900
3,000	Depreciation	3,000	3,000	3,000
0	Capital Financing Costs	0	0	0
336,600	TOTAL EXPENDITURE	263,400	262,900	264,600
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
(1,700)	Customer & Client Receipts	(1,100)	(1,100)	(1,100)
(1,700)	TOTAL INCOME	(1,100)	(1,100)	(1,100)
334,900	NET BUDGET	262,300	261,800	263,500

Responsible Budget Holder: Julie Briggs

BRIEF DESCRIPTION OF SERVICE

To conduct the Council's elections. Also, to promote electoral awareness both in terms of electoral registration and democratic participation in elections.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.97	Expenditure per Resident	2.31	2.30	2.32
(0.02)	Income per Resident	(0.01)	(0.01)	(0.01)

DIRECTOR OF CORPORATE RESOURCES
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FRONT LINE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
348,200	Employees	357,200	360,800	364,500
10,000	Premises	10,600	10,700	10,800
8,600	Transport	6,700	6,700	6,700
62,200	Supplies and Services	53,800	53,800	53,800
1,600	Third Party Payments	1,600	1,600	1,600
0	Transfer Payments	0	0	0
113,800	Internal Services Recharged	168,900	168,000	167,100
5,100	Depreciation	5,100	3,200	0
0	Capital Financing Costs	0	0	0
549,500	TOTAL EXPENDITURE	603,900	604,800	604,500
	<u>INCOME</u>			
(391,900)	Internal Services Recharges	(452,100)	(452,700)	(452,200)
(13,800)	Grants/Contributions/Reimbursements	(13,800)	(13,800)	(13,800)
(72,000)	Customer & Client Receipts	(68,400)	(69,100)	(69,800)
(477,700)	TOTAL INCOME	(534,300)	(535,600)	(535,800)
71,800	NET BUDGET	69,600	69,200	68,700

Responsible Budget Holder:	Adele Watson
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BRIEF DESCRIPTION OF SERVICE

To provide a customer friendly service dealing with all incoming telephone calls and personal visits to the Council. To provide information and direct enquiries to the appropriate Council service or department.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
4.85	Expenditure per Resident	5.29	5.30	5.30
(4.22)	Income per Resident	(4.68)	(4.69)	(4.69)

DIRECTOR OF CORPORATE RESOURCES
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GENERAL ADMINISTRATION & SUPPORT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
111,600	Employees	109,500	110,600	111,600
0	Premises	0	0	0
1,400	Transport	0	0	0
43,000	Supplies and Services	44,400	44,400	44,400
0	Third Party Payments	1,400	1,400	1,400
0	Transfer Payments	0	0	0
114,500	Internal Services Recharged	146,700	146,700	146,700
2,100	Depreciation	2,100	0	0
0	Capital Financing Costs	0	0	0
272,600	TOTAL EXPENDITURE	304,100	303,100	304,100
	<u>INCOME</u>			
(227,200)	Internal Services Recharges	(277,500)	(276,300)	(277,100)
0	Grants/Contributions/Reimbursements	0	0	0
(45,400)	Customer & Client Receipts	(26,600)	(26,800)	(27,000)
(272,600)	TOTAL INCOME	(304,100)	(303,100)	(304,100)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Jonathan Brassington
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BRIEF DESCRIPTION OF SERVICE

To provide operational and administrative systems for the Council including provision of the Council's Mailroom and Printing Design Unit.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.41	Expenditure per Resident	2.66	2.66	2.66
(2.41)	Income per Resident	(2.66)	(2.66)	(2.66)

DIRECTOR OF CORPORATE RESOURCES
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BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
120,300	Employees	125,600	126,800	128,000
7,400	Premises	500	500	500
1,400	Transport	1,200	1,200	1,200
24,600	Supplies and Services	24,800	24,800	24,800
33,200	Third Party Payments	33,200	33,200	33,200
0	Transfer Payments	0	0	0
72,000	Internal Services Recharged	72,000	71,900	73,400
0	Depreciation	2,200	2,200	2,200
100	Capital Financing Costs	100	100	100
259,000	TOTAL EXPENDITURE	259,600	260,700	263,400
	INCOME			
(204,000)	Internal Services Recharges	(215,700)	(216,800)	(217,900)
0	Grants/Contributions/Reimbursements	0	0	0
(18,600)	Customer & Client Receipts	(14,300)	(14,400)	(14,500)
(222,600)	TOTAL INCOME	(230,000)	(231,200)	(232,400)
36,400	NET BUDGET	29,600	29,500	31,000

Responsible Budget Holder:	Lesley Bianco
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BRIEF DESCRIPTION OF SERVICE

To undertake the cleansing and verification of the Council's Corporate Geographical Information and Property Database Systems.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.29	Expenditure per Resident	2.27	2.28	2.31
(1.97)	Income per Resident	(2.02)	(2.03)	(2.04)

DIRECTOR OF CORPORATE RESOURCES
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HEAD OF CORPORATE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
75,500	Employees	79,000	82,500	83,300
0	Premises	0	0	0
1,900	Transport	1,400	1,400	1,400
38,400	Supplies and Services	43,600	43,600	43,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
55,000	Internal Services Recharged	53,000	53,000	53,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
170,800	TOTAL EXPENDITURE	177,000	180,500	181,300
	<u>INCOME</u>			
(163,900)	Internal Services Recharges	(177,000)	(180,500)	(181,300)
0	Grants/Contributions/Reimbursements	0	0	0
(6,900)	Customer & Client Receipts	0	0	0
(170,800)	TOTAL INCOME	(177,000)	(180,500)	(181,300)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Steve Brown

BRIEF DESCRIPTION OF SERVICE

To provide overall control and management of Corporate Services.
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.51	Expenditure per Resident	1.55	1.58	1.59
(1.51)	Income per Resident	(1.55)	(1.58)	(1.59)

DIRECTOR OF CORPORATE RESOURCES
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IT SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
246,200	Employees	289,700	296,700	304,000
7,500	Premises	2,000	2,000	2,000
1,100	Transport	1,500	1,500	1,500
464,500	Supplies and Services	473,600	473,600	473,600
300	Third Party Payments	300	300	300
0	Transfer Payments	0	0	0
57,200	Internal Services Recharged	68,800	68,800	68,800
153,100	Depreciation	347,100	287,800	119,300
0	Capital Financing Costs	0	0	0
929,900	TOTAL EXPENDITURE	1,183,000	1,130,700	969,500
	<u>INCOME</u>			
(504,800)	Internal Services Recharges	(805,000)	(748,900)	(583,900)
(110,600)	Grants/Contributions/Reimbursements	0	0	0
(314,500)	Customer & Client Receipts	(378,000)	(381,800)	(385,600)
(929,900)	TOTAL INCOME	(1,183,000)	(1,130,700)	(969,500)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	David Harwood
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BRIEF DESCRIPTION OF SERVICE

To provide a comprehensive service dealing with the purchasing and maintenance of the Council's computer systems and equipment.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
8.21	Expenditure per Resident	10.36	9.91	8.49
(8.21)	Income per Resident	(10.36)	(9.91)	(8.49)

DIRECTOR OF CORPORATE RESOURCES

LAND CHARGES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
47,600	Employees	48,900	49,500	50,000
0	Premises	0	0	0
100	Transport	100	100	100
20,200	Supplies and Services	30,000	30,000	30,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
34,800	Internal Services Recharged	38,000	37,500	37,100
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
102,700	TOTAL EXPENDITURE	117,000	117,100	117,200
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
(102,700)	Customer & Client Receipts	(117,000)	(117,100)	(117,200)
(102,700)	TOTAL INCOME	(117,000)	(117,100)	(117,200)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Lesley Bianco

BRIEF DESCRIPTION OF SERVICE

To provide a service to carry out official searches and land terrier enquiries from the Council's Asset Register.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.91	Expenditure per Resident	1.03	1.03	1.03
(0.91)	Income per Resident	(1.03)	(1.03)	(1.03)

DIRECTOR OF CORPORATE RESOURCES

LEGAL & LICENSING SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
256,800	Employees	256,100	261,500	266,100
0	Premises	0	0	0
3,600	Transport	5,800	5,800	5,800
40,300	Supplies and Services	61,400	61,400	61,400
5,200	Third Party Payments	2,200	2,200	2,200
0	Transfer Payments	0	0	0
122,900	Internal Services Recharged	139,400	136,600	131,800
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
428,800	TOTAL EXPENDITURE	464,900	467,500	467,300
	INCOME			
(219,900)	Internal Services Recharges	(251,800)	(255,500)	(258,200)
0	Grants/Contributions/Reimbursements	0	0	0
(232,700)	Customer & Client Receipts	(223,500)	(223,800)	(224,100)
(452,600)	TOTAL INCOME	(475,300)	(479,300)	(482,300)
(23,800)	NET BUDGET	(10,400)	(11,800)	(15,000)

Responsible Budget Holder: Steve Wormald

BRIEF DESCRIPTION OF SERVICE

To provide internal advice and support to Services on all legal matters including administration law. To deal with mortgage matters, criminal and civil matters, planning and enforcement enquiries, conveyancing, tendering, contracts and purchases. To issue licences, permits and registration within the appropriate legislation.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
3.79	Expenditure per Resident	4.07	4.10	4.09
(4.00)	Income per Resident	(4.16)	(4.20)	(4.23)

DIRECTOR OF CORPORATE RESOURCES
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PUBLIC RELATIONS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
133,700	Employees	135,700	137,200	138,700
0	Premises	0	0	0
700	Transport	1,400	1,400	1,400
10,900	Supplies and Services	11,100	11,100	11,100
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
15,500	Internal Services Recharged	14,800	14,800	14,800
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
160,800	TOTAL EXPENDITURE	163,000	164,500	166,000
	<u>INCOME</u>			
(106,800)	Internal Services Recharges	(112,300)	(113,400)	(114,500)
0	Grants/Contributions/Reimbursements	0	0	0
(37,300)	Customer & Client Receipts	(38,300)	(38,700)	(39,100)
(144,100)	TOTAL INCOME	(150,600)	(152,100)	(153,600)
16,700	NET BUDGET	12,400	12,400	12,400

Responsible Budget Holder:	Jonathan Brassington
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BRIEF DESCRIPTION OF SERVICE

<p>Informs the people of Bassetlaw about the council, the services we provide and how to contact us.</p>
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.42	Expenditure per Resident	1.43	1.44	1.45
(1.27)	Income per Resident	(1.32)	(1.33)	(1.35)

DIRECTOR OF CORPORATE RESOURCES

SERVICE & CORPORATE MANAGEMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
79,200	Employees	82,000	82,900	83,800
0	Premises	0	0	0
2,200	Transport	600	600	600
7,400	Supplies and Services	7,600	7,600	7,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
4,300	Internal Services Recharged	4,000	4,000	4,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
93,100	TOTAL EXPENDITURE	94,200	95,100	96,000
	INCOME			
(89,300)	Internal Services Recharges	(90,400)	(91,300)	(92,200)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(89,300)	TOTAL INCOME	(90,400)	(91,300)	(92,200)
3,800	NET BUDGET	3,800	3,800	3,800

Responsible Budget Holder: Steve Brown

BRIEF DESCRIPTION OF SERVICE

Performance - Drives continuous improvement of our services.

Scrutiny - To support the work of the Overview & Scrutiny Committee.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.82	Expenditure per Resident	0.83	0.83	0.84
(0.79)	Income per Resident	(0.79)	(0.80)	(0.81)

DIRECTOR OF CORPORATE RESOURCES

T-GOVERNMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
10,300	Supplies and Services	10,600	10,600	10,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	100	100	100
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
10,300	TOTAL EXPENDITURE	10,700	10,700	10,700
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
10,300	NET BUDGET	10,700	10,700	10,700

Responsible Budget Holder: Steve Brown

BRIEF DESCRIPTION OF SERVICE

Information technology outreach providing access to rural communities.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.09	Expenditure per Resident	0.09	0.09	0.09
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
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FINANCE, PROPERTY & REVENUE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1,297,300	Finance	1,295,700	1,402,700	1,519,700
0	Head of Finance, Property & Revenues	0	0	0
129,800	Housing Benefits	549,700	593,600	633,300
586,000	Local Tax Collection	662,200	658,600	646,600
165,100	Property	377,000	267,700	444,300
0	Revenues Services	0	0	0
0	Trading Finance, Property & Revenues	0	0	0
2,178,200	TOTAL EXPENDITURE	2,884,600	2,922,600	3,243,900

DIRECTOR OF CORPORATE RESOURCES
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FINANCE, PROPERTY & REVENUE SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
3,368,300	Employees	3,445,600	3,583,300	3,731,400
1,010,000	Premises	1,019,800	1,026,800	1,034,300
60,100	Transport	52,100	52,300	52,300
912,500	Supplies and Services	1,389,800	630,300	1,131,400
864,000	Third Party Payments	885,500	885,500	885,500
29,826,700	Transfer Payments	27,605,400	27,605,400	27,605,400
3,374,600	Internal Services Recharged	3,666,500	3,657,500	3,637,500
413,500	Depreciation	393,100	484,200	481,900
1,100	Capital Financing Costs	4,300	4,300	4,300
39,830,800	TOTAL EXPENDITURE	38,462,100	37,929,600	38,564,000
	INCOME			
(3,718,700)	Internal Services Recharges	(3,891,400)	(3,912,100)	(3,930,800)
(31,358,200)	Grants/Contributions/Reimbursements	(29,277,200)	(28,674,300)	(28,959,600)
(2,575,700)	Customer & Client Receipts	(2,408,900)	(2,420,600)	(2,429,700)
(37,652,600)	TOTAL INCOME	(35,577,500)	(35,007,000)	(35,320,100)
2,178,200	NET BUDGET	2,884,600	2,922,600	3,243,900

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

Provision of a comprehensive range of financial services to support all activities of the Council. Financial services is responsible for the effective stewardship of the Council's financial resources, and to produce financial statements to statutory requirements. To undertake all estate management and valuation functions in relation to the Council's substantial land and property holdings. Provision of a civil/municipal engineering service in terms of design, advice and related contract management to client departments. To deal with drainage matters including land and drainage reservoirs. Building maintenance service provides strategic property asset management. Provide management and maintenance of public off-street car parks. The Revenues service is responsible for the billing and collection of council tax and business rates. The service arranges Housing Benefits payments and administers the Council Tax Reduction Scheme for members of the public on low incomes.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
351.86	Expenditure per Resident	336.96	332.30	337.86
(332.62)	Income per Resident	(311.69)	(306.69)	(309.44)

DIRECTOR OF CORPORATE RESOURCES
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FINANCE

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
1,644,600	Employees	1,713,100	1,830,400	1,957,300
100	Premises	0	0	0
2,300	Transport	2,300	2,300	2,300
220,000	Supplies and Services	189,600	189,500	189,400
504,400	Third Party Payments	520,900	520,900	520,900
0	Transfer Payments	0	0	0
847,000	Internal Services Recharged	900,400	900,400	900,400
8,200	Depreciation	8,200	8,200	8,200
200	Capital Financing Costs	700	700	700
3,226,800	TOTAL EXPENDITURE	3,335,200	3,452,400	3,579,200
	<u>INCOME</u>			
(1,170,700)	Internal Services Recharges	(1,190,600)	(1,199,100)	(1,205,600)
(546,200)	Grants/Contributions/Reimbursements	(615,000)	(612,100)	(613,300)
(212,600)	Customer & Client Receipts	(233,900)	(238,500)	(240,600)
(1,929,500)	TOTAL INCOME	(2,039,500)	(2,049,700)	(2,059,500)
1,297,300	NET BUDGET	1,295,700	1,402,700	1,519,700

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

Provision of a comprehensive, high quality accounting service for all of the activities of the Council, including co-ordination and compilation of the annual budget, regular budget monitoring, grant claims administration, production of the year-end accounts, capital accounting, asset register and treasury management. Maintains, controls and supervises the payroll, creditor payments, bank reconciliations and insurance functions, alongside corporate debt recovery, risk and partnership management.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
28.51	Expenditure per Resident	29.22	30.25	31.36
(17.05)	Income per Resident	(17.87)	(17.96)	(18.04)

DIRECTOR OF CORPORATE RESOURCES
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HEAD OF FINANCE, PROPERTY & REVENUES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
93,300	Employees	90,100	90,900	91,800
0	Premises	0	0	0
2,700	Transport	1,400	1,400	1,400
45,300	Supplies and Services	50,300	50,300	50,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
66,000	Internal Services Recharged	66,000	66,000	66,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
207,300	TOTAL EXPENDITURE	207,800	208,600	209,500
	INCOME			
(207,300)	Internal Services Recharges	(207,800)	(208,600)	(209,500)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(207,300)	TOTAL INCOME	(207,800)	(208,600)	(209,500)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

To provide overall control and management of the Finance, Property and Revenue Services. To oversee the provision of financial advice and guidance to Members and officers throughout the Council.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.83	Expenditure per Resident	1.82	1.83	1.84
(1.83)	Income per Resident	(1.82)	(1.83)	(1.84)

DIRECTOR OF CORPORATE RESOURCES

HOUSING BENEFITS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
616,800	Employees	619,200	625,300	631,200
0	Premises	0	0	0
7,000	Transport	3,800	3,800	3,800
66,400	Supplies and Services	99,600	99,600	99,600
28,100	Third Party Payments	28,100	28,100	28,100
29,826,700	Transfer Payments	27,605,400	27,605,400	27,605,400
1,083,100	Internal Services Recharged	1,204,400	1,208,300	1,212,100
0	Depreciation	0	0	0
0	Capital Financing Costs	100	100	100
31,628,100	TOTAL EXPENDITURE	29,560,600	29,570,600	29,580,300
	INCOME			
(1,020,300)	Internal Services Recharges	(1,085,600)	(1,091,000)	(1,096,200)
(30,267,600)	Grants/Contributions/Reimbursements	(27,860,600)	(27,820,600)	(27,784,700)
(210,400)	Customer & Client Receipts	(64,700)	(65,400)	(66,100)
(31,498,300)	TOTAL INCOME	(29,010,900)	(28,977,000)	(28,947,000)
129,800	NET BUDGET	549,700	593,600	633,300

Responsible Budget Holder: Elaine Simmonds

BRIEF DESCRIPTION OF SERVICE

The Administration and payment of the Government Statutory Housing Benefit system, Welfare Reform and its associated grants. The administration and payment of the Statutory and Local Council Tax Reduction scheme. The prevention and detection of Fraud, including Corporate Fraud investigations.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
279.40	Expenditure per Resident	258.98	259.07	259.15
(278.25)	Income per Resident	(254.16)	(253.87)	(253.60)

DIRECTOR OF CORPORATE RESOURCES

LOCAL TAX COLLECTION

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
304,200	Employees	310,000	314,900	320,500
0	Premises	0	0	0
7,800	Transport	7,200	7,200	7,200
86,000	Supplies and Services	108,700	109,900	111,100
38,300	Third Party Payments	38,300	38,300	38,300
0	Transfer Payments	0	0	0
629,400	Internal Services Recharged	675,700	666,000	647,200
0	Depreciation	0	0	0
700	Capital Financing Costs	2,700	2,700	2,700
1,066,400	TOTAL EXPENDITURE	1,142,600	1,139,000	1,127,000
	INCOME			
0	Internal Services Recharges	0	0	0
(166,000)	Grants/Contributions/Reimbursements	(166,000)	(166,000)	(166,000)
(314,400)	Customer & Client Receipts	(314,400)	(314,400)	(314,400)
(480,400)	TOTAL INCOME	(480,400)	(480,400)	(480,400)
586,000	NET BUDGET	662,200	658,600	646,600

Responsible Budget Holder: Elaine Simmonds

BRIEF DESCRIPTION OF SERVICE

The Administration of the Billing and collection of Council Tax and Business rates for the district and the administration of local reduction schemes.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
9.42	Expenditure per Resident	10.01	9.98	9.87
(4.24)	Income per Resident	(4.21)	(4.21)	(4.21)

DIRECTOR OF CORPORATE RESOURCES

PROPERTY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
470,500	Employees	482,400	486,900	491,200
1,009,900	Premises	1,019,800	1,026,800	1,034,300
37,600	Transport	32,700	32,900	32,900
493,600	Supplies and Services	940,400	179,800	679,800
288,200	Third Party Payments	293,200	293,200	293,200
0	Transfer Payments	0	0	0
734,800	Internal Services Recharged	803,200	800,000	795,000
405,300	Depreciation	384,900	476,000	473,700
200	Capital Financing Costs	800	800	800
3,440,100	TOTAL EXPENDITURE	3,957,400	3,296,400	3,800,900
	INCOME			
(1,246,900)	Internal Services Recharges	(1,332,800)	(1,338,200)	(1,343,700)
(378,400)	Grants/Contributions/Reimbursements	(635,600)	(75,600)	(395,600)
(1,649,700)	Customer & Client Receipts	(1,612,000)	(1,614,900)	(1,617,300)
(3,275,000)	TOTAL INCOME	(3,580,400)	(3,028,700)	(3,356,600)
165,100	NET BUDGET	377,000	267,700	444,300

Responsible Budget Holder: John Unstead

BRIEF DESCRIPTION OF SERVICE

To provide a full Property and FM service to the Council that manages and maintains its substantial land holdings, the income producing property portfolio, but excluding council houses. To maintain, adapt and alter operational buildings to meet service requirements and to ensure that these buildings are compliant with all necessary legislative and health and safety requirements. The provision of a civil and municipal engineering service in relation to advice, design and related contract management duties to meet client demands. To respond to drainage matters including land drainage and reservoirs.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
30.39	Expenditure per Resident	34.67	28.88	33.30
(28.93)	Income per Resident	(31.37)	(26.53)	(29.41)

DIRECTOR OF CORPORATE RESOURCES
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REVENUES SERVICES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
58,500	Employees	57,200	57,800	58,400
0	Premises	0	0	0
200	Transport	100	100	100
500	Supplies and Services	500	500	500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
14,300	Internal Services Recharged	16,800	16,800	16,800
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
73,500	TOTAL EXPENDITURE	74,600	75,200	75,800
	<u>INCOME</u>			
(73,500)	Internal Services Recharges	(74,600)	(75,200)	(75,800)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(73,500)	TOTAL INCOME	(74,600)	(75,200)	(75,800)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Elaine Simmonds
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BRIEF DESCRIPTION OF SERVICE

Service management of the Revenues & Benefits service consisting of the responsibility for the billing and collection of the Council Tax and Business Rates for the district. It also administers the Government's statutory Housing Benefits Scheme and the Statutory and local Council Tax Reduction Scheme. This service is also responsible for the prevention and detection of fraud, including Corporate Fraud projects.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.65	Expenditure per Resident	0.65	0.66	0.66
(0.65)	Income per Resident	(0.65)	(0.66)	(0.66)

DIRECTOR OF CORPORATE RESOURCES
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TRADING FINANCE, PROPERTY & REVENUES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
180,400	Employees	173,600	177,100	181,000
0	Premises	0	0	0
2,500	Transport	4,600	4,600	4,600
700	Supplies and Services	700	700	700
5,000	Third Party Payments	5,000	5,000	5,000
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
188,600	TOTAL EXPENDITURE	183,900	187,400	191,300
	<u>INCOME</u>			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
(188,600)	Customer & Client Receipts	(183,900)	(187,400)	(191,300)
(188,600)	TOTAL INCOME	(183,900)	(187,400)	(191,300)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Howard Lane
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BRIEF DESCRIPTION OF SERVICE

