

**SUMMONS TO COUNCIL**

date Thursday, 22 February 2024      venue County Hall, West Bridgford,  
**commencing at 10:30**      Nottingham

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



Chief Executive

- |   |   |           |
|---|---|-----------|
| 1 | Minutes of the meeting held on 7 December 2023                                    | 5 - 32    |
| 2 | Apologies for Absence   |           |
| 3 | Declarations of Interests by Members and Officers:- (see note below)              |           |
| 4 | Chairman's Business   |           |
|   | a) Presentation of Awards/Certificates (if any)                                   |           |
| 5 | Annual Budget Report 2024/25  | 33 - 166  |
|   | Proposed Amendment to the Annual Budget 2024-25 by the Independent Alliance Group | 167 - 172 |

**NOTES:-****(A) For Councillors**

- (1) Members will be informed of the date and time of their Group meeting for Council by their Group Researcher.
- (2) Lunch will usually be taken at approximately 12.30pm.
- (3)
  - (a) Persons making a declaration of interest should have regard to the Code of Conduct and the Procedure Rules for Meetings of the Full Council. Those declaring must indicate whether their interest is a disclosable pecuniary interest or a private interest and the reasons for the declaration.
  - (b) Any member or officer who declares a disclosable pecuniary interest in an item must withdraw from the meeting during discussion and voting upon it, unless a dispensation has been granted. Members or officers requiring clarification on whether to make a declaration of interest are invited to contact the Monitoring Officer or Democratic Services prior to the meeting.
  - (c) Declarations of interest will be recorded and included in the minutes of this meeting and it is therefore important that clear details are given by members and others in turn, to enable Democratic Services to record accurate information.
- (4) Members' attention is drawn to the questions put to the Leader of the Council, the Cabinet Member for Communities and Public Health and the Cabinet Member for Economic Development and Asset Management under paragraphs 46, 49, 50, 55 and 56 of the Procedure Rules, and the answers to which are included at the back of the Council book.
- (5) Members are reminded that these papers may be recycled. Appropriate containers are located in the respective secretariats.
- (6) Commonly used points of order
  - 119b – The Mover of the budget has spoken for more than 30 minutes when moving the motion or more than 15 minutes when replying to the debate
  - 119b – The Mover of a budget amendment has spoken for more than 20 minutes when moving the amendment or more than 10 minutes when summing up
  - 119b – The Member has spoken for more than 10 minutes
  - 70 – The Member is not speaking to the subject under discussion
  - 71 – The Member has already spoken on the motion
  - 91 – Points of Order and Personal Explanations
  - 100 – Disorderly conduct
- (7) Time limit of speeches

Motions (budget)

119b – mover of budget no longer than 30 minutes when moving the motion and no longer than 15 minutes when summing up.

119b – mover of an amendment no longer than 20 minutes when moving the amendment and no longer than 10 minutes when summing up

119b – all other speakers no longer than 10 minutes (subject to any exceptions set out in the Constitution)

**(B) For Members of the Public**

- (1) Members of the public wishing to inspect "Background Papers" referred to in the reports on the agenda or Schedule 12A of the Local Government Act should contact:

Customer Services Centre 0300 500 80 80.

- (2) The papers enclosed with this agenda are available in large print if required. Copies can be requested by contacting the Customer Services Centre on 0300 500 80 80. Certain documents (for example appendices and plans to reports) may not be available electronically. Hard copies can be requested from the above contact.
- (3) This agenda and its associated reports are available to view online via an online calendar – <http://www.nottinghamshire.gov.uk/dms/Meetings.aspx>





Meeting COUNTY COUNCIL

Date Thursday, 7 December 2023 (10.30 am – 5.22 pm)

**Membership**

**COUNCILLORS**

John Ogle (Chairman)  
Richard Butler (Vice-Chairman)

Reg Adair  
Mike Adams  
Pauline Allan - apologies  
Sinead Anderson  
Callum Bailey - apologies  
Matt Barney  
Chris Barnfather  
Ben Bradley MP  
Anne Callaghan BEM - apologies  
André Camilleri  
Scott Carlton  
Steve Carr  
John Clarke MBE - apologies  
Neil Clarke MBE  
Robert Corden  
John Cottee  
Jim Creamer  
Debbie Darby  
Sam Deakin  
Dr John Doddy  
Bethan Eddy  
Boyd Elliott  
Sybil Fielding  
Kate Foale  
Stephen Garner - apologies  
Glynn Gilfoyle  
Keith Girling  
Penny Gowland  
Errol Henry JP  
Paul Henshaw  
Tom Hollis  
Mike Introna

Richard Jackson  
Roger Jackson  
Eric Kerry  
Bruce Laughton  
Johnno Lee  
Rachel Madden - apologies  
David Martin  
John 'Maggie' McGrath  
Andy Meakin  
Nigel Moxon  
Kane Oliver  
Philip Owen  
Michael Payne  
Sheila Place  
Mike Pringle  
Francis Purdue-Horan  
Mike Quigley MBE  
Mrs Sue Saddington  
Dave Shaw  
Helen-Ann Smith  
Sam Smith  
Tom Smith  
Tracey Taylor  
Nigel Turner  
Roger Upton  
Lee Waters  
Michelle Welsh  
Gordon Wheeler  
Jonathan Wheeler  
Elizabeth Williamson  
John Wilmott  
Jason Zadrozny

## **HONORARY ALDERMEN**

Terence Butler  
John Carter

## **OFFICERS IN ATTENDANCE**

Adrian Smith	(Chief Executive)
Marjorie Toward	(Chief Executives)
Sara Allmond	(Chief Executives)
Sarah Ashton	(Chief Executives)
Carl Bilbey	(Chief Executives)
Isobel Fleming	(Chief Executives)
David Hennigan	(Chief Executives)
Phil Rostance	(Chief Executives)
Nigel Stevenson	(Chief Executives)
Phil Smith	(Chief Executives)
Jonathan Gribbin	(Adult Social Care and Health)
Melanie Williams	(Adult Social Care and Health)
Colin Pettigrew	(Children and Families)
Derek Higton	(Place)

## **OPENING PRAYER**

Upon the Council convening, prayers were led by the Chairman.

## **MINUTE SILENCE**

A minute silence was held in memory of former County Councillor Ken Bullivant and former Chairman's Chaplain The Venerable (Air Vice Marshall) Robin Turner CB, DL.

## **1. MINUTES**

### **RESOLVED: 2023/039**

That the minutes of the previous meeting held on 28 September 2023 be agreed as a true record and signed by the Chairman, with an amendment to the declaration of interest provided by Councillor Michelle Welsh to read as follows:

Councillor Michelle Welsh declared an interest in question 7 to Cabinet Members as she was a GMB accompanying representative for union members at work places that were not unionised.

## **2. APOLOGIES FOR ABSENCE**

Apologies for absence were received from:-

- Councillor Pauline Allan (medical/illness)

- Councillor Callum Bailey (medical/illness)
- Councillor Anne Callaghan BEM (other reasons)
- Councillor John Clarke MBE (other reasons)
- Councillor Stephen Garner (other County Council business)
- Councillor Rachel Madden (other reasons)

### **3. DECLARATIONS OF INTEREST**

Councillor Ben Bradley MP declared an interest in item 7 – Consent to the East Midlands Combined Authority Regulations 2023 as he had been nominated as the Conservative Party candidate standing for election as mayor of the Combined County Authority. Councillor Bradley MP confirmed that he had sought appropriate advice and having carefully considered the relevant legal tests and the Code of Conduct it was permissible for him to remain in the room and vote. He confirmed he would, as always, approach the issues with an open mind, listen to the debate and consider the wider public interest before voting.

Councillor Michelle Welsh declared an interest in question 3 to the Leader of the Council on the Executive Report as she was a GMB accompanying representative for union members at work places that were not unionised.

### **4. CHAIRMAN'S BUSINESS**

#### **PRESENTATION OF AWARDS**

None

#### **AGENDA ORDER**

Due to sewage problems in the building that might result in the meeting being adjourned early, the Chairman used his discretion to change the order of the agenda to ensure the legally required business was concluded. Therefore item 7 – Consent to the East Midlands Combined County Authority Regulations 2023 and item 10 – Changes to Cabinet Member Arrangements and Appointment of Committee Chairmen and Vice-Chairmen were moved to be the next items of business, and the situation would be reviewed following the conclusions of the 2 items.

### **7. CONSENT TO THE EAST MIDLANDS COMBINED COUNTY AUTHORITY REGULATIONS 2023**

Councillor Ben Bradley MP introduced the report, reported a correction to the figure in paragraph 64 of the report to read “£2 - 4m” and moved a motion in terms of resolution 2023/040 below.

The motion was seconded by Councillor Bruce Laughton.

Following a debate, the motion was put to the meeting. The requisite number of Members requested a recorded vote and it was ascertained that the following 52 members voted '**For**' the motion:-

Reg Adair	Richard Jackson
Mike Adams	Roger Jackson
Sinead Anderson	Eric Kerry
Matt Barney	Bruce Laughton
Chris Barnfather	Johno Lee
Ben Bradley MP	David Martin
Richard Butler	John 'Maggie' McGrath
André Camilleri	Andy Meakin
Scott Carlton	Nigel Moxon
Neil Clarke MBE	John Ogle
Robert Corden	Kane Oliver
John Cottey	Philip Owen
Jim Creamer	Mike Pringle
Debbie Darby	Mike Quigley MBE
Samantha Deakin	Sue Saddington
Dr John Doddy	Helen-Ann Smith
Bethan Eddy	Sam Smith
Boyd Elliott	Tom Smith
Sybil Fielding	Tracey Taylor
Kate Foale	Nigel Turner
Glynn Gilfoyle	Roger Upton
Keith Girling	Michelle Welsh
Penny Gowland	Gordon Wheeler
Errol Henry JP	Jonathan Wheeler
Paul Henshaw	Elizabeth Williamson
Mike Introna	Jason Zadrozny

The following 5 members voted '**Against**' the altered motion:

Steve Carr	Lee Waters
Francis Purdue-Horan	John Wilmott
Dave Shaw	

The following member '**Abstained**' from the vote:

Tom Hollis

**RESOLVED: 2023/040**

That Council:

- 1) agrees to the creation of the East Midlands Combined County Authority with the Council as a constituent member

- 2) consents to the making of the East Midlands Combined County Authority Regulations 2023 as required by section 46(1)(d) of the Levelling Up and Regeneration Act 2023
- 3) delegates authority to the Chief Executive to approve any technical amendments to the East Midlands Combined County Authority Regulations 2023, which the Chief Executives of the other three Councils also agree to, on behalf of Nottinghamshire County Council. This delegation is to be exercised in consultation with the Leader of the Council; and,
- 4) approves the appointment of Melbourne Barrett, Returning Officer of Nottingham City Council as the first combined county authority returning officer for the proposed East Midlands Combined County Authority, subject to the passing of the amendments to article 6A(1) of the Combined Authorities (Mayoral Elections) Order 2017 as applied by article 12 of the Combined Authorities (Mayoral Elections) Order 2017 (Amendment) Regulations 2023.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Michael Payne left the Chamber at 10.52am and did not return until after the lunch break
- Councillor Kane Oliver left the Chamber at 10.54am and returned at 11.17am

#### **10. CHANGES TO CABINET MEMBER ARRANGEMENTS AND APPOINTMENT OF COMMITTEE CHAIRMEN AND VICE-CHAIRMEN**

Councillor Chris Barnfather introduced the report, reported an alteration to table 1 of the report changing the Cabinet Member for Children Social Care to Cabinet Member for Children and Families and moved a motion in terms of resolution 2023/041 below.

The motion was seconded by Councillor Bruce Laughton.

Following a debate, the Chairman put the motion to the meeting and after a show of hands the Chairman declared it was carried and it was:-.

#### **RESOLVED: 2023/041**

- 1) That the changes which the Leader has made to Cabinet Member portfolios, titles and appointments effective from 1<sup>st</sup> December 2023 be noted.
- 2) That the revised Cabinet Member Terms of Reference and titles to reflect the changes made by the Leader be noted.
- 3) That the proposed changes to the Committee Chairmen and Vice-Chairmen appointments as highlighted in Table 2 above be approved, for implementation effective from 11<sup>th</sup> December 2023.

- 4) That any further consequent amendments to the Constitution made by the Monitoring Officer arising from the changes to Cabinet Member portfolios and titles be reported to all Members for information.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Elizabeth Williamson left the Chamber at 12.15pm and did not return until after the lunch break
- Councillor Steve Carr left the Chamber at 12.15pm and did not return until after the lunch break

The Council adjourned for lunch from 12.49pm to 2.01pm after consideration of this item.

Councillor Sheila Place did not return to the Chamber after the lunch break

#### **4. CHAIRMAN'S BUSINESS (CONTINUED)**

##### **FORMER COUNTY COUNCILLOR KEN BULLIVANT**

The Chairman spoke in memory of former County Councillor Ken Bullivant.

Councillors Steve Butler, Sybil Fielding, Kate Foale and Tracey Taylor also spoke in memory of former County Councillor Ken Bullivant.

##### **CHAIRMAN'S BUSINESS SINCE THE LAST MEETING**

The Chairman updated Members on the business he had carried out since the last meeting.

#### **5. CONSTITUENCY ISSUES**

The following Members spoke for up to three minutes on issues which specifically related to their division and were relevant to the services provided by the County Council:-

Councillor Bruce Laughton regarding a young resident who benefited from SEND programme now excelling in sports

Councillor Penny Gowland regarding residents barriers to access public transport in West Bridgford North

Councillor Kane Oliver regarding flooding in Eastwood

Councillor Roger Jackson regarding traffic and highways access issues in Gunthorpe

Councillor Michelle Welsh regarding barriers to residents accessing public transport in Arnold South

Councillor Tom Hollis regarding highways issues on Alfreton Road and Huthwaite Road

The time limit of 15 minutes for speeches was reached and the remaining speeches fell.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Tom Hollis having not returned after the lunchbreak returned to the Chamber at 2.11pm
- Councillor Elizabeth Williamson having not returned after the lunchbreak returned to the Chamber at 2.15pm
- Councillor Sue Saddington having not returned after the lunchbreak returned to the Chamber at 2.24pm
- Councillor Jason Zadrozny left the Chamber at 2.16pm and returned at 2.34pm

### **MOTION TO CHANGE AGENDA ORDER**

Councillor Kate Foale moved a motion under Council Procedure Rule 87e to vary the order of the agenda to move item 13 – Notice of Motions to next on the agenda.

Councillor Mike Pringle seconded the motion.

The Chairman put the motion to the meeting and on a show of hands the motion fell.

### **6a. PRESENTATION OF PETITIONS**

The following petitions were presented to the Chairman as indicated below: -

- (1) Councillor Boyd Elliott regarding resurfacing of Grange Crescent, Gedling
- (2) Councillor Francis Purdue-Horan regarding White Lion Crossroads, Bingham
- (3) Councillor Francis Purdue-Horan regarding road safety in Orston
- (4) Councillor Steve Carr regarding the condition of pavements on River Green Crescent and Deanewood Avenue
- (5) Councillor Debbie Darby requesting a residents parking scheme for Post Office Row, Coddington
- (6) Councillor Kate Foale regarding the tram concession consultation

**RESOLVED: 2023/042**

That the petitions be referred to the appropriate Cabinet Member for consideration in accordance with the Procedure Rules, with a report being brought back to Council in due course.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Tom Hollis left the Chamber at 2.37pm and returned later in the meeting
- Councillor Sybil Fielding left the Chamber at 2.38pm and returned later in the meeting

**6b. RESPONSES TO PETITIONS PRESENTED TO THE CHAIRMAN OF THE COUNTY COUNCIL**

**RESOLVED: 2023/043**

That the contents and actions taken as set out in the report be noted.

**8. NOTTINGHAM AND NOTTINGHAMSHIRE WASTE LOCAL PLAN – SUBMISSION TO THE SECRETARY OF STATE**

Councillor Neil Clarke MBE introduced the report and moved a motion in terms of resolution 2023/044 below.

The motion was seconded by Councillor John Cottee.

Following a debate, the Chairman put the motion to the meeting and after a show of hands the Chairman declared it was carried and it was:-.

**RESOLVED: 2023/044**

- 1) That the summary of the main issues raised during the consultation on the Draft Plan Stage as outlined in the Report of Consultation including a summary of representations received on the Pre Submission Version (Appendix 2) and how these have been addressed be noted;
- 2) That the Nottinghamshire and Nottingham Waste Local Plan – Pre Submission Version (Appendix 1) be approved and that it be submitted to the Secretary of State with a request that the appointed Planning Inspector should advise on any necessary modifications considered necessary in order to make the Plan sound.
- 3) That the Corporate Director, Place be authorised, in consultation with the Cabinet Member for Transport and Environment, to consider, propose and publish any modifications during the examination of the Plan in order to deal with issues of soundness and to compile and submit further supporting documents as necessary prior to or following submission.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Samantha Deakin left the Chamber at 2.46pm and returned later in the meeting
- Having left the Chamber earlier in the meeting, Councillor Sybil Fielding returned to the Chamber at 2.52pm

## **9. TREASURY MANAGEMENT MID-YEAR REPORT 2023-24**

Councillor Richard Jackson introduced the report and moved a motion in terms of resolution 2023/045 below.

The motion was seconded by Councillor André Camilleri.

### **RESOLVED: 2023/045**

That the actions taken by the Section 151 Officer to date, as set out in the report, be noted.

## **11. EXECUTIVE REPORT – KEY ISSUES AND ACTIVITIES**

### **RESOLVED: 2023/046**

That the contents of the report be noted.

## **12a. QUESTIONS TO THE LEADER OF THE COUNCIL ON THE EXECUTIVE REPORT**

7 questions had been received as follows: -

- 1) from Councillor Kate Foale concerning the Midlands Connect Event
- 2) from Councillor Jason Zadrozny regarding visit by Prime Minister Rishi Sunak
- 3) from Councillor Michelle Welsh concerning the Business and Trade Select Committee

The full response to the questions above are set out in set out in Appendix A to these minutes.

The time limit of 15 minutes allowed for questions to the Leader on the Executive Report was reached before the following questions were asked. A written response to the questions would be provided to the Councillors who asked the questions within 15 working days of the meeting and be included in the papers for the next available Full Council meeting after the deadline.

- 4) from Councillor Penny Gowland about the Business and Trade Select Committee
- 5) from Councillor Mike Pringle about the CCN Conference
- 6) from Councillor Paul Henshaw regarding the CCN Conference
- 7) from Councillor John 'Maggie' McGrath regarding flooding across Nottinghamshire

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Errol Henry JP left the Chamber at 3.05pm and returned later in the meeting
- Councillor John Cotte left the Chamber at 3.07pm and returned at 3.19pm
- Councillor Tracey Taylor left the Chamber at 3.07pm and returned later in the meeting
- Councillor Matt Barney left the Chamber at 3.07pm and returned at 3.19pm
- Councillor Sinead Anderson left the Chamber at 3.08pm and returned later in the meeting
- Councillor Jason Zadrozny left the Chamber at 3.17pm and returned later in the meeting
- Councillor Dr John Doddy left the Chamber at 3.19pm and returned later in the meeting

#### **12b. QUESTIONS TO COMMITTEE CHAIRMAN**

10 questions had been received as follows: -

- 1) from Councillor John Lee concerning additional funding for highways resurfacing (Councillor Neil Clarke MBE replied)
- 2) from Councillor Michelle Welsh concerning workforce absences (Councillor Richard Jackson replied)
- 3) from Councillor Steve Carr concerning land at Toton (Councillor Keith Girling replied on behalf of Councillor Richard Jackson)
- 4) from Councillor Eric Kerry concerning funding for concessionary tram travel (Councillor Neil Clarke MBE replied)
- 5) from Councillor Paul Henshaw about closure of Ashdale Care Home (Councillor Matt Barney replied)
- 6) from Councillor Francis Purdue-Horan about changes to the MTFP following the autumn statement (Councillor Richard Jackson replied)
- 7) from Councillor André Camilleri regarding implications of the Autumn Statement for Nottinghamshire (Councillor Ben Bradley MP replied)

- 8) from Councillor Penny Gowland regarding consultation on concessionary tram scheme (Councillor Neil Clarke MBE replied)
- 9) from Councillor Dave Shaw regarding evening activities for young people in Hucknall (Councillor Tracey Taylor replied)

The full responses to the questions above are set out in set out in Appendix B to these minutes.

The time limit of 60 minutes allowed for questions was reached before the following question was asked. A written response to the question would be provided to the Councillor who asked the question within 15 working days of the meeting and be included in the papers for the next available Full Council meeting after the deadline.

- 10) from Councillor Tom Hollis about serving venison in maintained schools (Councillor Scott Carlton to reply)

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Councillor Jonathan Wheeler left the Chamber at 3.11pm and returned at 3.36pm
- Councillor Mike Introna left the Chamber at 3.22pm and returned at 3.41pm
- Councillor Tom Smith left the Chamber at 3.22pm and returned at 3.43pm
- Councillor Michael Payne left the Chamber at 3.29pm and returned later in the meeting
- Having left earlier in the meeting, Councillor Tracey Taylor returned to the Chamber at 3.41pm
- Having left earlier in the meeting, Councillor Tom Hollis returned to the Chamber at 3.56pm
- Councillor Michelle Welsh left the Chamber at 3.50pm and returned at 4.05pm
- Having left earlier in the meeting, Councillor Errol Henry JP returned to the Chamber at 3.51pm
- Councillor Helen-Ann Smith left the Chamber at 3.52pm and returned at 4.04pm
- Having left earlier in the meeting, Councillor Jason Zadrozny returned to the Chamber at 3.56pm
- Having left earlier in the meeting, Councillor Dr John Doddy returned to the Chamber at 4.01pm

### **13. NOTICE OF MOTIONS**

#### **MOTION ONE – NOTTINGHAMSHIRE COUNTY COUNCIL'S RESPONSE TO THE FLOODING CAUSED BY STORM BABET**

A Motion as set out below was moved by Councillor Jason Zadrozny and seconded by Councillor Tom Hollis:

“That Nottinghamshire County Council:

1. Requests that the Place Select committee carry out a full review of Nottinghamshire County Council's preparation for and response to the flooding caused by Storm Babet.
2. Requests that the Place Select committee carry out a full review of gully cleaning across Nottinghamshire.
3. Offers its thanks to council staff and their partners like District, Borough, Parish and Town Councils; and infrastructure/ utility providers, such as Severn Trent Water and National Highways."

An amendment to the motion as set out below was moved by Councillor Neil Clarke MBE and seconded by Councillor John Cottee:

"That Nottinghamshire County Council:

- ~~2.~~ 4. Requests that the Place Select committee carry out a full review of Nottinghamshire County Council's preparation for and response to the flooding caused by Storm Babet-, **including consideration of information and recommendations that are automatically brought forward in Section 19 reports and from reports of the Nottingham & Nottinghamshire Local Resilience Forum in response to all significant flooding incidents.**
- ~~3.~~ 2. Requests that the Place Select committee carry out a full review of gully cleaning across Nottinghamshire-, **including the role and responsibilities of other local councils (e.g.) in relation to street cleaning.**
- ~~1.~~ 3. Offers its thanks to **its own** council staff and **those of its** their partners like District, Borough, Parish and Town Councils; **emergency services; community volunteers;** and infrastructure/ utility providers, such as Severn Trent Water and National Highways **for their efforts combating the effects of Storm Babet and helping residents across the County.**

The amendment was accepted by the mover of the motion and became the altered (substantive) motion.

Following a debate, the Chairman put the altered motion to the meeting and after a show of hands the Chairman declared it was carried and it was:-

#### **RESOLVED: 2023/046**

That the Council agrees to:

- 1) Offers its thanks to its own staff and those of its partners like District, Borough, Parish and Town Councils; emergency services; community volunteers; and infrastructure/utility providers, such as Severn Trent Water and National Highways for their efforts combating the effects of Storm Babet and helping residents across the County.

- 2) Requests that the Place Select committee carry out a full review of Nottinghamshire County Council's preparation for and response to the flooding caused by Storm Babet, including consideration of information and recommendations that are automatically brought forward in Section 19 reports and from reports of the Nottingham & Nottinghamshire Local Resilience Forum in response to all significant flooding incidents.
- 3) Requests that the Place Select committee carry out a full review of gully cleaning across Nottinghamshire, including the role and responsibilities of other local councils (e.g.) in relation to street cleaning.

The following members left the Chamber for more than 10 minutes during consideration of this item:

- Having left earlier in the meeting, Councillor Sinead Anderson returned to the Chamber at 4.05pm
- Having left earlier in the meeting, Councillor Samantha Deakin returned to the Chamber at 4.05pm
- Having left earlier in the meeting, Councillor Michael Payne returned to the Chamber at 4.10pm
- Councillor Penny Gowland left the Chamber at 4.09pm and returned at 4.38pm
- Councillor Dave Meakin left the Chamber at 4.29pm and did not return
- Councillor Samantha Deakin left the Chamber at 4.57pm and returned at 5.17pm
- Councillor Michelle Welsh left the Chamber at 4.59pm and returned at 5.15pm
- Councillor Jason Zadrozny left the Chamber at 5.02pm and returned at 5.14pm
- Councillor Ben Bradley MP left the Chamber at 5.06pm and returned at 5.19pm

As there would not be enough time to conclude any further business before the time limit of 5.30pm was reached, all remaining business would be carried over to the next ordinary meeting of Full Council.

The Chairman declared the meeting closed at 5.22 pm.

**CHAIRMAN**



## **APPENDIX A**

### **COUNTY COUNCIL MEETING HELD ON 7 DECEMBER 2023 QUESTION TO LEADER OF THE COUNCIL ON THE EXECUTIVE REPORT**

#### **Question from Councillor Kate Foale**

At the Midlands Connect event, you reference discussions on “the changes in rail investment following recent Government announcements”.

Did these discussions include the impact that abandoning the East Midlands HS2 Growth Strategy will have on Nottinghamshire?

#### **Response from the Leader of the Council, Councillor Ben Bradley MP**

The changes to the HS2 Strategy were on the agenda at the meeting, no surprise. It was attended by the Chair of HS2 Ltd as a contributor and we had a lengthy discussion about that, the implications discussed at great length, with a number of Leaders, not just myself, from around the East Midlands. As the Chair of the region’s HS2 Strategy Board I’ve been involved in numerous discussions about those next steps and implications too.

Whilst there is obviously a significant impact in terms of particularly the journey times between Nottingham and Birmingham in terms of these changes, I don’t recognise what Councillor Foale said about the Growth Strategy being scrapped. I’m the Chair of that particular Board, and in truth whilst the model that we had devised and worked up over the last 12 months through government funding incorporated HS2 in the thinking, it remains a positive and viable Growth Strategy, even without new HS2 lines, we just need to go away and rethink how we get people in and out in a transport sense.

But, the work will be adapted to these new circumstances, it will become the East Midlands Stations Growth Strategy, continues to focus on key hub rail stations at Parkway, Nottingham, Derby and Chesterfield, and to further develop plans for major investment and growth around those sites. I’ve always maintained, and in conversations I’ve had with Government around the HS2 announcements that the key priority for us as a region was not journey times between here and there, it was the hubs and the growth around places where stations were due and where trains would have arrived, Toton being one example, Parkway, Chesterfield, Derby, Nottingham as I’ve raised. We can continue to build around those stations and access, we just need to use the funding that has been shifted away from HS2 and into our regional transport package, whether that is the bus funding we’ve recently received, the £1.5 million devolved transport fund, to devise the right ways to help people to access those sites and that includes, as I said, the new Toton development which presents a major opportunity for us in terms of growth.

So not gone, it will have to change, there are obviously some impacts and it is incumbent on us now as members and it will be incumbent on the new Combined Authority in particular to take that plan forward. The decision by the Board yesterday was to make those amendments to the plan, to continue with the ongoing government funding we’ve got to redevise those strategies and hopefully in May when the

Combined Authority comes into being, to put those plans on the desk of the Mayor to have them delivered.

**Question from Councillor Jason Zadrozny**

In your report, you have welcomed the recent visit of current Prime Minister Rishi Sunak to Nottinghamshire. Did you discuss inflation and its impact on the County Council?

**Response from the Leader of the Council, Councillor Ben Bradley MP**

I'm really pleased that the Prime Minister chose to visit Nottinghamshire several times, as I said in my speech about the report itself, both in Gedling, in Newark and more recently in Worksop, to speak to local businesses and to speak to local residents.

Of course, in that conversation with residents the cost of living and the impact of inflation absolutely did come up along with a number of other issues as well. I think it shows a commitment to our county that he's spending time here and listening to local residents. I should add that he was also meant to visit Mansfield Woodhouse library but unfortunately storms and train disruptions impacted on that one, but I hope to have him back.

So as I said, that did come up in the conversation, not specifically around the Council, he was there to speak to residents rather than to me, but I can assure you that I do speak with Prime Minister, Chancellor, Local Government Secretary on these matters on a regular basis, you'll have seen, possibly, media coverage yesterday of our latest correspondence with the Prime Minister on these matters and the Chief Executive and I recently met with the then Local Government Minister Lee Rowley to take him through the pressures on our budget and the impact of inflation in great detail, so we continue to make that case to government wherever we can.

**Question from Councillor Michelle Welsh**

At the Business and Trade Select Committee, what areas of further devolved funding did you advocate for as a Council Leader?

**Response from the Leader of the Council, Councillor Ben Bradley MP**

The Business and Trade Select Committee was particularly focused on the Investment Zone Freeport propositions within the region, as that's the specific focus of their Inquiry. I attended the Committee alongside the South Yorkshire Mayor Oliver Coppard to speak about these projects, and about the management of them in our various local contexts. In a separate session, as I said, the Chief Executive of the Freeport also attended and gave evidence.

It's brilliant news that the East Midlands in the autumn statement had an Investment Zone agreed and secured, and having called for it to be expanded during that Select Committee meeting I'm really pleased that they have doubled the investment from £80m to £160m. That's a really significant investment in our region, one we're only able to access because of the emerging Combined Authority that we are part of.

I also called for the extension of Freeport timeframes, because of course the pandemic, in the middle of the proposed period for tax incentives to be utilised, delayed things in the delivery of Freeport significantly. We're faced with potentially running out of time before we managed to use those incentives to their full potential, so again, really positive news that those timeframes have since been extended by five years from 2026 to 2031.

Whilst the discussion wasn't specifically about devolution or the Combined Authority, we did discuss some elements related to economic growth in particular and I highlighted the opportunity to bring a clearer strategy together to make sure that all of these different vehicles that we have, as I mentioned in my speech earlier on, Freeport, DevCo (Development Company), STEP Fusion, Investment Zones, Gainshare Fund and others, are all working on a shared endeavour that complement each other, which is a piece of work we are currently undertaking.

I was asked specifically about fiscal devolution, and confirmed that I'd like to see more opportunities for local flexibilities on taxation, on business rates and the like so that we can get more benefit locally from the growth that we create.

I was also asked about areas where I might like to see further powers in relation specifically to delivering the economic goals of these projects, and I suggested that more freedom around planning decisions and rules based on our local strategy rather than on national frameworks would be beneficial. I've always said, in those planning conversations, that I don't think it's likely, to be honest, that we will ever find a national planning framework that works the entire country, because our need and our local areas are so different, and the need is so different in each place, so I would welcome and suggested in the meeting that I would welcome being able to have that local flexibility to support growth and accelerate progress on these various projects, but also in terms of trying to build better homes, in the most appropriate places.

I would reiterate, just to add context to her question, that the Select Committee was discussing specifically Freeports and Investment Zones, so it didn't have a wider context discussion about the future of devolution in that space, but there are a number of examples there of things that I have called for or suggested in terms of further powers.



## **APPENDIX B**

### **COUNTY COUNCIL MEETING HELD ON 7 DECEMBER 2023 QUESTIONS TO THE LEADER, CABINET MEMBERS AND COMMITTEE CHAIRMEN**

#### **Question to the Cabinet Member for Transport and Environment from Councillor John Lee**

Would the Cabinet Member join me in welcoming the additional funding announced by the Government last month for highways re-surfacing across this county and country, and could he briefly explain how our share of this investment will be deployed in Nottinghamshire?

#### **Response from the Cabinet Member for Transport and Environment, Councillor Neil Clarke MBE**

Yes indeed, I will join you in welcoming the additional funding announced last month by the Transport Secretary, Mark Harper.

Across England, local highway authorities will receive £150 million this financial year, followed by a further £150 million for the following 2024/2025 year, with the rest of a total £8.3 billion funding being allocated through to 2034.

For Nottinghamshire in the short-term, this means an extra £4.7 million spread over this year and next year, which we will use to re-surface more roads across the county than previously planned.

Thanks to our Highways Review and Highways Improvement Plan we are already making more efficient use of resources to complete larger, “right first time” patch repairs, and it’s fair to say these are receiving a broadly positive response from the public.

For example, an Arun Dale resident was impressed with the speed, efficiency and professionalism with which the Via team completed road resurfacing works in his area. I quote his comment:

“I just want to compliment your team that's just finished the job in Arun Dale. What a marvellous job they've done! Come 3.00 o'clock on the second day, they were done and dusted - there was neither a machine, lorry or a man in sight and they made a really good job and they really got stuck in. I was very impressed with the way they worked, they were a very good team who were swift and on schedule.”

Chairman, the County Council and its partner – *Via* – has already delivered over 100,000 m<sup>2</sup> of large-scale highway patching this year and residents can make use of the ‘Nottshighways.co.uk’ website or the ‘MyNOTTS’ App to see over 300 locations where we’ve made these repairs since April.

We recognise that winter is always a particularly challenging time, and snow and ice can cause significant damage to the surfaces of our roads and footways. This

additional funding will allow us to plan and have resources in place to respond more quickly to this damage and keep our highway network safe.

In addition to our large-scale patching repairs, we also intend to accelerate the delivery of highway resurfacing schemes that have already been identified but which have been programmed for future years. The knowledge that Central Government has made this money available will allow us to collaborate with our contractors and their suppliers to ensure we are able to deliver the best possible value for our works.

So yes, Councillor Lee, of course we should welcome this funding, but let's describe it as a "qualified" welcome because we could always do with more.

It's important to view the extra £4.7 million we are receiving in the context of the £150 million road repair backlog we inherited, and we need to be clear with the public that this money will not mean we can immediately repair all the roads in Nottinghamshire that need attention.

It's also important to view this extra £4.7 million in the context of other announcements in the recent Autumn Statement that bring unfunded costs on this Council in other ways, so while we will spend this money on highways, as intended, it doesn't resolve other budget pressures we face.

Without wishing to pre-empt Motion Two in the next item on today's agenda, I can confirm that we will continue to lobby various Government departments to provide greater amounts of funding, and highways continues to be one of our big priorities in that regard.

The response to such lobbying from Government tends to come in phases or tranches of money like this, rather than all at once, so I think it's perfectly fair to acknowledge this funding as a step in the right direction, without relinquishing our entitlement to lobby for more such funding in the future.

**Question to the Cabinet Member for Finance and Resources from Councillor Michelle Welsh**

The Council recently reported that over 25% of NCC workforce absences are due to mental health issues, and that 60% of absences are long-term.

What is the Council doing to support these staff?

**Response from the Cabinet Member for Finance and Resources, Councillor Richard Jackson**

The Council has been supporting employees with a wide range of measures that have seen sickness absence levels reduce consistently over the past 15 months, from 12.1 to 9.97 days. I'd particularly like to just put on record my thanks to Councillor Gordon Wheeler and Councillor Jonathan Wheeler as the former portfolio holder and deputy for Personnel because this was one of their priorities and something that they have particularly driven.

The most common reason for sickness absence, as Councillor Welsh points out, is mental health and that accounts for 25% of absences. It's part of an increasing national picture as many organisations have seen a rise in mental health being a main or major cause of sickness absence.

But we should note, Mr Chairman, that 45% of our employees have no sickness absence at all.

We have a wide range of measures in place to support our employees directly and to enable our managers to support their teams. These are things such as:

- Free 24-hour access to our counselling service provided by Health Assured.
- Mental health first aiders across the organisation – several employees are trained to support colleagues and signpost them to support services across the County, and we are currently increasing that provision.
- Access to Occupational Health, including a nurse with a specialism in mental health.
- Information for managers on supporting staff with mental health issues including guidance on managing stress in the workplace.
- Access to the Business Disability Forum to offer support and advice around long-term sickness cases.
- Grief cafes.
- A Council 'wellbeing newsletter' with tips, support, and advice, and
- Wellbeing "time to talk" events.

Coming in the next year or so we also have a 'stress risk' assessment tool for schools and managers, wellbeing webinars and books, and mental health training for managers.

**Question to the Cabinet Member for Finance and Resources from Councillor Steve Carr**

The final accounts report to Full Council 23 July 2020 indicated the purchase of land at Toton for £22.143m. This was for, and I quote "...future development in conjunction with the proposed HS2 rail route." At the Overview Meeting on November 23 – you confirmed that the Council still own this land. Are there any plans to sell this and do you believe the price of this land has been impacted by the failure of the Government to keep their promise over HS2?

**Response from the Cabinet Member for Economic Development and Asset Management, Councillor Keith Girling on behalf of the Cabinet Member for Finance and Resources, Councillor Richard Jackson**

I'm happy to take this question as it falls within my remit. For clarity, Councillor Carr, it also falls within my remit to purchase land and property although the land you are referring to was purchased before my appointment as Cabinet Member for Economic Development and strategic Asset Management. I hope that helps if you have any further questions on this subject.

Chairman, Councillor Carr is correct. The Council did buy this land and still holds it. The land was purchased with the benefit of planning consent for residential use upon which the original purchase price was based. At the time of purchase, risk to the Council was mitigated by the ability to sell on for residential use, should proposals around HS2 falter. This remains the case. The value of the land therefore has never been directly linked to the HS2 proposals, and based on this in the current market has a higher value now than at the time of purchase.

The Council continues to consider its options for the site alongside wider opportunities at Toton, Chetwynd and Ratcliffe on Soar, working in conjunction with Broxtowe Borough Council, which has adopted a supplementary planning document related to the area, and the East Midlands Development Corporation. This work will continue with stakeholders in 2024 with the intention of agreeing the long-term usage of the site for the benefit of residents and businesses.

**Question to the Cabinet Member for Transport and Environment from Councillor Eric Kerry**

Nottinghamshire County Council currently offers free travel on the tram network between 9.30am and 11pm on weekdays and all day on weekends and bank holidays, to holders of a valid English National Concessionary Travel Pass for bus travel.

Given that we are currently consulting residents on whether any changes should be made to this non-statutory concessionary tram provision, and given that today's agenda considers the potential for an East Midlands Combined County Authority with significant powers and funding for strategic transport, would the Cabinet Member explain what possibilities there may be for concessionary tram travel (funding) arising from the creation of this new regional authority if agreed?

**Response from the Cabinet Member for Transport and Environment, Councillor Neil Clarke MBE**

As a Travel Concession Authority, Nottinghamshire County Council has a statutory duty to provide free travel on local bus services for holders of a valid Travel Pass as you indicated. Holders of concessionary passes are split into two groups:

- those meeting the elderly age of entitlement, and
- those with a disability.

The pass allows free travel on buses between 9.30am and 11pm on weekdays and all day on weekends and bank holidays.

The County Council also offers free tram travel on the tram network during these times to these concessionary bus travel pass holders as part of our tram concession scheme. This, however, is a non-statutory requirement.

The tram journeys made by concessionary bus pass holders and their companions cost the County Council taxpayer £900,000 per year, and it is no secret that we, like other councils, are facing significant financial pressures on our budget due to high levels of inflation and energy costs.

In that context, where we need to ensure that we are targeting resources effectively and efficiently at those who need it most, we are seeking the views of concessionary tram travel passengers, and taxpayers throughout the County, on whether they think any changes should be made to the current tram concession scheme to reduce the cost to the taxpayer. Four possible options, one of which of course, Mr Chairman, is 'no change'.

The consultation is ongoing until 7<sup>th</sup> January next year, so there is still a month left for residents to express their views. We will consider all responses, and I want to emphasise that no decisions have been made.

Councillor Kerry's question makes a valid point, especially in view of the decision taken earlier today, that there are new possibilities appearing on the horizon regarding the future funding of transport initiatives, including concessionary travel schemes such as this in the question.

Given that the County Council, as an authority with extensive social care responsibilities, will need to spend increasing amounts of its resources on meeting child and adult social care demands, it's important to recognise that the emerging East Midlands Combined County Authority will have extensive responsibility for Transport policy, with a £1.5 billion transport fund at its disposal.

Neither this County Council nor Combined Authority are required statutorily to provide free concessionary tram travel, but the Combined Authority will soon become the proper body to decide the long-term future of this provision, and the organisation best equipped to fund it.

From next year it will be the Combined Authority, rather than us, that is the transport authority.

The outcomes of our current consultation will therefore be as useful and informative to the deliberations of this new regional authority as they are to this Council, and that's why we want as many people as possible to engage with the current, ongoing consultation process.