The trading account of the shared Nottinghamshire and Derbyshire Procurement Unit, which provides procurement work for four local authorities.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.67	Expenditure per Resident	1.61	1.64	1.68
(1.67)	Income per Resident	(1.61)	(1.64)	(1.68)

CHIEF EXECUTIVE DEPARTMENT

HUMAN RESOURCES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0	Human Resources Management	0	0	0
0	Unions	0	0	0
0	TOTAL EXPENDITURE	0	0	0

CHIEF EXECUTIVE DEPARTMENT

HUMAN RESOURCES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
218,200	Employees	301,100	199,900	201,800
0	Premises	0	0	0
4,800	Transport	1,900	1,900	1,900
18,000	Supplies and Services	18,300	18,300	18,300
33,000	Third Party Payments	33,000	33,000	33,000
0	Transfer Payments	0	0	0
164,300	Internal Services Recharged	148,000	148,000	148,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
438,300	TOTAL EXPENDITURE	502,300	401,100	403,000
	INCOME			
(412,500)	Internal Services Recharges	(458,500)	(356,800)	(358,200)
0	Grants/Contributions/Reimbursements	0	0	0
(25,800)	Customer & Client Receipts	(43,800)	(44,300)	(44,800)
(438,300)	TOTAL INCOME	(502,300)	(401,100)	(403,000)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Karen Childs

BRIEF DESCRIPTION OF SERVICE

To provide a framework of excellence in people management that supports the developing agenda of the Council and create a culture and environment where people can use their talents in the best way possible. This incorporates human resource management, organisational development and learning and development.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
3.87	Expenditure per Resident	4.40	3.51	3.53
(3.87)	Income per Resident	(4.40)	(3.51)	(3.53)

CHIEF EXECUTIVE DEPARTMENT

HUMAN RESOURCES MANAGEMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
191,400	Employees	273,500	171,900	173,600
0	Premises	0	0	0
4,800	Transport	900	900	900
17,500	Supplies and Services	17,700	17,700	17,700
33,000	Third Party Payments	33,000	33,000	33,000
0	Transfer Payments	0	0	0
160,500	Internal Services Recharged	144,100	144,100	144,100
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
407,200	TOTAL EXPENDITURE	469,200	367,600	369,300
	INCOME			
(381,400)	Internal Services Recharges	(442,700)	(340,800)	(342,200)
0	Grants/Contributions/Reimbursements	0	0	0
(25,800)	Customer & Client Receipts	(26,500)	(26,800)	(27,100)
(407,200)	TOTAL INCOME	(469,200)	(367,600)	(369,300)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Karen Childs

BRIEF DESCRIPTION OF SERVICE

The HR and Organisational Development Service is responsible for the development and maintenance of pay and reward systems, the maintenance of employee relations including negotiations with the trade unions, development and agreement of HR policies and procedures, managing organisational change and development, resourcing, recruitment and redeployment, learning and development to ensure staff are skilled and competent to deliver the Council's priorities, and strategic HR leadership to both the Council and A1 Housing.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
3.60	Expenditure per Resident	4.11	3.22	3.24
(3.60)	Income per Resident	(4.11)	(3.22)	(3.24)

CHIEF EXECUTIVE DEPARTMENT

UNIONS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
26,800	Employees	27,600	28,000	28,200
0	Premises	0	0	0
0	Transport	1,000	1,000	1,000
500	Supplies and Services	600	600	600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
3,800	Internal Services Recharged	3,900	3,900	3,900
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
31,100	TOTAL EXPENDITURE	33,100	33,500	33,700
	INCOME			
(31,100)	Internal Services Recharges	(15,800)	(16,000)	(16,000)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	(17,300)	(17,500)	(17,700)
(31,100)	TOTAL INCOME	(33,100)	(33,500)	(33,700)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Karen Childs

BRIEF DESCRIPTION OF SERVICE

To ensure the development and maintenance of good relations with all recognised Trade Unions and to ensure that consultation processes are effectively and properly delivered. To provide resources, support, guidance and advice in respect of Trade Union activities.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.27	Expenditure per Resident	0.29	0.29	0.30
(0.27)	Income per Resident	(0.29)	(0.29)	(0.30)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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NEIGHBOURHOODS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
85,000	Cemeteries, Cremation & Mortuary	117,900	125,700	158,000
62,000	Emergency Planning	98,400	97,900	98,200
0	Environmental Health	0	0	0
891,100	Environmental Public Health	957,800	937,700	931,700
0	Environmental Service Unit	0	0	0
0	Grounds Maintenance Mangement	0	0	0
8,700	Head of Neighbourhoods	0	0	0
167,700	Housing Standards	136,600	136,200	134,500
2,701,600	Leisure & Arts Management & Administration	2,782,000	2,956,000	3,016,200
0	Neighbourhoods Trading	0	0	0
160,000	Public Conveniences	162,400	162,000	163,200
826,200	Street Cleansing General	878,800	872,000	1,038,900
0	Transport	0	0	0
1,880,300	Waste Collection & Disposal	1,960,600	1,978,400	1,845,900
6,782,600	TOTAL EXPENDITURE	7,094,500	7,265,900	7,386,600

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

NEIGHBOURHOODS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
3,656,200	Employees	3,793,000	3,833,100	3,871,200
1,573,800	Premises	1,641,600	1,710,200	1,975,800
1,216,200	Transport	1,143,200	1,143,600	1,144,000
386,500	Supplies and Services	384,100	381,600	381,000
1,174,100	Third Party Payments	1,289,000	1,426,400	1,466,600
0	Transfer Payments	0	0	0
2,001,300	Internal Services Recharged	2,433,500	2,382,300	2,357,400
1,263,000	Depreciation	1,219,400	1,282,500	1,362,800
800	Capital Financing Costs	2,300	2,300	2,300
11,271,900	TOTAL EXPENDITURE	11,906,100	12,162,000	12,561,100
	INCOME			
(2,572,700)	Internal Services Recharges	(2,806,300)	(2,862,600)	(3,111,700)
(557,000)	Grants/Contributions/Reimbursements	(664,400)	(686,500)	(709,600)
(1,359,400)	Customer & Client Receipts	(1,340,700)	(1,346,800)	(1,353,000)
(200)	Interest	(200)	(200)	(200)
(4,489,300)	TOTAL INCOME	(4,811,600)	(4,896,100)	(5,174,500)
6,782,600	NET BUDGET	7,094,500	7,265,900	7,386,600

Responsible Budget Holder: Liz Prime

BRIEF DESCRIPTION OF SERVICE

The management and provision of services such as abandoned vehicles, animal and public health, cemeteries, emergency planning, fly tipping, food safety, water safety, housing standards, parks and open spaces, noise and nuisance, environmental pollution, street care and cleansing, waste recycling and the provision of advice and support on all aspects of matters affecting the environment of the District.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
99.58	Expenditure per Resident	104.31	106.55	110.05
(39.66)	Income per Resident	(42.15)	(42.89)	(45.33)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

CEMETERIES, CREMATION & MORTUARY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
24,400	Employees	24,600	24,900	25,100
164,900	Premises	198,000	205,200	237,100
3,000	Transport	3,000	3,000	3,000
6,000	Supplies and Services	5,500	5,500	5,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
58,400	Internal Services Recharged	202,000	202,900	203,500
26,900	Depreciation	29,700	29,700	29,700
0	Capital Financing Costs	100	100	100
283,600	TOTAL EXPENDITURE	462,900	471,300	504,000
	INCOME			
0	Internal Services Recharges	(133,600)	(134,200)	(134,600)
0	Grants/Contributions/Reimbursements	0	0	0
(198,400)	Customer & Client Receipts	(211,200)	(211,200)	(211,200)
(200)	Interest	(200)	(200)	(200)
(198,600)	TOTAL INCOME	(345,000)	(345,600)	(346,000)
85,000	NET BUDGET	117,900	125,700	158,000

Responsible Budget Holder: Andrew Smith

BRIEF DESCRIPTION OF SERVICE

To continue a high quality burial service and plan to ensure the future burial needs of the community.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.51	Expenditure per Resident	4.06	4.13	4.42
(1.75)	Income per Resident	(3.02)	(3.03)	(3.03)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

EMERGENCY PLANNING

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
31,900	Employees	33,100	33,300	33,600
0	Premises	0	0	0
2,300	Transport	2,000	2,000	2,000
200	Supplies and Services	200	200	200
9,000	Third Party Payments	9,000	9,000	9,000
0	Transfer Payments	0	0	0
18,600	Internal Services Recharged	54,100	53,400	53,400
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
62,000	TOTAL EXPENDITURE	98,400	97,900	98,200
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
62,000	NET BUDGET	98,400	97,900	98,200

Responsible Budget Holder: Jim Moran

BRIEF DESCRIPTION OF SERVICE

Manages the Council's arrangements required to deliver its responsibilities under the Civil Contingencies Act 2004. This includes stand alone procedures specific to Bassetlaw District Council and Multi Agency arrangements as part of the wider Nottinghamshire Local Resilience Forum.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.55	Expenditure per Resident	0.86	0.86	0.86
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

ENVIRONMENTAL HEALTH

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
53,100	Employees	58,100	58,700	59,300
0	Premises	0	0	0
1,900	Transport	1,700	1,700	1,700
47,400	Supplies and Services	36,300	36,300	36,300
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
104,900	Internal Services Recharged	165,600	165,600	165,600
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
207,300	TOTAL EXPENDITURE	261,700	262,300	262,900
	INCOME			
(207,300)	Internal Services Recharges	(261,700)	(262,300)	(262,900)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(207,300)	TOTAL INCOME	(261,700)	(262,300)	(262,900)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Gavin Bailey

BRIEF DESCRIPTION OF SERVICE

The management of the Environmental Health Department.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.83	Expenditure per Resident	2.29	2.30	2.30
(1.83)	Income per Resident	(2.29)	(2.30)	(2.30)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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ENVIRONMENTAL PUBLIC HEALTH

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
602,300	Employees	624,500	629,200	636,600
1,700	Premises	300	300	300
31,600	Transport	29,900	29,900	29,900
25,900	Supplies and Services	25,800	25,800	25,800
85,000	Third Party Payments	85,000	85,000	85,000
0	Transfer Payments	0	0	0
377,500	Internal Services Recharged	453,600	430,100	418,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
1,124,000	TOTAL EXPENDITURE	1,219,100	1,200,300	1,195,600
	INCOME			
(80,000)	Internal Services Recharges	(105,400)	(105,400)	(105,400)
(128,500)	Grants/Contributions/Reimbursements	(128,500)	(129,800)	(131,100)
(24,400)	Customer & Client Receipts	(27,400)	(27,400)	(27,400)
(232,900)	TOTAL INCOME	(261,300)	(262,600)	(263,900)
891,100	NET BUDGET	957,800	937,700	931,700

Responsible Budget Holder:	Gavin Bailey
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BRIEF DESCRIPTION OF SERVICE

The management and provision of services such as Noise & Nuisance, Animal Public Health, Health & Safety, Food Safety, Environmental Protection, Water Safety, Environmental Works.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
9.93	Expenditure per Resident	10.68	10.52	10.47
(2.06)	Income per Resident	(2.29)	(2.30)	(2.31)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

ENVIRONMENTAL SERVICE UNIT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
77,800	Employees	79,400	80,200	80,900
200	Premises	200	200	200
0	Transport	0	0	0
5,300	Supplies and Services	3,600	3,600	3,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
132,600	Internal Services Recharged	123,400	123,400	123,400
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
215,900	TOTAL EXPENDITURE	206,600	207,400	208,100
	INCOME			
(215,900)	Internal Services Recharges	(206,600)	(207,400)	(208,100)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(215,900)	TOTAL INCOME	(206,600)	(207,400)	(208,100)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Peter Jones

BRIEF DESCRIPTION OF SERVICE

To control and monitor all aspects of the rechargeable functions within this service area; Refuse collection, Parks and Open Spaces, Street Cleaning and Transport.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.91	Expenditure per Resident	1.81	1.82	1.82
(1.91)	Income per Resident	(1.81)	(1.82)	(1.82)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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GROUNDS MAINTENANCE MANGEMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
66,800	Employees	68,800	69,500	70,200
0	Premises	200	200	200
4,100	Transport	2,700	2,700	2,700
1,300	Supplies and Services	1,400	1,400	1,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
25,200	Internal Services Recharged	26,600	26,600	26,600
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
97,400	TOTAL EXPENDITURE	99,700	100,400	101,100
	<u>INCOME</u>			
(97,400)	Internal Services Recharges	(99,700)	(100,400)	(101,100)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(97,400)	TOTAL INCOME	(99,700)	(100,400)	(101,100)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Keith Somers
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BRIEF DESCRIPTION OF SERVICE

The Management of the Grounds Maintenance Services
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.86	Expenditure per Resident	0.87	0.88	0.89
(0.86)	Income per Resident	(0.87)	(0.88)	(0.89)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

HEAD OF NEIGHBOURHOODS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
82,800	Employees	78,700	82,200	83,000
0	Premises	0	0	0
1,900	Transport	1,700	1,700	1,700
35,500	Supplies and Services	40,500	40,500	40,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
84,700	Internal Services Recharged	80,000	80,000	80,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
204,900	TOTAL EXPENDITURE	200,900	204,400	205,200
	INCOME			
(196,200)	Internal Services Recharges	(200,900)	(204,400)	(205,200)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(196,200)	TOTAL INCOME	(200,900)	(204,400)	(205,200)
8,700	NET BUDGET	0	0	0

Responsible Budget Holder: Liz Prime

BRIEF DESCRIPTION OF SERVICE

Management of Neighbourhood Services

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.81	Expenditure per Resident	1.76	1.79	1.80
(1.73)	Income per Resident	(1.76)	(1.79)	(1.80)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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HOUSING STANDARDS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
87,500	Employees	92,900	95,700	97,700
0	Premises	0	0	0
4,800	Transport	4,800	4,800	4,800
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
75,400	Internal Services Recharged	63,700	60,700	57,300
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
167,700	TOTAL EXPENDITURE	161,400	161,200	159,800
	<u>INCOME</u>			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	(24,800)	(25,000)	(25,300)
0	TOTAL INCOME	(24,800)	(25,000)	(25,300)
167,700	NET BUDGET	136,600	136,200	134,500

Responsible Budget Holder:	Hannah Bigden
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BRIEF DESCRIPTION OF SERVICE

This area undertakes a number of housing functions, including: Housing dis-repair, HMO licences, empty domestic properties, mobile home licensing, hoarders, filthy & verminous properties, working with landlords, illegal evictions, warrants for A1 Housing, overcrowding & immigration inspections, working with other departments in BDC & A1, and representing BDC Nottinghamshire Housing Working Group & NFRS Hoarders group.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.48	Expenditure per Resident	1.41	1.41	1.40
0.00	Income per Resident	(0.22)	(0.22)	(0.22)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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LEISURE & ARTS MANAGEMENT & ADMINISTRATION

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
191,200	Employees	199,400	202,200	203,900
1,155,100	Premises	1,221,300	1,262,700	1,332,900
30,700	Transport	20,800	20,800	20,800
89,500	Supplies and Services	99,500	98,000	97,600
873,700	Third Party Payments	977,400	1,124,800	1,165,000
0	Transfer Payments	0	0	0
279,700	Internal Services Recharged	372,100	367,300	354,800
587,000	Depreciation	548,200	558,200	541,500
400	Capital Financing Costs	1,300	1,300	1,300
3,207,300	TOTAL EXPENDITURE	3,440,000	3,635,300	3,717,800
	<u>INCOME</u>			
(82,900)	Internal Services Recharges	(127,400)	(127,900)	(128,400)
(380,500)	Grants/Contributions/Reimbursements	(487,900)	(508,700)	(530,500)
(42,300)	Customer & Client Receipts	(42,700)	(42,700)	(42,700)
(505,700)	TOTAL INCOME	(658,000)	(679,300)	(701,600)
2,701,600	NET BUDGET	2,782,000	2,956,000	3,016,200

Responsible Budget Holder:	Peter Clark / Keith Somers
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BRIEF DESCRIPTION OF SERVICE

The management, administration and development of the Leisure Centres, Kilton Forest Golf Course. The developing a sporting infrastructure across the district by working in partnership with a range of different organisations and to deliver specific programmes, i.e. people with a disability and young people at risk of social exclusion. This area includes Parks & Open Spaces Management, management of the Allotments, facilitation of Community Park Events.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
28.33	Expenditure per Resident	30.14	31.85	32.57
(4.47)	Income per Resident	(5.76)	(5.95)	(6.15)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

NEIGHBOURHOODS TRADING

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
693,900	Employees	716,200	723,100	729,900
16,800	Premises	16,700	16,700	16,700
268,000	Transport	249,800	249,700	250,000
53,500	Supplies and Services	53,800	53,800	53,800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
199,100	Internal Services Recharged	217,500	218,300	219,100
164,000	Depreciation	88,300	133,300	373,100
100	Capital Financing Costs	100	100	100
1,395,400	TOTAL EXPENDITURE	1,342,400	1,395,000	1,642,700
	INCOME			
(1,040,500)	Internal Services Recharges	(993,500)	(1,042,600)	(1,286,800)
0	Grants/Contributions/Reimbursements	0	0	0
(354,900)	Customer & Client Receipts	(348,900)	(352,400)	(355,900)
(1,395,400)	TOTAL INCOME	(1,342,400)	(1,395,000)	(1,642,700)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Peter Jones

BRIEF DESCRIPTION OF SERVICE

These are the trading functions within Environment services: Grounds Maintenance Trading, Street Cleaning Trading, Strategic Cleaning Trading.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
12.33	Expenditure per Resident	11.76	12.22	14.39
(12.33)	Income per Resident	(11.76)	(12.22)	(14.39)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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PUBLIC CONVENIENCES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
73,400	Employees	77,400	78,100	78,900
50,900	Premises	45,200	45,500	45,900
0	Transport	0	0	0
7,400	Supplies and Services	7,400	7,400	7,400
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
14,900	Internal Services Recharged	18,900	17,500	17,500
13,400	Depreciation	13,400	13,400	13,400
0	Capital Financing Costs	100	100	100
160,000	TOTAL EXPENDITURE	162,400	162,000	163,200
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
160,000	NET BUDGET	162,400	162,000	163,200

Responsible Budget Holder:	Tim Andrew
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BRIEF DESCRIPTION OF SERVICE

To provide adequate and clean public conveniences.
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.41	Expenditure per Resident	1.42	1.42	1.43
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

STREET CLEANSING GENERAL

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
450,400	Employees	489,000	493,500	497,800
88,200	Premises	56,100	75,300	237,900
150,700	Transport	160,800	161,000	161,100
8,800	Supplies and Services	8,800	8,800	8,800
24,000	Third Party Payments	24,000	24,000	24,000
0	Transfer Payments	0	0	0
118,600	Internal Services Recharged	133,000	126,700	126,900
64,900	Depreciation	86,100	62,100	62,100
0	Capital Financing Costs	100	100	100
905,600	TOTAL EXPENDITURE	957,900	951,500	1,118,700
	INCOME			
(77,700)	Internal Services Recharges	(79,100)	(79,500)	(79,800)
0	Grants/Contributions/Reimbursements	0	0	0
(1,700)	Customer & Client Receipts	0	0	0
(79,400)	TOTAL INCOME	(79,100)	(79,500)	(79,800)
826,200	NET BUDGET	878,800	872,000	1,038,900

Responsible Budget Holder: Tim Andrew

BRIEF DESCRIPTION OF SERVICE

To maintain cleanliness in accordance with the Environmental Protection Act 1988.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
8.00	Expenditure per Resident	8.39	8.34	9.80
(0.70)	Income per Resident	(0.69)	(0.70)	(0.70)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

TRANSPORT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
238,000	Employees	255,500	257,900	260,200
1,100	Premises	1,400	1,400	1,400
333,400	Transport	293,800	293,800	293,800
25,100	Supplies and Services	22,700	21,700	21,500
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
167,700	Internal Services Recharged	163,800	164,200	164,500
6,800	Depreciation	4,000	4,000	4,000
100	Capital Financing Costs	200	200	200
772,200	TOTAL EXPENDITURE	741,400	743,200	745,600
	INCOME			
(438,700)	Internal Services Recharges	(462,800)	(462,200)	(462,200)
0	Grants/Contributions/Reimbursements	0	0	0
(333,500)	Customer & Client Receipts	(278,600)	(281,000)	(283,400)
(772,200)	TOTAL INCOME	(741,400)	(743,200)	(745,600)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Peter Jones

BRIEF DESCRIPTION OF SERVICE

Costs associated with and to undertake servicing. MOTs and repairs of the Councils and A1 Housing vehicle fleet.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
6.82	Expenditure per Resident	6.50	6.51	6.53
(6.82)	Income per Resident	(6.50)	(6.51)	(6.53)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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WASTE COLLECTION & DISPOSAL
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BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
982,700	Employees	995,400	1,004,600	1,014,100
94,900	Premises	102,200	102,700	103,200
383,800	Transport	372,200	372,500	372,500
80,600	Supplies and Services	78,600	78,600	78,600
182,400	Third Party Payments	193,600	183,600	183,600
0	Transfer Payments	0	0	0
344,000	Internal Services Recharged	359,200	345,600	346,800
400,000	Depreciation	449,700	481,800	339,000
200	Capital Financing Costs	400	400	400
2,468,600	TOTAL EXPENDITURE	2,551,300	2,569,800	2,438,200
	INCOME			
(136,100)	Internal Services Recharges	(135,600)	(136,300)	(137,200)
(48,000)	Grants/Contributions/Reimbursements	(48,000)	(48,000)	(48,000)
(404,200)	Customer & Client Receipts	(407,100)	(407,100)	(407,100)
(588,300)	TOTAL INCOME	(590,700)	(591,400)	(592,300)
1,880,300	NET BUDGET	1,960,600	1,978,400	1,845,900

Responsible Budget Holder:	Tim Andrew
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BRIEF DESCRIPTION OF SERVICE

To provide a collection and disposal service for domestic and trade waste users, including in this is a bulky items and a comprehensive recycling service for residents.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
21.81	Expenditure per Resident	22.35	22.51	21.36
(5.20)	Income per Resident	(5.18)	(5.18)	(5.19)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

REGENERATION

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
301,600	Building Control	347,800	337,500	335,500
203,600	CCTV	176,900	177,900	178,600
747,600	Economic Development	923,000	892,100	890,500
0	Head of Regeneration	0	0	0
282,100	Homelessness	309,100	309,200	304,500
0	Housing Management & Support	0	0	0
37,900	Housing Strategy	36,400	36,400	36,400
161,200	Museums	172,100	170,400	168,200
966,900	Planning	848,700	888,900	903,500
760,500	Private Sector Housing Renewals	795,900	262,300	257,600
3,461,400	TOTAL EXPENDITURE	3,609,900	3,074,700	3,074,800

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

REGENERATION

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
2,262,800	Employees	2,545,900	2,531,900	2,576,000
234,400	Premises	243,800	245,800	247,800
133,100	Transport	120,600	120,700	120,700
1,574,100	Supplies and Services	1,723,000	1,206,500	1,207,000
419,600	Third Party Payments	164,600	164,600	164,600
0	Transfer Payments	0	0	0
1,368,200	Internal Services Recharged	1,503,200	1,461,600	1,411,600
223,800	Depreciation	206,600	209,900	210,800
200	Capital Financing Costs	900	900	900
6,216,200	TOTAL EXPENDITURE	6,508,600	5,941,900	5,939,400
	INCOME			
(749,900)	Internal Services Recharges	(700,500)	(704,300)	(714,200)
(439,800)	Grants/Contributions/Reimbursements	(614,800)	(614,800)	(615,000)
(1,565,100)	Customer & Client Receipts	(1,583,400)	(1,548,100)	(1,535,400)
(2,754,800)	TOTAL INCOME	(2,898,700)	(2,867,200)	(2,864,600)
3,461,400	NET BUDGET	3,609,900	3,074,700	3,074,800

Responsible Budget Holder: Beverley Alderton-Sambrook

BRIEF DESCRIPTION OF SERVICE

The management and provision of services such as Planning, Building Control, Economic Development, CCTV, Town Centre Management and Housing. Provision of advice and support on all aspects of matters affecting the prosperity of the District.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
54.91	Expenditure per Resident	57.02	52.06	52.03
(24.34)	Income per Resident	(25.40)	(25.12)	(25.10)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

BUILDING CONTROL

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
332,100	Employees	334,000	320,800	325,900
800	Premises	800	800	800
26,900	Transport	30,400	30,400	30,400
19,900	Supplies and Services	22,200	22,200	22,200
7,500	Third Party Payments	9,000	9,000	9,000
0	Transfer Payments	0	0	0
99,000	Internal Services Recharged	137,400	140,300	135,900
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
486,200	TOTAL EXPENDITURE	533,800	523,500	524,200
	INCOME			
(4,300)	Internal Services Recharges	(5,100)	(5,100)	(7,800)
0	Grants/Contributions/Reimbursements	0	0	0
(180,300)	Customer & Client Receipts	(180,900)	(180,900)	(180,900)
(184,600)	TOTAL INCOME	(186,000)	(186,000)	(188,700)
301,600	NET BUDGET	347,800	337,500	335,500

Responsible Budget Holder: Angela Edwards

BRIEF DESCRIPTION OF SERVICE

The consideration of plans and the inspection of work in accordance with the Building Regulations. The consideration of plans and the inspection of work reverting to Local Authority control. Enforcement of legislation and undertaking of statutory administrative duties not within the authority of Approved Inspectors. Provision of out of hours call out service in respect of dangerous structures.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
4.30	Expenditure per Resident	4.68	4.59	4.59
(1.63)	Income per Resident	(1.63)	(1.63)	(1.65)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

CCTV

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	100,700	103,100	103,900
14,800	Premises	7,100	7,200	7,300
0	Transport	0	0	0
13,200	Supplies and Services	12,800	12,800	12,800
114,000	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
29,200	Internal Services Recharged	34,800	33,300	33,300
46,200	Depreciation	35,200	35,200	35,200
0	Capital Financing Costs	100	100	100
217,400	TOTAL EXPENDITURE	190,700	191,700	192,600
	INCOME			
0	Internal Services Recharges	0	0	0
(13,800)	Grants/Contributions/Reimbursements	(13,800)	(13,800)	(14,000)
0	Customer & Client Receipts	0	0	0
(13,800)	TOTAL INCOME	(13,800)	(13,800)	(14,000)
203,600	NET BUDGET	176,900	177,900	178,600

Responsible Budget Holder: Richard Blagg

BRIEF DESCRIPTION OF SERVICE

Enhancing the safety and the confidence of the local community.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.92	Expenditure per Resident	1.67	1.68	1.69
(0.12)	Income per Resident	(0.12)	(0.12)	(0.12)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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ECONOMIC DEVELOPMENT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
516,700	Employees	581,500	544,600	550,600
169,200	Premises	189,700	191,200	192,600
36,100	Transport	46,200	46,300	46,300
179,000	Supplies and Services	197,900	212,400	212,900
89,600	Third Party Payments	89,600	89,600	89,600
0	Transfer Payments	0	0	0
214,900	Internal Services Recharged	225,400	212,000	199,200
168,600	Depreciation	163,600	166,900	170,200
100	Capital Financing Costs	300	300	300
1,374,200	TOTAL EXPENDITURE	1,494,200	1,463,300	1,461,700
	<u>INCOME</u>			
0	Internal Services Recharges	0	0	0
(11,000)	Grants/Contributions/Reimbursements	(11,000)	(11,000)	(11,000)
(615,600)	Customer & Client Receipts	(560,200)	(560,200)	(560,200)
(626,600)	TOTAL INCOME	(571,200)	(571,200)	(571,200)
747,600	NET BUDGET	923,000	892,100	890,500

Responsible Budget Holder:	Robert Wilkinson
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BRIEF DESCRIPTION OF SERVICE

To support the running costs of the Bassetlaw Business Innovation Centre through partnership with Nottinghamshire County Council. Funding of the Bassetlaw Enterprise Board to provide technical and financial support to new and expanding businesses in Bassetlaw. To provide partnership finance allocated to established and proven business support organisations. To encourage and foster inward investment enquiries. To raise the profile of Europe both in terms of funding available and non-financial opportunities for Bassetlaw. To provide targeted financial support for regeneration initiative in the areas of particular disadvantage. The unit provides business support.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
12.14	Expenditure per Resident	13.09	12.82	12.81
(5.54)	Income per Resident	(5.00)	(5.00)	(5.00)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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HEAD OF REGENERATION

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
79,800	Employees	81,500	85,000	88,700
0	Premises	0	0	0
2,600	Transport	1,000	1,000	1,000
35,900	Supplies and Services	40,600	40,600	40,600
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
89,000	Internal Services Recharged	90,300	90,300	90,300
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
207,300	TOTAL EXPENDITURE	213,400	216,900	220,600
	<u>INCOME</u>			
(207,300)	Internal Services Recharges	(213,400)	(216,900)	(220,600)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(207,300)	TOTAL INCOME	(213,400)	(216,900)	(220,600)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Beverley Alderton-Sambrook
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BRIEF DESCRIPTION OF SERVICE

To provide overall management and control of the Regeneration service area.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.83	Expenditure per Resident	1.87	1.90	1.93
(1.83)	Income per Resident	(1.87)	(1.90)	(1.93)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

HOMELESSNESS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
135,800	Employees	144,900	149,000	152,300
0	Premises	0	0	0
6,400	Transport	3,600	3,600	3,600
86,700	Supplies and Services	86,900	86,900	86,900
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
56,200	Internal Services Recharged	73,600	69,600	61,600
0	Depreciation	0	0	0
0	Capital Financing Costs	100	100	100
285,100	TOTAL EXPENDITURE	309,100	309,200	304,500
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
(3,000)	Customer & Client Receipts	0	0	0
(3,000)	TOTAL INCOME	0	0	0
282,100	NET BUDGET	309,100	309,200	304,500

Responsible Budget Holder: Trudy Walstow

BRIEF DESCRIPTION OF SERVICE

The Housing Needs Team are responsible for providing a service to those who are homeless or likely to become so, during and outside normal office hours and discharging legal obligations in accordance with the relevant legislation. This involves providing emergency Bed & Breakfast accommodation and other forms of housing such as private rented tenancies. They are also responsible for the prevention of homelessness and are required to have a number of homeless prevention initiatives in place such as Bond Scheme and the Homeless Prevention Fund.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
2.52	Expenditure per Resident	2.71	2.71	2.67
(0.03)	Income per Resident	0.00	0.00	0.00

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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HOUSING MANAGEMENT & SUPPORT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
38,700	Employees	34,600	36,000	37,500
0	Premises	0	0	0
3,500	Transport	700	700	700
2,800	Supplies and Services	3,500	3,500	3,500
2,000	Third Party Payments	2,000	2,000	2,000
0	Transfer Payments	0	0	0
50,600	Internal Services Recharged	52,400	51,300	50,100
0	Depreciation	0	0	0
0	Capital Financing Costs	100	100	100
97,600	TOTAL EXPENDITURE	93,300	93,600	93,900
	<u>INCOME</u>			
(97,600)	Internal Services Recharges	(93,300)	(93,600)	(93,900)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(97,600)	TOTAL INCOME	(93,300)	(93,600)	(93,900)
0	NET BUDGET	0	0	0

Responsible Budget Holder:	Christine Staniforth
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BRIEF DESCRIPTION OF SERVICE

Strategic management of housing services.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.86	Expenditure per Resident	0.82	0.82	0.82
(0.86)	Income per Resident	(0.82)	(0.82)	(0.82)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

HOUSING STRATEGY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
800	Supplies and Services	800	800	800
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
37,100	Internal Services Recharged	35,600	35,600	35,600
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
37,900	TOTAL EXPENDITURE	36,400	36,400	36,400
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
37,900	NET BUDGET	36,400	36,400	36,400

Responsible Budget Holder: Christine Staniforth

BRIEF DESCRIPTION OF SERVICE

Costs relating to the Housing Investment Programme bid.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.33	Expenditure per Resident	0.32	0.32	0.32
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF REGENERATION & NEIGHBOURHOODS
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MUSEUMS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
82,100	Employees	84,400	85,400	86,300
48,600	Premises	44,700	45,100	45,600
400	Transport	600	600	600
8,000	Supplies and Services	9,000	9,000	9,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
19,000	Internal Services Recharged	29,500	26,400	22,800
5,700	Depreciation	4,500	4,500	4,500
0	Capital Financing Costs	0	0	0
163,800	TOTAL EXPENDITURE	172,700	171,000	168,800
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
(2,600)	Customer & Client Receipts	(600)	(600)	(600)
(2,600)	TOTAL INCOME	(600)	(600)	(600)
161,200	NET BUDGET	172,100	170,400	168,200

Responsible Budget Holder:	Sam Glasswell
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BRIEF DESCRIPTION OF SERVICE

<p>To provide cultural facilities in the form of a Museum. This includes Percy Laws Gallery and offers exhibits which reflect the history of the District.</p>
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BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.45	Expenditure per Resident	1.51	1.50	1.48
(0.02)	Income per Resident	(0.01)	(0.01)	(0.01)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

PLANNING

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
968,700	Employees	1,106,400	1,129,000	1,150,900
1,000	Premises	1,500	1,500	1,500
47,200	Transport	32,700	32,700	32,700
125,200	Supplies and Services	106,300	106,300	106,300
191,500	Third Party Payments	49,000	49,000	49,000
0	Transfer Payments	0	0	0
731,400	Internal Services Recharged	779,900	762,200	747,800
3,300	Depreciation	3,300	3,300	900
0	Capital Financing Costs	0	0	0
2,068,300	TOTAL EXPENDITURE	2,079,100	2,084,000	2,089,100
	INCOME			
(361,100)	Internal Services Recharges	(388,700)	(388,700)	(391,900)
0	Grants/Contributions/Reimbursements	0	0	0
(740,300)	Customer & Client Receipts	(841,700)	(806,400)	(793,700)
(1,101,400)	TOTAL INCOME	(1,230,400)	(1,195,100)	(1,185,600)
966,900	NET BUDGET	848,700	888,900	903,500

Responsible Budget Holder: **Beverley Alderton-Sambrook**

BRIEF DESCRIPTION OF SERVICE

To process planning applications and appeals, the investigation and enforcement of unauthorised development, to ensure compliance with planning conditions as development proceeds and the provision of advice relating to all development related proposals. All aspects of the Local Development Framework; collection and collation of planning data; co-ordination and liaison on major development issues, highways, public transport and other physical environment issues. The management of Heritage service including: provision of expert advice on heritage applications; management of grant schemes and historic environment regeneration scheme; production of Conservation Area Appraisals. Management of tree service, including provision of expert advice on tree applications and surveying and creation of Tree Preservation Orders.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
18.27	Expenditure per Resident	18.21	18.26	18.30
(9.73)	Income per Resident	(10.78)	(10.47)	(10.39)

DIRECTOR OF REGENERATION & NEIGHBOURHOODS

PRIVATE SECTOR HOUSING RENEWALS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
108,900	Employees	77,900	79,000	79,900
0	Premises	0	0	0
10,000	Transport	5,400	5,400	5,400
1,102,600	Supplies and Services	1,243,000	712,000	712,000
15,000	Third Party Payments	15,000	15,000	15,000
0	Transfer Payments	0	0	0
41,800	Internal Services Recharged	44,300	40,600	35,000
0	Depreciation	0	0	0
100	Capital Financing Costs	300	300	300
1,278,400	TOTAL EXPENDITURE	1,385,900	852,300	847,600
	<u>INCOME</u>			
(79,600)	Internal Services Recharges	0	0	0
(415,000)	Grants/Contributions/Reimbursements	(590,000)	(590,000)	(590,000)
(23,300)	Customer & Client Receipts	0	0	0
(517,900)	TOTAL INCOME	(590,000)	(590,000)	(590,000)
760,500	NET BUDGET	795,900	262,300	257,600

Responsible Budget Holder: Justine Knowles

BRIEF DESCRIPTION OF SERVICE

The administration of the grants for the renovation and renewal of property and facilitate partnership for the provision of minor adaptations in own homes. Also, the administration of the Agency Housing Renovation, Disabled Facility Grants and Minor Works Grants.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
11.29	Expenditure per Resident	12.14	7.47	7.43
(4.58)	Income per Resident	(5.17)	(5.17)	(5.17)

DIRECTOR OF CORPORATE RESOURCES
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OTHER BUDGETS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
(2,858,600)	Asset Rents	(3,129,600)	(2,492,800)	(2,580,000)
1,720,000	Capital Grants	422,000	0	0
529,200	Concurrent Functions & Drainage Board Levy	526,100	530,000	534,400
0	Contribution to Pooling	0	0	0
1,605,300	Net Interest & Borrowing Costs	1,468,400	1,528,400	1,681,400
936,700	Parish Precepts	976,200	996,200	1,016,200
150,000	Provisions - Corporate Contingency	103,700	100,000	100,000
100,000	Provisions - Bad Debts	100,000	100,000	100,000
110,400	Provisions - Legal Contingency	100,000	100,000	100,000
30,000	Provisions - Utilities	10,000	10,000	10,000
0	Provisions - Local Plan Contingency	37,500	58,000	44,000
0	Rural Services Delivery Grant	53,400	43,100	33,200
2,323,000	TOTAL EXPENDITURE	667,700	972,900	1,039,200

DIRECTOR OF CORPORATE RESOURCES
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OTHER BUDGETS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
30,000	Premises	10,000	10,000	10,000
0	Transport	0	0	0
428,200	Supplies and Services	417,500	398,000	382,900
2,144,200	Third Party Payments	1,696,200	1,749,700	1,768,700
462,300	Transfer Payments	466,600	476,000	485,600
2,423,000	Internal Services Recharged	1,562,000	580,000	900,000
768,000	Depreciation	781,000	841,000	994,000
828,900	Capital Financing Costs	679,000	679,000	679,000
7,084,600	TOTAL EXPENDITURE	5,612,300	4,733,700	5,220,200
	INCOME			
(4,761,600)	Internal Services Recharges	(4,944,600)	(3,760,800)	(4,181,000)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(4,761,600)	TOTAL INCOME	(4,944,600)	(3,760,800)	(4,181,000)
2,323,000	NET BUDGET	667,700	972,900	1,039,200

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

This covers all of the areas that are of a technical accounting nature and have a major impact on the finances of the Council. It consists of: Accounting entries to reverse the effects of depreciation charges; any provisions made by the Council; the interest costs associated with long term borrowing and investments; any reinvestment into the Council services, and finally the levies from the parishes and internal drainage boards.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
62.58	Expenditure per Resident	49.17	41.47	45.73
(42.06)	Income per Resident	(43.32)	(32.95)	(36.63)

DIRECTOR OF CORPORATE RESOURCES
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ASSET RENTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
703,000	Internal Services Recharged	1,140,000	580,000	900,000
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
703,000	TOTAL EXPENDITURE	1,140,000	580,000	900,000
	<u>INCOME</u>			
(3,561,600)	Internal Services Recharges	(4,269,600)	(3,072,800)	(3,480,000)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(3,561,600)	TOTAL INCOME	(4,269,600)	(3,072,800)	(3,480,000)
(2,858,600)	NET BUDGET	(3,129,600)	(2,492,800)	(2,580,000)

Responsible Budget Holder: Nick Wilson

BRIEF DESCRIPTION OF SERVICE

This budget represents the reversal of the depreciation and deferred charges made to individual service areas. It is required to ensure there is no 'real' impact on the council taxpayer.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
6.21	Expenditure per Resident	9.99	5.08	7.88
(31.46)	Income per Resident	(37.41)	(26.92)	(30.49)

DIRECTOR OF CORPORATE RESOURCES

CAPITAL GRANTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
1,720,000	Internal Services Recharged	422,000	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
1,720,000	TOTAL EXPENDITURE	422,000	0	0
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
1,720,000	NET BUDGET	422,000	0	0

Responsible Budget Holder: Nick Wilson

BRIEF DESCRIPTION OF SERVICE

To account for the reversal of any Capital grants received.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
15.19	Expenditure per Resident	3.70	0.00	0.00
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

CONCURRENT FUNCTIONS & DRAINAGE BOARD LEVY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
66,900	Supplies and Services	59,500	54,000	48,800
0	Third Party Payments	0	0	0
462,300	Transfer Payments	466,600	476,000	485,600
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
529,200	TOTAL EXPENDITURE	526,100	530,000	534,400
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
529,200	NET BUDGET	526,100	530,000	534,400

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

Grant contributions to Parish Councils in respect of concurrent functions and street cleaning, cemeteries and public convenience provision. To provide payments to local internal drainage boards under statute.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
4.67	Expenditure per Resident	4.61	4.64	4.68
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

CONTRIBUTION TO POOLING

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
1,200,000	Third Party Payments	675,000	688,000	701,000
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
1,200,000	TOTAL EXPENDITURE	675,000	688,000	701,000
	INCOME			
(1,200,000)	Internal Services Recharges	(675,000)	(688,000)	(701,000)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(1,200,000)	TOTAL INCOME	(675,000)	(688,000)	(701,000)
0	NET BUDGET	0	0	0

Responsible Budget Holder: Nick Wilson

BRIEF DESCRIPTION OF SERVICE

To account for the pooling of Right to Buy Sales and subsequent reversal.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
10.60	Expenditure per Resident	5.91	6.03	6.14
(10.60)	Income per Resident	(5.91)	(6.03)	(6.14)

DIRECTOR OF CORPORATE RESOURCES
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NET INTEREST & BORROWING COSTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
900	Supplies and Services	900	900	900
7,500	Third Party Payments	7,500	7,500	7,500
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
768,000	Depreciation	781,000	841,000	994,000
828,900	Capital Financing Costs	679,000	679,000	679,000
1,605,300	TOTAL EXPENDITURE	1,468,400	1,528,400	1,681,400
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
1,605,300	NET BUDGET	1,468,400	1,528,400	1,681,400

Responsible Budget Holder:	Nick Wilson
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BRIEF DESCRIPTION OF SERVICE

This aids the Council to support its cash flow, and relates to the interest payable on temporary and long-term loans, and also interest receivable from short term investments.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
14.18	Expenditure per Resident	12.86	13.39	14.73
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
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PARISH PRECEPTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
936,700	Third Party Payments	976,200	996,200	1,016,200
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
936,700	TOTAL EXPENDITURE	976,200	996,200	1,016,200
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
936,700	NET BUDGET	976,200	996,200	1,016,200

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

Precepts requested by parishes and town councils to be raised on local taxpayers.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
8.27	Expenditure per Resident	8.55	8.73	8.90
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
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PROVISIONS - CORPORATE CONTINGENCY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
150,000	Supplies and Services	103,700	100,000	100,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
150,000	TOTAL EXPENDITURE	103,700	100,000	100,000
	<u>INCOME</u>			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
150,000	NET BUDGET	103,700	100,000	100,000

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

The Corporate Contingency provides a general provision against major variances that are of a 'one-off' nature. It replaces the inefficient use of supplementary estimates.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
1.33	Expenditure per Resident	0.91	0.88	0.88
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

PROVISIONS - BAD DEBTS

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
100,000	Supplies and Services	100,000	100,000	100,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
100,000	TOTAL EXPENDITURE	100,000	100,000	100,000
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
100,000	NET BUDGET	100,000	100,000	100,000

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

An amount set aside to cover debts that may prove to be uncollectable in the future.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.88	Expenditure per Resident	0.88	0.88	0.88
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
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PROVISIONS - LEGAL CONTINGENCY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
110,400	Supplies and Services	100,000	100,000	100,000
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
110,400	TOTAL EXPENDITURE	100,000	100,000	100,000
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
110,400	NET BUDGET	100,000	100,000	100,000

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

A general provision which provides funding to services for costs incurred on any external legal provision.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.98	Expenditure per Resident	0.88	0.88	0.88
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

PROVISIONS - LOCAL PLAN CONTINGENCY

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	37,500	58,000	44,000
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
0	TOTAL EXPENDITURE	37,500	58,000	44,000
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
0	NET BUDGET	37,500	58,000	44,000

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

A provision to meet the one-off costs in each year associated with the production of the Local Plan.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.00	Expenditure per Resident	0.33	0.51	0.39
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES
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PROVISIONS - UTILITIES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	<u>EXPENDITURE</u>			
0	Employees	0	0	0
30,000	Premises	10,000	10,000	10,000
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
30,000	TOTAL EXPENDITURE	10,000	10,000	10,000
	<u>INCOME</u>			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
30,000	NET BUDGET	10,000	10,000	10,000

Responsible Budget Holder:	Mike Hill
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BRIEF DESCRIPTION OF SERVICE

A provision to meet any potential increased costs of utilities.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.27	Expenditure per Resident	0.09	0.09	0.09
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

RURAL SERVICES DELIVERY GRANT

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	53,400	43,100	33,200
0	Third Party Payments	0	0	0
0	Transfer Payments	0	0	0
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
0	TOTAL EXPENDITURE	53,400	43,100	33,200
	INCOME			
0	Internal Services Recharges	0	0	0
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
0	TOTAL INCOME	0	0	0
0	NET BUDGET	53,400	43,100	33,200

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

Holding code for expenditure relating to expenditure from Rural Services Delivery Grant.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
0.00	Expenditure per Resident	0.47	0.38	0.29
0.00	Income per Resident	0.00	0.00	0.00

DIRECTOR OF CORPORATE RESOURCES

RESERVES

BUDGET 2015/16	GROUP	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
	EXPENDITURE			
0	Employees	0	0	0
0	Premises	0	0	0
0	Transport	0	0	0
0	Supplies and Services	0	0	0
0	Third Party Payments	0	0	0
421,700	Transfer Payments	1,287,900	1,547,500	1,097,500
0	Internal Services Recharged	0	0	0
0	Depreciation	0	0	0
0	Capital Financing Costs	0	0	0
421,700	TOTAL EXPENDITURE	1,287,900	1,547,500	1,097,500
	INCOME			
(73,500)	Internal Services Recharges	(45,900)	(1,711,900)	(2,673,100)
0	Grants/Contributions/Reimbursements	0	0	0
0	Customer & Client Receipts	0	0	0
(73,500)	TOTAL INCOME	(45,900)	(1,711,900)	(2,673,100)
348,200	NET BUDGET	1,242,000	(164,400)	(1,575,600)

Responsible Budget Holder: Mike Hill

BRIEF DESCRIPTION OF SERVICE

This budget represents the movements to/(from) the general reserve and earmarked reserves, netted off by the forecasted savings target required for all 3 years.