**Question to the Cabinet Member for Adult Social Care from Councillor Paul Henshaw**

Can the Cabinet Member provide an update on the recent closure of the Ashdale Care Home in Mansfield, amid reports highlighting serious safeguarding failures?

### **Response from the Cabinet Member for Adult Social Care, Councillor Matt Barney**

Just before I get into answering the question, I'd just like to acknowledge that obviously Scott and I have huge sensitivity for this, not least for the residents involved. Of course, any time we get ourselves into this situation you can't underestimate the anguish that causes for those who are living in whatever home, and their families, and of course our staff, and the care home staff, so just to put that in mind before I answer.

Ashdale Care Home in Mansfield was given an immediate closure notice on the 21<sup>st</sup> September 2023 by the Care Quality Commission. They found the home to be inadequate and on subsequent visits the care did not meet the requirements of their registration, so this was removed.

Colleagues in our Social Care Teams responded to support people to move that day, under difficult circumstances given the distress this creates to people, their families and staff working at the home. Given the health needs of several of the residents, the work involved a range of health professionals. Indeed, the partnership work that took place around the time of this distressing event was significant and impressive.

Where there were concerns about the wellbeing of individual people, the usual safeguarding work has taken place. I can confirm that we have ensured that people who moved are thriving in their new place of residence.

I have thanked our staff here, and staff at the care home, and indeed the other agencies involved, right down from our Chief Executive to the front-line staff. And I take this opportunity to do so once again. Thank you, Adrian, thank you to the staff.

### **Question to the Cabinet Member for Finance and Resources from Councillor Francis Purdue-Horan**

At the start of November, this Council adjusted its Medium-Term Financial Strategy estimates which showed that by 2026/27 it will need to spend £60.2m more than its predicted income. Could you update Council on whether this figure has changed following the Autumn Statement?

### **Response from the Cabinet Member for Finance and Resources, Councillor Richard Jackson**

Councillor Purdue-Horan effectively posed the same question to me at Overview Committee, so he shouldn't be too surprised that I'm going to reply today much the same as I did at that meeting.

He is correct about our initial estimate that the proposed increase in the National Living Wage equates to an additional £5m requirement for the next financial year. This is solely due to the likely impact upon the costs of Home Care and Residential Care services.

However, the Chancellor's Autumn Statement represents only one part of the information and evidence that will contribute to our next MTFS projection when it is

published. There are many other variables, as I said at the Overview meeting, that need to be considered.

For example, while the National Living Wage uplift represents an additional pressure, we can also factor into our calculations that inflation has fallen recently, by more and faster than predicted, which will have a positive impact on our projections. Likewise, work is ongoing to mitigate the known pressures on our budget; and, of course, we wait to discover the implications of the Local Government Settlement later this month.

What I will say at this stage, Chairman, is that I'm confident that the next MTFS is likely to show an overall reduction on the previously published £60.2 million budget gap, rather than an increase.

We will publish an updated MTFS at the appropriate time, when it has been worked through properly, rather than rushing out a simplistic calculation in the wake of the Autumn Statement alone, although I know the Council Leader is happy to speak about the broader implications of the Autumn Statement in response to the next question this afternoon.

#### **Question to the Leader of the Council from Councillor André Camilleri**

Would the Council Leader provide a summary of the implications, for Nottinghamshire, of the Chancellor's Autumn Statement?

#### **Response from the Leader of the Council, Councillor Ben Bradley MP**

There's a bit to go at here. Some really positive aspects to discuss.

There are also some challenges, so I'll start with the elephant in the room from that perspective. I'm aware that the Autumn Statement didn't address local government funding. Colleagues will know we've got very significant pressures on budgets and services. Councillor Jackson has just alluded to some of those challenges. This is why this is the right time to make that case, ahead of the Local Government Settlement that comes in December. We've talked about coverage of that in recent days and the work we are doing to try and do that. This is the right time in the cycle to highlight these challenges in conversations with ministers across departments about that for several weeks.

In response to Councillor Zadrozny earlier on, I met the Local Government Minister, the Chancellor, Prime Minister and others. Councillor Clarke has met Transport ministers on several occasions, the CCN Conference allowed us to lobby further on this. We are making that case loud and clear.

An important point, perhaps and I'm sure inadvertent late omission in the Labour Party's press release around their motion that went out last week – we know the position on local government spending isn't finalised until the Settlement, which we don't get a draft of until late December, so it's fair to say, though some have jumped to very negative conclusions, we don't know yet what the Government intends to offer us. We'll find out in a few weeks' time.

One significant challenge that does come from the Autumn Statement is the rising National Living Wage. Government of course wants to lift people very rightly and understandably out of low pay and tackle the cost of living, which is a laudable aim, but obviously that does add budget pressures to local councils as well, and we'll work through that as we make those plans in the coming year.

There are also some really positive factors for residents and for our economy across Nottinghamshire, as well as those things we need to grapple with.

As a conservative with a small 'c' I've long called for Government to address the issue of high taxes. I was pleased to hear the Chancellor say that he has the headroom to begin to cut taxes for our residents. The 2p cut in National Insurance is a start. Alongside National insurance cuts, for self-employed people, will keep more money in the pockets of local residents.

I've been pleased to hear the Prime Minister also reiterate this point this week and trail the fact and the idea of further tax cuts to come in the New Year which will be most welcome for both Nottinghamshire residents and businesses. That stands as a tax cut for 27 million people around the country, 2 million self-employed people, and an £11 billion cut in business taxes to help drive growth and investment. These are the biggest tax cuts we've had since the 1980s. We need to start to address the trend of rising taxes as the economy recovers and bring that burden down. I hope that this is just the start.

Small businesses across the county will be relieved at the extension of the high street 75% business rate relief. I've had representations from a range of pubs and shops about this issue in advance of the Statement, that it would have caused real problems if it had gone up, so positive news for those businesses that it remains heavily discounted as well as the freeze of alcohol duties that will help our local pubs.

Increases in Universal Credit and local housing allowances will support some of our county's poorest families with up to £1,200 a year, whilst the second-largest rise in state pension I think we've ever had will do similar for pensioners: an increase of £900. Additional support to help people who are economically inactive to get back into the workforce, with tailored employment support and training, are most welcome and again will benefit some of our county's most vulnerable residents to get back into meaningful work with significant help.

So, there's lots of individual support out there for residents, for businesses and, as I've mentioned already, on an economic regeneration front and an investment front, there's the East Midlands Investment Zone, Freeport extension, and others that I won't go over again.

In short, Mr Chairman, noting the absence of that particular local government announcement and the need to address that as we are seeking to do between now and the Settlement in a few weeks' time, there's an awful lot in here for our residents and businesses and supporting our county's economic potential, and in there, safeguarding people against those cost of living challenges as we seek to rebuild our local economy that is to be celebrated from the Autumn Statement.

**Question to the Cabinet Member for Transport and Environment from Councillor Penny Gowland**

Are the Council aware of the number of passengers who rely on the concessionary tram scheme, that are unable to access the online consultation?

**Response from the Cabinet Member for Transport and Environment, Councillor Neil Clarke MBE**

I have to say, Councillor Gowland's question is bit of a strange one, if you actually read it correctly because obviously, it would be impossible for us to be aware of the precise number of passengers that are unable to access our online consultation. Indeed, the same applies to anyone who wishes to take part in this consultation, because we don't know in advance exactly who will respond, or exactly how many of those individuals don't have an internet connection or are unable to respond.

Just to try and be helpful, Mr Chairman, I'm going to try and sort of re-interpret Councillor Gowland's question. Perhaps she was wanting to ask:

What is the Council doing to ensure that anyone who is unable to access the online consultation can take part in other ways, and that nobody will be excluded from taking part?

On that basis, I'll proceed to answer my own interpretation if you like, Mr Chairman.

OfCom figures released on 23<sup>rd</sup> November this year show that around 93% of adults have access to the internet, but we are aware that not everyone can respond online. That's why we have measures in place to ensure that people without online access are not excluded from this and other consultations.

Since Monday 13<sup>th</sup> November, printed copies of this consultation document have been available at all libraries across Nottinghamshire. All residents need to do is ask a member of library staff for a printed copy.

Similarly, anybody wishing to take part in the consultation is welcome to phone the County Council on 0300 500 8080 where, if they explain that they cannot access the online consultation, our customer service staff will assist in completing a consultation response, as is standard practice for any of our consultations.

So, Chairman, nobody should feel unable to take part in this consultation. We want to hear the views of the Nottinghamshire public and we will not be making any decisions on this matter until we have studied the consultation responses.

**Question to the Cabinet Member for Children and Families from Councillor Dave Shaw**

Nottinghamshire County Council runs a bus for young people in Hucknall every Wednesday evening. This gives young people access to a wide range of social and recreational activities including music, dance, arts, sports and adventure activities as

well as usual youth club activities such as Xbox, arts and crafts, games, coffee Bar, and also health advice. Could the Cabinet Member give the young people of Hucknall the assurance that Nottinghamshire County Council will continue to provide this vital service until at least May 2025?

**Response from the Cabinet Member for Children and Families, Councillor Tracey Taylor**

Nottinghamshire County Council is in better financial shape than many other local authorities, but nevertheless, it is a matter of public record that we all face significant pressures.

In that context, we are currently reviewing all of the statutory and non-statutory services that we provide, as we do through our budget monitoring and development process every year, to ensure that our resources are being targeted as effectively and efficiently as possible, at those who most need our support. We will bring forward our budget proposals for 2024/25 at the appropriate time next February.

What I can say is that this administration has a track record of investing in services that proactively support the development of children and young people to give them the best start in life. We focus this investment particularly in areas of the county where financial or social deprivation are most severe, where a lack of such proactive and early intervention services might otherwise increase the risk of young people requiring more intensive and expensive support from this council, and from other public service providers, as they move into adulthood.

Previous administrations have actively considered scrapping the mobile youth bus service. The Conservatives have sought to maintain and indeed to improve it.

**REPORT OF CABINET MEMBER FOR FINANCE AND RESOURCES****ANNUAL BUDGET REPORT 2024/25****Purpose of the Report**

1. To approve the Annual Budget Report 2024/25 as recommended by Cabinet on 8 February 2024.

**Background**

2. The Annual Budget Report 2024/25 which was considered by Cabinet on 8 February 2024 is attached as an appendix to this report.
3. The report to Cabinet proposed that Full Council approve the following recommendations:
  - a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25.
  - b) The principles underlying the Medium-Term Financial Strategy are approved.
  - c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25.
  - d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs.
  - e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report.
  - f) The County Precept for 2024/25 shall be collected from the District and Borough councils on the dates set out in Appendix 2, Table 8.
  - g) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report:

Year	Capital Programme
2024/25	£161.296m
2025/26	£69.711m
2026/27	£47.467m
2027/28	£48.601m

- h) The variations to the Capital Programme be approved.
- i) The Minimum Revenue Provision policy for 2024/25 be approved.
- j) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved.
- k) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings.
- l) The Treasury Management Policy for 2024/25 be approved.
- m) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee.
- n) The implementation of the savings options set out in Appendix B is implemented.
- o) The undertaking of future consultations on savings options where required is approved.

### **Timetable for Decisions**

- 4. On 9 November 2023, a Budget Update report was presented to Cabinet which highlighted the Council's current and medium-term position as well as setting out the approach to tackling the predicted budget deficit. That report was considered by Overview Committee on 23 November 2023.
- 5. A key element of the Council's budget setting process is consultation with stakeholders. As such, a budget consultation went live on 29 September 2023 and closed on 12 November 2023. The outcomes from the Annual Budget Survey 2023 were reported to Cabinet on 21 December 2023 and the responses to the consultation have been taken into account when constructing the 2024/25 Annual Budget.
- 6. The Overview Committee considered a further Budget Update report on 25 January 2024. Specific comments were fed back to Cabinet on 8 February for further consideration prior to Cabinet noting the report and recommending the 2024/25 Annual Budget Report to Full Council.
- 7. Full Council are now required to consider the Annual Budget Report 2024/25 including the revenue budget and capital programme at this meeting. This will enable the 2024/25 budget to be set and approved before the statutory deadline of the end of February 2024.

### **Amendments to the Cabinet Report**

- 8. Since the Annual Budget Report 2024/25 was considered by Cabinet on 8 February 2024, the Council has received confirmation of the Final Local Government Settlement. This has had a negligible effect upon the MTFs and the net budget requirement remains unchanged. The minor changes to 2024/25 grant funding as announced in the Final Local Government Settlement are as follows:-
  - Social Care Grant confirmed at £72.4m (£72.3m was assumed in the Cabinet Report)
  - Service Grant confirmed at £0.8m (£0.7m was assumed in the Cabinet Report).

9. As part of the Final Local Government Settlement, the 2024/25 Public Health Grant was confirmed at £45.5m, £0.3m more than expected. The Public Health Grant is a specific grant and does not therefore impact upon the MTFS.
10. These minor changes to increased Central Government grant and an associated adjustment with Net Transfer to reserves can be seen in the following tables including the final MTFS position for 2024-2028. A detailed breakdown across each of the Portfolios is included in Appendix 1.

**Table 1 – Proposed County Council Budget 2024/25**

Portfolio Analysis	Net Budget 2023/24 £m	Pressures £m	Savings £m	Budget Changes £m	Net Budget 2024/25 £m
Children & Families	155.018	14.709	(0.270)	1.975	171.432
Adult Social Care	259.817	23.099	(1.848)	(2.499)	278.569
Transport & Environment*	118.764	14.607	(3.816)	1.182	130.737
Communities & Public Health	19.141	3.319	(0.144)	0.599	22.915
Deputy Leader & Transformation	4.799	-	-	(1.360)	3.439
Economic Development & Asset Management	25.988	0.120	(0.600)	0.768	26.276
Finance & Resources	45.619	-	-	5.920	51.539
<b>Net Portfolio Requirements</b>	<b>653.228</b>	<b>56.610</b>	<b>(6.678)</b>	<b>8.133</b>	<b>711.293</b>
Corporate Budgets	(57.707)	-	-	(21.457)	(79.164)
Net Transfer (From)/To Reserves	(3.890)	-	-	10.596	6.706
<b>Budget Requirement</b>	<b>591.631</b>	<b>56.610</b>	<b>(6.678)</b>	<b>(2.728)</b>	<b>638.835</b>

\* Includes SEND Transport Pressures

**Table 2 - Proposed Budget 2024/25 - Corporate Budget and Reserves**

	Net Budget 2023/24 £m	Budget Changes £m	Net Budget 2024/25 £m
Flood Defence Levies	0.339	0.016	0.355
Pension Enhancements (Centralised)	2.050	-	2.050
Trading Organisations	1.300	-	1.300
Contingency - General	5.000	-	5.000
Contingency - Pay	10.973	(0.150)	10.823
Capital Charges (Depreciation)	(49.368)	(2.842)	(52.210)
Interest & Borrowing	20.223	(5.000)	15.223
Minimum Revenue Provision (MRP)	12.509	(0.018)	12.491
New Homes Bonus Grant	(1.094)	0.060	(1.034)
Social Care Grant	(55.409)	(16.993)	(72.402)
Council Services Grant	(4.230)	3.470	(0.760)
<b>Subtotal Corporate Budgets</b>	<b>(57.707)</b>	<b>(21.457)</b>	<b>(79.164)</b>
Net Transfer (From)/To Other Earmarked Reserves	(3.890)	10.596	6.706
Transfer (From)/To General Fund Balances	-	-	-
<b>Subtotal Use of Reserves</b>	<b>(3.890)</b>	<b>10.596</b>	<b>6.706</b>

**Table 3 – Analysis of Changes to the Medium-Term Financial Strategy 2024 –2028**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Year on Year Savings requirement (February 2023 Report)	-	17.6	13.2	-	30.8
Additional Pressures / Inflation	25.8	8.5	5.4	25.4	65.1
Increase in Contingency for Pressures/Inflation Risk	0.3	-	-	-	0.3
Change in Pay / Pension Related Inflation	1.1	2.2	0.1	4.6	8.0
Proposed Efficiencies	(5.4)	(3.7)	(7.2)	-	(16.3)
Amendments to Portfolio base budgets	6.6	1.0	5.3	0.1	13.0
Change in Grant Funding	(41.5)	9.1	-	-	(32.4)
Increase in Council Tax	(8.5)	(0.3)	(0.3)	(10.5)	(19.6)
Change in Council Tax Base assumptions	(0.3)	-	-	(6.1)	(6.4)
Change in Council Tax Surplus	(3.3)	3.3	-	-	-
Variation in use of Reserves	30.8	(38.1)	3.2	2.3	(1.8)
Other Corporate Adjustments	(5.6)	0.4	0.3	0.2	(4.7)
<b>Revised Gap</b>	-	-	20.0	16.0	36.0

11. The confirmed Council Tax figures for 2024/25 are set out in the following paragraphs:

#### **Requirement to Raise Local Tax**

12. The Local Tax Requirement is divided by the tax base to arrive at the Band D figure. This figure then forms the basis of the calculation of the liability for all Council Tax bands.

**Table 4 – Local Tax Requirement Calculation**

2024/25	Amount £m	% Funding
Initial Budget Requirement	638.835	100.0
Less National Non-Domestic Rates	(144.308)	22.6
Less Revenue Support Grant	(8.634)	1.4
<b>Net Budget Requirement</b>	<b>485.893</b>	
Less Estimated Collection Fund Surplus	(3.334)	0.5
<b>Council Tax Requirement</b>	<b>482.559</b>	<b>75.5</b>

## County Precept

13. District and Borough Councils collect the Council Tax for the County Council. This is then recovered from the Districts by setting a County Precept. The total Precept is split according to the Council Tax base for each District as set out in Table 5 below.

**Table 5 – Amount of County Precept by District – 2024/25**

District Council	Council Tax Base	County Precept
Ashfield	34,524.50	£62,388,533
Bassetlaw	37,801.62	£68,310,551
Broxtowe	35,224.25	£63,653,038
Gedling	38,962.89	£70,409,059
Mansfield	31,003.40	£56,025,624
Newark	42,531.75	£76,858,275
Rushcliffe	46,989.80	£84,914,328
<b>Total</b>	<b>267,038.21</b>	<b>£482,559,408</b>

14. No further changes have been made to the 2024/25 Annual Budget Report as presented to Cabinet on 8 February 2024.

## Other Options Considered

15. The Council has a statutory requirement to set a balanced budget and to set a Council Tax precept for the 2024/25 financial year. This report meets those requirements.

## Reasons for Recommendation

16. To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2024/25, to allow efficient financial administration during 2024/25 and to provide a basis for the planning of services across the medium-term.

## Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## RECOMMENDATION/S

1) That the following recommendations be approved:-

a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25.	Table 1										
b) The principles underlying the amended Medium-Term Financial Strategy are approved.	Table 3										
c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25.	Appendix 2, paragraph 73										
d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs.	Appendix 2, paragraph 87										
e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report.	Appendix 2 paragraph 88										
f) The County Precept for the year ending 31 March 2025 shall be £482,559,408 and shall be applicable to the whole of the District Council areas as General Expenses.	Paragraph 12										
g) The County Precept for 2024/25 shall be collected from the District and Borough Councils in the proportions set out in Table 5 of this report on the dates set out in Table 8 of Appendix 2.	Table 5 and Appendix 2, Table 8										
h) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report: <div data-bbox="191 1115 1092 1310" data-label="Table"> <table> <tr> <th>Year</th><th>Capital Programme</th></tr> <tr> <td><b>2024/25</b></td><td>£161.296</td></tr> <tr> <td><b>2025/26</b></td><td>£69.711m</td></tr> <tr> <td><b>2026/27</b></td><td>£47.467m</td></tr> <tr> <td><b>2027/28</b></td><td>£48.601m</td></tr> </table> </div>	Year	Capital Programme	<b>2024/25</b>	£161.296	<b>2025/26</b>	£69.711m	<b>2026/27</b>	£47.467m	<b>2027/28</b>	£48.601m	Appendix 2, Table 11
Year	Capital Programme										
<b>2024/25</b>	£161.296										
<b>2025/26</b>	£69.711m										
<b>2026/27</b>	£47.467m										
<b>2027/28</b>	£48.601m										
i) The variations to the Capital Programme be approved.	Appendix 2, Paragraphs 118-122										
j) The Minimum Revenue Provision policy for 2024/25 be approved.	Appendix D										
k) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved.	Appendix E										
l) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings.	Appendix 2, Paragraph 132										
m) The Treasury Management Policy for 2024/25 be approved.	Appendix F										
n) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee.	Appendix 2, Paragraph 131										

o) The implementation of the savings options set out in Appendix B is implemented.	Appendix B
p) The undertaking of future consultations on savings options where required is approved.	Appendix 2, Paragraph 59
q) The report be approved and adopted.	