BUDGET 2015/16	UNIT COSTS	BUDGET 2016/17	FORECAST	
			2017/18	2018/19
£		£	£	£
3.73	Expenditure per Resident	11.28	13.56	9.62
(0.65)	Income per Resident	(0.40)	(15.00)	(23.42)

COLLECTION FUND ESTIMATES 2016/17

COUNCIL TAX	£'000	£'000	£'000
Surplus for 2014/15			
Actual surplus as at 31.03.15		1,629	
Less surplus declared 15th January 2015		<u>(1,000)</u>	
Estimate overstated			629
Transactions in 2015/16			
Taxpayers' accounts due		70,189	
Less:			
Council Tax Support	(7,467)		
Exemptions, discounts and disabled relief	(6,522)		
Precepts	(54,553)		
Anticipated write offs	(429)		
Increase in bad debt provision	<u>(497)</u>		
		<u>(69,468)</u>	
			721
Surplus declared 15th January 2016			1,350

Allocation of Council Tax surplus		£
Bassetlaw District Council	11.11%	149,981
Nottinghamshire County Council	74.04%	999,605
Nottinghamshire Police & Crime Commissioner	10.52%	142,071
Nottinghamshire Fire & Rescue Authority	4.32%	58,343
		<u>1,350,000</u>

MOVEMENT ON BALANCES:

REVENUE BALANCE	2015/16		2016/17		2017/18		2018/19		
	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/15 £'000	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/16 £'000	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/18 £'000
Working Balance	-	-	1,000	-	-	1,000	-	-	1,000
General Reserve	162	-	516	-	-	516	-	-	516
SUB-TOTAL	162	-	1,516	-	-	1,516	-	-	1,516

MOVEMENT ON EARMARKED RESERVES:

REVENUE RESERVE	2015/16		2016/17		2017/18		2018/19		
	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/15 £'000	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/16 £'000	Transfer to Reserve £'000	Transfer from Reserve £'000	Balance 31/03/18 £'000
Developers Revenue Contributions Unapplied	191	-	191	-	-	145	-	-	145
Job Evaluation	-	-	735	(46)	-	735	-	-	735
Donations - Basselaw Games	-	-	15	-	-	15	-	-	15
Donations - Shoombility	-	-	18	-	-	18	-	-	18
Donations - Sports Development	-	-	3	-	-	3	-	-	3
Revenue Grants Unapplied (cashflow)	(182)	(200)	-	-	-	-	-	-	-
Pension Strain	(200)	(45)	-	-	-	-	-	-	-
High Street Innovation Fund	45	-	-	-	-	-	-	-	-
Insurance Reserve	300	-	300	-	-	300	-	-	300
Earmarked Reserves (one-offs)	441	(441)	-	-	-	-	-	-	-
LAMS Default Reserve (Mortgages)	23	31	-	8	-	-	8	-	55
Treasury Management Impairment	378	(51)	327	-	-	327	-	-	327
Business Rates Volatility Fund	200	-	200	-	-	200	-	-	200
Business Rates Pooling	-	-	403	-	(403)	-	-	-	-
Visitors Strategy Reserve	31	-	71	40	-	111	40	-	191
New Homes Bonus Reserve - Revenue	-	590	590	-	(590)	-	-	-	-
SUB-TOTAL	2,762	(919)	2,884	48	(46)	2,886	48	(993)	1,989
TOTAL REVENUE RESERVES	4,116	(919)	4,400	48	(46)	4,402	48	(993)	3,505
New Homes Bonus Reserve - Capital	-	-	-	1,240	-	1,240	1,500	-	3,790
TOTAL CAPITAL RESERVES	-	-	-	1,240	-	1,240	1,500	-	3,790
TOTAL ALL RESERVES	4,116	(919)	4,400	1,288	(46)	5,642	1,548	(993)	7,295

BASSETLAW DISTRICT COUNCIL

CABINET

11th FEBRUARY 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

GENERAL FUND CAPITAL PROGRAMME 2016/17 TO 2020/21

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

2.1 To approve the General Fund Capital Programme for 2016/17 to 2020/21.

3. Background and Discussion

- 3.1 As part of the overall strategy for capital, the Council restricts the funding of capital schemes via revenue, and minimises borrowing as the revenue implications add to the revenue pressures on the General Fund. This means that the capital programme is predominantly funded using capital resources from the sale of assets, Section 106 contributions, or external grant funding.
- 3.2 The theme of this year's capital budget is one of completion and consolidation. Capital expenditure does not neatly fit into one financial year, as schemes can take several months in the planning stage to ensure that the outcomes required from the project are maximised, and then any external funding has to be secured before any expenditure is committed or works are commenced on site. Historically this has been experienced by Bassetlaw, as project budgets and timescales for completion have had to be re-profiled/extended into future years to complete the projects, and this current financial year – 2015/16, is no exception to this.
- 3.3 The Council undertakes bi-monthly capital budget monitoring of the projects within the General Fund. This is chaired by the Cabinet Member for Finance, and includes finance officers, project managers and relevant Cabinet Members. This meeting has been effective in ensuring that the majority of the existing capital projects will be delivered by the end of March 2016.
- 3.4 Due to the low level of existing capital resources available for new investment, the annual Outline capital bids process has not been invoked this year. Instead, it is scheduled for the summer 2016 when it is anticipated that further capital receipts will have been generated from the sale of General Fund assets.

4. Capital Expenditure

Schemes Already Approved as Part of the 2015/16 Budget Setting Process

- 4.1 There are a number of schemes already approved for the period 2016/17 to 2020/21 resulting from the budget process in February last year. These are:

	Total Cost £'000	Funded by:
2016/17:		
Disabled Facilities Grant	731	DFG Capital Receipts £546k; Borrowing £185k
Vehicles & Plant – Replacement	455	Borrowing £455k
Walkeringham Flood Alleviation Scheme	360	Capital Receipts £100k; Environment Agency £260k
Flood Alleviation Small Schemes	100	Capital receipts £50k; A1 Housing £50k
Memorial Library	231	Borrowing £231k
Market Canopy Renewals	10	Capital Receipts £10k
2017/18:		
Disabled Facilities Grant	700	DFG Capital Receipts £170k; NCC Grant £530k
Vehicles & Plant – Replacement	1,199	Borrowing £1,199k
Flood Alleviation Small Schemes	100	Capital receipts £50k; A1 Housing £50k
ICT Storage & Server Infrastructure	28	Capital Receipts £28k
Market Canopy Renewals	10	Capital Receipts £10k
2018/19:		
Disabled Facilities Grant	700	DFG Capital Receipts £170k; NCC Grant £530k
Vehicles & Plant – Replacement	979	Borrowing £979k
Flood Alleviation Small Schemes	100	Capital receipts £50k; A1 Housing £50k
Clarborough Flood Alleviation Scheme	500	Borrowing £180k; Environment Agency £320k
2019/20:		
Disabled Facilities Grant	700	DFG Capital Receipts £170k; NCC Grant £530k
Vehicles & Plant – Replacement	289	Borrowing £289k
Retford Beck Flood Alleviation Scheme	1,100	Borrowing £250k; Environment Agency £850k
Flood Alleviation Small Schemes	100	Capital Receipts £50k; A1 Housing £50k
TOTAL	£8,392	

Schemes Reprofiled from 2015/16

- 4.2 As part of the quarters 1, 2 and 3 Budget Monitoring reports to Cabinet, a number of 2015/16 schemes have also been reprofiled into 2016/17. These are:

	Total Cost £'000	Funded by:
2016/17:		
Vehicles & Plant – Replacement	80	Borrowing £80k
Disabled Facilities Grant	500	DFG Capital Receipts £500k
Retford - Public Open Space Improvements	246	Capital Receipts £246k
Worksop Creative Village Phase 2	422	Section 106 £422k
Walkeringham Flood Mitigation Works	400	Capital Receipts £100k; Environment Agency £300k
Play areas - St Augustines	210	Capital Receipts £170k; NCC £40k
Manton Regeneration	60	Capital Receipts £60k
Harworth Bircotes Town Centre	30	Capital Receipts £30k
Buildings at Risk	38	Capital Receipts £38k
Carlton Forest Depot Vehicle Wash	20	Capital Receipts £20k
Carlton Forest Drainage Improvements	50	Capital Receipts £50k
Retford Leisure Centre Car Park Extension	25	Capital Receipts £25k
TOTAL	£2,081	

Adjustments to Schemes Already Approved

- 4.3 The medium term replacement programme for vehicles and plant is managed by the Transport Manager. On a periodic basis, he re-assesses the condition, mileage and remaining life of all of these assets and determines any changes to be made to the profiling of the capital programme. Based on this assessment the required changes are detailed in the table below. Members should also note the removal of £50k of A1 funding from the programme each year, as this is duplicated with that approved within the HRA Capital Programme – it has no impact on the overall funding provided for flood alleviation works.

	Total Cost £'000	Funded by:
2016/17:		
Vehicles & Plant – Replacement	9	Borrowing £9k
Flood Alleviation – Small Schemes	(50)	HRA capital (£50k)
2017/18:		
Vehicles & Plant – Replacement	(384)	Borrowing (£384k)
Flood Alleviation – Small Schemes	(50)	HRA capital (£50k)
2018/19:		
Vehicles & Plant – Replacement	(215)	Borrowing (£215k)
Flood Alleviation – Small Schemes	(50)	HRA capital (£50k)
2019/20:		

Vehicles & Plant – Replacement	395	Borrowing £395k
Flood Alleviation – Small Schemes	(50)	HRA capital (£50k)
TOTAL	(£395)	

5. Capital Funding of New Schemes

Capital Receipts

- 5.1 The Council has received a small number of capital receipts to date this year, and a figure of £0.118m was reported as unallocated capital receipts within the Quarter 2 Budget Monitoring Report to Cabinet in October.
- 5.2 The Council now has only £0.043m of unallocated General Fund receipts that can be made available to fund future capital projects in the new financial year. In conforming to the ethos of prudence and affordability, this report excludes any capital receipts where agreement has not been reached between the purchaser and the Council.
- 5.3 One scheme that is to be funded from capital receipts during 2016/17 is for a capital contribution to Nottinghamshire County Council of **£0.012m** for the provision of a Retford Town Centre Changing Places public toilet facility. This will reduce available balances down to £0.031m.

External Grants

- 5.4 Any capital schemes that are subject to funding by external parties e.g. ERDF are subject to a detailed bidding process against projects submitted by other organisations. If successful, these can provide additional funding for the capital programme, and any bids for new schemes will be assessed accordingly.
- 5.5 A separate report from the Director of Regeneration and Neighbourhoods to the July 2015 Cabinet provided details of the latest position with regard to Section 106 agreements. It identified that the Council holds £1.115m of Section 106 capital contributions that, subject to the conditions attached, can be utilised to fund capital projects going forward.
- 5.6 No schemes to be funded from external grants have been added to the capital programme this year.

Prudential Borrowing

- 5.7 In keeping to the Council's Capital Investment Strategy, unsupported borrowing is minimised to prevent any destabilisation of the General Fund from the interest and Minimum Revenue Provision (MRP) that results from borrowing. Leasing is also tightly controlled within the revenue budgets for the same reason, and is rarely used.
- 5.8 Some of the capital bids are traditional in that the approach to replacing assets e.g. vehicles and plant, is a well-established pattern, and these are funded from borrowing. The reason for this is that they used to be funded via leasing, but given the low interest rates over the last few years, the costs of borrowing are a much cheaper option.

- 5.9 An amount of **£0.607m** has been added to the capital programme during 2020/21 for vehicle and plant replacements.

New Homes Bonus

- 5.10 At its meeting of 1st December 2015, Cabinet approved a New Homes Bonus Strategy which effectively outlined an amount of New Homes Bonus received in each financial year that would be utilised for mainstream funding, with the remainder being allocated to fund future capital projects. For 2016/17 the Council has received a New Homes Bonus allocation of £1.990m, of which £0.750m will be used for mainstream funding. The remaining £1.240m is therefore be used to fund the capital programme.
- 5.11 In accordance with this Strategy, a number of schemes have been identified where New Homes Bonus money can be used to great effect in making ongoing savings in the General Fund revenue account. These are:

	Total Cost £'000	Rationale:
2016/17:		
Planned Maintenance & Capital Upgrades	100	Cheaper than reactive maintenance which falls on revenue
Memorial Library	200	Replacing borrowing with NHB
2017/18:		
Planned Maintenance & Capital Upgrades	100	Cheaper than reactive maintenance which falls on revenue
2018/19:		
Planned Maintenance & Capital Upgrades	100	Cheaper than reactive maintenance which falls on revenue
Play Areas	30	Scheduled replacement of equipment
Clarborough Flood Alleviation Scheme	180	Replacing borrowing with NHB
2019/20:		
Planned Maintenance & Capital Upgrades	100	Cheaper than reactive maintenance which falls on revenue
Retford Beck Flood Alleviation Scheme	250	Replacing borrowing with NHB
2020/21:		
Flood Alleviation – Small Schemes	50	Continuation of prevention measures
Planned Maintenance & Capital Upgrades	100	Cheaper than reactive maintenance which falls on revenue
Play Areas	30	Scheduled replacement of equipment
TOTAL	£1,240	

5.12 In terms of New Homes Bonus payments being applied in the above table, only **£0.610m** is for new schemes being added to the capital programme.

6. Capital Prioritisation Process

6.1 The Capital Project Assessment Team considers all bids for new capital projects, and allocates scores in accordance with the Capital Prioritisation Process (details of which are provided within the *Capital Investment Strategy 2016/17 to 2020/21* on this agenda).

6.2 The process is designed to demonstrate a level of objectivity in the selection of projects. It is numerically based, and allocates points to projects dependant upon the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests.

7. Disabled Facilities Grants

7.1 The payment of disabled facilities grants is a mandatory requirement on the Council, and in previous years, Bassetlaw has spent in excess of £1m per annum in line with those requirements, with this being funded from the sale of council-owned assets. An officer working group critically appraises the applications against need and suitability of design, and this has successfully resulted in a reduction in expenditure each year.

7.2 Disabled Facilities Grants are a statutory requirement and the Council is faced with funding this expenditure year on year. For this reason, capital receipts have been allocated into a dedicated DFG Capital Receipt pot which was created by setting aside 50% of the capital receipt received from the sale of a large piece of land. This action therefore protects the rest of the General Fund capital programme for a number of years.

7.3 The Integration Transformation Fund (ITF) was announced as part of the Comprehensive Spending Review in June 2013, and became effective from April 2015. Funding is allocated to Nottinghamshire County Council, and it is operated as a single pooled budget for health and social care services. This includes a prescribed amount of capital funding to local Nottinghamshire authorities for disabled facilities grant expenditure. The allocation for 2016/17 is not yet known, but an assumed allocation based on the current year of £0.530m has been made in the capital programme, as Bassetlaw District Council still retains the statutory responsibilities for this service.

7.4 The existing capital programme includes approved budgets up to 2019/20, and adjustments and further budgets have been added as follows:

	Total Cost £'000	Funded by:
2016/17:		
Disabled Facilities Grant (reprofile of funding)	0	DFG Capital Receipts (£345k); NCC grant £530k; Borrowing (£185k)

2020/21:		
Disabled Facilities Grant	700	DFG Capital Receipts £170k; NCC grant £530k
TOTAL	£700	

8. Implications

a) For Service Users.

Bassetlaw's capital investment in the district is an important factor for residents, but potential schemes and projects outweigh the resources available to the Council. Decisions on what schemes to fund are therefore important.

b) Strategic & Policy

The Capital Programme has been developed with regard to the Corporate Plan. In particular, it supports the delivery of the Council's priorities through the Medium Term Financial Plan.

c) Financial - Ref: 16/150

These are included within the main body of the report. Additionally, the revenue consequences of all schemes have been assessed and included within the General Fund revenue base budget.

d) Legal – Ref: 368/02/16

None arising directly from this report, although this will assist in meeting the Council's corporate objectives.

e) Human Resources

None arising directly from this report.

f) Community Safety, Equalities, Environmental

Some of the capital schemes have positive implications on community safety, equalities and environmental issues, and these have been considered at the project appraisal stage, prior to any recommendations on the capital programme.

g) This is Key Decision number 546.

9. Options, Risks and Reasons for Recommendations

9.1 Members can decide what schemes to include or exclude. Any schemes which include external finance will have implications for those organisations.

10. Conclusions

10.1 It is imperative that capital schemes are seen to be delivered on time and to budget. Resources are scarce and therefore capital expenditure is approved for three specific reasons:

- there is a demonstrable need for the project;
- it meets the strategic objectives of the Council;
- the benefits are clearly measurable.

It is therefore important that expectations from Members and the public are realistic when approving timescales, and determining the project outcomes is key to the successful delivery of projects.

10.2 This report leaves an unallocated balance of General Fund capital receipts of only £0.031m to consider other schemes as they emerge during the coming financial year. This will, of course, be added to as further General Fund capital receipts are generated, and the opportunity to make outline bids will be extended to officers during summer 2016.

10.3 Members have carefully balanced their competing priorities in their approach to this investment plan and have sought to take stock of our assets. This year the continued investment in planned maintenance of its corporate buildings, play areas and flood alleviation schemes will give benefit to future years budgets.

10.4 Council resources in terms of both money and officer time are shrinking, and it is important that appropriate time is allocated to project planning before the commencement of a project.

11. Recommendations

11.1 That Cabinet approves the Capital Programme for 2016/17 of **£4.039m** as shown at Appendix A, and recommends these to full Council on 7th March 2016.

11.2 That Cabinet approves the indicative Capital Programme for 2017/18 to 2020/21 of **£7.968m** also set out in Appendix A, and recommends these to full Council on 7th March 2016.

Background Papers

Location

Capital Bids & Resourcing Statements

Head of Finance & Property's office

GENERAL FUND CAPITAL PROGRAMME 2016-2021

	2016/17		2017/18		2018/19		2019/20		2020/21		Total	
	BDC £'000	Ext £'000										
Disabled Facilities Grant	701	530	170	530	170	530	170	530	170	530	1,381	2,650
Vehicles & Plant - Replacement		544		815		764		684		607	0	3,414
Ratford Beck Flood Alleviation Scheme	200	560									250	850
Walsingham Flood Alleviation Scheme	50		50		50		50		50		200	560
Flood Alleviation - Small Schemes					180	320					180	320
Clarborough Flood Alleviation Scheme	200	31									200	31
Memorial Library											28	0
ICT Storage & Server Infrastructure			28								20	0
Market Canopy Renewals	10		10								20	0
Ratford - Public Open Space Improvements	246										246	0
Workshop Creative Village Phase 2		422									0	422
Play Areas - St Augustines	170	40			30				30		230	40
Planned Maintenance & Capital Upgrades	100		100		100		100		100		500	0
Manton Regeneration	60										60	0
Harworth Bircotes Town Centre	30										30	0
Buildings at Risk	38										38	0
Carlton Forest Depot Vehicle Wash	20										20	0
Carlton Forest Drainage Improvements	50										50	0
Ratford Leisure Centre Car Park Extension	25										25	0
Changing Places Toilet	12										12	0
	1,912	2,127	358	1,345	530	1,614	570	2,064	350	1,137	3,720	8,287

FUNDED FROM:

	2016/17		2017/18		2018/19		2019/20		2020/21		Total	
	BDC £'000	Ext £'000										
Capital Receipts	1,211		188		360		400		180		2,339	0
DFG Capital Receipts	701		170		170		170		170		1,381	0
Borrowing		575		815		764		684		607	0	3,445
Disabled Facilities Grant		530		530		530		530		530	0	2,650
Environment Agency		560				320		850			0	1,730
Section 106		422									0	422
Nottinghamshire County Council		40									0	40
	1,912	2,127	358	1,345	530	1,614	570	2,064	350	1,137	3,720	8,287

CAPITAL RECEIPTS

Brought Forward 1st April	1,130		1,159		971		611		211
New Homes Bonus	1,240								
Used for Funding	-1,211		-188		-360		-400		-180
Carried Forward 31st March	1,159		971		611		211		31

BASSETLAW DISTRICT COUNCIL

CABINET

11TH FEBRUARY 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

TREASURY MANAGEMENT POLICY AND STRATEGY 2016/17 TO 2018/19

Cabinet Member: Finance
Contact: Mike Hill
Ext. 3174

1. Public Interest Test

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

- 2.1 This report seeks approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, Minimum Revenue Provision Policy, and Prudential Indicators, updated in accordance with latest guidance.

3. Background and Discussion

- 3.1 Treasury Management is defined as "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 3.2 The Treasury Management Policy was initially approved by Council on 3rd March 2009 and became effective on 1st April 2009. This is reviewed each year.
- 3.3 Statutory Requirements:
- It is a statutory requirement under Section 33 of the Local Government Finance Act 1992 for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level that is affordable for the foreseeable future, after taking into account the following issues:
 - Increases in interest payments caused by increased borrowing to finance additional capital expenditure.

- Any increases in running costs from new capital projects.
- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to 'have regard to' the *CIPFA Prudential Code* and the *CIPFA Treasury Management Code of Practice* (original version) to set Prudential and Treasury Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- The Act therefore requires the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

3.4 CIPFA Requirements:

The primary requirements of the Code are as follows:

- The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities – as approved by full Council on 3rd March 2009;
- The creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives – as approved by full Council on 3rd March 2009;
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring Treasury Management Policies and Practices and for the execution and administration of treasury management decisions;
- Delegation by the Council of the role of scrutiny of Treasury Management Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Risk Scrutiny Committee.

3.5 This report seeks approval for the updated Treasury Management Strategy 2016/17 to 2018/19 (Appendix 1), which encompasses the Capital Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance as follows:

- The Treasury Management Strategy determines the manner in which the Council's treasury function is managed;
- The Prudential Indicators set out the expected capital activities during the financial year (as required by the *CIPFA Prudential Code for Capital Finance in Local Authorities*). The treasury management prudential indicators are now included as treasury indicators in the *CIPFA Treasury Management in Public Services Code of Practice*. The key indicator is the Authorised Limit, i.e. the maximum amount of debt the Council could

afford in the short term, but which would not be sustainable in the longer term. This is required by paragraph 3 of the *Local Government Act 2003*, and is calculated in accordance with the *CIPFA Treasury Management in Public Services Code of Practice* and the *CIPFA Prudential Code*.

- The Borrowing Strategy sets out how the Council's treasury service will support the capital decisions taken; the day to day treasury management activity; and the limitations on activity through treasury prudential indicators;
- The Annual Investment Strategy sets out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy is in accordance with the DCLG Investment Guidance.

3.6 The report also seeks approval for the Council's Minimum Revenue Provision (MRP) Policy Statement (Appendix 2), which sets out how the Council will pay for capital assets through revenue each year (as required by Regulation under the Local Government and Public Involvement in Health Act 2007).

3.7 Further information is appended as follows:

Appendix 3. Interest rate forecasts.

Appendix 4. Economic background.

Appendix 5. Credit & Counterparty Risk Management (TMP1).

Appendix 6. Treasury management Scheme of Delegation.

Appendix 7. The treasury management role of the Section 151 Officer.

4. Implications

a) For service users

There is an impact on available resources depending upon the Council's ability to fund future borrowing.

b) Strategic & Policy

The Treasury Management Strategy, MRP Policy Statement and Annual Investment Strategy ensure that the Council complies with legislation and recommended good practice in relation to its treasury management function.

c) Financial - Ref: 16/205

These are contained within the body of the report and the associated appendices.

d) Legal Ref: 355/02/16

Part 2 of the Local Government Act 2003 places duties on local authorities with regard to financial management. This report fulfils those duties.

- e) Human Resources
None from this report.
- f) Community Safety, Equalities, Environmental
The updated Treasury Management Policy has been subject to a partial equalities impact assessment.
- g) This is key decision number 547.

5. Options, Risks and Reasons for Recommendations

- 5.1 The only option is to accept the recommendations and adopt the Treasury Management Strategy, Borrowing Strategy, Annual Investment Strategy and MRP Statement and to approve the Prudential Indicators. To not approve these policies would contravene the requirements of both legislation and good practice. In addition the KPMG External Auditors may pass comment in their *Report to those charged with governance (ISA260)*.

6. Recommendations

That Cabinet approves each of the following key elements and recommends these to Full Council on 7th March 2016:

- 6.1 The Treasury Management Strategy 2016/17 to 2018/19, incorporating the Borrowing Strategy and the Annual Investment Strategy (Appendix 1).
- 6.2 The Prudential Indicators and Limits for 2016/17 to 2018/19, also contained within Appendix 1.
- 6.3 The Authorised Limit Prudential Indicator, also contained within Appendix 1.
- 6.4 The Minimum Revenue Provision (MRP) Policy Statement as contained within Appendix 2, which sets out the Council's policy on MRP.

Background Papers

CIPFA Treasury Management Code of Practice
CIPFA Prudential Code
Local Government Act 2003
CIPFA's Standard of Professional Practice on Treasury Management

Location

Accountancy Offices

1 INTRODUCTION

1.1 Strategy

The strategy for 2016/17 covers two main areas:

Capital issues

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

Treasury management issues

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

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

1.2 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. The following training has been undertaken by Members:

Richard Dunlop from Capita, who are the Councils Treasury Advisors, attended the Audit and Risk Scrutiny Committee in November 2015, and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

1.3 Treasury management consultants

The Council uses "Capita Asset Services, 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 our external service providers.

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.

2 THE CAPITAL PRUDENTIAL INDICATORS 2016/17 – 2018/19

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.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund (GF)	3,872	3,954	4,039	1,703	2,144
Housing Revenue Account (HRA)	9,546	12,671	10,750	11,000	12,880
Total	13,418	16,625	14,877	12,703	15,024

The above financing need excludes other long term liabilities, i.e. leasing arrangements of the Council's current vehicle fleet, which already include borrowing instruments.

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
General Fund Expenditure	3,872	3,954	4,039	1,703	2,144
Financed by:					
Capital Receipts	1,429	1,883	1,912	358	530
Capital Grants	1,014	1,065	1,552	530	850
Revenue	36	40	0	0	0
General Fund Net Financing need for the year	1,393	966	575	815	764
HRA Expenditure	9,546	12,671	10,750	11,000	12,880
Financed by:					
Capital receipts	946	2,653	385	385	385
Capital grants	533	1,512	0	1,000	2,880
Major Repair Reserve	7,067	8,506	9,365	3,615	8,915
New Build Reserve	0	0	0	1,000	500
HRA Net Financing need for the year	1,000	0	1,000	5,000	200
Total Net Financing need for the year	2,393	966	1,575	5,815	964

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

The second prudential indicator is the Council's Capital Financing Requirement (CFR). 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 underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.

The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has no such schemes within the CFR.

The Council is asked to approve the CFR projections below:

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Capital Financing Requirement					
CFR – non housing	26,807	27,074	26,865	26,851	26,634
CFR – housing	95,143	95,091	96,039	95,396	95,543
Total CFR	121,950	122,165	122,904	122,247	122,177
Movement in CFR	-2,159	216	739	-657	-70

Movement in CFR represented by					
Net financing need for the year (above)	2,393	966	1,575	5,815	964
Less MRP/VRP and other financing movements	-4,552	-750	-836	-6,472	-1,034
Movement in CFR	-2,159	216	739	-657	-70

2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Reserves - GF	1,354	1,280	1,280	1,280	1,280
Reserves - HRA	1,484	1,604	1,504	1,359	1,282
Capital receipts - GF	2,197	3,079	2,519	2,161	1,811
Capital receipts - HRA	4,236	236	236	236	236
Provisions	2,211	3,010	3,212	3,212	3,212
General Fund Earmarked Reserves	2,620	3,042	4,284	4,838	5,936
Major Repairs Reserve	2,468	2,708	2,073	637	218
Total core funds	16,570	12,251	15,108	13,723	13,975
Working capital	1,630	1,500	1,500	1,500	1,500
Under/over borrowing	12,587	12,802	13,541	14,384	14,314
Expected investments	11,266	1,201	504	432	312
Temporary Borrowing	-8,913	-3,252	-437	-2,593	-2,151

2.4 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework, prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2014/15 Actual %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %
Non-HRA	12.33	10.69	8.88	9.85	11.53
HRA	31.48	33.11	33.49	35.18	35.97

The estimates of financing costs include current commitments and the proposals in this budget report.

Incremental impact of capital investment decisions on the Band D council tax

This indicator identifies the revenue costs associated with proposed changes to the 3 year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support, which are not published over a three year period.

	2014/15 Actual £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
Council tax - band D	4.19	2.89	1.85	2.27	2.16

Incremental impact of capital investment decisions on housing rent levels

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

	2014/15 Actual £	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £
Weekly housing rent levels	6.32	1.54	6.13	29.52	1.45

Note: 2017/18 has increased due to anticipated borrowing of £5.0m.

This indicator shows the revenue impact on any newly proposed changes, although any discrete impact will be constrained by rent controls.

2.5 HRA ratios

The following are optional indicators that are not required, but assist with further understanding of the impact of self-financing on the HRA.

HRA Revenues as a percentage of Debt

This indicator identifies the total revenues received from Council properties against the total debt from the HRA expressed as a percentage.

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
HRA debt	94,643	94,643	94,643	93,143	93,143
HRA revenues	26,209	26,740	26,403	26,120	25,762
Ratio of debt to revenues %	28%	28%	28%	28%	28%

HRA debt per property

This indicator identifies the total debt on the HRA per HRA dwelling. This is expressed as an amount per property.

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
HRA debt	94,643	94,643	94,643	93,143	93,143
Number of HRA dwellings	6,867	6,842	6,817	6,792	6,767
Debt per dwelling £	13.78	13.83	13.88	13.71	13.76

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The Strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the Annual Investment Strategy.

3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2015, 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.

	2014/15 Actual £'000	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
External Debt					
Debt at 1 April	116,363	109,363	109,363	109,363	107,863
Expected change in Debt	-7,000	0	0	-1,500	0
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	109,363	109,363	109,363	107,863	107,863
The Capital Financing Requirement	121,950	122,165	122,904	122,247	122,177
Under / (over) borrowing	12,587	12,802	13,541	14,384	14,314

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 2016/17 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

The Head of Finance and Property reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

3.2 Treasury Indicators: limits to borrowing activity

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Debt	127,165	127,904	127,247	127,177
Other long term liabilities	0	0	0	0
Total	127,165	127,904	127,247	127,177

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
Total	132,165	132,904	132,247	132,177

Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime. This limit is currently:

HRA Debt Limit	2015/16 Estimate £'000	2016/17 Estimate £'000	2017/18 Estimate £'000	2018/19 Estimate £'000
HRA debt cap	105,436	105,436	105,436	105,436
HRA CFR	95,091	96,039	95,396	95,543
HRA headroom	10,345	9,397	10,040	9,893

3.3 Prospects for interest rates

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view.

Annual Average %	Bank Rate %	PWL B Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2016	0.50	2.40	3.70	3.60
Jun 2016	0.75	2.60	3.80	3.70
Sep 2016	0.75	2.70	3.90	3.80
Dec 2016	1.00	2.80	4.00	3.90
Mar 2017	1.00	2.80	4.10	4.00
Jun 2017	1.25	2.90	4.10	4.00
Sep 2017	1.50	3.00	4.20	4.10
Dec 2017	1.50	3.20	4.30	4.20
Mar 2018	1.75	3.30	4.30	4.20
Jun 2018	1.75	3.40	4.40	4.30
Sep 2018	2.00	3.50	4.40	4.30
Dec 2018	2.00	3.50	4.40	4.30
Mar 2019	2.00	3.60	4.50	4.40

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again, probably being second to the US. However, quarter 1 of 2015 was weak at +0.4% (+2.9% y/y) though there was a rebound in quarter 2 to +0.7% (+2.4% y/y) before weakening again to +0.5% (2.3% y/y) in quarter 3. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015 this year. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, worldwide economic statistics have distinctly weakened and the November Inflation Report flagged up particular concerns for the potential impact on the UK.

The Inflation Report was notably subdued in respect of the forecasts for inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp increase from the current zero rate to around 1 percent in the second half of 2016. The increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon was the biggest since February 2013. There is considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing the Bank Rate.

The US economy has made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then weakened again to 1.5% in quarter 3. The downbeat news in late August and in September about Chinese and Japanese growth and the knock on impact on emerging countries that are major suppliers of commodities, was cited as the main reason for the Fed's decision at its September meeting to pull back from a first rate increase in many months. However, the non-farm payrolls figure for growth in employment in October was very strong and, together

with a likely perception by the Fed. that concerns on the international scene have subsided, has now firmly opened up the possibility of a first rate rise in December.

- As for the Eurozone, the European Central Bank (ECB) shocked everyone by announcing a massive €1.1 trillion programme of quantitative easing in January 2015 to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in quarter 1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in quarter 2 and looks as if it may maintain this pace in quarter 3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.
- Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity and is now cooperating fully with EU demands. An €86bn third bailout package has since been agreed though it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so Greek exit from the euro may only have been delayed by this latest bailout.
- Investment returns are likely to remain relatively low during 2016/17 and beyond;
- Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

3.4 Borrowing strategy

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

Against this background and the risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Head of Finance and Property will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of

deflation), then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are still lower than they will be in the next few years.

Any decisions will be reported to Cabinet, Scrutiny and Full Council at the next available opportunity.

3.5 Treasury management limits on activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments;
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

	2016/17	2017/18	2018/19
Interest rate exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	20%	20%	20%
Limits on fixed interest rates:			
• <i>Debt only</i>	100%	100%	100%
• <i>Investments only</i>	50%	50%	50%
Limits on variable interest rates			
• <i>Debt only</i>	20%	20%	20%
• <i>Investments only</i>	100%	100%	100%
Maturity structure of fixed interest rate borrowing 2016/17			
	Lower	Upper	
Under 12 months	0%	25%	
12 months to 2 years	0%	50%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	50%	
10 years to 50 years	0%	100%	
Maturity structure of variable interest rate borrowing 2016/17			
	Lower	Upper	
Under 12 months	0%	20%	

3.6 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.

Borrowing in advance will be made within the constraints that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- Would not look to borrow more than 1 year in advance of need.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt rescheduling

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

The reasons for any rescheduling to take place will include:

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

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

All rescheduling will be reported to the Cabinet and Scrutiny as part of the Quarterly Budget Monitoring Report.

4 ANNUAL INVESTMENT STRATEGY

Introduction: changes to credit rating methodology

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. Commencing in 2015, in response to the evolving regulatory regime, all three agencies have begun removing these "uplifts" with the timing of the process determined by regulatory progress at the national level. The process has been part of a wider reassessment of methodologies by each of the rating agencies. In addition to the removal of implied support, new methodologies are now taking into account additional factors, such as regulatory capital levels. In some cases, these factors have "netted" each other off, to leave underlying ratings either unchanged or little changed. A consequence of these new methodologies is that they have also lowered the importance of the (Fitch) Support and Viability ratings and have seen the (Moody's) Financial Strength rating withdrawn by the agency.

In keeping with the agencies' new methodologies, the rating element of our own credit assessment process now focuses solely on the Short and Long Term ratings of an institution. While this is the same process that has always been used for Standard & Poor's, this has been a change in the use of Fitch and Moody's ratings. It is important to stress that the other key elements to our process, namely the assessment of Rating Watch and Outlook information as well as the Credit Default Swap (CDS) overlay have not been changed.

The evolving regulatory environment, in tandem with the rating agencies' new methodologies also means that sovereign ratings are now of lesser importance in the assessment process. Where through the crisis, clients typically assigned the highest sovereign rating to their criteria, the new regulatory environment is attempting to break the link between sovereign support and domestic financial institutions. While this authority understands the changes that have taken place, it will continue to specify a minimum sovereign rating of AA. This is in relation to the fact that the underlying domestic and where appropriate, international, economic and wider political and social background will still have an influence on the ratings of a financial institution.

It is important to stress that these rating agency changes do not reflect any changes in the underlying status or credit quality of the institution. They are merely reflective of a reassessment of rating agency methodologies in light of enacted and future expected changes to the regulatory environment in which financial institutions operate. While some banks have received lower credit ratings as a result of these changes, this does not mean that they are suddenly less credit worthy than they were formerly. Rather, in the majority of cases, this mainly reflects the fact that implied sovereign government support has effectively been withdrawn from banks. They are now expected to have sufficiently strong balance sheets to be able to withstand foreseeable adverse financial circumstances without government support. In fact, in many cases, the balance sheets of banks are now much more robust than they were before the 2008 financial crisis when they had higher ratings than now. However, this is not universally applicable, leaving some entities with modestly lower ratings than they had through much of the "support" phase of the financial crisis.

4.1 Investment policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of

concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment instruments identified for use in the financial year are listed in the table at para 4.2 under the ‘specified’ and ‘non-specified’ investments categories. Counterparty limits will be as set through the Council’s treasury management practices and schedules.

4.2 Creditworthiness policy

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

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

The Head of Finance and Property will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by “Capita Asset Services”, our treasury consultants, 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 a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

- Banks 1 - good credit quality – the Council will only use banks which:
 - i. are UK banks; and/or
 - ii. are non-UK and domiciled in a country which has a minimum sovereign Long Term rating of AA

and have, as a minimum, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

- i. Short Term – F1+
 - ii. Long Term – A+
- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
 - Banks 3 – The Council's own banker (Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
 - Bank subsidiary and treasury operation -. The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
 - Money market funds (MMFs) – AAA (Moody's or Fitch)
 - UK Government (including gilts and the Debt Management Account Deposit Facility DMADF)
 - Local authorities
 - Supranational institutions
 - Local Authority Mortgage Scheme (LAMS). Under this scheme the Council has placed funds of £1m (£0.5m BDC & £0.5m NCC), with Lloyds for a period of 5 years. This is classified as being a service investment, rather than a treasury management investment, and is therefore outside of the specified / non specified categories.

Country and sector considerations - Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part, the country selection will be chosen by the credit rating of the sovereign state in Banks 1 above. In addition:

- no more than £3m will be placed with any non-UK country at any time;
- limits in place above will apply to a group of companies;
- sector limits will be monitored regularly for appropriateness.

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above 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 specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long term Rating (or equivalent)	Money and/or % Limit	Specified / Non Specified	Time Limit
Banks 1 higher quality	F1+/A+	£1m	Specified	6 months
Banks 2 – part nationalised	N/A	£1m	Specified	6 months
Limit 3 category – Council's banker (not meeting Banks 1)	-	£1m	Non Specified	1 day
Debt Management Account Deposit Facility (DMADF)	AAA	Unlimited	Specified	1 year
Local authorities	N/A	£3m	Specified	1 year
UK Government Bodies	AAA	£3m	Specified	1 year
Money Market Funds	AAA	£4m	Specified	daily

A definition of specified and non-specified investments is:

SPECIFIED INVESTMENTS:

All such investments will be sterling denominated, with **maturities up to maximum of 6 months**, meeting the minimum 'high' quality criteria where applicable.

NON-SPECIFIED INVESTMENTS:

These are any investments which do not meet the specified investment criteria. A maximum of £1m will be held in a non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

4.3 Country and sector limits

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.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

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

- 2016/17 1.00%
- 2017/18 1.75%

- 2018/19 2.00%

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

2016/17	0.90%
2017/18	1.50%
2018/19	2.00%
2019/20	2.25%
2020/21	2.50%
2021/22	3.00%
2022/23	3.00%
2023/24	3.00%
Later years	3.00%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
	2016/17	2017/18	2018/19
	£m	£m	£m
Principal sums invested > 364 days	0	0	0

For its cash flow generated balances, the Council will seek to utilise its money market funds and short-dated deposits (overnight to 3 months) in order to benefit from the compounding of interest.

4.5 Icelandic bank investments

The Icelandic courts have supported the view that the Council will be treated as a preferred creditor, thereby seeing a high proportion of the investment being returned. As at 31 December 2015 the principal balances outstanding on each of the four affected investments are as follows:

Heritable Bank	£0.010m
Kaupthing Singer & Friedlander	£0.141m
Glitnir ISK	£ 0m
Landsbanki	£ 0m
	<u>£0.151m</u>

4.6 Investment risk benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.06% historic risk of default when compared to the whole portfolio.

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £0.250m
- Liquid short term deposits of at least £1m available with a week's notice.
- Weighted average life benchmark is expected to be 1 year, with a maximum of 1 year.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.10%	0.10%	0.10%	0.10%	0.10%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

4.7 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

MINIMUM REVENUE PROVISION (MRP) POLICY STATEMENT

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

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

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

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

This option provides for an approximate 4% reduction in the borrowing need (CFR) each year, or:

From 1 April 2008 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);

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

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

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

The Council has participated in a LAMS using the cash backed option, the mortgage lenders require a 5 year cash advance from the local authority to match the 5 year life of the indemnity. The cash advance placed with the mortgage lender provides an integral part of the mortgage lending, and should therefore be treated as capital expenditure and a loan to a third party. The Capital Financing Requirement (CFR) will increase by the amount of the total indemnity. The cash advance is due to be returned in full at maturity, with interest paid annually. Once the cash advance matures and funds are returned to the local authority, the returned funds are classed as a capital receipt, and the CFR will reduce accordingly. As this is a temporary (5 year) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The position should be reviewed on an annual basis.

APPENDIX 3: Interest Rate Forecasts 2016 - 2019

Capita/Asset Services Interest Rate View		Dec-16	Mar-16	Apr-16	Sept-16	Dec-16	Mar-17	Jun-17	Sept-17	Dec-17	Mar-18	Jun-18	Sept-18	Dec-18
Bank Rate-View	0.50%	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%
3 Month LIBID	0.60%	0.70%	0.80%	0.90%	1.10%	1.30%	1.30%	1.30%	1.40%	1.50%	1.80%	1.90%	1.90%	1.90%
6 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.30%	1.50%	1.50%	1.50%	1.60%	1.70%	2.00%	2.10%	2.10%	2.10%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.60%	1.80%	1.80%	1.80%	1.90%	2.00%	2.30%	2.40%	2.40%	2.40%
5yr PWLB Rate	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.30%	3.40%
10yr PWLB Rate	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	3.80%	3.90%
25yr PWLB Rate	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.10%	4.10%	4.20%	4.30%	4.30%	4.30%	4.40%
50yr PWLB Rate	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.00%	4.00%	4.10%	4.20%	4.20%	4.30%	4.30%
Bank Rate														
Capita/Asset Services	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	-	-	-
5Yr PWLB Rate														
Capita/Asset Services	2.30%	2.40%	2.60%	2.70%	2.80%	2.80%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.30%	3.40%
Capital Economics	2.40%	2.60%	2.70%	2.80%	3.00%	3.10%	3.10%	3.10%	3.20%	3.30%	3.50%	-	-	-
10yr PWLB Rate														
Capita/Asset Services	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%	3.40%	3.50%	3.60%	3.70%	3.80%	3.80%	3.90%
Capital Economics	3.35%	3.35%	3.45%	3.45%	3.55%	3.65%	3.65%	3.65%	3.75%	3.85%	3.95%	-	-	-
25yr PWLB Rate														
Capita/Asset Services	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.10%	4.10%	4.10%	4.20%	4.30%	4.30%	4.30%	4.40%
Capital Economics	3.35%	3.35%	3.45%	3.45%	3.55%	3.65%	3.65%	3.65%	3.75%	3.85%	3.95%	-	-	-
50yr PWLB Rate														
Capita/Asset Services	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.00%	4.00%	4.00%	4.10%	4.20%	4.20%	4.20%	4.30%
Capital Economics	3.40%	3.40%	3.50%	3.50%	3.60%	3.70%	3.70%	3.70%	3.80%	3.90%	4.00%	-	-	-

ECONOMIC BACKGROUND

THE UK ECONOMY

Economic Growth. The UK GDP growth rates in of 2.2% in 2013 and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and the 2015 growth rate is likely to be a leading rate in the G7 again. However, quarter 1 of 2015 was weak at +0.4%, although there was a short lived rebound in quarter 2 to +0.7% before it subsided again to +0.5% (+2.3% y/y) in quarter 3. The Bank of England's November Inflation Report included a forecast for growth to remain around 2.5% – 2.7% over the next three years. For this recovery, however, to become more balanced and sustainable in the longer term, it still needs to move away from dependence on consumer expenditure and the housing market to manufacturing and investment expenditure. The strong growth since 2012 has resulted in unemployment falling quickly to a current level of 5.3%.

The MPC has been particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back above the level of CPI inflation in order to underpin a sustainable recovery. It has, therefore, been encouraging in 2015 to see wage inflation rising significantly above CPI inflation which has been around zero since February. The Inflation Report was notably subdued in respect of the forecasts for CPI inflation; this was expected to barely get back up to the 2% target within the 2-3 year time horizon. However, once the falls in oil, gas and food prices over recent months fall out of the 12 month calculation of CPI, there will be a sharp increase from the current zero rate to around 1% in the second half of 2016. Indeed, the increase in the forecast for inflation at the three year horizon was the biggest in a decade and at the two year horizon it was the biggest since February 2013. Nevertheless, despite average weekly earnings ticking up to 3.0% y/y in the three months ending in September, this is unlikely to provide ammunition for the MPC to take action to raise Bank Rate in the near future as labour productivity growth has meant that net labour unit costs appear to be rising by about only 1% y/y. Having said that, at the start of October, data came out that indicated annual labour cost growth had jumped sharply in quarter 2 from +0.3% to +2.2%: time will tell if this is just a blip or the start of a trend.