**COUNCILLOR RICHARD JACKSON  
CABINET MEMBER FOR FINANCE AND RESOURCES**

**For any enquiries about this report please contact:  
Glen Bicknell, Interim Group Manager – Financial Services**

**HR Comments (MT 12/02/2024)**

The human resources implications are implicit in the body of the report. Where any employment implications arise from any of the identified actions outlined in this report, these will be consulted on and implemented in line with the agreed employment policies and procedures of the Council.

**Constitutional Comments (SSR 13/02/2024)**

Pursuant to the Nottinghamshire County Constitution, Full Council has the authority to receive this report and to consider the recommendation contained within it.

**Financial Comments (NS 12/02/2024)**

The financial implications are set out in the report.

**Background Papers and Published Documents**

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

**Electoral Division(s) and Member(s) Affected**

All



## Revenue Budget Summary 2024/25

	2023/24 Original Budget £'000	2024/25 Annual Budget £'000
<b>Portfolio:</b>		
Children & Families	155,018	171,432
Education & SEND	24,082	26,386
Adult Social Care	259,817	278,569
Transport & Environment	118,764	130,737
Communities & Public Health	19,141	22,915
Deputy Leader & Transformation	4,799	3,439
Economic Development & Asset Management	25,988	26,276
Finance & Resources	45,619	51,539
<b>Net Portfolio Requirement</b>	<b>653,228</b>	<b>711,293</b>
<b>Items Outside Portfolio:</b>		
Flood Defence Levies	339	355
Pension Enhancements (Centralised)	2,050	2,050
Trading Organisations	1,300	1,300
Contingency - General	5,000	5,000
Contingency - Pay	10,973	10,823
Capital Charges (included in Portfolios above)	(49,368)	(52,210)
Interest & Borrowing	20,223	15,223
Minimum Revenue Provision (MRP)	12,509	12,491
New Homes Bonus Grant	(1,094)	(1,034)
Social Care Grant	(55,409)	(72,402)
Council Services Grant	(4,230)	(760)
<b>Total before use of Reserves</b>	<b>595,521</b>	<b>632,129</b>
<b>Use of Reserves:</b>		
Net Transfer (From)/To Other Earmarked Reserves	(3,890)	6,706
Transfer (From)/To General Fund Balances	-	-
<b>BUDGET REQUIREMENT</b>	<b>591,631</b>	<b>638,835</b>
<b>Funding Of Budget Requirement:</b>		
Surplus/(Deficit) on Council Tax Collection for Previous Yrs	1,001	3,334
National Non-Domestic Rates	128,016	144,308
Revenue Support Grant	8,098	8,634
Council Tax	396,465	415,303
Adult Social Care Precept	58,051	67,256
<b>TOTAL FUNDING</b>	<b>591,631</b>	<b>638,835</b>

## Children & Families Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
<b>1 Original Budget 2023/24</b>		<b>155,018</b>
<b>2 Budgets Transferred between Portfolios</b>		<b>(16)</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>1,957</b>
<b>4 Capital Financing Budget Transfers</b>		<b>34</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Non Looked After Children Placements	750	
Growth in External Placements for LAC	8,450	
Social Work Staffing	1,430	
National Living Wage - External	165	
Basic Fostering Allowance	157	
Contract Cost Inflation	3,462	
AEM Increase in Partner Contribution	295	
		<b>14,709</b>
<b>Budget Savings</b>		
Achievement of full supporting families payment by results	(270)	<b>(270)</b>
<b>6 Annual Budget 2024/25</b>		<b>171,432</b>

## Children & Families Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Help, Protection &amp; Care</b>							
9,633	Looked After Children and Leaving Care, Children with Disabilities	6,424	5,809	-	12,233	(2,100)	(326)	9,807
11,931	District Child Protection, Court and Permanence	10,287	2,044	-	12,331	-	-	12,331
14,125	Emergency Duty Team, MASH and Assessment	6,908	9,008	-	15,916	-	-	15,916
3,686	Early Help and Youth Justice	8,502	1,372	-	9,874	(4,591)	(1,467)	3,816
4,293	Central Agency Staff Budgets	2,843	2,785	-	5,628	-	(3)	5,625
<b>43,668</b>	<b>Total Help, Protection &amp; Care</b>	<b>34,964</b>	<b>21,018</b>	-	<b>55,982</b>	<b>(6,691)</b>	<b>(1,796)</b>	<b>47,495</b>
	<b>Commissioning &amp; Resources</b>							
2,775	Strategic Safeguarding & Independent Review	2,756	263	-	3,019	-	(166)	2,853
7,043	Early Childhood Services	10,112	354	-	10,466	-	(3,795)	6,671
76,915	Placements and Commissioning	2,094	91,352	-	93,446	(400)	(3,604)	89,442
15,773	Internal Fostering, Residential and Secure Accommodation	13,413	9,750	-	23,163	-	(7,437)	15,726
3,269	Young People's Service	4,789	1,305	-	6,094	-	(2,657)	3,437
-	- Adoption East Midlands	3,542	4,502	-	8,044	(2,235)	(5,809)	-
<b>105,775</b>	<b>Total Commissioning &amp; Resources</b>	<b>36,706</b>	<b>107,526</b>	-	<b>144,232</b>	<b>(2,635)</b>	<b>(23,468)</b>	<b>118,129</b>
<b>4,189</b>	<b>Transformation &amp; Improvement</b>	4,233	556	-	4,789	-	(323)	4,466
<b>670</b>	<b>Departmental Costs (including insurances)</b>	-	608	-	608	-	(16)	592
<b>716</b>	<b>Capital Charges</b>	-	-	750	750	-	-	750
<b>155,018</b>	<b>TOTAL CHILDREN &amp; FAMILIES</b>	<b>75,903</b>	<b>129,708</b>	<b>750</b>	<b>206,361</b>	<b>(9,326)</b>	<b>(25,603)</b>	<b>171,432</b>

## Children & Families Portfolio - Capital Programme 2024/25

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Children &amp; Families Capital Programme</b>					
Clayfields House - Sherwood & Loxley	526	2,515	-	-	-
Fostering Families	436	-	-	-	-
Mill Adventure Base	2,033	-	-	-	-
Increasing Residential Capacity for LAC	750	1,531	-	-	-
Clayfields House - Minder Alert System	414	-	-	-	-
Childcare Extensions	-	1,815	-	-	-
<b>Gross Capital Programme</b>	<b>4,159</b>	<b>5,861</b>	-	-	-
<b>Funded from:</b>					
Approved County Council Allocations	3,009	1,891	-	-	-
External Grants & Contributions	950	3,970	-	-	-
Revenue	200	-	-	-	-
Reserves	-	-	-	-	-
<b>Total Funding</b>	<b>4,159</b>	<b>5,861</b>	-	-	-

## Education & SEND Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
<b>1 Original Budget 2023/24</b>		<b>24,082</b>
<b>2 Budgets Transferred between Portfolios</b>		<b>(65)</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>268</b>
<b>4 Capital Financing Budget Transfers</b>		<b>1,345</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Education Psychology Service	474	
Demographic Pressures - Edn, Health & Care Plans (ICDS)	268	
National Living Wage - External	14	
		<b>756</b>
<b>Budget Savings</b>		
		<b>-</b>
<b>6 Annual Budget 2024/25</b>		<b>26,386</b>

## Education & SEND Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Schools Budget</b>							
180,779	Schools Block - Distributed	-	-	-	181,245	-	-	181,245
26,851	High Needs Block - Distributed	-	-	-	26,875	-	-	26,875
52,547	Early Years Block - Distributed	-	-	-	88,695	-	-	88,695
92,137	Schools Budget - Centrally Retained	-	-	-	98,045	-	-	98,045
<b>352,314</b>	<b>Total Schools Expenditure Budget</b>	-	-	-	<b>394,860</b>	-	-	<b>394,860</b>
(352,314)	Dedicated Schools Grant (DSG)	-	-	-	-	(394,860)	-	(394,860)
-	- Other ESFA grants for allocation to maintained schools	-	-	-	43,999	(43,999)	-	-
10,986	School Assets (Capital Charges)	-	-	12,332	12,332	-	-	12,332
	<b>Education Standards &amp; Inclusion</b>							
7,157	Support to Schools Service	9,506	1,993	-	11,499	(94)	(3,788)	7,617
5,766	Integrated Childrens Disability Service	5,206	1,088	-	6,294	-	(43)	6,251
<b>12,923</b>	<b>Total Education Standards &amp; Inclusion</b>	<b>14,712</b>	<b>3,081</b>	-	<b>17,793</b>	<b>(94)</b>	<b>(3,831)</b>	<b>13,868</b>
	<b>Commissioning &amp; Resources</b>							
<b>173</b>	Early Childhood Services (Early Years Inclusion)	-	186	-	186	-	-	186
<b>173</b>	<b>Total Commissioning &amp; Resources</b>	-	186	-	186	-	-	186
<b>24,082</b>	<b>TOTAL EDUCATION &amp; SEND</b>	<b>14,712</b>	<b>3,267</b>	<b>12,332</b>	<b>30,311</b>	<b>(94)</b>	<b>(3,831)</b>	<b>26,386</b>

## Education & SEND Portfolio Capital Programme 2024/25

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Educations &amp; SEND Capital Programme</b>					
School Access Initiative	700	300	300	300	300
School Places Programme	13,316	6,161	9,593	2,000	2,000
School Building Improvement Programme	11,400	9,848	6,200	4,200	4,200
East Leake School	4,550	-	-	-	-
Orchard Special School	31	200	-	-	-
Special School Grant	5,200	14,946	7,000	-	-
Chapel Lane Primary, Bingham	98	-	-	-	-
Rushcliffe School Expansion Project	13,880	15,842	-	-	-
Gateford New School	7,684	3,509	-	-	-
Outwood Portland Academy	1,000	8,000	1,360	-	-
<b>Gross Capital Programme</b>	<b>57,859</b>	<b>58,806</b>	<b>24,453</b>	<b>6,500</b>	<b>6,500</b>
<b>Funded from:</b>					
Approved County Council Allocations	3,430	30,685	-	-	-
External Grants & Contributions	54,179	28,121	24,453	6,500	6,500
Revenue	200	-	-	-	-
Reserves	50	-	-	-	-
<b>Total Funding</b>	<b>57,859</b>	<b>58,806</b>	<b>24,453</b>	<b>6,500</b>	<b>6,500</b>

## Adult Social Care Portfolio Variation Summary 2023/24 to 2024/25

	£000	£000
<b>1 Original Budget 2023/24</b>		<b>259,817</b>
<b>2 Budgets Transferred between Portfolios</b>		<b>(15)</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>(2,178)</b>
<b>4 Capital Financing Budget Transfers</b>		<b>(306)</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Care Package Demand for Adults Aged 18-64 Years	420	
Care Package Demand for Adults Aged 65 and Over	644	
Vacancy rate temp Adj	1,000	
Preparing for Adulthood - Workforce	1,119	
ASCH Day Service Fleet Recharge	600	
Fair Price for Care	2,628	
National Living Wage - External	<u>16,688</u>	
		<b>23,099</b>
<b>Budget Savings</b>		
Technology at scale	<u>(1,848)</u>	<b>(1,848)</b>
<b>6 Annual Budget 2024/25</b>		<b><u>278,569</u></b>

## Adult Social Care Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Corporate Director &amp; Departmental Costs</b>							
564	Director & Departmental Costs	242	(3,776)	-	(3,534)	(1,387)	(99)	(5,020)
<b>564</b>	<b>Total Corporate Director &amp; Departmental Costs</b>	<b>242</b>	<b>(3,776)</b>	<b>-</b>	<b>(3,534)</b>	<b>(1,387)</b>	<b>(99)</b>	<b>(5,020)</b>
	<b>Strategic Commissioning &amp; Integration</b>							
532	Service Director Strategic Commissioning	1,978	14,122	-	16,100	(15,400)	(81)	619
10,992	Integrated Strategic Commissioning	3,098	9,682	9	12,789	(209)	(826)	11,754
2,586	Service Improvement	2,012	333	-	2,345	-	-	2,345
1,540	Quality Assurance & Citizen Safety	1,542	80	-	1,622	-	-	1,622
(57,517)	Partnership Programme	3,073	17,258	-	20,331	(46,032)	(33,322)	(59,023)
<b>(41,868)</b>	<b>Total Strategic Commissioning &amp; Integration</b>	<b>11,703</b>	<b>41,475</b>	<b>9</b>	<b>53,187</b>	<b>(61,641)</b>	<b>(34,229)</b>	<b>(42,683)</b>
	<b>Living Well &amp; Direct Services</b>							
161	Service Director Living Well	130	34	-	164	-	-	164
17,102	Direct & Provider Services	14,710	4,908	635	20,253	(28)	(977)	19,248
42,557	Living Well - North Nottinghamshire	3,849	60,186	124	64,159	-	(18,340)	45,819
43,099	Living Well - Mid Nottinghamshire	4,690	63,130	-	67,820	-	(19,855)	47,965
52,927	Living Well - South Nottinghamshire	4,650	73,032	-	77,682	-	(23,032)	54,650
<b>155,846</b>	<b>Total Living Well &amp; Direct Services</b>	<b>28,029</b>	<b>201,290</b>	<b>759</b>	<b>230,078</b>	<b>(28)</b>	<b>(62,204)</b>	<b>167,846</b>

## Adult Social Care Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Ageing Well &amp; Maximising Independence</b>							
127	Service Director Ageing Well	129	1	-	130	-	-	130
16,089	Maximising Independence	15,510	4,192	-	19,702	-	(2,348)	17,354
35,260	Ageing Well - North Nottinghamshire	4,797	62,250	-	67,047	-	(22,095)	44,952
37,075	Ageing Well - Mid Nottinghamshire	7,177	50,850	-	58,027	(70)	(17,472)	40,485
6,389	Ageing Well South Hospital & Safeguarding	6,322	2,846	-	9,168	-	(2,258)	6,910
50,335	Ageing Well - South Nottinghamshire	3,882	70,333	-	74,215	(334)	(25,286)	48,595
<b>145,275</b>	<b>Total Ageing Well &amp; Maximising Independence</b>	<b>37,817</b>	<b>190,472</b>	<b>-</b>	<b>228,289</b>	<b>(404)</b>	<b>(69,459)</b>	<b>158,426</b>
<b>259,817</b>	<b>TOTAL ADULT SOCIAL CARE</b>	<b>77,791</b>	<b>429,461</b>	<b>768</b>	<b>508,020</b>	<b>(63,460)</b>	<b>(165,991)</b>	<b>278,569</b>

**Adult Social Care  
Capital Programme 2024/25**

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Adult Social Care Capital Programme</b>					
ASCH Strategy	136	-	-	-	-
DFG Equipment	640	-	-	-	-
<b>Gross Capital Programme</b>	<b>776</b>	-	-	-	-
<b>Funded from:</b>					
Approved County Council Allocations	43	-	-	-	-
External Grants & Contributions	640	-	-	-	-
Revenue	-	-	-	-	-
Reserves	93	-	-	-	-
<b>Total Funding</b>	<b>776</b>	-	-	-	-

## Transport & Environment Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
<b>1 Original Budget 2023/24</b>		<b>118,764</b>
<b>2 Budgets Transferred between Portfolio</b>		<b>(100)</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>(85)</b>
<b>4 Capital Financing Budget Transfers</b>		<b>1,367</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Mainstream Home to School Contracts - Growth	1,740	
SEND Transport Growth	7,890	
Waste PFI Contract Growth	100	
Green Spaces Maintenance	(235)	
Mainstream Home to School Contracts	645	
SEND Transport Inflation	1,175	
Highways Energy	200	
Waste PFI Contract Inflation	1,410	
Contract Cost Inflation - VIA	1,682	
		<b>14,607</b>
<b>Budget Savings</b>		
On-Street pay and display-initial scheme	(125)	
Congestion management-bus lane enforcement	(40)	
Enforcing moving traffic offences	(180)	
Transport income increases/Rev savings/staff savings	(8)	
Highways service charges and efficiencies	(51)	
Street Furniture/ infrastructure as technology platform	(12)	
Transport - Staff Travel	(300)	
Affordable Highways Model - Capitalise exp	(2,000)	
Waste Contracts - flexible use of PFI reserve	(1,100)	
		<b>(3,816)</b>
<b>6 Annual Budget 2024/25</b>		<b>130,737</b>

## Transport & Environment Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Highways</b>							
19,927	VIA East Midlands Contract	-	21,859	-	21,859	-	(250)	21,609
633	HW Group Management	124	6,805	-	6,929	-	(8,597)	(1,668)
24,972	HW Retained Client	264	2,307	25,933	28,504	-	(1,853)	26,651
278	Countryside Access	422	126	-	548	-	(250)	298
378	Flood Risk Management	679	106	3	788	(267)	(121)	400
(251)	LTP, Prog Dev and Traffic Mgt	1,523	1,492	5	3,020	-	(3,447)	(427)
<b>45,937</b>	<b>Highways Total</b>	<b>3,012</b>	<b>32,695</b>	<b>25,941</b>	<b>61,648</b>	<b>(267)</b>	<b>(14,518)</b>	<b>46,863</b>
	<b>Transport</b>							
10,360	Concessionary Fares	-	10,380	-	10,380	-	(20)	10,360
4,235	Local Bus Services	-	4,475	-	4,475	-	(240)	4,235
693	Fleet Operations	2,841	1,771	378	4,990	-	(4,488)	502
1,222	TTS Salaries & Serv Dev.	1,229	20	-	1,249	-	-	1,249
523	Bus Stations	86	682	-	768	-	(580)	188
(135)	Passenger Information	426	3,785	-	4,211	(3,065)	(1,422)	(276)
190	System Development	-	200	-	200	-	(310)	(110)
5,139	Home to School Transport	-	8,966	-	8,966	(1,092)	(350)	7,524
12,101	SEND Transport	-	23,190	-	23,190	-	(2,024)	21,166
<b>34,328</b>	<b>Transport Total</b>	<b>4,582</b>	<b>53,469</b>	<b>378</b>	<b>58,429</b>	<b>(4,157)</b>	<b>(9,434)</b>	<b>44,838</b>

## Transport & Environment Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Waste &amp; Energy</b>							
30,756	Veolia PFI Contract	-	36,680	-	36,680	(2,039)	(3,850)	30,791
6,331	NCC Retained Client	464	6,477	1,704	8,645	-	(1,892)	6,753
367	Emergency Climate Response	332	41	-	373	-	-	373
<b>37,454</b>	<b>Total Waste &amp; Energy</b>	<b>796</b>	<b>43,198</b>	<b>1,704</b>	<b>45,698</b>	<b>(2,039)</b>	<b>(5,742)</b>	<b>37,917</b>
	<b>Other Communities &amp; Place</b>							
1,045	Conservation (Including Green Spaces)	814	420	12	1,246	-	(127)	1,119
<b>1,045</b>	<b>Total Other Communities &amp; Place</b>	<b>814</b>	<b>420</b>	<b>12</b>	<b>1,246</b>	<b>-</b>	<b>(127)</b>	<b>1,119</b>
<b>118,764</b>	<b>TOTAL TRANSPORT &amp; ENVIRONMENT</b>	<b>9,204</b>	<b>129,782</b>	<b>28,035</b>	<b>167,021</b>	<b>(6,463)</b>	<b>(29,821)</b>	<b>130,737</b>

## Transport & Environment Portfolio - Capital Programme 2024/25

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Transport &amp; Environment Capital Programme</b>					
Hucknall TCIS	374	-	-	-	-
Road Maintenance & Renewals	30,192	26,554	22,090	22,090	22,090
Street Lighting Renewals	1,295	1,000	1,000	1,000	1,000
Flood Alleviation & Drainage	1,320	1,550	975	1,145	600
Road Safety	562	350	350	350	350
Integrated Transport Measures	6,839	4,597	4,447	4,447	4,447
Transport & Travel Services	90	2,038	750	750	750
Gedling Access Road	2,782	-	-	-	-
Active Travel Fund	2,680	3,973	-	-	-
Enhanced Rail Services	110	-	-	-	-
Externally Funded Bus Improvement Programme	596	-	-	-	-
Major Infrastructure Improvement	149	-	-	-	-
Transforming Cities Fund	3,700	4,102	-	-	-
Southwell Flood Projects	537	785	-	-	-
Bus Service Improvement Plan	1,040	12,311	-	-	-
Green Investment Fund	1,047	475	-	-	-
Waste Management	665	837	854	755	774
Trees for Climate	1,410	1,887	-	-	-
Energy Saving Scheme	300	569	434	-	-
Carbon Management	382	382	320	320	320
A614 / A6097 Corridor Improvement Scheme	2,368	383	-	-	-
<b>Gross Capital Programme</b>	<b>58,438</b>	<b>61,793</b>	<b>31,220</b>	<b>30,857</b>	<b>30,331</b>
<b>Funded from:</b>					
Approved County Council Allocations	13,697	10,010	4,509	4,245	3,700
External Grants & Contributions	37,380	47,259	22,577	22,577	22,577
Revenue	696	337	354	255	274
Reserves	6,665	4,187	3,780	3,780	3,780
<b>Total Funding</b>	<b>58,438</b>	<b>61,793</b>	<b>31,220</b>	<b>30,857</b>	<b>30,331</b>