There is, therefore, considerable uncertainty around how quickly inflation will rise in the next few years and this makes it difficult to forecast when the MPC will decide to make a start on increasing Bank Rate. There are also concerns around the fact that the central banks of the UK and US currently have few monetary policy options left to them given that central rates are near to zero and huge QE is already in place. There are, therefore, arguments that they need to raise rates sooner, rather than later, so as to have some options available for use if there was another major financial crisis in the near future. But it is unlikely that either would raise rates until they are sure that growth was securely embedded and 'noflation' was not a significant threat.

The forecast for the first increase in Bank Rate has, therefore, been pushed back progressively during 2015 from Q4 2015 to Q2 2016 and increases after that will be at a much slower pace, and to much lower levels than prevailed before 2008, as increases in Bank Rate will have a much bigger effect on heavily indebted consumers than they did before 2008.

The Government's revised Budget in July eased the pace of cut backs from achieving a budget surplus in 2018/19 to achieving that in 2019/20.

THE GLOBAL ECONOMY

USA. GDP growth in 2014 of 2.4% was followed by Q1 2015 growth, which was depressed by exceptionally bad winter weather, at only +0.6% (annualised). However, growth rebounded very strongly in Q2 to 3.9% (annualised) before dipping again in Q3 to 1.5%.

Until the turmoil in financial markets in August, caused by fears about the slowdown in Chinese growth, it had been strongly expected that the Fed. may start to increase rates in September. However, the Fed pulled back from that first increase due to global risks which might depress US growth and put downward pressure on inflation, as well as a 20% appreciation of the dollar which has caused the Fed. to lower its growth forecasts. Although the non-farm payrolls figures for growth in employment in August and September were disappointingly weak, the October figure was stunningly strong and, together with a likely perception by the Fed. that concerns on the international scene have subsided since August, has now firmly opened up the possibility of a first rate rise in December.

Eurozone. The ECB shocked everyone in January 2015 by unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is intended to run initially to September 2016. This appears to have had a positive effect in helping a recovery in consumer and business confidence and a start to a significant improvement in economic growth. GDP growth rose to 0.5% in Q1 2015 (1.0% y/y) but came in at +0.4% (+1.5% y/y) in Q2 and looks as if it may maintain this pace in Q3. However, the recent downbeat Chinese and Japanese news has raised questions as to whether the ECB will need to boost its QE programme if it is to succeed in significantly improving growth in the EZ and getting inflation up from the current level of around zero to its target of 2%.

Greece. During July, Greece finally capitulated to EU demands to implement a major programme of austerity. An €86bn third bailout package has since been agreed although it did nothing to address the unsupportable size of total debt compared to GDP. However, huge damage has been done to the Greek banking system and economy by the initial resistance of the Syriza Government, elected in January, to EU demands. The surprise general election in September gave the Syriza government a mandate to stay in power to implement austerity measures. However, there are major doubts as to whether the size of cuts and degree of reforms required can be fully implemented and so a Greek exit from the euro may only have been delayed by this latest bailout.

Japan and China. Japan is causing considerable concern as the increase in sales tax in April 2014 suppressed consumer expenditure and growth. In Q2 2015 quarterly growth shrank by -0.3% after a short burst of strong growth of 1.0% during Q1. Japan has been hit hard by the downturn in China during 2015. This does not bode well for Japan as the Abe government has already tried twice to stimulate recovery and a rise in inflation from near zero, but has hesitated about trying a third, deregulation of protected and inefficient areas of the economy.

As for China, the Government has been very active during 2015 in implementing several stimulus measures to try to ensure the economy hits the growth target of 7% for the

current year and to bring some stability after the major fall in the onshore Chinese stock market during the summer. Many commentators are concerned that recent growth figures could have been massaged to hide a downturn to a lower growth figure. There are also major concerns as to the creditworthiness of much of the bank lending to corporates and local government during the post 2008 credit expansion period. Overall, China is still expected to achieve a growth figure that the EU would be envious of. Nevertheless, concerns about whether the Chinese economy could be heading for a hard landing, and the volatility of the Chinese stock market, which was the precursor to falls in world financial markets in August and September, remain a concern.

Emerging countries. There are also considerable concerns about the vulnerability of some emerging countries and their corporates which are getting caught in a perfect storm. Having borrowed massively in dollar denominated debt since the financial crisis (as investors searched for yield by channelling investment cash away from western economies with dismal growth, depressed bond yields and near zero interest rates into emerging countries) there is now a strong flow back to those western economies with strong growth and an imminent rise in interest rates and bond yields.

This change in investors' strategy, and the massive reverse cash flow, has depressed emerging country currencies and, together with a rise in expectations of a start to central interest rate increases in the US, has helped to cause the dollar to appreciate significantly. In turn, this has made it much more costly for emerging countries to service their dollar denominated debt at a time when their earnings from commodities are depressed. There are also likely to be major issues when previously borrowed debt comes to maturity and requires refinancing at much more expensive rates.

Corporates (worldwide) heavily involved in mineral extraction and / or the commodities market may also be at risk and this could also cause volatility in equities and safe haven flows to bonds. Financial markets may also be buffeted by the sovereign wealth funds of those countries that are highly exposed to falls in commodity prices and which, therefore, may have to liquidate investments in order to cover national budget deficits.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data evolves over time. Capita Asset Services undertook its last review of interest rate forecasts on 9 November 2015 shortly after the publication of the quarterly Bank of England Inflation Report. There is much volatility in rates and bond yields as news ebbs and flows in negative or positive ways. This latest forecast includes a first increase in Bank Rate in quarter 2 of 2016.

The overall trend in the longer term will be for gilt yields and PWLB rates to rise when economic recovery is firmly established accompanied by rising inflation and consequent increases in Bank Rate, and the eventual unwinding of QE. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

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

However, the overall balance of risks to our Bank Rate forecast is probably to the downside, i.e. the first increase, and subsequent increases, may be delayed further if recovery in GDP growth, and forecasts for inflation increases, are lower than currently expected. Market expectations in November, (based on short sterling), for the first Bank Rate increase are currently around mid-year 2016.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK economic growth turns significantly weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Emerging country economies, currencies and corporates destabilised by falling commodity prices and / or the start of Fed. rate increases, causing a flight to safe havens.

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

- Uncertainty around the risk of a UK exit from the EU.
- The commencement by the US Federal Reserve of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The CLG issued Investment Guidance in 2010, 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 on 5 February 2002 and will apply its principles to all investment activity. In accordance with the Code, the Head of Finance and Property has produced its treasury management practices (TMPs). This part, TMP 1(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, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account Deposit Facility, UK treasury bills or a gilt with less than one year to maturity).
2. Supranational bonds of less than one year's duration.
3. A local authority, parish council or community council.
4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. This category covers pooled investment vehicles, such as Money Market Funds, rated AAA by Standard and Poor's, Moody's and / or Fitch rating agencies.

5. A body that is considered of a high credit quality (such as a bank or building society. This category covers bodies with a minimum Short Term rating of F1+ (or the equivalent) as rated by Standard and Poor's, Moody's and / or Fitch rating agencies .

Within these bodies, 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 these bodies.

Non-specified investments –are any other type of investment (i.e. not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	Non Specified Investment Category	Limit (£ or %)
a.	The Council's own banker (Barclays) if it fails to meet the basic credit criteria. In this instance balances will be minimised as far as is possible.	£1m

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 "Capita Asset Services" 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 Head of Finance and Property, 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.

(ii) Cabinet

- 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;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Audit and Risk Scrutiny Committee

- reviewing the Treasury Management Policy and procedures and making recommendations to Cabinet and Full Council.

THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The Section 151 (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.

BASSETLAW DISTRICT COUNCIL

CABINET

11th FEBRUARY 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

CAPITAL INVESTMENT STRATEGY 2016/17 TO 2020/21

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

- 2.1 To seek Cabinet approval to the Capital Investment Strategy 2016/17 to 2020/21.

3. Background and Discussion

- 3.1 A copy of the Capital Investment Strategy is attached as an Appendix to this report.
- 3.2 The Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.
- 3.3 The Strategy defines at the highest level how the capital programme is to be formulated, it identifies the issues and options that influence capital spending, and sets out how the resources and capital programme will be managed.

4. Implications

- a) For service users

This report sets the financial framework for capital investment.

- b) Strategic & Policy

It links to the policy and strategy documents mentioned within the strategy, in particular the Property Asset Management Plan and Treasury Management Policy and Strategy.

c) Financial – 16/424

The financial implications of the capital programme are fully reflected within the *General Fund Revenue Budget 2016/17 to 2018/19* report elsewhere on this agenda.

d) Legal – 358/02/16

The legal implications are as contained within the report.

e) Human Resources

None from this report.

f) Community Safety, Equalities, Environmental

These are considered as part of the approval of individual capital investment schemes.

g) This is key decision number 548.

5. Options, Risks and Reasons for Recommendations

5.1 The Capital Investment Strategy is a key document that sets out how capital resources will be deployed to meet the priorities of the Council.

6. Recommendations

6.1 That the Cabinet recommends approval of the Capital Investment Strategy 2016/17 to 2020/21 to full Council on 7th March 2016.

Background Papers

Capital programme working papers

Location

Accountancy office

CAPITAL INVESTMENT STRATEGY

2016/17 TO 2020/21

BASSETLAW DISTRICT COUNCIL

1. INTRODUCTION

This Capital Investment Strategy outlines the principles and framework that shape the Council's capital investment proposals. The principal aim is to deliver an affordable programme of capital investment consistent with the Council's Financial Strategy and that contributes to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.

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

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

The basic elements of the Strategy therefore include:

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

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

- for the 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;

CAPITAL INVESTMENT STRATEGY

- 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;
- for partners – to share with them our Vision and help to co-ordinate and seek further opportunities for joint ventures.

The capital programme consists of two elements:

- The Housing Capital Programme with a proposed budget for 2016/17 of £10.75m, which supports the maintenance of the council's circa 6,900 council houses;
- The General Fund Capital Programme with a proposed budget for 2016/17 of £4.04m. Of this amount, expenditure on the Council's non-housing assets totals £2.81m, and £1.23m will provide Disabled Facilities Grants to a number of private dwellings during the year.

2. PRINCIPLES SUPPORTING THE STRATEGY

The Capital Investment Strategy reflects the aspirations included within the Council's main strategic documents - principally the Corporate Plan but also other key planning documents such as the Property Asset Management Plan, Treasury Management Policy and Strategy, Budget Strategy, and the ICT Strategy.

The principles that underpin the Capital Investment Strategy include:

Policy Principles:

- A direct relationship between Council priorities, including our statutory requirements, and a capital programme driven by essential investment needs and prioritised on an authority-wide basis, demonstrating an explicit link with all key strategic planning documents;
- The use of a rational process for assessing the relative importance of potential schemes.

Financial Principles:

- The overarching commitment to affordability of investments over the longer term;
- A recognition that the Council's own locally generated resources are limited and will only be used to fund those capital priorities that are unlikely to be able to access any other funding sources;
- A commitment to developing partnerships, including the pursuit of joint venture and community arrangements where appropriate, to achieve the Council's investment aspirations;
- To pursue all available external funding where there is a direct compatibility with the Council priorities;
- Value for money of investments in assets over their full life cycle.

CAPITAL INVESTMENT STRATEGY

Asset Management Principles:

- The development of Property Asset Management Plans (AMP) and investment plans for the use of all Council assets, be these operational buildings, investment properties, equipment and machinery, Information Technology or infrastructure assets;
- The optimisation of surplus assets by maximising income or application to other purposes informed through the AMP process, with all receipts generated through the sale of surplus property assets being used to fund the Capital Programme;
- Recognition of the value of surplus properties that are gifted by the Council as a contribution to a particular scheme. This value will be treated as capital resources and will have to be assessed against other capital proposals;
- A process of declaring property assets as surplus will be led by the Corporate Property Officer (Property Manager) in consultation with the holding department, who will be able to declare a site surplus to requirements if deemed to be under-utilised or surplus to requirements;
- Wherever possible ensuring active community involvement in informing priorities and engagement in management plans, in line with the Localism Act 2011;
- Management of assets to take full account of the Council's wider priorities including its environmental priorities;
- The continuation of financial support to schemes that involve site assembly, which will potentially generate significant capital receipts in the medium term;
- The provision of financial support to the Empty Homes Initiative, which is intended to bring empty homes back into use to increase the supply of affordable housing in the district;
- The Property Review process will determine if an asset meets the corporate need in the longer term. If this is the case then investment in the asset will be maintained. Conversely, if it is not required, then the asset is more valuable to the Council as a capital receipt.

Implementation and Management Principle

- The operation of robust management arrangements for the implementation, updating and review of the Strategy.

3. CAPITAL INVESTMENT PRIORITIES

The aim of the Council is to make a sustainable improvement to the long-term quality of life of our residents. The Corporate Plan 2014-2017 sets out the vision for Bassetlaw. This Vision is intended to be external facing and clearly indicates the Council's ambition for the district and the people within.

Underpinning the Council's contribution to the Corporate Plan vision are four Ambitions. These are:

- *A Viable Co-operative Council;*
- *Local Growth;*
- *Quality Housing and Decent Neighbourhoods; and*
- *Local Living Standards.*

CAPITAL INVESTMENT STRATEGY

4. CAPITAL INVESTMENT – AMBITION, OPPORTUNITY AND NEED

The capital programme for 2016-21 has been formulated to observe the principles contained in this document. The five-year Capital Programme was agreed at last year's Cabinet, however, further recommendations are being/have already been made to Cabinet to allocate funding for major projects. These capital projects meet the following strategic themes as follows:

A Viable Co-operative Council

- Planned Maintenance & Capital Upgrades
- Carlton Forest Depot - Drainage Improvements
- ICT Storage & Server Infrastructure
- Vehicles & Plant - Replacement
- Carlton Forest Depot - Vehicle Wash
- Buildings at Risk
- Retford Leisure Centre Car Park Extension
- Memorial Library

Local Growth

- Market Canopy Renewals
- Worksop Creative Village phase 2
- Harworth & Bircotes - Town Centre Environmental & Security Improvements

Quality Housing and Decent Neighbourhoods

- Disabled Facilities Grant
- Manton Regeneration

Local Living Standards

- Retford Beck Flood Alleviation Scheme
- Flood Alleviation - Small Schemes
- Claborough Flood Alleviation Scheme
- Walkeringham Flood Alleviation Scheme
- Retford - Public Open Space Improvements
- Community Sports Scheme
- Play Areas
- Changing Places Toilet

CAPITAL INVESTMENT STRATEGY

5. FINANCIAL CONTEXT

Comprehensive Spending Review

The Chancellor announced the comprehensive spending review on 25th November, with further cuts in Central Government Funding being applied to all Local Authorities, including Bassetlaw. This detailed the removal of the Revenue Support Grant to Councils over the period of this parliament, and instead moving to 100% funding by business rates income, ie a system of Local Government funded by local taxation.

What this means in practice is that local authorities will find it much harder to fund capital expenditure, resulting from less government funding, more expensive borrowing, and reduced capital receipts in the current economic climate.

In response to these significant pressures, local authorities must now explore alternative sources of funding capital expenditure. These various options can be summarised as follows:

- External partners – Traditionally Section 106 monies have been levied on private contractors where funds have been required to deliver (amongst other things) capital projects necessary to make a planning application acceptable e.g. to upgrade highways infrastructure, within the district. These opportunities are now extended to include the Community Infrastructure Levy (CIL), which allows local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The money can be used to fund a wide range of infrastructure that is needed to deliver new development. The infrastructure to be funded by CIL must be clearly set out and can include transport schemes, flood defences, schools, hospitals, other health and social care facilities, parks, green spaces and leisure centres.
- Grants – A number of capital grants are made available by the central government that could be used to fund capital expenditure. For example, the New Homes Bonus is now an established grant, which is directly linked to the number of empty homes that are brought back into use within the district, coupled with the build of any new affordable housing units. Unfortunately capital grants are now diminishing in number as further cuts are enforced on Local Government.
- Business Improvement Districts (BIDs) – A partnership between a local authority and local businesses to develop projects and services that benefit the local trading environment.
- Local Asset Backed Vehicles (LABVs) – This is a form of public and private sector partnership that allows public sector bodies to use their assets (usually land and buildings) to attract long term investment from the private sector in order to deliver socio-economic development and regeneration. They are designed to encourage parties to pool resources, such as finance, planning powers, land and expertise, in order to deliver regeneration with an acceptable balance of risk and return for all those involved. They are increasingly being looked at as a potential model to help local authorities meet their regeneration aspirations.
- Tax Increment Financing (TIF) – This is an initiative that allows a local authority to borrow money against the predicted future growth in local business rates income.
- Social Impact Bonds (SIBs) – A contract between a public body and a private investor, where the investor funds are used to pay for interventions to improve the social outcome, and the public body pays the investor based on that improved social outcome. Examples include prisons based on reduced re-offending, and CCTV based on reduced anti-social behaviour and crime levels.

CAPITAL INVESTMENT STRATEGY

- Community Involvement – The Localism Act 2011 introduced the concept of “community asset transfer”, “community right to challenge” and “community right to bid” for services. These changes in legislation have opened up the whole spectrum of opportunities of private sector investment in community-led capital projects, where deemed appropriate.
- Collaborative Working – a move away from the traditional development agreement structure and towards a more collaborative approach, either to enhance marketing prospects for a site or to enhance its redevelopment value by addressing planning issues. This type of approach encourages interest from expert developers to promote a site or work together on the planning and infrastructure process, to enhance the attractiveness of the site to end users.

Financial Process

The Council's financial and service planning process ensures decisions about the allocation of capital and revenue resources are taken to achieve a corporate and consistent approach.

The funding of capital schemes is via the following hierarchy:

- External grants and contributions;
- Unsupported borrowing;
- Capital receipts from the disposal of fixed assets;
- Leasing finance; (where applicable)
- Revenue contributions.

The following paragraphs examine the current and prospective means of financing projects and the range of choices available.

External Grants and Contributions - Some capital projects are financed wholly or partly through external grants and contributions that are specific to projects and cannot be used for other purposes.

Grants from external sources are a valuable source of capital finance for the Council and have enabled the Council to realise a substantial number of capital developments that would otherwise have been unable to progress. Given the scale of the Council's ambitions to improve and add to its asset base much will depend on our ability to secure external funding.

The most significant grants that the Council now receives are from a combination of European money e.g. ERDF, Section 106 monies and Community Infrastructure Levies from development sites that are acquired for housing and other purposes.

At its meeting of December 2015, the Cabinet agreed that any New Homes Bonus over and above that used for mainstream revenue funding, will be used to support the capital programme.

Unsupported Borrowing – Unsupported prudential borrowing is where the debt costs have to be funded from the Council's revenue resources. The principle of affordability is therefore a key consideration.

With the introduction in April 2012 of the new Housing Self-Financing regime, significant levels of additional borrowing to fund the overall capital programme 2016/17 to 2020/21 will no longer apply. Instead, borrowing for housing purposes will be restricted to the 'gap' between the current Capital Financing Requirement and the government imposed borrowing ceiling. The size of this housing 'gap' is circa £9.0m in 2016/17 and will only be used to fund 'invest to save' schemes such as energy efficiency projects, or new build in the longer term.

CAPITAL INVESTMENT STRATEGY

For the General Fund, unsupported prudential borrowing will be tightly controlled due to the financial impact it will have on a revenue budget that already operates to very tight margins. The planning assumption for the five-year programme is that the Council may use borrowing for 'long life' assets, or as a replacement for leasing, or for an 'invest to save' scheme. This must, however, be proven to be affordable within the revenue budget.

Capital Receipts - The Council also generates its own capital resources through the sale of surplus land and buildings and these resources can be used by the Council to invest in new capital projects. However, the Council is not asset rich and the ability to realise significant capital receipts is limited. Moreover, the current economic climate will restrict the capital value of any sale. Decisions to dispose of assets at less than full value should therefore be tested against the opportunity cost of the capital spending given up as a consequence.

The Council received General Fund capital receipts of £198,000 in 2014/15 (estimated at £441,000 in 2015/16), and Housing capital receipts of £592,000 in 2014/15 (estimated at £5,157,000 in 2015/16).

It should be made clear that net housing capital receipts are available to fund both Housing and General Fund Housing capital schemes. In the past, it has been Council policy to ringfence Housing capital receipts for council housing and private sector housing purposes only. However, due to the large sums involved with regard to Disabled Facilities Grants (DFG's), these have been funded from Housing capital receipts in recent years.

It is also important to clarify the categories of capital receipts as follows:

- General Fund – 100% receipts from sales of land and property that are owned by the General Fund;
- HRA receipts to be used to fund DFGs – Regulations dictate that 50% of housing capital receipts (excluding council house sales) are available for general use, and the other 50% is specifically for housing debt repayment or investment in council housing itself. This category is the former, and represents 50% of sales of housing land and property (e.g. garage sites but excluding council house sales) that will be used to fund Disabled Facilities Grants;
- HRA to be used to fund Housing – This is the other 50% that must be spent on housing capital expenditure or debt repayment. It also includes the 25% of capital receipts from council housing sales (the other 75% is paid over to the government);
- Retained Right to Buys – This originated from the introduction of the housing self-financing regulations, which set out the government's assumptions on the number of council house sales that would be made each financial year – for Bassetlaw this equates to 18 Right-to-Buy sales in 2016/17. For any sales in excess of the 18 properties, the Council is allowed to keep 100% but only if it invests in new housing within a three year period at a match funding rate of 30%.

The Property Asset Management Plan lists a number of surplus assets awaiting disposal, but no capital receipts arising from the sale of these assets are built into the funding projections.

Revenue Funding - The Council can also use revenue resources to fund capital projects, although pressures on the revenue budgets limit the ability to fund schemes from this source.

Other Sources of Capital Financing - The Council will continue to explore the potential for developing partnerships and private sector involvement. It also has the opportunity to use leasing as a means of funding capital expenditure on vehicles and other equipment. In all cases the resulting revenue costs of these sources of funding are tested for relative Value for Money alongside debt financing.

The Council recognises that certain services have greater potential for attracting capital finance from external sources. The Council aims to ensure that it maximises the opportunities to attract

CAPITAL INVESTMENT STRATEGY

partnership or third party funding where appropriate and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

The table below shows the estimated use of these resources over the five-year period, as presented within the separate General Fund and Housing Capital Programme reports.

	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
GENERAL FUND					
Grants & Contributions	1,552	530	850	1,380	530
Capital Receipts	1,912	358	530	570	350
Leasing/Unsupported Borrowing	575	815	764	684	607
	4,039	1,703	2,144	2,634	1,487
HOUSING					
Major Repairs Reserve	9,365	3,615	8,915	5,115	9,615
External Funding	0	1,000	2,880	0	0
New Build Reserve	0	1,000	500	0	0
Unsupported / Internal Borrowing	1,000	5,000	200	4,500	0
Capital Receipts	385	385	385	385	385
	10,750	11,000	12,880	10,000	10,000
TOTAL:	14,789	12,703	15,024	12,634	11,487

6. CAPITAL INVESTMENT PRIORITISATION

Demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council.