## Communities & Public Health Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
<b>1 Original Budget 2023/24</b>		<b>19,141</b>
<b>2 Budgets Transferred between Portfolios</b>		<b>(538)</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>1,038</b>
<b>4 Capital Financing Budget Transfers</b>		<b>99</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Traders	2,500	
Contract Cost Inflation - Inspire	694	
Contract Cost Inflation - Country Parks	125	
		<b>3,319</b>
<b>Budget Savings</b>		-
Registration Service - optimisation of income	(85)	
Emergency Planning SLA Income	(59)	
		<b>(144)</b>
<b>6 Annual Budget 2024/25</b>		<b>22,915</b>

## Communities & Public Health Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Traded Services</b>							
	- Schools Catering	10,560	11,562	-	22,122	-	(19,622)	2,500
	- County Office WB Catering	151	205	-	356	-	(356)	-
	- Cleaning	13,169	1,581	-	14,750	-	(14,750)	-
	- Landscapes	1,190	604	-	1,794	-	(1,794)	-
	<b>- Traded Services Total</b>	<b>25,070</b>	<b>13,952</b>	<b>-</b>	<b>39,022</b>	<b>-</b>	<b>(36,522)</b>	<b>2,500</b>
	<b>Other Communities &amp; Place</b>							
11,694	Libraries inc. Inspire Contract	-	11,766	1,377	13,143	-	-	13,143
134	Cultural Services	143	4,050	57	4,250	(4,122)	-	128
528	Bestwood & Rufford Country Parks	-	263	76	339	-	(51)	288
283	National Watersports Centre	-	359	27	386	-	-	386
518	Communities Staffing	565	67	-	632	-	(57)	575
1,190	Communities Grants	-	1,388	-	1,388	(198)	-	1,190
999	Trading Standards	1,806	73	-	1,879	(40)	(734)	1,105
326	Emergency Planning	394	20	-	414	-	(128)	286
1,690	Coroners	-	1,690	-	1,690	-	-	1,690
185	Registration of Births, Deaths & Marriages	1,868	131	-	1,999	(45)	(2,067)	(113)
534	Directorate	541	10	-	551	-	-	551
90	Recharges, Insurance & Internal Services	-	90	-	90	-	-	90
970	County Enterprise Foods	1,733	1,009	129	2,871	(106)	(1,669)	1,096
<b>19,141</b>	<b>Total Other Communities &amp; Place</b>	<b>7,050</b>	<b>20,916</b>	<b>1,666</b>	<b>29,632</b>	<b>(4,511)</b>	<b>(4,706)</b>	<b>20,415</b>

## Communities & Public Health Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Public Health</b>							
8,283	Directorate Pay & Associated Costs	4,542	2,833	-	7,375	-	(1,207)	6,168
35,308	Commissioned Services	421	48,035	-	48,456	(1,605)	(6,825)	40,026
(43,591)	Public Health Grant	-	-	-	-	(46,194)	-	(46,194)
-	<b>Total Public Health</b>	<b>4,963</b>	<b>50,868</b>	<b>-</b>	<b>55,831</b>	<b>(47,799)</b>	<b>(8,032)</b>	<b>-</b>
19,141	<b>TOTAL COMMUNITIES &amp; PUBLIC HEALTH</b>	<b>37,083</b>	<b>85,736</b>	<b>1,666</b>	<b>124,485</b>	<b>(52,310)</b>	<b>(49,260)</b>	<b>22,915</b>

**Communities & Public Health Portfolio -  
Capital Programme 2024/25**

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Communities &amp; Public Health Capital Programme</b>					
Local Improvement Scheme	901	500	500	500	500
Libraries Improvement Programme	138	212	-	-	-
Libraries and Archives ICT Replacement	351	1,002	-	-	-
National Water Sports Centre	533	-	-	-	-
Rufford Country Park	41	-	-	-	-
Landscape Services	-	-	-	-	-
Stapleford Library	688	-	-	-	-
<b>Gross Capital Programme</b>	<b>2,652</b>	<b>1,714</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Funded from:</b>					
Approved County Council Allocations	1,742	1,686	500	500	500
External Grants & Contributions	857	28	-	-	-
Revenue	20	-	-	-	-
Reserves	33	-	-	-	-
<b>Total Funding</b>	<b>2,652</b>	<b>1,714</b>	<b>500</b>	<b>500</b>	<b>500</b>

## Deputy Leader & Transformation Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
1 Original Budget 2023/24		4,799
2 Budgets Transferred between Portfolios		(1,274)
3 Additional Allocations/Reductions 2023/24		(86)
4 Capital Financing Budget Transfers		-
5 2024/25 Service Changes:		
Budget Pressures		-
Budget Savings		-
6 Annual Budget 2024/25		<u>3,439</u>

## Deputy Leader & Transformation Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Corporate Services</b>							
4,799	Transformation and Change	3,244	240	-	3,484	-	(45)	3,439
<b>4,799</b>	<b>Total Corporate Services</b>	<b>3,244</b>	<b>240</b>	<b>-</b>	<b>3,484</b>	<b>-</b>	<b>(45)</b>	<b>3,439</b>
<b>4,799</b>	<b>TOTAL Deputy Leader &amp; Transformation</b>	<b>3,244</b>	<b>240</b>	<b>-</b>	<b>3,484</b>	<b>-</b>	<b>(45)</b>	<b>3,439</b>

## Economic Development & Asset Management Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
<b>1 Original Budget 2023/24</b>		<b>25,988</b>
<b>2 Budgets Transferred between Portfolios</b>		<b>597</b>
<b>3 Additional Allocations/Reductions 2023/24</b>		<b>319</b>
<b>4 Capital Financing Budget Transfers</b>		<b>(148)</b>
<b>5 2024/25 Service Changes:</b>		
<b>Budget Pressures</b>		
Schools PFI Inflation	120	
		<b>120</b>
<b>Budget Savings</b>		
GID/Planning Proposed savings and income generation	(120)	
Corporate Landlord savings from contractual changes and spec work	(250)	
Disposals/letting of former caretakers houses to save empty property costs	(100)	
Vacation of building at SEV - save premises costs	(50)	
Planning - changes to fees	(50)	
Growth Infrastructure & Development - transition to externally funded model	(30)	
		<b>(600)</b>
<b>6 Annual Budget 2024/25</b>		<b>26,276</b>

## Economic Development & Asset Management Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Property</b>							
7,695	Safety & Facilities Mgmt - County Offices/Operational Sites	1,758	6,739	1,268	<b>9,765</b>	(288)	(882)	<b>8,595</b>
4,522	Building Maintenance + Compliance	-	4,775	-	<b>4,775</b>	(116)	(138)	<b>4,521</b>
7,809	Schools PFI/Children's Centres/Joint Use	-	25,793	486	<b>26,279</b>	(12,337)	(6,653)	<b>7,289</b>
1,991	Asset Mgmt/Projects/Commissioning/Estates/Strategy	2,331	1,968	277	<b>4,576</b>	(320)	(2,247)	<b>2,009</b>
<b>22,017</b>	<b>Total Property</b>	<b>4,089</b>	<b>39,275</b>	<b>2,031</b>	<b>45,395</b>	<b>(13,061)</b>	<b>(9,920)</b>	<b>22,414</b>
	<b>Economic Development</b>							
2,485	Growth Infrastructure and Development	815	1,036	763	<b>2,614</b>	-	(250)	<b>2,364</b>
794	Planning, Policy & Development Management	1,102	86	-	<b>1,188</b>	-	(404)	<b>784</b>
692	HW Development Control	897	91	-	<b>988</b>	-	(274)	<b>714</b>
<b>3,971</b>	<b>Total Corporate Services</b>	<b>2,814</b>	<b>1,213</b>	<b>763</b>	<b>4,790</b>	-	<b>(928)</b>	<b>3,862</b>
<b>25,988</b>	<b>TOTAL ECONOMIC DEVELOPMENT &amp; ASSET MANAGEMENT</b>	<b>6,903</b>	<b>40,488</b>	<b>2,794</b>	<b>50,185</b>	<b>(13,061)</b>	<b>(10,848)</b>	<b>26,276</b>

**Economic Development & Asset Management Portfolio -  
Capital Programme 2024/25**

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Economic Development &amp; Asset Management Capital Programme</b>					
Building Works	3,505	4,773	2,400	2,400	2,400
Social Housing Decarbonisation Fund	440	-	-	-	-
Sustainable Warmth Homes	2,618	1,389	-	-	-
Building & Office Rationalisation Programme	8,300	12,551	3,928	-	-
Site Clearance Programme	74	-	-	-	-
Top Wighay Farm - Homes England	354	600	-	-	-
White Hills Park Federation	133	-	-	-	-
Hybridisation Programme	76	-	-	-	-
<b>Gross Capital Programme</b>	<b>15,500</b>	<b>19,313</b>	<b>6,328</b>	<b>2,400</b>	<b>2,400</b>
<b>Funded from:</b>					
Approved County Council Allocations	11,968	17,924	6,328	2,400	2,400
External Grants & Contributions	3,058	1,389	-	-	-
Revenue	-	-	-	-	-
Reserves	474	-	-	-	-
<b>Total Funding</b>	<b>15,500</b>	<b>19,313</b>	<b>6,328</b>	<b>2,400</b>	<b>2,400</b>

## Finance & Resources Portfolio Variation Summary 2023/24 to 2024/25

	£'000	£'000
1 Original Budget 2023/24		45,619
2 Budgets Transferred between Portfolios		1,411
3 Additional Allocations/Reductions 2023/24		4,060
4 Capital Financing Budget Transfers		449
5 2024/25 Service Changes:		
Budget Pressures		-
Budget Savings		-
6 Annual Budget 2024/25		<u>51,539</u>

## Finance & Resources Portfolio - Revenue Budget 2024/25

Original Budget 2023/24 £'000		Employees £'000	Running Expenses £'000	Capital Charges £'000	Gross Expenditure £'000	Grant Income £'000	Other Income £'000	Original Budget 2024/25 £'000
	<b>Corporate Services</b>							
	- Directorate	272	38	-	310	-	-	310
3,280	Financial Services & Procurement	5,015	518	66	5,599	-	(1,574)	4,025
14,872	ICT Services	8,863	4,439	5,754	19,056	-	(2,387)	16,669
	- Business Intelligence Unit	1,046	122	-	1,168	-	(146)	1,022
2,649	Corporate Human Resources	4,177	943	-	5,120	(1)	(2,134)	2,985
8,608	Business Support	12,270	204	-	12,474	(55)	(3,157)	9,262
2,269	Business Services Centre	5,497	4,608	38	10,143	(15)	(7,728)	2,400
4,290	Customer Services Centre and Complaints	4,655	391	5	5,051	-	(459)	4,592
1,278	Document Services	1,040	1,839	2	2,881	(25)	(1,519)	1,337
1,069	Corporate Communications	1,008	312	-	1,320	-	(192)	1,128
858	Democratic Services	957	126	-	1,083	(62)	(119)	902
2,104	Members Allowances	-	2,180	-	2,180	-	-	2,180
197	Councillors Divisional Fund	-	198	-	198	-	-	198
4,145	Legal Services, Information Governance and Complaints	3,099	1,465	-	4,564	-	(235)	4,329
<b>45,619</b>	<b>Total Corporate Services</b>	<b>47,899</b>	<b>17,383</b>	<b>5,865</b>	<b>71,147</b>	<b>(158)</b>	<b>(19,650)</b>	<b>51,339</b>
	- County Council Elections	-	200	-	200	-	-	200
	- <b>Total County Council Elections</b>	-	<b>200</b>	-	<b>200</b>	-	-	<b>200</b>
<b>45,619</b>	<b>TOTAL FINANCE &amp; RESOURCES</b>	<b>47,899</b>	<b>17,583</b>	<b>5,865</b>	<b>71,347</b>	<b>(158)</b>	<b>(19,650)</b>	<b>51,539</b>

## Finance & Resources Portfolio - Capital Programme 2024/25

	Revised 2023/24 £000	Budget Year 2024/25 £000	Indicative Figures		
			2025/26 £000	2026/27 £000	2027/28 £000
<b>Finance &amp; Resources Capital Programme</b>					
ICT Infrastructure Replacement Programme	1,691	1,407	1,000	1,000	1,000
Microsoft Enterprise Agreement	2,481	2,700	2,700	2,700	2,700
IT Replacement	(262)	5,243	460	460	460
Wide Area Network	67	-	-	-	-
Risk Management	50	50	50	50	50
EcoSystem Platform	1,499	711	-	-	-
Customer Services Centre / MASH	28	-	-	-	-
BMS	56	-	-	-	-
<b>Gross Capital Programme</b>	<b>5,610</b>	<b>10,111</b>	<b>4,210</b>	<b>4,210</b>	<b>4,210</b>
<b>Funded from:</b>					
Approved County Council Allocations	3,859	6,251	4,160	4,160	4,160
External Grants & Contributions	-	-	-	-	-
Revenue	-	-	-	-	-
Reserves	1,751	3,860	50	50	50
<b>Total Funding</b>	<b>5,610</b>	<b>10,111</b>	<b>4,210</b>	<b>4,210</b>	<b>4,210</b>



## **REPORT OF CABINET MEMBER FOR FINANCE AND RESOURCES**

### **BUDGET 2024/25 – PROPOSALS FOR SUBMISSION TO FULL COUNCIL**

#### **Purpose of the Report**

1. To consider the contents of the Budget Report that will be recommended to Full Council on 22 February 2024 with specific reference to:
  - The Annual Revenue Budget for 2024/25.
  - Amount of Adult Social Care Precept to be levied for 2024/25 to part fund increasing adult social care costs.
  - Amount of Council Tax to be levied for County Council purposes for 2024/25 and the arrangements for collecting this from district and borough Councils.
  - Medium Term Financial Strategy for 2024/25 to 2027/28.
  - Capital Programme for 2024/25 to 2027/28.
  - Minimum Revenue Provision policy for 2024/25.
  - Cabinet to be authorised to make allocations from the general contingency for 2024/25.
  - Borrowing limits that the Council is required to set by Statute and that the Service Director (Finance, Infrastructure and Improvement) be authorised to raise loans within these limits in 2024/25.
  - The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy.
  - Treasury Management Policy for 2024/25.

#### **Our Long-Term Plans for Better Lives**

2. The Budget for 2024/25 is set in a challenging financial time for local government. The context sees a picture of increasing need, the challenge of inflation driving up the cost of delivering services and the national picture of limited funding support to local government. The options of increasing funding through council tax should also be seen in the backdrop of the continued financial pressures faced by communities.
3. The financial landscape facing the sector including the Council is becoming increasingly challenging with 2023 seeing an increasing number of councils, including noticeably those with social care responsibilities, giving warnings about their ability to balance their 2023/24 budgetary positions and beyond, due in large part to inflation and wage growth.
4. Many of the sectoral bodies (Local Government Association, County Councils Network, Society of County Treasurers and Special Interest Group of Municipal Authorities) have recently published warnings illustrating that the current local government finance system is

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failing to tackle issues around social care funding (including children's), plus the continual impact of high inflation. This has put some councils in a perilous financial position with many Section 151 Officers considering issuing of Section 114 reports for not being able to balance their budget for the coming year.

5. This Budget proposal marks an increase in overall spending of over £47m for 2024/5 compared with 2023/4, with service areas seeing an increase in spending on statutory services. Despite this, it has still been necessary to make huge efforts to reduce costs. This demonstrates just how much the inflationary pressure and wage rises have impacted on the cost of delivering services.
6. Nottinghamshire County Council is better placed than many due both to the sound fiscal management approach and the significant ongoing transformation of our services. This has enabled us to maintain delivery of our services whilst limiting the increase in council tax. The Council will continue with our aim to protect and enhance key services for residents whilst making our organisation financially sustainable for the medium to long term. The Budget proposal uses reserves wisely to protect services as much as possible in the short to medium term and in order to give the Council time to transform.
7. In the medium-term the overarching objective of the Council's budget strategy must be to try to deliver a balanced budget by deploying a framework which allows the Council to adapt to a scale that matches its financial envelope; in a way that does not cut services for short-term expediency, but instead protects and supports residents, and improves outcomes. This will require the Council to prioritise and enhance key services as far as possible, particularly in those most disadvantaged communities, helping to improve the lives of local people, and mitigate the impacts of inflation to protect residents and assist them to withstand the worst of these increased costs.
8. The longer-term financial sustainability comes by focusing on prevention and early help, thereby reducing the demand on expensive, acute services over time. This requires a longer-term view whereby the Council must reach a position, through transforming the way it delivers services in future, where it is able to both offer more support within communities, and simultaneously be more efficient and effective with its spending.
9. Despite the financial pressures on the sector, earlier decisions taken by this Council have effectively given us time to manage a transition to something more sustainable, and to work with communities to deliver service transformation. This is a relatively positive position, against a backdrop of other Councils delivering large programmes of immediate service reductions.
10. The Council will focus on helping to build economic, community, family, and individual resilience so that there is more independence and better outcomes for everyone across the county. We will continue to support people to remain independent and living within their own home, family, and community.
11. The Council is currently undertaking numerous service transformation programmes, aimed at improving the levels and efficacy of 'prevention' services. These programmes are supporting local residents to reduce the numbers of people needing the most acute and expensive services, with the aim of reducing demand on care in particular to sustainable

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levels. These actions, which are already beginning to bear fruit, both improve the lives of local people and offer a more sustainable way forward financially for the organisation.

12. More people living independent lives, supported by their community and local networks, including our own place-based services, rather than being reliant on our most expensive services such as residential care, is better for everyone - for resident, community, and Council. Work will particularly focus on improving services in those most disadvantaged communities, where the demand is highest and the need for support is greatest.
13. Through our budget we will help to galvanise communities and work with them to augment community services. It will include collaborating better with partners to be more efficient and effective with our services, joining things up to achieve better outcomes. It will include supporting young people to remain independent with extended family or community-based solutions, where outcomes are far better. We will focus our spend on early support for families within local areas, preventing the need for expensive residential care later.
14. Managing demand and helping people gradually increase their independence is a much more sustainable, and much more attractive, approach compared with making short term cuts to services. It will take time, and we have set out a long-term plan over the coming 10 years. These are broad themes and directions that will build resilience in our communities into the future and are supported by nine ambitions which will function as a framework for all County Council activity.
15. Our 2024/25 Budget will clearly show that our approach is already beginning to take shape. We are prioritising key service areas, moving money to the right places, and offering increased financial security for the rest of the Medium-Term Financial Strategy (MTFS). Implementing our approach over time will help us to avoid the need for more drastic and difficult choices for the coming years, and to move beyond a difficult annual discussion about cuts or tax rises, towards something more sustainable.
16. Our position relative to other Councils shows that our plan is working, and this Budget supports the continued delivery of that long term plan to help us deliver long-term sustainability for local services.
17. Despite the pressures, this Council also continues to invest, through its capital programme, ensuring that we are still delivering 'invest to save' propositions as well as major projects and highways improvements that support economic growth in the County.

### **The Nottinghamshire Plan**

18. At the Full Council meeting held on 25 November 2021, the Council approved The Nottinghamshire Plan 2021-31: Healthy, Prosperous, Green. This ambitious plan set out the strategic vision for the future of Nottinghamshire and the Council built around achieving a bold 10-year vision for a 'healthy, prosperous and greener future for everyone' with a focus on:
  - Improving health and well-being in all our communities
  - Growing our economy and improving living standards
  - Reducing the County's impact on the environment
  - Helping everyone access the best of Nottinghamshire.