To ensure that capital resources are allocated to the Council's priorities, an objective, structured prioritisation process has been adopted for determining the Capital Programme.

In moving to a longer-term view of priorities, the first step in this process is to identify the potential calls on capital. An early filtering out of aspirations, which do not sufficiently meet Council priorities to warrant incurring costs of feasibility and option appraisal studies, seeks to obviate potentially abortive costs.

From this refined review the process is based on the completion of a Capital Service Bid for each project to be considered for inclusion in the Capital Programme. Each Capital Service Bid is then scored against the established methodology. A Capital Project Assessment Team scrutinises and moderates the scores, and recommends options for a prioritised Capital Programme for the forthcoming period. These are presented to Cabinet, which makes the final recommendations to full Council.

Once full Council has approved the schemes that comprise the Capital Programme, the project managers develop detailed project plans for each scheme. The project plan forms the basis for monitoring delivery of the critical physical milestones. Each project plan includes:

- The projects objectives and performance indicators (inputs, outputs, and outcome based);
- Key milestone dates for project delivery;
- Responsible officers for delivery of each milestone;
- Resource requirements including full financial breakdown;
- Risk analysis;
- Post project review on the completion of each scheme.

The process specifically addresses the key requirements of the Prudential Code, i.e.:

CAPITAL INVESTMENT STRATEGY

- Affordability, prudence and sustainability - the integration of the capital and revenue planning processes ensures that coherent decision-making takes place on the level of borrowing that is prudent, affordable and sustainable;
- the Council's service objectives – the specific relationships to the achievement of the objectives expressed in the Corporate Plan supplemented by reference to relevant strategic, service and/or statutory plans;
- the Value for Money offered by the plans – as demonstrated by an options appraisal;
- the stewardship of the Council's assets – explicit regard to the Council's Property Asset Management Plan;
- the practicalities of the capital expenditure plan – i.e. projects are realistically phased and are capable of being delivered in physical terms.

7. 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 bi-monthly basis. This Group is attended by responsible officers and cabinet portfolio Members and is chaired by the Cabinet Member for finance. 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 Head of Finance & Property co-ordinates high level monthly reporting and detailed quarterly reporting to the Management Team, Audit & Risk Scrutiny Committee, and Cabinet;
- Bi-monthly capital monitoring meetings which have replaced the former Regeneration & Property Group. Project managers report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken.
- Heads of Service are responsible for ensuring that Project Manager monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Management Team and Cabinet.

8. PROCUREMENT

The Council has adopted a Corporate Procurement Policy and Strategy that sets the framework by which the Council will ensure that procurement across the Council delivers excellent value for money. This includes the procurement of assets. The Strategy provides direction, structure and information in respect of the Council's approach to procurement and answers the procurement challenges faced by the Council.

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The following principles form the basis of all procurement activity in order to achieve value for money in capital projects:

- *Strategic procurement will support improved service delivery through the freeing up of resources and improving the quality of goods, services and works;*
- *Strategic procurement will ensure that the Council obtains value for money in the acquisition and management of its resources, balancing both quality and cost;*
- *The Council will undertake all procurement activity within a corporate framework to enable all officers to obtain goods, services and works to the required quality in the most efficient manner;*
- *All procurement activity will be sustainable, supporting and promoting Council policies and priorities, including equal rights, sustainability, social cohesion and economic regeneration;*
- *The Council will ensure that procurement activity is undertaken in the most effective and appropriate manner;*
- *All procurement activity will be assessed on a whole-life costing and benefits basis with due regard to risk.*
- *Procurement activity will be transparent (and fully compliant with the Freedom of Information Act), fair and consistent, and be undertaken to the highest standards of probity and accountability. Procurement decisions must be evidence based.*

Delivery of the Capital Programme is a key element of the Council's Corporate Procurement Policy and Strategy by ensuring adequate project management and support are in place at all stages prior to contract award and including the subsequent management of contracts.

9. CAPITAL RECEIPTS

All capital receipts arising from the sale of land and buildings will feed directly into the corporate capital pot for reinvestment. Generally capital receipts will be treated as a corporate resource.

The Council will ring-fence capital receipts to specific schemes where there is a legal requirement to do so i.e. whether it arises from the terms under which the asset was acquired, or from a statutory requirement. An example of the latter would be the sale of an allotment site following Secretary of State approval.

Exceptionally the Council may ringfence receipts where there is a close link between the receipt and reinvestment.

10. CONCLUSION

The Capital Investment Strategy is a 'live' document which enables the Council to make rational capital investment decisions in order to achieve its corporate priorities and objectives. As a consequence, it provides a framework for determining the relative importance of individual capital projects.

If the Council is to achieve its ambitions, it is recognised that a commitment to partnership working with both the private sector and other public sector agencies will play a significant part of the Council's overall approach.

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The adoption of a five-year capital planning framework is a significant means of improving programming for major projects and ensuring the longer term sustainability of the borrowing requirement.

The Council aims to ensure that it will maximise the opportunities to attract partnership or third party funding, and will focus the use of its own scarce capital resources to provide public assets where these alternative funding sources are not available.

New and innovative ways of generating increased capital finance will continue to be explored, as well as adopting a rigorous approach to the identification and disposal of surplus assets.

The Council will maintain comprehensive and robust procedures for managing and monitoring its Capital Programme.

Any policy or strategy proposed to Council that requires capital investment must be consistent with the Capital Investment Strategy. The Strategy is to be revisited annually, to ensure that it is kept up-to-date and is relevant and effective.

CAPITAL INVESTMENT STRATEGY

APPENDIX 1

CAPITAL PRIORITISATION PROCESS

INTRODUCTION AND BACKGROUND

Good practice dictates that the framework for allocating capital resources to capital projects is clear and understandable to all. It is therefore imperative that the Capital Investment Strategy details the process by which projects are selected in relation to objectives and service plans. This will demonstrate a level of objectivity in the selection of projects, especially in the context of a strategic planning process.

FRAMEWORK OF THE PRIORITISATION PROCESS

The process is numerically based, and allocates points to projects dependent upon the categories into which they fall. The aim is to demonstrate how the Council selects projects that will achieve its overall objectives and is not biased towards particular service interests.

The process is in two parts. In Stage 1, projects are placed into **one** of 8 categories, attracting the appropriate points. In Stage 2, additional points may be acquired if projects satisfy one or more criteria. Equally, points can be deducted if, for example, the project results in increased revenue costs. The aggregate of these two stages will result in a list of projects in priority order.

Projects above £500,000 will be considered separately. This is because above £500,000 a project will consume such a large proportion of the likely resources available as to make the process ineffective for the remaining bids, and it is recommended that bids of this order should be prioritised and considered separately. Projects of this scale make comparison in the context of a prioritisation process very difficult. In a case where a project of such size is put forward, it could be decided that all cash available for the year should be allocated to this one project, or, if the project is high value and spans a number of years, the annual allocation could be top-sliced prior to allocating the remaining funds identified through the normal prioritisation process.

A lower limit of £10,000 has been set because this is considered small enough to be met from revenue budgets.

HOW THE PROCESS OPERATES

It is intended that this process should be undertaken by the Capital Project Assessment Team. Service Managers will then be invited to complete a more detailed capital bid which will be fully scored against categories A to M to determine a final score, and enable prioritisation to be achieved.

CAPITAL INVESTMENT STRATEGY

STAGE 1: INITIAL PRIORITISATION

Categories A and B carry the maximum of 12 points reflecting the importance of carrying out the project either because the Council is under an obligation which it cannot avoid, or because it is necessary to maintain the existing asset base and hence the current level of service. Category C, (10 points), reflects the need for the Council to respond to Government expectations which, whilst they may not be statutory, might invite criticism if not undertaken. Category D, (10 points), reflects the position where capital investment today will make ongoing savings in the future i.e. invest to save schemes. Category E, (8 points), responds to the commitments arising from any S106 agreements, but carries a lower value because the Council has the option of not undertaking the project, with the only retribution being the return of the original sum to the contributor. Category F, (8 points), relates to the occasions where there is significant funding available from a partner indicating a heavy commitment on the Council to proceed. Categories G, (6 points), and H, (4 points), relate to those projects which the Council may wish to undertake but for which there is neither an overriding requirement, nor a need to replace the asset to maintain the service. Category G attracts more points because if there is an existing strategy for the service, there is more confidence that the project will fulfil its long-term aims, which have been previously approved by the Council. Category H indicates a shorter-term view. **Projects that do not fall within any of these categories would not be considered for inclusion in the Capital Programme.**

CATEGORY	CRITERIA	POINTS
A	There is a mandatory legal requirement to provide the service or asset that enables the service to be provided and that obligation cannot be met in any other way.	12
B	There is a demonstrable priority need to replace the asset/service on an essentially like for like basis, (save for improvements in technology), as the existing asset is at the end of its useful life.	12
C	There is an expectation by the Government that the Council should undertake a particular course, although it may not be currently statutory, and there is a likelihood of some form of sanction being applied against the Council if that expectation is not met.	10
D	Project is based on the principle that investment in a service will result in savings in the future.	10
E	Funding is required to supplement a S106 agreement and that funding must be met during the year in question.	8
F	Matched funding is available of at least 50% of the project cost.	8
G	Project meets objective(s) in one of the Council's approved strategy statements, (other than the Capital Strategy).	6
H	Project meets service plan objective(s), or has been previously agreed by Members to be put forward as a bid.	4

CAPITAL INVESTMENT STRATEGY

STAGE 2: CRITERIA FOR ADDING/DEDUCTING ADDITIONAL POINTS

Stage 2 modifies the initial categorisation by taking account of particular attributes of projects. Category I recognises the importance of a project in achieving Council objectives – the more objectives it contributes towards, the more points. Category J reflects the advantage of additional investment rather than pure replacement on a like for like basis. Category K recognises that some projects have an added importance as a result of health and safety requirements. Category L adds or deducts a weighting if the project has a positive or negative effect on future revenue budgets, and is an incentive for projects to achieve revenue savings or additional income. Finally, category M reflects the need for the Council to build partnerships and demonstrate its commitment to working jointly with the wider community.

CATEGORY	CRITERIA		POINTS
I	Council Priorities		
AMBITION	Additional points for projects adding value to the Council's Priorities, (add 1 point for each)		
A Viable Co-operative Council	1.1	A Resilient Local Authority	
	1.2	Working towards a Co-operative Council	
	1.3	Increasing Pride in the District	
Local Growth	2.1	A District that maximises its potential	
	2.2	Driving the local economy	
	2.3	Bassetlaw as a Destination	
Quality Housing and Decent Neighbourhoods	3.1	Quality Housing in the District	
	3.2	Maximum benefit for tenants and Local Communities	
	3.3	Local Neighbourhoods that are Clean, Safe and Welcoming	
Local Living Standards	4.1	Meeting the Challenge of Welfare Reform	
	4.2	Standing up for local people	

CAPITAL INVESTMENT STRATEGY

J	Improvement/Betterment		
	Improvement beyond the essential requirement to deliver an existing service, (i.e. to a standard beyond that necessary to replace an existing asset which is no longer useable), where there is a proven need and a demonstrable benefit in doing so. (Add 2 points).		
K	Health & Safety (Non-Statutory)		
	Relating to Council property, the project is considered necessary for the health and safety of the Council's employees or the general public, and has been identified as such. (Add 2 points).		
L	Revenue Implications		
	i	Projects result in a reduction in the revenue budget from the date of completion, (after any repayment to reserves). (Add 1 point per estimated £10,000).	
	ii	Projects result in increased net revenue costs. (Deduct 1 point per estimated £10,000).	()
M	Partnership		
	Projects that enhance the relationship with the Council's partners and in doing so achieve the Council's Priorities. (Add 2 points).		

BASSETLAW DISTRICT COUNCIL

CABINET

11th FEBRUARY 2016

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PROPERTY ASSET MANAGEMENT PLAN 2016/17 UPDATE

Cabinet Member: Finance
Contact: Mike Hill
Ext: 3174

1. Public Interest Test

- 1.1 The author of this report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

- 2.1 For Members to approve the 2016/17 update to the Property Asset Management Plan 2015/16 to 2019/20 approved by Cabinet in February 2015.

3. Background and Discussion

- 3.1 In order to ensure that the Council is managing its assets more effectively, an up to date Asset Management Plan is essential.
- 3.2 This Asset Management Plan sets out how the Council's Property Portfolio will contribute to the Council's main aims/key priorities identified in the Corporate Plan.
- 3.3 The appendix provides an update to the Property Asset Management Plan 2015/16 to 2019/20 with regard to :
- Co-location of services;
 - Maintaining assets (including condition surveys);
 - Investment portfolio review;
 - Property disposals.

4. Implications

- a) For Service Users

By adopting the Property Asset Management Plan the service delivery to customers of the authority will be enhanced.

b) Strategic and Policy

The Asset Management Plan is a five year plan which is reviewed annually.

c) Financial – Ref: 16/106

At this point in time, there are no immediate financial implications arising from this report. However, over the next financial year, assets may be acquired and disposed of, whereby further reports will be brought to Cabinet for approval with the full financial implications outlined.

d) Legal – Ref: 357/02/16

The legal implications are as contained within the report.

e) Human Resources

None contained in this report.

f) Community Safety, Equalities, Environmental

This is outlined in the Asset Management Plan. The Council's non-operational assets are occupied by a variety of organisations on a contractual basis. The Council seeks to eliminate access discrimination in accordance with the Equality Act 2010.

g) This is key decision number 549.

5. Options, Risks and Reasons for Recommendations

- 5.1 The Asset Management Plan is a key document that sets out how the Council effectively manages its assets to support the efficient delivery of its priorities and objectives.

6. Recommendations

- 6.1 That the Cabinet recommends approval of the Property Asset Management Plan 2016/17 Update to full Council on 7th March 2016.

Background Papers
Property Asset Management Plan
2015/16 to 2019/20

Location
Estates Unit

**BASSETLAW
DISTRICT COUNCIL**

**PROPERTY ASSET MANAGEMENT
PLAN**

2015/16 – 2019/20

2016/17 UPDATE

PROPERTY ASSET MANAGEMENT PLAN - 2016/17 UPDATE

1 FORWARD

The purpose of the plan is to ensure that the Council's property holdings are aligned to meet strategic priorities and service needs to ensure that the right property is available in the right place, and at the right time.

The goal is to get the most from our assets as they support the provision of Council services and the delivery of our priorities. The Council will be judged on the quality of the services it delivers not the quality of its buildings, but those land and property assets do support the on-going provision of the services provided to businesses and residents in the District. Property remains the second highest cost incurred by most public authorities after expenditure on staff, and its effective and efficient management is key to being able to deliver value for money and quality services.

The Property Asset Management Plan for 2015/16 to 2019/20 details an effective strategy and robust operational plan for the management of Bassetlaw District Council's significant land and building assets for the 5 year period.

Bassetlaw District Council operates a substantial property portfolio comprising of 1,097 Operational Properties and 56 leased assets with a total combined asset value of just over £46.0 million with the Investment Portfolio producing an annual income of £0.354m per annum.

2 CORPORATE PLAN

The Council identified the following ambitions and priorities in the Corporate Plan 2014 - 2017:

Ambition 1 – A Viable Co-operative Council

Ambition 2 – Local Growth

Ambition 3 – Quality Housing & Decent Neighbourhoods

Ambition 4 - Local Living Standards

The Council's land and property assets provide a key to the delivery of its services to residents of the District and delivery of these Corporate Priorities. The Asset Management Plan provides a summary of how the Council uses its land and property assets to contribute towards ambitions, whilst at the same time:-

- Supports improvements to service delivery;
- Continues to provide a significant income through property rents and capital receipts;
- Identifies and drives out efficiencies, such as co-location of services.

The Asset Management Plan is also prepared alongside the Capital Investment Strategy in order to ensure that our plans are financially sustainable.

The focus of the Strategy is towards optimising the use of the Council's land and buildings in terms of service benefit, affordability and best value for money.

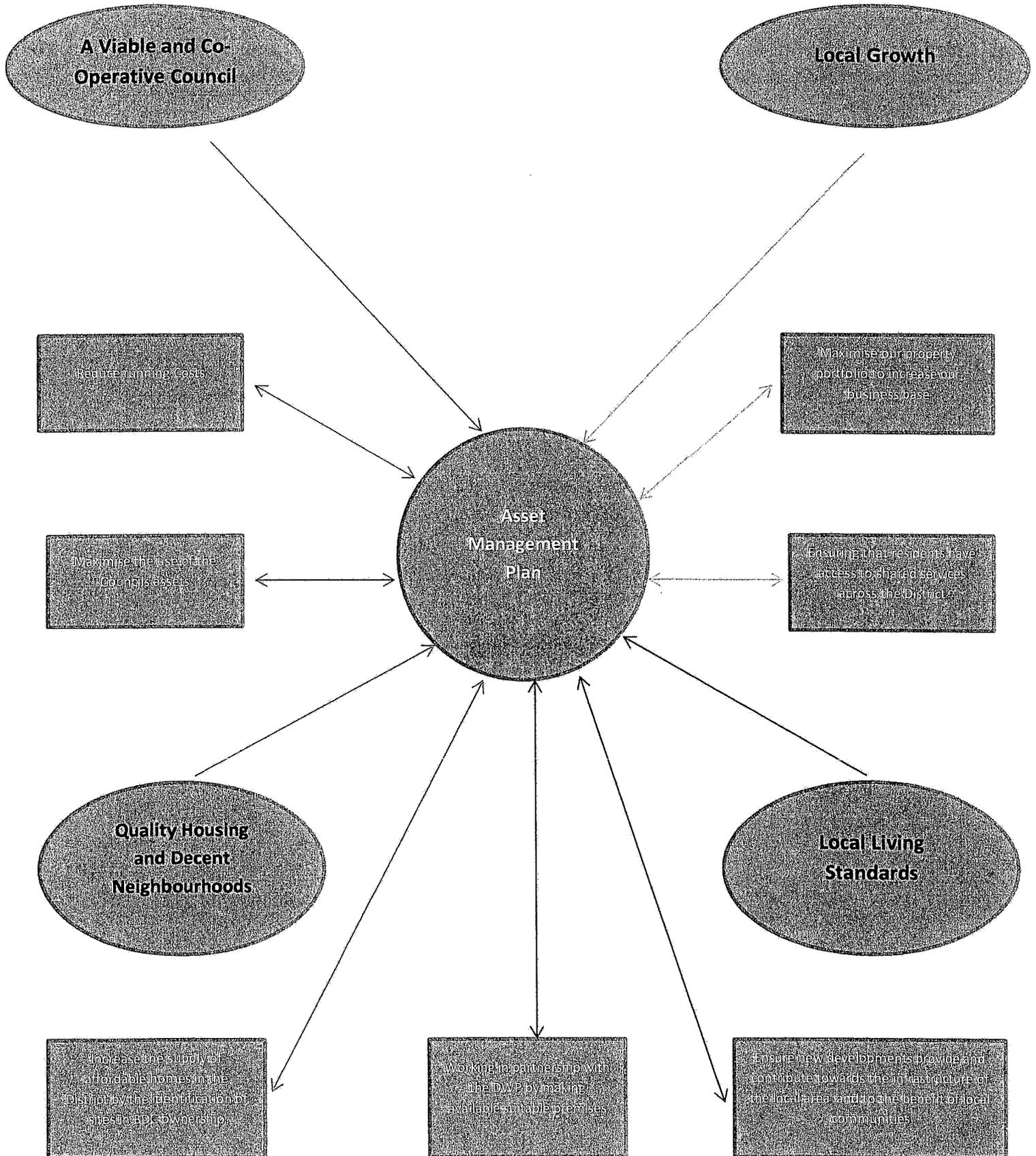
The intention is to create an improved and well planned property portfolio, that is fit for purpose and able to meet changing requirements whilst at the same time is also one that costs less to run, and able to release funds to invest in improved delivery of front line services for the benefit of the community.

Specifically the objectives are:

- To have sufficient, fit for purpose, well maintained and managed property in the right locations to meet the need of services, including community facilities in district and local centres.
- To identify opportunities for "Total Place Initiatives" in order to reduce the number of administrative office buildings in the outlying district and to identify co-location opportunities to share with public sector partners where this benefits the parties in supporting improved service delivery or efficiency.
- To make investment in property that is prioritised corporately according to strategic need and to enhance the Council's commitment to the environment.
- To continue to support and promote regeneration and economic development and employment opportunities within the district.
- To support transformation of service delivery and community infrastructure using strategic property solutions.
- To have an estate that is fit for purpose for the delivery of all Council Services.
- To only retain investment property that generates strong income streams to help fund asset maintenance and support service delivery.
- To identify development opportunities that will encourage business into the district and with this create employment opportunities.
- To use Council land holdings to support affordable housing.

2.1 Asset Management

Linkages with the Corporate Plan



3 CO-LOCATION OF SERVICES

Continuing on from the earlier lettings of surplus office space within the former County Council Wing to the Two Shires Credit Union and the Worksop CAB, the DWP occupied a substantial part of the ground floor of Queens Buildings from May 2015. This letting not only improved services to users but also reinforced Queens Buildings' as a "hub" for the provision of jointly located local services; it also provided the Council with a new source of income in terms of rent and savings on building running costs recovered from the DWP in the form of a service charge.

Nottinghamshire Police took a tenancy of parts of 17b The Square at Retford from January 2016. Their relocation into the Council's building not only ensured presence of a local police station in the town centre but utilised unused office space in the building, and by doing so has reduced the Council's running costs of the building.

Substantial rebuilding works are already underway to Queens Buildings to create open plan offices. Not only will this make better use of the available space and improve the overall working environment, it will enable further office space within the former County Council wing and the Old Town Hall to become available for letting.

4 MAINTAINING ASSETS

An essential part of Asset Management is for an effective Planned Maintenance Policy and a thorough understanding of the condition of the property portfolio in order that strategic decisions can be made with full information.

Physical condition surveys were undertaken on 66 properties and sites around 5 years ago. That survey divided the buildings or sites up into a number of elements which is then allocated a condition category from A to D. Each element also has a "repair budget required" allocated to it as well as an identified life expectancy until that element requires repair or replacement.

Where only a repair is identified for an element the budgeted sum reflects an upgrade to condition B (which is defined as "*satisfactory - performing as intended but exhibiting minor deterioration*"). There may be circumstances where a different standard is appropriate for example a short life building used for a temporary purpose. In all cases however the asset must comply with statutory requirements such as health and safety, disabled access, food hygiene.

A new condition survey of all properties (excluding housing assets managed by A1 Housing) is currently being undertaken. From this work a new five-year planned maintenance programme will be developed for each property taking into account repairs and maintenance, fire risk recommendations, access improvements and essential health and safety work. The surveys will be carried out for properties where the Council has a direct repairing obligation.

The aim of the programme is to ensure that the Council's assets remain fit for purpose and to shift the focus of maintenance closer to the RICS best practice ratio of 60% (Planned) – 40% (responsive) where sufficient funds exist. Overall, this approach should reduce the cost of maintenance over the life of the programme.

The five-year planned maintenance programme will be monitored annually to assess the true maintenance backlog for Council properties. The identified backlog for each property will be the difference in work carried out in year against the identified programme.