19. These broad themes will build resilience in our communities into the future and are supported by nine ambitions which will provide a framework for all County Council activity:
- Helping our people live healthier, more independent lives
  - Supporting communities and families
  - Keeping children, vulnerable adults and communities safe
  - Building skills that help people to get good local jobs
  - Strengthening businesses and creating more good-quality jobs
  - Making Nottinghamshire somewhere people love to live, work and visit
  - Attracting investment in infrastructure, the economy and green growth
  - Improving transport and digital connections
  - Protecting the environment and reducing our carbon footprint
20. A tenth ambition – ‘A forward-looking resilient Council’ – outlines the Council’s plans to strengthen processes, systems and ways of working that enable the whole organisation to deliver efficient and effective services for Nottinghamshire’s people and communities. Looking to the future, work to reform the organisation into a forward looking, sustainable and resilient council will become an increasing corporate priority particularly so that the Council can remain ambitious for the County and fit for the future.
21. The Plan sets out what the County Council will do over the next ten years to achieve these ambitions as well as how it will measure progress and success. The Plan also details the Council’s on-going journey of improvement as we continue to deliver services in a responsive, efficient, financially sustainable and forward-looking way.
22. The Annual Delivery Plan describes how the Council will be working collaboratively, both across the Council and with partners, to continue the development of our cross-cutting transformation programmes. This will help us to test new and improved ways of working, service delivery and systems and help create the conditions to enable us to make a difference for the County’s communities and residents.

### **What this means for how Nottinghamshire County Council will operate in future**

23. The Council is operating in a global, national and regional context, which creates great opportunity and some challenges. With our track record in change and transformation the Council is well positioned to look to the future. To secure a sustainable and financially resilient forward position, it will be critical for the Council to continue to change and transform how it operates to respond to additional projected financial pressures. However, it must be recognised that continuous improvement alone will not be enough to ensure our ongoing sustainability. We will need to mobilise all the talent and creativity across the Council to innovate, reform and take advantage of new opportunities, whilst maintaining the delivery of high-quality services and mitigating the risks to delivery of our ambitions as a Council.

24. As a blueprint for the longer term is developed, there are already some key themes emerging that will help build the plan for the future shape of the organisation and retain a focus on the longer-term ambitions in the Nottinghamshire Plan:

- **Driving local public service reform** –The Council already has the foundations in place to maximise the opportunities of working collaboratively with the newly formed East Midlands County Combined Authority (EMCCA), the Integrated Care Board (ICB) and other key partners such as District and Parish Councils, schools and the voluntary and community sector. Anchored in a review of the County’s strategic partnerships, we will shift our approach to deeper collaboration, reducing duplication and focusing collective partnership resources on tackling the multiple causes that prevent all communities from experiencing the best possible outcomes. We will best achieve our long-term ambitions by moving beyond working as one Council, to working as one system for Nottinghamshire.
- **Re-shaping the organisation in a sustainable manner** – Revised organisational design principles will ensure the organisation has the right leadership, capacity and capability to achieve our statutory outcomes and fulfil a leadership role across the local public service system for Nottinghamshire. The Council will continue to assess service delivery models, ensuring we provide or commission services that meet statutory duties as efficiently and effectively as possible through targeted service reviews. This will include increased use of new technologies and digital tools to bring artificial intelligence (AI), automation and integrated systems more prominently into our operating model, as well as skills-mix and establishment reviews to reduce the cost of front-line functions, ensure efficient use of centralised resources, and further rationalisation of our office and service estate. Reviews will also consider the effectiveness or appropriateness of the Council as a provider of traded and non-statutory services.
- **Strengthening the building blocks of good health and wellbeing in communities** – Nottinghamshire County Council continues to invest in early help and prevention; however, we know that our levels of investment are not sustainable in the current financial climate. We will therefore invest our available resources to focus support on the people and communities that will benefit most from the support and services we offer. We believe that this approach will build resilience and independence, reducing demand over time for County Council statutory services, and those of other statutory public sector agencies. The Council can draw collective knowledge and insight together, working with people, partners and communities, to co-create solutions and new approaches to community-based interventions. We will need to work with partners, including the voluntary and community sector, district and parish councils, and schools to support and grow the strengths and assets in our communities.
- **Re-defining our relationship with schools** - The Council has a strong and positive relationship with Multi Academy Trusts and schools across the County, a relationship we will continue to nurture and strengthen. There is a great deal of pride in the way the Council and schools ensure children and young people get the best start in life and grow their future. As the number of schools academising continues to increase there has been a change in the ways that individual schools and groups of schools, including Trusts, commission, or purchase services for schools. The Council needs to be able to adapt to these changes and will therefore review the services currently provided to schools including how statutory duties are met and other discretionary support. Traded services

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provided to schools across Council departments will be in scope for review including Support to Schools, Outdoor Education, School Catering and Cleaning. As schools academise and the Council's customer base reduces, the value for money we're able to offer both schools and taxpayers decreases. For those services that are discretionary, carry financial risk or are not financially viable, we will consider whether the County Council is best placed to deliver these services in the current format or a redesigned model or, where there are other providers already in the market providing these services to schools, whether the Council should collaborate appropriately.

### Background to the Budget

25. This report sets out the detailed background to the Council's budget position over the life of the Medium-Term Financial Strategy (MTFS), which is the key financial plan for the Council.
26. The Council's financial position has been challenging now for several years. More recently, the main drivers of pressure on the Council's budget have related to inflation and rising costs (including wage rises) and to increased demand for local government services, particularly from social care areas. This is why services continue to be under pressure, despite an overall increase in spending on services. The impact upon the Council's finances, because of the increase in overall costs, is being replicated across the country.
27. The strategic and financial planning for 2024/25 is being undertaken within the context of continued uncertainty because of the on-going conflicts in Ukraine and the Middle East and its impact in relation to global energy and food supplies. In addition, the continuing consequences of inflationary pressures, although now falling, have impacted on both the cost of delivering services and the demand for services as households and communities continue to struggle with the associated cost of living.
28. Consumer Price Inflation (CPI) in the UK economy stood at 4% in December 2023 down from 10.5% in December 2022. The Bank of England Monetary Policy Report – November 2023 forecast inflation to decrease to around 4.5% in quarter 4 of 2023 and to keep falling in 2024 to reach the 2% target in 2024. At its meeting on 14 December 2023, the Bank of England's Monetary Policy Committee maintained the Bank Rate of interest at 5.25% for the third meeting in a row, the highest level since February 2008.
29. The risks arising from inflation, which is also impacting household incomes, was recognised in the Annual Budget Report to Full Council in February 2023. Additional reserves were set aside in the risk-based General Fund reserve with regard to inflationary pressures, increased on-going risks in Children's and Adults Service and inherent challenges faced specifically in the social care market following the pandemic.
30. The Council closely monitors developments across the local government landscape and takes account of the financial issues being reported by other authorities. There have been a number of councils that have recently issued or warned of issuing Section 114 notices. This serves to highlight the underlying fragility and lack of resilience within the wider local government sector. Whilst some of the issues that plague local authorities are specific in nature (e.g. exposure to commercial risk, excessive levels of borrowing, Equal Pay Claims) it is the Section 151 Officer's focus to ensure that the issues faced by those councils at risk are not replicated in Nottinghamshire by a failure to set a robust and sustainable budget.

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31. This Council is not immune to the overall decline in financial resilience across the sector and continues to face significant financial and service delivery pressures across its services as set out elsewhere in this report. It is therefore important to continue to work with partners across the sector to lobby Government for adequate and sustainable levels of funding for local government as a whole.
32. The Budget Report submitted to Full Council on 9 February 2023 set out the financial landscape within which the Council is operating and noted the anticipated budget shortfall of £30.8m over the three years to 2026/27. This, however, assumed the Council would increase both Council Tax and the Adult Social Care Precept. Excluding both meant that the essential budget shortfall over the three years was £64.4m.
33. The current projected capital programme outturn for 2024/25 is £161.3m. As part of the budget setting process a review of the capital programme has been undertaken.
34. At this stage, with the Government's further one-year settlement announcement, despite having a clear view of the funding for 2024/25, the financial resources available for the final three years of the Medium Term-Financial Strategy (MTFS) remains unclear. This will continue to be the case until announcements regarding the longer-term future of local government financing are made.
35. The Period 8 Budget Monitoring Report that is also reported to this Cabinet meeting shows a net underspend position of £5.5m, representing less than 0.1% of the net budget. The current forecast underspend follows significant efforts to control in year spending. Efforts will continue to manage the 2023/24 budget with any underspend being added to fund continuing investment in technology, transformation and invest to save programmes.
36. As part of the budget setting process the Council has carried out a full review of the budget pressures and underlying assumptions held within the MTFS. The Council has also received provisional information on the level of funding it can expect in 2024/25. This report outlines the recommendations that will be submitted for approval to the Full Council meeting on 22 February 2024.
37. It is also important to note that our Budget setting process does not happen in a vacuum, and this year we will see fundamental changes to the delivery of public services in our County with the introduction of a new East Midlands County Combined Authority (EMCCA). In 2024/5 and beyond this Council will work with the EMCCA to transition some areas of powers and funding into the new Authority, which will take over some Council responsibilities, particularly around Transport.

### **Budget Consultation – Rising to the Challenge**

38. A key element of the Council's budget setting process is consultation with stakeholders.
39. The 2023 consultation went live on the 29 September 2023 and closed on the 12 November 2023. The survey set out how the council spends its allocated budget and asked people for their views about our services and their priorities.

40. The consultation was made available through a range of channels including:
- Nottinghamshire County Council website
  - local and regional media
  - social media, including X, Facebook and Instagram
  - email bulletins to the Council's subscribers
  - and in print at Libraries.
41. We also shared our consultation with our partners, including groups representing the business community and other relevant stakeholders including the trade unions at Central Joint Consultative and Negotiating Panel (JCNP).
42. The Council received 3,911 responses to the 2023 Budget Survey which is a 59% increase on the 2,454 responses received last year. Analysis highlights from the Budget Survey 2023 include:
- The majority of respondents were positive about their local area as a place to live, with 69% specifically saying that they are 'very or fairly satisfied'.
  - When ranking the three Nottinghamshire County Council services in order according to the services that benefit respondents the most, community and public transport was the service area most often identified by respondents.
  - Most respondents disagreed or strongly disagreed when asked whether the Council should reduce spend on a range of services to help meet the financial challenge.
  - Overall, 63% of respondents would support an increase in council tax – 44% up to the current referendum limit of 2.99% and 19% would support an increase by lower than the referendum limit.
  - Overall, 70% of people completing the survey would support an increase in the Adult Social Care Levy – 48% by the maximum level currently permitted of 2%, whilst 22% would support an increase by a lower level permitted.
43. The outcomes from the Annual Budget Survey 2023 were reported to Cabinet on 21 December 2023. Further details and analysis regarding the outcomes can be found by referring to the December Cabinet report.
44. Responses to the consultation have been considered when drawing up the proposals set out in this report.

### **Provisional Local Government Settlement 2024/25**

45. On 18 December 2023, the provisional Local Government Settlement 2024/25 was announced via a written ministerial statement by the Secretary of State for Levelling Up, Housing and Communities, the Rt Hon Michael Gove MP. The key announcements that will affect the Council are as follows:
- Core Spending Power increases by an average of 6.5% assuming all Local Authorities levy the maximum precept allowed in 2024/25,
  - Confirmed £65.1m Social Care Grant allocation in 2024/25,
  - Services Grant allocation of £0.7m,

- Confirmed Revenue Support Grant of £8.6m,
  - Confirmed New Home Bonus Grant allocation of £1.0m,
  - The Council Tax threshold has been set at 3.00% in 2024/25,
  - The Adult Social Care Precept has been set at 2.00% in 2024/25.
46. The Budget Report 2023/24, approved by Full Council in February 2023, included assumptions regarding the level of future year general government grants. The 2024/25 grants announced in the Provisional Local Government Settlement exceed those assumptions by £5.5m.
47. In addition, the following specific Social Care Grants were announced:
- Confirmed Market Sustainability Grant allocation of £15.4m,
  - Confirmed Discharge Fund Grant allocation of £7.2m.
48. The 2024/25 Settlement is a further one-year settlement and, as such, considerable uncertainty beyond 2024/25 will remain until future announcements are made.

### **Additional Funding Announcement**

49. On 24 January 2024, a further written ministerial statement from the Secretary of State for Levelling Up, Housing and Communities, the Rt Hon Michael Gove MP announced additional measures for local authorities worth £600m. This includes £500m of additional funding for councils with responsibility for adults and children's social care, distributed through the Social Care Grant formula. It is anticipated that this will result in a further £7.2m Social Care Grant for the Council. It is expected that this will be confirmed as part of the Final Local Government Settlement announcement which is expected in early February 2024.
50. Councils are expected to invest this additional funding in areas that help place children's social care services on a sustainable footing, whilst being mindful of the level of adult social care provision. This includes investment in expanding family help and targeted early intervention, expanding kinship care and boosting the number of foster carers. The funding will go some way to addressing the £25.1m pressures identified in the Children and Families portfolio.
51. As a condition of funding, Government will be asking local authorities to produce productivity plans setting out how they will improve service performance and reduce wasteful expenditure to ensure every area is making best use of taxpayers' money.

### **Revised Pressures and Running Cost Inflation**

52. When the 2023/24 budget was approved in February 2023, specific pressures and non-pay inflationary pressures totalling £114.6m were identified for the period 2023/24 to 2026/27 of which £44.7m related to 2023/24.
53. A review has been undertaken whereby Departments were asked to both justify existing pressures and identify any new pressures faced over the medium term. These bids have continued to be revised and total specific pressures and non-pay inflationary pressures to 2027/28 now total £134.8m. Table 1 below tracks the movement in pressures and inflation that has occurred since February 2023.

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54. Appendix A identifies that the Council's main pressures relate to growth in both External Placements for Looked After Children and SEND Transport, increases to the National Living Wage in Adult Social Care and the impact of inflation across various contracts and services.
55. In recent years, no uplift has been provided for inflation on non-pay items, except where a specific business need has been identified. It is proposed that this approach is continued for the duration of the MTFS.

**Table 1 – Movement in Pressures and Inflation**

Portfolio	2024/25 to 2026/27			Add Year 2027/28	Current Total 2024/25 to 2027/28
	Original Demand Pressures	Original Inflation	Net Movement		
Adult Social Care	7.3	4.8	12.1	16.1	72.4
Children & Families	10.3	0.3	10.6	3.6	25.1
Education & SEND	0.4	-	0.4	0.2	1.6
Economic Development & Asset Management	-	(0.4)	(0.4)	0.1	0.5
Communities & Public Health	2.5	0.3	2.8	0.7	5.1
Transport & Environment	10.3	3.8	14.1	4.6	30.3
<b>Total</b>	<b>30.8</b>	<b>8.8</b>	<b>39.6</b>	<b>25.4</b>	<b>134.8</b>

### Further Investment in Highways

56. Over recent weeks and months the county has experienced a number of intense weather events including Storm Babet, Storm Henk and freezing temperatures. These events have contributed to a significant increase in the level of road damage this winter compared to a normal year. This has had an adverse impact on the condition of roads across the whole of the county. The Council has previously identified investment in the highways infrastructure across the county as an important strategic objective which is confirmed through the annual budget consultation exercise.
57. In addition to recent Government announcements on funding, the Council will also set aside extra funding into our highway. Consequently, it is proposed that the Council invests a further £4m in highways during 2024/25, over and above the contract inflation set out in Appendix A, to further improve the condition of roads across the county. This additional investment will be focused upon improving the condition of a number of the County's busier main roads and will be delivered through a number of significant surface improvement schemes.

### Pay Award Inflation

58. The County Council continues to be part of nationally determined local government pay bargaining arrangements. These are negotiated by the National Joint Council made up of the national employers and the recognised trade unions. Based upon previous rises and current estimates the MTFS assumes an annual 5.0% increase for 2024/25, 3% in 2025/26 and a further 2% increase in 2026/27 and 2027/28.

**Savings / Efficiencies**

59. The MTFS includes previously approved savings options totalling £3.3m from 2023/24. In addition to this, the Council has proposed a number of further savings and efficiencies that total £16.3m. A breakdown is set out in Appendix B which details the nature of the proposals including those where consultation will be undertaken as appropriate before a final decision is made.
60. The progress of all savings and efficiencies will be monitored throughout the year as part of the usual budget monitoring processes.
61. In summary, the significant savings set out in this report are anticipated to be made from:
- working with the Integrated Care Board (ICB) to reduce the number of hospital admissions, reviewing high-cost nursing and residential care home placements and deployment of greater technological solutions aimed at improving health and independence for service users whilst reducing the reliance upon high-cost placements and slowing the overall increase seen on social care costs.
  - maintaining the level of spend on our highways but ensuring the spend is appropriately charged to the capital programme rather than through our revenue budget.
  - working with the new East Midlands Combined County Authority to ensure our spend on economic development activities is aligned across the two county geographies.
  - invest to save opportunities, general efficiencies in our running costs and setting budgets to match our income.
62. Further work will be undertaken to identify the human resources implications in more detail in relation to specific proposals referenced in the report. Where employment implications arise from any of the identified actions outlined in this report, these will be consulted on and implemented in line with the agreed employment policies and procedures of the Council.

**MTFS Assumptions and Projections**

63. Similar to previous years a detailed review has been undertaken of the assumptions that underpin the MTFS.

**Interest and Borrowing**

64. A strategy to limit borrowing to that already approved by Full Council in February 2022 was set out in the 2023/24 Budget Report. As well as restricting the impact on the on-going revenue budget with respect to the Minimum Revenue Provision it also minimises associated interest payable by the Council. In addition, recent increases to interest rates announced by the Bank of England Monetary Policy Committee have raised the amount of interest received by the Council. Following review, a prudent decision has been taken to reduce interest budgets by £5m.

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65. The level of borrowing undertaken by the Council is heavily influenced by the capital programme and the associated expenditure profile of approved schemes. Slippage can result in reduced borrowing in the year, although this will still be incurred at a later date when schemes are completed. Interest payments are based on an estimated interest rate which can also fluctuate depending on the market rates at the time the borrowing is undertaken. The level of external borrowing undertaken will also increase as the Council's level of reserves declines, as this effectively reduces the Council's ability to borrow internally.
66. The Council's position is monitored regularly in relation to these two variables and the budget for interest and debt repayments has been reviewed to meet expected costs in 2024/25. This budget will continue to be closely monitored to ensure interest and debt payments are adequately provided for in future years.

### Contingency

67. An acceptable minimum level of contingency is needed for unforeseen events, redundancy payments and non-delivery of savings. This is even more critical in an increased risk environment due to uncertainty around budget pressures, achievability of savings, pay award settlement and the on-going impacts of high inflation. As part of the budget construction process, the base level for the 2024/25 Contingency budget has been set at £5.0m.
68. In addition, there is a need to provide for an estimated pay award contingency of £10.8m in relation to 2024/25 which will also be earmarked for future allocation to Portfolios once agreed.

### Annual Budget 2024/25

69. The paragraphs above outline the financial position that the Council is operating in, the budget position as reported to Full Council in February 2023, the MTFS assumptions that have been reviewed and the Council's strategic response to meeting the budget challenge.
70. The Provisional Local Government Settlement 2024/25 was announced on 18 December 2023. It is expected that the Final Local Government Settlement will be announced in early February 2024. Any changes to the final settlement will be reported as part of the Annual Budget Report 2024/25 to Full Council on 22 February 2024.
71. This report brings together the Council's provisional funding position. The total revenue budget for 2024/25 is £638.8m. A summary is shown in Table 2 and a more detailed breakdown across Portfolios will also be reported to Full Council as part of the Annual Budget Report 2024/25.

**Table 2 – Proposed County Council Budget 2024/25**

Portfolio Analysis	Net Budget 2023/24 £m	Pressures £m	Savings £m	Budget Changes £m	Net Budget 2024/25 £m
Children & Families	155.018	14.709	(0.270)	1.975	171.432
Education & SEND	24.082	0.756	-	1.548	26.386
Adult Social Care	259.817	23.099	(1.848)	(2.499)	278.569
Transport & Environment*	118.764	14.607	(3.816)	1.182	130.737
Communities & Public Health	19.141	3.319	(0.144)	0.599	22.915
Deputy Leader & Transformation	4.799	-	-	(1.360)	3.439
Economic Development & Asset Management	25.988	0.120	(0.600)	0.768	26.276
Finance & Resources	45.619	-	-	5.920	51.539
<b>Net Portfolio Requirements</b>	<b>653.228</b>	<b>56.610</b>	<b>(6.678)</b>	<b>8.133</b>	<b>711.293</b>
Corporate Budgets	(57.707)	-	-	(21.242)	(78.949)
Net Transfer (From)/To Reserves	(3.890)	-	-	10.381	6.491
<b>Budget Requirement</b>	<b>591.631</b>	<b>56.610</b>	<b>(6.678)</b>	<b>(2.728)</b>	<b>638.835</b>

\* Includes SEND Transport Pressures

72. Table 2 shows the changes between the original net budget for 2023/24 and the proposed budget for 2024/25, including budget pressures, savings and other budget changes which include permanent contingency transfers approved in 2023/24 and various transfers between portfolios. Each area of statutory service delivery will see an increase in Budget for 2024/25.