5 INVESTMENT PORTFOLIO REVIEW

The existing workplan will be amended following consideration of the recently commissioned Employment Land Review. One of the outcomes this review has identified is that several of the existing industrial estates are to be earmarked for disposal or redevelopment. The report also recommended that unused land within the Harrison Drive Industrial Estate at Langold be developed to create a further four industrial units available for letting.

5.1 Key Strengths

- Varied Portfolio with historically relatively very low void rates.

5.2 Areas for Improvement

- Due to staff changes there are a wide variety of lease and tenancy agreements that have been adopted and a standard approach is required.
- The stock has remained static over the last five years and there is significant potential through ring fencing to adopt a disposal/re-investment strategy to increase income and provide new assets.
- Ongoing Programmed Property Maintenance (PPM) is required in order to ensure that investment assets are fit for purpose.
- The new Property Management software needs to be fully populated with data.
- More effective management of tenant rent arrears through early contact and use of bailiff action where necessary.

5.3 Threats

- Market volatility/demand for properties held in portfolio.

- Property condition and changes in legislation that will impact on the ability to let poorer quality properties. The RICS website reports the following:

“As from the 1st April 2018 there will be a requirement for any properties rented out in the private rented sector to normally have a minimum energy performance rating of E on an Energy EPC. The regulations will come into force for new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to £4,000 will be imposed for breaches. There are separate regulations effective from 1st April 2016 under which a tenant can apply for consent to carry out energy efficiency improvements in privately rented properties.”

- Tenant default (failure to pay rent and comply with repair covenants).
- Property voids.

5.4 Key Objectives

- Property management to maximise investment return in line with market conditions.
- Debt management through liaison with tenants and if necessary, bailiff action to recover arrears
- Minimise letting voids through pro-active property management
- Performance is challenged continuously and poorly performing properties are identified through benchmarking/performance measures. Assessments are to be made in respect of further investment or disposal
- Undertake maintenance on a planned basis to maintain asset life, repairs to take into account whole life costing
- To seek to acquire new properties where possible which can generate a financial return for the Council greater than that obtained for alternative non-property investments held by the Council in order to enhance the income streams outlined above.
- The disposal of underperforming assets as identified in the employment land review in order to reduce the Council's costs in terms of management and day to day maintenance and to provide a source of income to reinvest in replacement income producing assets.

6 PROPERTY DISPOSALS

6.1 Key Objectives

- To generate capital receipts that can be reinvested in services or other assets that meet the needs of the organisation.
- To focus on the sale of non-income generating assets to minimise income loss as far as possible in the early stages of the programme and then through a robust property review exercise.
- As the supply of surplus property and development land comes to an end, future disposals will be prioritised based on investment performance as identified in the performance management framework.
- Investment and disposal decisions are based on thorough option appraisal and whole life costs.
- Achieve efficiency savings through disposal of surplus operational property.
- Strategic Service Priorities.
- Regeneration.
- Identification of joint service delivery and partnership working.
- Co-location.
- Property rationalisation.
- Community transfer of assets.
- Sustainability.

6.2 Disposal Workplan

A workplan has been developed which details priority actions under this Strategy. The disposal of surplus property assets provides funding that will help deliver priorities. Increasingly the identification, marketing and subsequent disposal of surplus, under-utilised or under-performing property has become a priority for the Council. However the timing of these disposals must have regard to the prevailing market conditions in order to ensure that the maximum benefit to the Council is achieved. The workplan for 2016/17 includes the following:

- Sale of electricity sub-station sites across the district;
- Land at Broad Gores, Clarborough;
- Land at Turner Road, Worksop;

- Land off Kingston Road, Worksop (in conjunction with the County Council);
- Land at Newgate Street/Bridge Street, Worksop.

The disposals workplan outlines the processes to be followed in terms of initial consultations to confirm that surplus premises are not required elsewhere within the authority, through to marketing and final disposal of the property interest. The Capital Programme remains dependent upon the generation of capital receipts from the sale of assets.

It is important to understand that this is a finite resource and the capital receipts generated from future disposals which are not linked to future initiatives and can be used as an unfettered receipt is relatively low in both number and value.

The impact of the current economic climate and the remaining significant uncertainty regarding the timescale for economic recovery renders the development of a disposals workplan for a 5 year period that can be relied upon as somewhat problematic. It is not possible to predict when the market will recover, or what values will be achieved post recovery. Nevertheless, opportunities to dispose of surplus assets should still be pursued, in particular where these represent an ongoing liability to the Council regardless of the current market conditions. Whilst there are signs of property markets improving locally the position overall remains sluggish and significant improvement in the near future is unlikely.

BASSETLAW DISTRICT COUNCIL

CABINET

11TH FEBRUARY 2016

REPORT OF HEAD OF FINANCE & PROPERTY

ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES – 2016/17

Cabinet Member: Finance

Contact: Mike Hill

Ext: 3174

1. Public Interest Test

- 1.1 The author of the report, Mike Hill, has determined that the report is not confidential.

2. Purpose of the Report

- 2.1 Sections 25 and 26 of the Local Government Act 2003 place a personal duty on the Chief Finance Officer to make a report to Council when considering its budget and Council Tax. The report must deal with the robustness of the estimates and the adequacy of reserves.
- 2.2 The Act requires Members to "have due regard to the report in making their decisions". Where this advice is not accepted, it should be formally recorded within the minutes of the Council Meeting.

3. Background and Discussion

Financial Controls

- 3.1 There are safeguards to ensure that local authorities do not over-commit themselves financially. These include:
- (a) The Chief Finance Officer's powers under section 114 of the Local Government Finance Act 1988, which require a report to Council if there is, or likely to be, unlawful expenditure or an un-balanced budget;
 - (b) The Local Government Finance Act 1992 (amended by the Localism Act 2011), which requires the Council to calculate its 'council tax requirement' for each financial year, including the revenue costs which flow from capital financing decisions. The Act also requires the Council to budget to meet its expenditure after taking into account other sources of income;
 - (c) The Prudential Code, introduced under the Local Government Act 2003, which applies to capital financing and treasury management decisions.

3.2 There are also a number of Policies and Control Procedures that the Council operates to ensure good financial probity:

- The Council operates a comprehensive and effective range of financial management policies. These are contained within the Financial Procedure Rules, which are part of the Council's Constitution.
- The Council conducts an annual review of the effectiveness of internal audit and reports on this in the Annual Governance Statement.
- The Council has implemented effective risk management policies, identifying corporate, operational and budget risks and mitigating strategies. Capital projects are subject to a comprehensive scoring and prioritisation process, and monitored on a bi-monthly basis by the Capital Budget Monitoring Group, which is chaired by the Cabinet Member for Finance.
- The internal and external audit functions play a key role in ensuring that the Council's financial controls and governance arrangements are operating satisfactorily.
- The review processes of Cabinet, Overview & Scrutiny, and the Audit & Risk Scrutiny Committees support this role.

Robustness of Estimates

3.3 Under Section 25 of the Local Government Act 2003 the Section 151 Officer is required to provide a commentary assessing the robustness of the estimates when Cabinet and Council are considering the budget proposals. The key strategic risks in considering the 2016/17 revenue budget proposals and Capital Programme in the context of the Medium Term Financial Plan are:

General Fund Revenue Expenditure

- A 1% increase has been applied to each year in respect of the assumed pay award. Increases to pay budgets have also been made to reflect the Council's adoption of the discretionary Living Wage.
- From 1st April 2016 the new State Pension will replace the existing basic and additional State Pension and will bring an end to the Contracted-Out National Insurance rate that is applicable to officers who are members of the Council's pension scheme. This National Insurance change has been built into the budget from April 2016, and has led to an increase for 2016/17 of £166k, being a 28% increase on the base National Insurance budget.
- The Nottinghamshire County Council Pension Fund completed its last triennial review in January 2014, with the next review being applicable from April 2017. The review set the percentage of payroll at 13.5% for active employees, with an annual lump sum of £0.917m for the backfunding element attributed to former employees. For 2017/18 onwards, an assumed 12% increase has been applied to the budgets.

- The Council is currently undertaking a new job evaluation exercise, for which outcomes are expected during 2016/17, with any changes potentially being implemented from April 2017. This will still be subject to agreement with the trade unions. A dedicated Job Evaluation Reserve exists to meet residual costs. Any remaining balance on the Job Evaluation Reserve will be written back to revenue once implemented.
- No inflationary increases have been applied to general budgets, however any contracts that are linked to RPI have received an inflationary increase of 2%.
- Through effective treasury management the Council is currently under-borrowed by £12.8m, which means that the budget for long term borrowing interest can be reduced. For cashflow purposes, if short term funds are required in year, then temporary borrowing will be undertaken, however it is not envisaged that this will be needed.
- BPL continues to provide a well-respected leisure service, and the contract has been extended for a further five years. Savings have been made from the re-negotiated management fee, but these have been offset in the budget by expected increases in utility costs – giving a nil overall impact for 2016/17. From 2017/18 onwards, increases in national insurance have been allowed for within the budget.
- Once again the Council has been proactive in anticipating budget reductions and putting measures in place to meet the established savings target. In preparation for 2016/17, a savings target of £0.587m was established. This has been achieved in year through a combination of :
 - Reductions in long term borrowing interest costs;
 - Reductions in contingencies and provisions;
 - Zero-based Budget Review;
 - Council tax increases;
 - Sharing of office accommodation in Retford;
 - Increase in discretionary fees and charges;
 - Retained business rates growth;
 - All-out elections.

General Fund Revenue Income

- There is now a greater certainty on the Icelandic Bank investments made in 2008. For the two UK registered banks, Heritable bank and Kaupthing Singer & Friedlander bank have now made payments to the Council of £1.990m (98%) and £0.859m (82.5%) respectively, (including a share of interest), against the initial £3.0m investment. The holding in Glitner bank was sold in February 2015 for £1.959m (94.0%) against the initial £2.0m investment. The holding in Landsbanki bank was sold in February 2014 for £2.887m (91.2%) against the initial £3.0m investment.
- Investment income interest rate assumptions have been set at 0.5%, which is prudent given current market forecasts.
- The Council undertakes a detailed examination of existing and new potential fees and charges by a Member/officer working group every two years. This was last conducted during October 2014, with a light-touch approach based

on inflation during October 2015. Income budgets have been set in accordance with the Corporate Charging Policy with a baseline increase of 2.5%, and realistic estimates have been included within the budget based on estimated usage of each service.

- The number of specific grants reduces year on year as they are rolled into the Settlement Funding Assessment. The Council Tax Admin Support grant is expected to be rolled into the Revenue Support Grant, and therefore has been removed from the budgets. The DWP element that relates to housing benefits is still a ringfenced grant, but this has not yet been announced by government - an assumption has been made at £0.399m in the budget. The budget assumes that this will reduce by 10% each year thereafter.
- The Council and A1 Housing review their Service Level Agreements on an annual basis. A number of amendments have been made within the budget and no further changes are expected during 2016/17.

General Fund Financing

- The Extraordinary Cabinet meeting in January 2016 approved a taxbase of 33,079.77 Band D properties, which is an increase of 534.42 properties. The Council Tax remained static between 2009/10 and 2013/14, but was increased by 1.5% for 2014/15 and 2015/16. The budget report proposes an increase of 1.9% for 2016/17 due to the stark realities of cuts to central government funding.
- The LGA Peer Review in December 2014 commented on the reliance of New Homes Bonus by placing all of the allocation into the mainstream revenue budget. In December 2015 as part of the Medium Term Financial Plan, Cabinet approved a New Homes Bonus Strategy which adopts a phased withdrawal of this funding from the revenue budget over a four year period. It was agreed that this money will instead be transferred into the capital programme for future one-off capital projects that will provide future revenue savings for the authority.
- The ministerial statement in December 2014 identified a headline reduction in Revenue Support Grant of 31.9% for Bassetlaw, and a retention of £19.122m of business rates collected for 2016/17. Officers also expect to collect a greater proportion of business rate growth in year, and an amount of £0.634m has therefore been built into 2016/17 on top of the government's figure.
- The government's latest move to funding local services from business rates has created a degree of risk for all Section 151 officers when setting Council budgets. This is because a high degree of volatility still exists due to the impacts of business rate reforms, the 2017 revaluation exercise, the success of outstanding appeals, and changes to ratings relating to doctors surgeries, ATM machines, school Academies, and power stations.

General Fund Provisions and Reserves

- The Council holds an Insurance provision against general fund losses of £0.132m. This figure is based upon 100% of the cumulative cost of the loss adjusters estimated value of each individual claim. This provision is re-assessed each year during the closure of accounts process.

- As a further measure against financial risk, the Council operates strategic Corporate Contingency and Legal Contingency Funds for which £0.100m has been allocated to each for the 2016/17 budgets. This is deemed to be sufficient to cover exceptional budget variances or emergencies that might occur in the year.
- A provision of £0.010m has been made to compensate against any fluctuations in utility costs.
- The continuing credit crisis has added uncertainty about the current economic environment, and this has exacerbated the future effects on the Council in terms of debt collection rates and increased housing benefit levels. In the interests of prudence, the Council has retained its bad debt provision at £0.100m within the budget.
- In January 2010 the Council received a Capitalisation approval from the Secretary of State for £2.66m in respect of the 'perceived' loss from the £8m Icelandic bank investments. As each dividend payment has been received, the amount required to be set aside has reduced, resulting in a Treasury Management Impairment Reserve of £0.377m being held in the Council's balance sheet at 31st March 2015. For prudence this Reserve will remain in the balance sheet until such time as the final settlements have been recovered and received, or the position becomes clearer as further dividends are repaid to the Council. Only £0.714m of the original debt remains outstanding, and £0.051m is released back to revenue each year to reflect the Minimum Revenue Provision that the Council must pay on this debt over the next 14 years.

Housing Revenue

- 2016/17 is the fifth year of HRA Self-financing following all of the changes (including a transfer of an additional £26.9m of long term debt) that were implemented in April 2012. The comprehensive business plan is a 'living document' in that it is updated on a continuous basis as and when events and changes occur, and this has proved that the HRA and its associated capital programme are both viable and affordable over the 30 year term. A government prescribed 1% rent cut for a four year period has been included within the 30 year HRA business plan, and this has meant the Council loses circa £30m of investment from the programme over the next ten year period. However officers have still managed to present a balanced 30 year business plan by deferring the intended debt repayments into later years.
- Under self-financing, all of the treasury management decisions are now made specifically for Housing as the loans pool is split into two i.e. one for General Fund and one for the Housing Revenue Account. The Treasury costs are one of the largest budgets within the Housing Revenue Account, and as a result of the changes, these are relatively fixed giving added stability to the decision-making process.

Capital Programme and Funding

- Funding for General Fund capital schemes, particularly in later years, remains subject to generating capital receipts and being successful in bidding for

grants. In the absence of that funding some schemes will likely not be affordable. However, some amounts of Prudential Borrowing will be used for 'long life' assets as a substitute for capital receipts. This additional pressure on the Minimum Revenue Provision (MRP) has been built into the revenue budgets.

- The effects of major flooding within the district became a reality in 2007 and this may happen again. Since that time measures have been instigated in response to the Pitt Review, and a number of key projects have been completed with regard to flood alleviation schemes. The Council takes a proactive approach to flood mitigation, and further resources are being committed as part of the Capital Programme for 2016/17 and future years.
- The General Fund Capital Programme budget report provides an indication of the levels of capital receipts/New Homes Bonus that remain unallocated at the time of setting the budget. These sums provide the upper limit of the capital programme, and further schemes are not approved until any future capital receipts have been received and banked. This approach is seen as best practice and has been applied in Bassetlaw for many years.
- The Capital Programme is set out in a separate report. In summary, the costs of borrowing used to fund the Capital Programme is accounted for in the 2016/17 revenue budget.

Statement of Accounts

- The Council has sound Financial Management arrangements in place as evidenced by the positive *Report to those charged with governance (ISA260) 2014/15* received from KPMG as the external auditors.

Adequacy of Reserves

- 3.4 The Local Government Finance Act 2003 requires authorities to have regard to the level of reserves when calculating their budget requirements. Professional guidance is set out to assist in this deliberation (*guidance note on Local Authority Reserves and Balances – LAAP Bulletin 99 – July 2014*).
- 3.5 Earmarked Reserves are intended to be used for specific purposes over a period of time of more than a single financial year. These earmarked reserves either protect the Council against specific financial risks, or they are used as a means of funding specific revenue projects. The main reserves held by the Council are detailed below in para 3.8.
- 3.6 The General Reserve is a corporate contingency to be deployed by either Cabinet or Council for any purpose within the legal powers of the Council. Examples of the purposes for which it might be used include: dealing with unforeseen in-year budget pressures, financing once-only items of expenditure, or creating a strategic earmarked reserve.
- 3.7 In consideration of this guidance, the Council is maintaining its Minimum Working Balance of £1.0m for the General Fund, and £1.3m for the Housing Revenue Account. In the event of these Minimum Working Balances being compromised, Cabinet and Council, as advised by the Section 151 Officer, must agree a plan to restore the balance in the following financial year.

- 3.8 The resulting levels of General Reserves and Balances from the proposed 2016/17 budget (i.e. at 31st March 2017) are summarised below. Further details are available in the budget report elsewhere on this agenda.

	31 st March 2017 £'000
General Fund Revenue	
Minimum Working Balance	1,000
General Reserve	516
Job Evaluation Reserve	735
New Homes Bonus Reserve (Revenue)	590
Insurance Reserve	300
Business Rates Volatility Reserve	200
Business Rate Pooling Reserve	403
Developers Revenue Contributions Unapplied	145
Treasury Management Impairment	327
Visitors Strategy Reserve	111
Other Minor Reserves	75
	<u>4,402</u>
 Housing Revenue	
Minimum Working Balance	1,300
General Reserve	204
	<u>1,504</u>
 Capital	
Capital Receipts	2,755
New Homes Bonus Reserve (Capital)	1,240
Capital Reserves	0
	<u>3,995</u>

Future Years

- 3.9 The budget report outlines the expected financial position of Bassetlaw between now and 2021. The savings target for 2017/18 has been set at £0.722m, with a further £1.955m for 2018/19. Together, savings of £2.677m are required by March 2018.

4. Implications

- (a) For service users
None arising directly from this report.
- (b) Strategic & Policy

The Revenue Budget process supports the Medium Term Financial Plan in delivering the Council's objectives of being efficient and effective.

- (c) Financial - Ref: 16/285

The Head of Finance & Property, as designated the Council's Section 151 Officer, has outlined his opinion on the robustness of the estimates and adequacy of reserves.

In summary, the Head of Finance & Property is satisfied that the advice given to Members satisfies his statutory fiduciary duty as required under Section 25 of the Local Government Act 2003.

- (d) Legal – Ref: 370/02/16

The Local Government Act 2003 places duties on Local Authorities with regard to financial management. When an Authority is deciding on its annual budget and Council Tax level it will have to take into account a report from its Chief Finance Officer on the robustness of the budget and the adequacy of the authority's reserves.

Members should be aware that also under the Local Government Act 2003, the authority is under a duty to monitor its budgets during the year and consider what action to take if deterioration is identified.

- (e) Human Resources

None arising directly from this report.

- (f) Community Safety, Equalities, Environmental

None arising directly from this report.

- (g) This is not a key decision in its own right, but supports the suite of budget papers under key decisions 545 to 549.

5. Options, Risks and Reasons for Recommendations

- 5.1 The LAAP bulletin 99 states that:

"The financial risks should be assessed in the context of the authority's overall approach to risk management."

- 5.2 The following table therefore represents the Head of Finance & Property's judgement of the residual risks of there being variances (over or underspending) from the budget, after taking account of the measures discussed in paragraph 3.3 above:

AREA OF RISK	RISK FACTOR	ACTIONS TAKEN
Revenue spending above budget	High	Rigorous budget monitoring throughout the year should ensure that variances in budgets are identified early during the year and actions put in place to address the problems wherever possible. Managers, Directors and Portfolio holders all receive monthly budget monitoring information. Budget holder refresher training to be undertaken during the year.

		Accountability clearly identified and spending officers are well aware of their financial responsibilities, but as budgets get smaller then the pressure and risk of overspending increases.
Achieving the savings target in future years	High	This is in response to forecasted reductions in Revenue Support Grant. The Council has yet to face the full implementation of welfare reforms, and any changes relating to 100% retention of business rates income is as yet unknown. The Council has a good track record in responding to financial challenges, and this will require the same co-ordinated and objective approach to be taken by Members and Officers together over the coming months to identify the savings and ensure that the Minimum Working Balances are maintained.
Income achievement	Medium	Income budgets have been maintained at realistic levels within the budget. Budget accountability is clearly identified and rigorous budget monitoring takes place throughout the year. A Corporate Charging Policy is in place for fees and charges.
Business Rate Appeals	Medium	The position is unclear as appeals have been lodged but await assessment by the VOA. Main concern is the backdating of appeals over a number of previous financial years, however a provision has been made for this specific purpose. This has also been partly mitigated by being part of the Nottinghamshire Business Rate Pool and the 92.5% safety net agreement. The Council does maintain a Business Rate Volatility Reserve.
Achieving target spending for capital programme	Medium	The bi-monthly Capital Budget Monitoring Group monitors and co-ordinates the capital programme. Accountability clearly identified.
Volatility of grant income (excluding RSG)	Medium	Very few ringfenced grants now exist, however the main ones are the New Homes Bonus where appropriate measures have been taken to remove from mainstream revenue budgets, and the Housing Benefit Admin grant for which expected reductions of 10% each year have been built into the budget.
Impacts of Devolution	Medium	The outcomes of devolution are as yet unknown, but the consequences may have an impact on the level of retention of business rate income.

Exposure to Borrowing interest rate changes	Low	Substantial levels of long-term borrowing were undertaken in March 2012 in preparation for the new HRA self-financing regime. It is unlikely that high levels of borrowing will ensue in the coming years. The majority of loans are on fixed rates.
Investment interest rate changes	Low	Interest rate forecasts from Treasury advisors have been used in the calculation. Cash balances for investment have been assessed prudently, taking into account the strategy of using investments as an avoidance of borrowing. Consequently the budget is set at low levels of return.
Complying with grant requirements	Low	Very few grants in operation. No adverse audit commentary received.

6. Conclusions

6.1 Having considered the above risks, the conclusion of the Section 151 Officer is that the Council be advised that overall:

- The estimates are sufficiently robust, and,
- The levels of reserves and balances forecasted to be held at 31st March 2017 are adequate,

to allow the Council to set the Revenue Budget, Capital Programme and Council Tax for 2016/17.

6.2 The government have offered a greater degree of certainty by announcing a four year settlement, but this will be subject to the publication of an efficiency plan. Members will need to decide whether to accept the terms of this arrangement once the details are known. What we do know is that the current forecasts are for a savings requirement of £2.677m by March 2018. With this in mind, both Members and officers must deliver a programme of change and modernisation in preparedness of any detrimental impact these changes may impose upon Bassetlaw District Council in future years.

7. Recommendations

7.1 That Cabinet considers this report in conjunction with the suite of other budget reports also reported on this agenda and recommends it to full Council on 7th March 2016.

Background Papers
Budget working papers

Location
Accountancy office