### Corporate Budgets and Reserves

73. There are a number of centrally held budgets that are not reported to a specific portfolio. They are detailed below with the budget analysis shown in Table 3:
- **Flood Defence Levy:** The Environment Agency issues an annual local levy based on the Band D equivalent houses within each Flood and Coastal Committee area. This helps to fund local flood defence priority works.
  - **Pension Enhancements:** The cost of additional years' service awards, approved in previous years. This is a legacy cost and the practice is no longer permitted following changes to the pension rules.
  - **Trading Organisations:** This sum is required to cover the difference between the basic employer's pension contributions used in the trading accounts and the amounts actually charged, as required by the actuarial valuation.
  - **Contingency:** This is provided to cover redundancy costs, impact of the pay awards, delays in efficiency savings, changes in legislation and other unforeseen eventualities. Cabinet, the Cabinet Member for Finance and Resources or the Section 151 Officer are required to approve the release of contingency funds in accordance with limits set out in the approved financial regulations of the Council.

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- **Capital Charges (Depreciation):** This represents the notional costs of using the Council's fixed assets. As such, budget provision is made within the service accounts and adjustments here relate to corresponding movements in the service accounts. However, statute requires that this amount is not a cost to the Council Taxpayer, hence this is reversed out within corporate budgets and replaced with the actual cost that impacts on the Council's revenue budget, being the costs of borrowing (i.e. interest) and the Minimum Revenue Provision (MRP).
- **Interest and Borrowing:** The level of borrowing undertaken by the Council is heavily influenced by the capital programme. Slippage can result in reduced borrowing in the year although this will be incurred at a later date. Interest payment budgets are based on an estimated interest rate which can fluctuate depending on the market rates that exist at the time. The level of borrowing will also increase as the Council's level of reserves declines because the ability to borrow internally reduces.
- **Minimum Revenue Provision:** Local Authorities are required by law to make provision through their revenue account for the repayment of long-term external borrowing and credit arrangements. This provision is made in the form of the Minimum Revenue Provision (MRP). The MRP policy can be seen in Appendix D.
- **Revenue Grants:** The New Homes Bonus, Revenue Support Grant, Social Care Grant and Council Services Grant are held centrally and are not ring-fenced.
- **Use of Reserves:** This represents the Council's use or contribution in relation to balance sheet reserves. This budget report is proposing to utilise £35.3m of reserves over the medium term. Further detail is provided in Appendix C.

**Table 3 - Proposed Budget 2024/25 - Corporate Budget and Reserves**

	Net Budget 2023/24 £m	Budget Changes £m	Net Budget 2024/25 £m
Flood Defence Levies	0.339	0.016	0.355
Pension Enhancements (Centralised)	2.050	-	2.050
Trading Organisations	1.300	-	1.300
Contingency - General	5.000	-	5.000
Contingency - Pay	10.973	(0.150)	10.823
Capital Charges (Depreciation)	(49.368)	(2.842)	(52.210)
Interest & Borrowing	20.223	(5.000)	15.223
Minimum Revenue Provision (MRP)	12.509	(0.018)	12.491
New Homes Bonus Grant	(1.094)	0.060	(1.034)
Social Care Grant	(55.409)	(16.845)	(72.254)
Council Services Grant	(4.230)	3.537	(0.693)
<b>Subtotal Corporate Budgets</b>	<b>(57.707)</b>	<b>(21.242)</b>	<b>(78.949)</b>
Net Transfer (From)/To Other Earmarked Reserves	(3.890)	10.381	6.491
Transfer (From)/To General Fund Balances	-	-	-
<b>Subtotal Use of Reserves</b>	<b>(3.890)</b>	<b>10.381</b>	<b>6.491</b>

**Tax Base**

74. As new houses are built the Council Tax base increases. Over the last 5 years the growth rate has fluctuated due, in part, to the challenging economic climate.
75. The District and Borough Councils calculate a Council Tax base by assessing the number of Band D equivalent properties in their area, and then building in an allowance for possible non-collection. The Council has received confirmed tax base information from all District and Borough Councils and the notifications received forecast a total tax base of 267,038.21. This represents growth of 1.27% compared to original assumed growth of 1.20% and gives rise to an additional £0.3m of funding when compared to the assumption used in previous MTFS updates.

**Council Tax Surplus/Deficit**

76. Each year an adjustment is made by the District and Borough Councils to reflect the actual collection rate of Council Tax in the previous year. Sometimes this gives rise to a surplus, payable to the County Council, or a deficit which is offset against the future years' tax receipts. Following receipt of collection fund information from all District and Borough Councils, the figures confirmed equate to a net surplus of £3.3m in 2024/25.

**Business Rates Surplus / Deficit**

77. Budgets in respect of Business Rates are contingent upon a range of inputs derived from District/Borough Councils and Central Government returns, the outcome of which at the time of writing this report are uncertain in terms of both timing and amount. Any impact in relation to the increase in reliefs made to businesses are likely to have an adverse effect on collection rates. Should any deficit in relation to current projections be realised, these are expected to be met by compensation grants from Government or amounts set aside in earmarked reserves.

**Government Grants**

78. As announced in the 2024/25 Provisional Local Government Finance Settlement the following government grants will be received in 2024/25:
- £65.1m - Social Care Grant
  - £0.7m – Services Grant
  - £8.6m – Revenue Support Grant
  - £30.9m - Improved Better Care Fund
  - £15.4m - Market Sustainability and Fair Cost of Funding Grant
  - £7.2m – Discharge Funding
79. In addition, a further £7.2m is expected to be received through the Social Care Grant following the ministerial statement announced on the 24 January 2024.
80. Also, for Nottinghamshire, the 2024/25 New Homes Bonus funding has been confirmed at £1.0m.

### Council Tax and Adult Social Care Precept 2024/25

81. The Provisional Local Government Settlement announced by the Government on 18 December 2023 set out funding plans for councils in England to help them to deliver the services that their residents need. It was confirmed that the 2024/25 referendum threshold has been set at 3.00%.
82. Also in the announcement, it was confirmed that there will be further flexibility to levy an Adult Social Care Precept of 2.00% in 2024/25.
83. The Core Spending Power issued by the Government therefore affirmed the expectation that, in addition to the usual assumptions with regard to tax base growth, Councils would increase their overall Council Tax by 3.00% plus an ASC Precept of 2.00%.
84. As part of setting the budget, the Council carefully considers balancing the requirements to deliver services and the increased cost of those services against important affordability issues including the prevalent cost of living challenges that residents face. In acknowledgement of the continuing strain experienced by many households, it is proposed once again that, rather than raising local taxation to the maximum level in 2024/25, Council Tax is increased by 2.84% and the Adult Social Care Precept is implemented at 2.00%. Future Council Tax increases of 1.99% per annum have also been factored into the MTFS. No further Adult Social Care Precept increases beyond 2024/25 have been factored in at this stage.
85. 59% of properties in Nottinghamshire are in Band A and B. Consequently, the majority of households across Nottinghamshire will see a Council Tax increase of less than £1.15 per week. The average increase for all households across the county will be £1.36.

### Requirement to Raise Local Tax

86. The Local Tax Requirement is divided by the tax base to arrive at the Band D figure. This figure then forms the basis of the calculation of the liability for all Council Tax bands.

**Table 4 – Local Tax Requirement Calculation**

2024/25	Amount	%
	£m	Funding
Initial Budget Requirement	638.835	100.0
Less National Non-Domestic Rates	(144.308)	22.6
Less Revenue Support Grant	(8.634)	1.4
<b>Net Budget Requirement</b>	<b>485.893</b>	
Less Estimated Collection Fund Surplus	(3.334)	0.5
<b>Council Tax Requirement</b>	<b>482.559</b>	<b>75.5</b>

**Adult Social Care Precept Recommendation**

87. It is recommended that County Council approves the implementation of a 2.00% Adult Social Care Precept for 2024/25 to part fund increasing costs associated with adult social care. The impact of this is shown in Table 5.

**Table 5 – Impact of 2.00% Adult Social Care Precept on Local Tax Levels**  
**(County Council Element) 2024/25**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2023/24 £	County Council 2024/25 £	Change £
A	Up to £40,000	147,718	38.6%	6/9	153.30	176.28	22.98
B	£40,001 to £52,000	79,070	20.7%	7/9	178.85	205.66	26.81
C	£52,001 to £68,000	65,725	17.2%	8/9	204.40	235.04	30.64
D	£68,001 to £88,000	45,080	11.8%	1	229.95	264.42	34.47
E	£88,001 to £120,000	25,726	6.7%	11/9	281.05	323.18	42.13
F	£120,001 to £160,000	12,295	3.2%	13/9	332.15	381.94	49.79
G	£160,001 to £320,000	6,642	1.7%	15/9	383.25	440.70	57.45
H	Over £320,000	505	0.1%	18/9	459.90	528.84	68.94

**Local Tax Recommendation**

88. It is recommended that County Council approves an increase of 2.84% to local tax levels to ensure that the Council meets the local tax requirement. The impact of this is shown in Table 6 below.

**Table 6 – Impact of 2.84% Increase on Local Tax Levels**  
**(County Council Element) 2024/25**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2023/24 £	County Council 2024/25 £	Change £
A	Up to £40,000	147,718	38.8%	6/9	995.81	1,028.44	32.63
B	£40,001 to £52,000	79,070	20.6%	7/9	1,161.77	1,199.85	38.08
C	£52,001 to £68,000	65,725	17.1%	8/9	1,327.74	1,371.25	43.51
D	£68,001 to £88,000	45,080	11.7%	1	1,493.71	1,542.66	48.95
E	£88,001 to £120,000	25,726	6.7%	11/9	1,825.65	1,885.47	59.82
F	£120,001 to £160,000	12,295	3.2%	13/9	2,157.58	2,228.29	70.71
G	£160,001 to £320,000	6,642	1.7%	15/9	2,489.52	2,571.10	81.58
H	Over £320,000	505	0.1%	18/9	2,987.42	3,085.32	97.90

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89. The total impact of implementing a 2.00% Adult Social Care Precept and a 2.84% increase in local tax levels is shown in Table 7:

**Table 7 – Recommended levels of Council Tax and Adult Social Care Precept  
2024/25**

Band	Value as at 1.4.91	No. of Properties	% No. of Properties	Ratio	County Council 2023/24 £	County Council 2024/25 £	Change £
A	Up to £40,000	147,718	38.8%	6/9	1,149.11	1,204.72	55.61
B	£40,001 to £52,000	79,070	20.6%	7/9	1,340.62	1,405.51	64.89
C	£52,001 to £68,000	65,725	17.1%	8/9	1,532.14	1,606.29	74.15
D	£68,001 to £88,000	45,080	11.7%	1	1,723.66	1,807.08	83.42
E	£88,001 to £120,000	25,726	6.7%	11/9	2,106.70	2,208.65	101.95
F	£120,001 to £160,000	12,295	3.2%	13/9	2,489.73	2,610.23	120.50
G	£160,001 to £320,000	6,642	1.7%	15/9	2,872.77	3,011.80	139.03
H	Over £320,000	505	0.1%	18/9	3,447.32	3,614.16	166.84

90. The actual amounts payable by householders will also depend on:
- The District or Borough's own Council Tax decisions
  - The Police and Crime Commissioner and the Combined Fire Authority Council Tax
  - Any Parish precepts or special levies
  - The eligibility for discounts and rebates.
91. At the time of writing, it appears highly likely that the vast majority of Councils across all tiers of Local Government will increase Council Tax by the maximum available amount, due to the inflationary pressures that exist on services. Nottinghamshire's approach avoids this, and the administration has still never increased Council tax by the maximum available, thus increasing the value for money offered to local residents relative to other Councils.

### County Precept

92. District and Borough Councils collect the Council Tax for the County Council. This is then recovered from the Districts by setting a County Precept. The total Precept is split according to Council Tax base for each District.
93. Discussions have been held with District and Borough Councils and the dates shown in Table 8 have been agreed for the collection of the precept:

**Table 8 – Proposed County Council Precept Dates – 2024/25**

2024	2025
19 April	6 January
29 May	5 February
2 July	11 March
6 August	
12 September	
16 October	
21 November	

94. The dates shown are those by which the County Council's bank account must receive the credit, otherwise interest is charged. Adjustments for net variations in amounts being collected in 2023/24 will be paid or refunded on the same dates.

### Medium Term Financial Strategy (MTFS)

95. The Budget report to the February Council in 2023 forecast a budget gap of £30.8m for the three years to 2026/27. As part of the budget setting process the MTFS has been rolled forward a year to reflect the four-year term to 2027/28 and a rigorous review of the Council's MTFS assumptions has taken place. The impact of these is set out in the paragraphs below.
96. It should be noted that the 2024/25 Local Government Finance Settlement is a one-year settlement only. As such, considerable uncertainty beyond 2024/25 will remain until future funding announcements are made. The MTFS will continue to be reviewed regularly to ensure that it reflects the latest information available.
97. Table 9 summarises the cumulative changes made to the MTFS since the report to February Council in 2023 was approved.
98. In summary, from 2024/25 onwards, the Council is currently projecting a budget shortfall of £36.0m across the duration of the MTFS. Proposals as to how the budget will be balanced will need to be made over the coming months.

**Table 9 – Analysis of Changes to the Medium-Term Financial Strategy 2024 –2028**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Total £m
Year on Year Savings requirement (February 2023 Report)	-	17.6	13.2	-	30.8
Additional Pressures / Inflation	25.8	8.5	5.4	25.4	65.1
Increase in Contingency for Pressures/Inflation Risk	0.3	-	-	-	0.3
Change in Pay / Pension Related Inflation	1.1	2.2	0.1	4.6	8.0
Proposed Efficiencies	(5.4)	(3.7)	(7.2)	-	(16.3)
Amendments to Portfolio base budgets	6.6	1.0	5.3	0.1	13.0
Change in Grant Funding	(41.3)	8.9	-	-	(32.4)
Increase in Council Tax	(8.5)	(0.3)	(0.3)	(10.5)	(19.6)
Change in Council Tax Base assumptions	(0.3)	-	-	(6.1)	(6.4)
Change in Council Tax Surplus	(3.3)	3.3	-	-	-
Variation in use of Reserves	30.5	(37.9)	3.2	2.3	(1.9)
Other Corporate Adjustments	(5.5)	0.4	0.3	0.2	(4.6)
<b>Revised Gap</b>	-	-	20.0	16.0	36.0

99. The Council's year by year MTFS for the four years to 2027/28 is shown in Table 10 below. It shows that, based on current assumptions, the Council can deliver a balanced budget in both 2024/25 and 2025/26. However, projections indicate that further significant savings will need to be identified in each of the following years to 2027/28.

**Table 10 – Medium Term Financial Strategy 2024/25 – 2027/28**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
Net Budget Requirement	638.8	651.0	687.0	699.6
<b>Financed by :</b>				
Business Rates	144.3	144.3	144.3	144.3
Revenue Support Grant	8.6	8.6	8.6	8.6
Council Tax	415.3	430.8	446.8	463.4
Adult Social Care Precept	67.3	67.3	67.3	67.3
Collection Fund Surplus / (Deficit)	3.3	-	-	-
<b>Total Funding</b>	<b>638.8</b>	<b>651.0</b>	<b>667.0</b>	<b>683.6</b>
<b>Funding Shortfall</b>	-	-	<b>20.0</b>	<b>16.0</b>
<b>Cumulative Funding Shortfall</b>	-	-	<b>20.0</b>	<b>36.0</b>

### **Financial Risks, Balances and Contingency**

100. The County Council is legally obliged to set a balanced budget for each financial year. Additionally, a four-year medium term financial strategy is required. As previously reported, there are significant risks and uncertainties associated with the current environment that local authorities are operating within, both short and medium term. It is therefore of paramount importance that the County Council takes appropriate measures to mitigate against these risks, whilst acknowledging that, given the level of uncertainty overall, contingency plans may not be sufficient.
101. Within the MTFS a number of assumptions are made with regard to a wide variety of factors including future Council Tax policy, Business Rates income and Government Grant levels. Any variation from these assumptions has implications for the level of resources available to the Council.
102. The current and future forecast level of reserve balances are shown in Appendix C. The General Fund Balance is a reserve which is not bound by any specific criteria. Earmarked reserves have to be applied to specific schemes, and a large proportion relates to the reserves that support the PFI schemes in waste and schools. Reserves are “one-off” funds so it is recommended that they are limited to supporting one-off expenditure rather than funding on-going costs.
103. A robust reserve strategy underpins the delivery of the MTFS, however it is acknowledged that the use of reserves does not represent a sustainable solution to budget management. The Council will once again be targeting reserves to allow time for more transformative approaches to be developed and implemented. Reserves provide a short-term fix, but their use only delays the requirement for a permanent solution. The Council also needs to maintain an appropriate level of reserves to guard against unforeseen events and target those reserves responsibly using a profile that effectively “buys time” by feeding balances into the MTFS and thus preventing an inevitable cliff edge. Reserves have therefore been varied to balance the budget and provide temporary relief to facilitate achievement of Transformation and associated delivery of required savings. This budget report is proposing to utilise £35.3m of reserves. Further detail is provided in Appendix C.

104. The following key risks must also be managed in order to deliver our budget strategy: -

- **Economic Risks** – underlying risks caused by the aftermath of global energy and fuel inflation and associated cost of living crisis compounded by national economic issues. The Monetary Policy Committee meeting in December 2023 resulted in the Bank of England holding interest rates at 5.25% in an attempt to lower the levels of inflation. CPI inflation was 4.0% in December 2023 with forecasts suggesting it will remain in excess of the 2% target through 2024 before falling back in line in towards the end of 2024. Consequently, without a commensurate increase in financial resources, the spending power of the Council will become further eroded until inflation falls back to the Bank of England's target.
- **Risks to Funding** – Indication of Government's future spending plans covering the period beyond 2024/25 won't be known until future Local Government Settlements. Consequently, the spending intentions for local government could differ from assumptions contained in the MTFS. Any differences will, in turn, impact on the level of resources available to the Council. Furthermore, there remain uncertainties around Business Rates reform, the Government's Fair Funding review, how the Government's Levelling Up policies will support local authorities in the future and also the Government's intentions for the future funding of social care.
- **Demand and Demography Risk** - This Medium-Term Financial Strategy contains risks surrounding the estimation of demand and demographic pressures within services such as Adult Social Care and Children's Services, including determination of key income budgets that rely on the number of users of a service and risk that inflation on the cost of demand and demography will be higher than assumed in the MTFS.
- **Political Landscape** - The Prime Minister, Rishi Sunak, took office in October 2022. In January 2023 he outlined his five key priorities for 2023: to halve inflation, to grow the economy and create better paid jobs, to reduce the national debt, to cut NHS waiting lists and to pass new laws to stop small boats. The focus on these priorities inevitably impacts on the Government's expectations of the role of local government and the areas for which funding is made available. The next general election can be held no later than 28th January 2025 and this contributes to the uncertainty with regard to both the current and a future Government's spending plans with regard to Local Government.

105. Adequate levels of balances and contingency need to be maintained in order to provide short-term flexibility to manage unforeseen events, and to allow for the necessary longer-term changes to be implemented. Central Government continues to encourage local authorities to use reserves to support their transformation agenda. More detail regarding the need to hold balances is set out in Appendix C.

106. A summary of other specific challenges that are not yet fully reflected in the MTFS are as follows:

107. **Future Years Pay Awards** – The revised MTFS includes a 5.0% pay award in 2024/25, 3.0% in 2025/26 and 2.0% thereafter. Any increases in subsequent years over and above this assumption will further add to the funding gap. In simple terms, each extra 1% would add approximately £2.0m to the Council's budget requirement.

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108. **Ongoing future year impact of inflation / pressures** – cost pressures for 2024/25 are £25.8m higher than the figure assumed in the MTFS approved in February 2023. If a similar scenario plays out in future years, then there could be significant increases to the Council's funding gap.
109. **Retention of Children's Social Workers and the Social Care Market** – Social Care market issues are of national concern and most local authorities are experiencing difficulties with ensuring a stable care and support market. There are issues around market resilience, provider business models, workforce and rates of contractual pay which may result in pressures over and above what are in the MTFS.

### Capital Programme and Financing

110. Local authorities are able to determine their overall levels of borrowing, provided they have regard to the Prudential Code for Capital Finance in Local Authorities published by CIPFA. It is therefore possible to increase the capital programme and finance this increase by additional borrowing provided that this is "affordable, prudent and sustainable". This is in addition to capital expenditure funded from other sources such as external grants and contributions, revenue and reserves. The revenue implications of the capital programme are provided for and integrated within the revenue budget.
111. The Council's Capital Programme has been reviewed as part of the 2024/25 budget setting process and a strategy to limit borrowing to that which was already approved by Full Council in February 2022 has been adopted. This will ensure that the cost of financing the capital programme is managed within existing limits and thereby restricting the impact on the on-going revenue budget.
112. As reported in the Period 8 Financial Monitoring Report to this meeting, significant variations and slippage have been identified through the monthly capital monitoring process. The capital programme is monitored closely in order that variations to expenditure and receipts can be identified in a timely manner. Any subsequent impact on the revenue budget and associated prudential borrowing indicators is reported through the regular monthly monitoring report to the Cabinet Member for Finance and Resources or Cabinet.

### Major Capital Programme Successes

113. **Roads Maintenance and Renewals** – The Council has identified investment in the highways infrastructure across the county as an important strategic objective. This commitment can clearly be seen as expenditure against the Roads Maintenance and Renewals programme has exceeded £168m since April 2017. This includes over £30m of the Council's own funding on top of grant funding received from the Department for Transport. A further £8.0m of the Council's own funding will be invested in this programme over the medium-term.
114. **Gedling Access Road** – This major transport scheme has enabled the realisation of a key strategic development site in Gedling. It has also fulfilled the long-term ambition to provide a bypass around Gedling Village. The project has been delivered by key public sector partners working jointly towards achieving common objectives for the future development of the former Gedling Colliery site.

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115. **New / Replacement Schools** –The Schools Place programme focuses on the Council's statutory duty to provide sufficient school places. The Council works closely with academies and the voluntary aided sector to meet this statutory responsibility and function. As part of this programme the following new / replacement schools have been built – Hawthorne Primary in Bestwood, Orchard Special School in Newark, Hucknall Flying High Academy, Rosecliffe Spencer Academy in Edwalton, Chapel Lane Primary in Bingham and the Millside Spencer Academy in East Leake. Further work on new or major expansions are taking place in Rushcliffe and Worksop.
116. **Building and Office Rationalisation Programme** – Following a review by Overview Committee and as reported to Full Council in July 2023, the Council has established a Building and Office Rationalisation capital programme that sets out to utilise the Council's property estate to deliver environmental, economic and financial benefits in a post-COVID world. This funding allows for the delivery of a programme of projects that will improve, refurbish or build new offices across multiple sites of the Council's estate which allow the vacation and rationalisation of other buildings.
117. During the course of 2023/24, variations to the capital programme have been approved by Cabinet, the Cabinet Member for Finance and Resources and the Section 151 Officer in accordance with the Council's Financial Regulations. Following a review of the capital programme and its financing, some proposals have been made regarding both new schemes and extensions to existing schemes in the capital programme. These proposals are identified in paragraphs 118 to 122. Schemes will be subject to Latest Estimated Cost (LEC) reports in accordance with the Council's Financial Regulations.

### Education and SEND

118. **School Building Improvement Programme** – The Department for Education has yet to announce the Schools Capital Maintenance (SCM) grant allocations for 2024/25 onwards. The 2023/24 allocation was confirmed at £9.5m and it is proposed that an estimated SCM grant allocation of £4.5m is reflected in the capital programme from 2024/25 until 2027/28. It is also proposed that this grant is top sliced by £0.3m from 2024/25 to 2027/28 to provide funding to further the School Access Initiative (SAI) programme.

**It is proposed that the Education and SEND portfolio capital programme is varied to reflect an estimate SCM Grant of £4.5m from 2024/25 to 2027/28. It is also proposed that the SCM budget is top sliced by £0.3m in 2024/25 to 2027/28 to further the SAI programme.**

119. **Childcare Extensions** – The Council has received a £1.8m Childcare Expansion Grant from the Department for Education (DfE) to support the roll-out of early years entitlement places from April 2024 and wraparound places from September 2024.

**It is proposed that the Education and SEND portfolio capital programme is varied to reflect the £1.8m Childcare Expansion capital grant received from the DfE.**

120. **Gateford New School** – A new £11.2m primary free school is being delivered in Worksop to serve the new development at Gateford Park. The new school is expected to be open in September 2024 with the capacity for 315 primary places plus a 26-place nursery. The new school will be funded from the School Places Programme but it has been agreed to show this budget on a separate line in the capital programme.

**It is proposed that the Education and SEND portfolio capital programme is varied to show the £11.2m Gateford New School, funded fully from the School Places Programme, on a separate line in the Education and SEND portfolio capital programme.**

121. **Outwood Portland Academy Expansion** – A £10.4m major expansion project is currently underway at the Outwood Academy Portland secondary school to make space for 300 more pupils. The expansion is expected to be completed by September 2024. The new school will be funded from the School Places Programme but it has been agreed to show this budget on a separate line in the capital programme.

**It is proposed that the Education and SEND portfolio capital programme is varied to show the £10.4m Outwood Portland New School, fully funded from the School Places Programme, on a separate line in the Education and SEND portfolio capital programme.**

## Transport & Environment

122. **Road Maintenance and Renewals Programme** - Department for Transport (DfT) Capital Block allocations to 2024/25 have been announced. It is assumed in the capital programme that future years' allocations will be very much in line with the 2024/25 allocations received. It is proposed therefore that an annual estimated grant figure of £18.6m is included in the capital programme from 2025/26 onwards to reflect the estimated block allocations from the DfT to fund the Roads Maintenance and Renewals programme. The capital programme will be reviewed once the actual grant allocations are announced. In addition, it is proposed that the Council provide a further £2.0m per annum from 2024/25 to 2027/28 to further the Road Maintenance and Renewals programme, funded from capital allocation in 2024/25 and from reserves to 2027/28.

**It is proposed that the Transport and Environment portfolio capital programme is varied to reflect estimated DfT annual grant allocations of £18.6m from 2025/26 onwards and an additional £2.0m per annum from 2024/25 to 2027/28 to further the Roads Maintenance and Renewals capital programme.**

123. The Transport and Environment portfolio approved capital programme includes a number of green initiatives as follows:

- **Carbon Management Programme and the Energy Saving Scheme** - These programmes of work identify and undertake projects that enable energy savings to be made and carbon emissions to be reduced. They also enable investment in spend to save energy and water efficiency measures to supplement the current capital programme and maintenance budgets. All savings are recycled to fund further energy savings projects. The total budget included in the capital programme for these green initiatives is £2.3m.
- **Street Lighting** – This programme of work is aimed at replacing the lanterns in street lights for lower energy options to realise an energy saving. The total budget included in the capital programme to fund street light replacements is £4.0m.
- **Green Investment Fund** – This Investment Fund was established to support green projects, specifically those supporting the delivery of the Environment Strategy Action

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Plan. This programme will help support the Council's 2030 target of carbon neutrality in all of its activities.

- In addition, the Council has used its own resources to lever in external funding which has enabled the delivery of further flood risk management projects.

### Capital Programme Contingency

124. The capital programme requires an element of contingency funding for a variety of purposes, including urgent capital works, schemes which are not sufficiently developed for their immediate inclusion in the capital programme, possible match-funding of grants and possible replacement of reduced grant funding.

125. A number of capital bids described above are proposed to be funded from uncommitted contingency. The levels of contingency funding remaining in the capital programme are as follows:

2023/24	£3.1m
2024/25	£3.7m
2025/26	£3.0m
2026/27	£3.0m
2027/28	£4.7m

### Revised Capital Programme

126. Taking into account schemes already committed from previous years and the additional proposals detailed in this report, the summary capital programme and proposed sources of financing for the years to 2027/28 are set out in Table 11. A more detailed breakdown across Portfolios will be reported to Full Council as part of the Annual Budget Report 2024/25.

**Table 11 – Summary Capital Programme**

	Revised 2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	TOTAL £m
<b>Portfolio:</b>						
Education & SEND*	57.859	58.806	24.453	6.500	6.500	154.118
Children & Families	4.159	5.861	0.000	0.000	0.000	10.020
Adult Social Care	0.776	0.000	0.000	0.000	0.000	0.776
Transport & Environment	58.438	61.793	31.220	30.857	30.331	212.639
Communities & Public Health	2.652	1.714	0.500	0.500	0.500	5.866
Economic Devt & Asset Mngt	15.500	19.313	6.328	2.400	2.400	45.941
Finance & Resources	5.610	10.111	4.210	4.210	4.210	28.351
Contingency	3.057	3.698	3.000	3.000	4.660	17.415
<b>Capital Expenditure</b>	<b>148.051</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>	<b>475.126</b>
<b>Financed By:</b>						
Borrowing	40.805	72.145	18.497	14.305	15.420	161.172
Capital Grants	97.064	80.767	47.030	29.077	29.077	283.015
Revenue / Reserves	10.182	8.384	4.184	4.085	4.104	30.939
<b>Total Funding</b>	<b>148.051</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>	<b>475.126</b>

\* These figures exclude Devolved Formula Capital allocations to schools.

## Capital Receipts

127. In preparing the capital programme, a full review has been carried out of potential capital receipts. The programme still anticipates significant capital receipts over the period 2024/25 to 2027/28. Any shortfall in capital receipts is likely to result in an increase in prudential borrowing. Forecasts of capital receipts are shown in Table 12.

**Table 12 – Forecast Capital Receipts**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	TOTAL £m
<b>Forecast Capital Receipts</b>	<b>7.1</b>	<b>22.6</b>	<b>34.9</b>	<b>25.7</b>	<b>25.5</b>	<b>115.8</b>

128. As part of the recent capital programme review, a decision was taken to limit borrowing to what is already approved in the capital programme. To further minimise the impact of the cost of borrowing on the revenue budget it is proposed that a minimum level of capital receipts, based on forecasts set out in the February 2021 Budget Report and the value of capital investment in short life assets over the MTFS, are set against previous years' borrowing. It is also proposed that reserves are used where appropriate to limit the value of borrowing required over the MTFS. These measures will help reduce the impact of the Minimum Revenue Provision on the revenue accounts. This approach will also enable excess capital receipts to be used to fund any future additional capital investment.
129. One of the requirements of the Local Government Act 2003 is that the Council must set an "Authorised Limit" for its external borrowings. Any potential breach of this limit would require authorisation from the Council. There are a number of other prudential indicators that are required by The Prudential Code to ensure that the proposed levels of borrowing are affordable, prudent and sustainable. The values of the prudential indicators are proposed in Appendix E.
130. In accordance with the "CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes", it is proposed that the Council approves a Treasury Management Strategy and Policy for 2024/25 (Appendix F). This Strategy is incorporated into the Capital Strategy in Appendix E.
131. With regard to cash balances that form part of the Nottinghamshire County Council Pension Fund, this report proposes the Council delegates responsibility for the setting of Treasury Management Policies and Practices to the Pension Fund Committee.
132. It is proposed that the Service Director – Finance, Infrastructure and Improvement be permitted to raise loans within the authorised limit for external borrowing, subject to the limits in the Treasury Management Strategy for 2024/25 (Appendix F).

**Timetable for Decisions**

133. On 9 November 2023, a Budget Update report was presented to Cabinet which highlighted the Council's current and medium-term position as well as setting out the approach to undertaking the budget consultation and tackling the predicted budget deficit.
134. The Overview Committee has considered the Council's approach to the budget setting process, the current assumptions behind the budget and were given the opportunity to feedback any specific points on the budget for 2024/25.
135. The County Council meets on 22 February 2024 to consider the Annual Budget Report 2024/25 including the revenue budget and capital programme. This will enable the 2024/25 budget to be set and approved before the statutory deadline of the end of February 2024.

**Equalities Impact Assessment**

136. In setting the Budget, the Council should have regard to the Public Sector Equality Duty under the Equality Act 2010. This requires public authorities to have "due regard" to:
  - The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act.
  - The need to advance equality of opportunity between persons who share a relevant protected characteristic and those who do not. This includes removing or minimising disadvantages suffered by persons who share a relevant characteristic; taking steps to meet the needs of such persons/groups that are different to the needs of people who do not share the characteristic; encouraging people with a protected characteristic to participate in public life or other activity where participation is disproportionately low.
137. In addition to the specific requirements of the Equality Act, the Council is also committed to considering the potential impacts of the Budget proposals on other groups and individuals. This includes, following the resolution of Full Council, having due regard to impacts and outcomes in relation to care experienced people. The Council will also have due regard to the principles set out in the Armed Forces Covenant and the Armed Forces Public Duty in respect of armed forces personnel.
138. When setting the overall Council budget, it is important to be mindful of and consider the potential impact on service users and staff of the budget as a whole in a cross-cutting way including any cumulative impacts, and individual proposals, where known. This includes identifying actions which could reduce or mitigate a potential negative impact on a particular group.
139. For changes where residents are most likely to see a difference in the way services are delivered and specific equality implications are well defined at the time of setting the budget, these are reflected in the high-level Equality Impact Assessment (EIA). Where specific proposals are at the review or development stage then further work will be undertaken prior to final decisions being made to consider the potential equality and wider implications in more detail and specific Equality Impact Assessments undertaken as necessary as work progresses on the particular changes proposed and areas of service impacted.

## **APPENDIX 2**

140. Savings or efficiencies proposals and medium to longer term change programmes may result in changes to frontline services, which directly affect the people of Nottinghamshire. Many of the Council's services are aimed at particular groups including older people, people with disabilities, carers, children and younger people and families. These services command the largest parts of the Council's budget.
141. The approach and themes set out within the Budget reflect a re-shaping and rescaling of the Council to operate effectively and efficiently within its financial envelope in a more sustainable way. The focus will be on protecting, supporting and improving outcomes for residents by prioritising and enhancing key services, particularly for the most disadvantaged and vulnerable communities where demand and the need for support is highest. A focus on helping build economic, community, family and individual resilience and supporting people to continue to remain independent will enable targeting of resources at those most in need and who will benefit most from support and services.
142. The approach set out within the Budget to prioritising place and community-based early help and prevention to build resilience and independence, deliver improved outcomes and reduce demand by working with our partners and communities to grow our community assets will enable a sustainable approach for the future designed to meet the needs of communities. This reflects the views of our communities including feedback from consultation activities which have taken place in the preparation of the 2024/25 budget.
143. The information in this report and the full EIA, which is available, will enable Members to pay due regard to the equality implications of the proposed budget for 2024/25.

### **Other Options Considered**

144. The Council has a statutory requirement to set a balanced budget and to set a Council Tax precept for the 2024/25 financial year. This report meets those requirements.

### **Reasons for Recommendation**

145. To enable the County Council to meet its statutory requirements with respect to setting a budget and Council Tax precept for 2024/25, to allow efficient financial administration during 2024/25 and to provide a basis for the planning of services across the medium-term.

### **Statutory and Policy Implications**

146. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

**RECOMMENDATION/S**

That the report is noted and the following be recommended to Full Council:

- a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25. Para. 71
- b) The principles underlying the Medium-Term Financial Strategy are approved. Table 9
- c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25. Para. 73
- d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs. Para. 87
- e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report. Para. 88/89
- f) The County Precept for 2024/25 shall be collected from the District and Borough councils on the dates set out in Table 8. Table 8
- g) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report: Table 11

Year	Capital Programme
<b>2024/25</b>	£161.296m
<b>2025/26</b>	£69.711m
<b>2026/27</b>	£47.467m
<b>2027/28</b>	£48.601m

- h) The variations to the Capital Programme be approved. Para. 118-122
- i) The Minimum Revenue Provision policy for 2024/25 be approved. Appx. D
- j) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved. Appx. E
- k) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings. Para. 132
- l) The Treasury Management Policy for 2024/25 be approved. Appx. F
- m) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee. Para 131
- n) The implementation of the savings options set out in Appendix B is implemented. Appendix B

- o) The undertaking of future consultations on savings options where required is approved.

**COUNCILLOR RICHARD JACKSON  
CABINET MEMBER FOR FINANCE AND RESOURCES**

**For any enquiries about this report please contact:  
Glen Bicknell, Interim Group Manager – Financial Services**

**Constitutional Comments (GR 26/01/2024)**

Pursuant to the Nottinghamshire County Constitution the Cabinet has the authority to receive this report and to consider the recommendation contained within it.

**Human Resources Comments (HG 25/01/2024)**

The human resources implications will be identified as specific proposals are developed. Where any employment implications arise from any of the identified actions outlined in this report, these will be consulted on and implemented in line with the agreed employment policies and procedures of the Council.

**Financial Comments (NS 10/01/2024)**

The financial implications are set out in the report.

**Background Papers and Published Documents**

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

Equality Impact Assessment

**Electoral Division(s) and Member(s) Affected**

All

## Summary of Budget Pressures

	2024/25	2025/26	2026/27	2027/28	TOTAL
	£000	£000	£000	£000	£000
<b>Children &amp; Families</b>					
Non Looked After Children Placements	750	230	237	237	1,454
Growth in External Placements for LAC	8,450	1,582	495	495	11,022
Social Work Staffing	1,430	(1,290)	-	-	140
<b>Subtotal Children &amp; Families Pressures</b>	<b>10,630</b>	<b>522</b>	<b>732</b>	<b>732</b>	<b>12,616</b>
<b>Education &amp; SEND</b>					
Demographic Pressures - Edn, Health & Care Plans	268	209	230	230	937
Education Psychology Service	474	108	49	-	631
<b>Subtotal Education &amp; SEND Pressures</b>	<b>742</b>	<b>317</b>	<b>279</b>	<b>230</b>	<b>1,568</b>
<b>Adult Social Care</b>					
Care Package Demand for Adults Aged 18-64 Years	420	409	2,681	2,681	6,191
Care Package Demand for Adults Aged 65 and Over	644	1,323	1,470	1,470	4,907
Vacancy rate temp Adj	1,000	-	-	-	1,000
Preparing for Adulthood - Workforce	1,119	348	174	174	1,815
ASCH Day Service Fleet Recharge	600	100	100	100	900
<b>Subtotal Adult Social Care Pressures</b>	<b>3,783</b>	<b>2,180</b>	<b>4,425</b>	<b>4,425</b>	<b>14,813</b>
<b>Transport and Environment</b>					
Mainstream Home to School Contracts - Growth	1,740	400	400	400	2,940
SEND Transport Growth	7,890	2,000	700	700	11,290
Waste PFI Contract Growth	100	100	100	100	400
Green Spaces Maintenance	(235)	-	-	-	(235)
<b>Subtotal Transport and Environment Pressures</b>	<b>9,495</b>	<b>2,500</b>	<b>1,200</b>	<b>1,200</b>	<b>14,395</b>
<b>Communities &amp; Public Health</b>					
Traders	2,500	-	-	-	2,500
<b>Subtotal Communities &amp; Public Health Pressures</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>Total Pressures</b>	<b>27,150</b>	<b>5,519</b>	<b>6,636</b>	<b>6,587</b>	<b>45,892</b>
<b>Children &amp; Families</b>					
National Living Wage - External	179	73	54	54	360
Basic Fostering Allowance	157	99	102	100	458
Contract Cost Inflation	3,462	2,432	2,720	2,720	11,334
AEM Increase in Partner Contribution	295	-	-	-	295
<b>Subtotal Children &amp; Families Inflation</b>	<b>4,093</b>	<b>2,604</b>	<b>2,876</b>	<b>2,874</b>	<b>12,447</b>
<b>Adult Social Care</b>					
Fair Price for Care	2,628	3,000	3,000	3,000	11,628
National Living Wage - External	16,688	11,901	8,673	8,673	45,935
<b>Subtotal Adult Social Care Inflation</b>	<b>19,316</b>	<b>14,901</b>	<b>11,673</b>	<b>11,673</b>	<b>57,563</b>
<b>Economic Development and Asset Management</b>					
Schools PFI Inflation	120	120	120	120	480
<b>Subtotal EDAM Inflation</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>480</b>
<b>Transport and Environment</b>					
Mainstream Home to School Contracts	645	330	225	150	1,350
SEND Transport Inflation	1,175	1,200	950	900	4,225
Highways Energy	200	150	150	150	650
Waste PFI Contract Inflation	1,410	1,410	1,410	1,410	5,640
Contract Cost Inflation - VIA	1,682	1,087	482	750	4,001
<b>Subtotal Transport and Environment Inflation</b>	<b>5,112</b>	<b>4,177</b>	<b>3,217</b>	<b>3,360</b>	<b>15,866</b>
<b>Communities &amp; Public Health</b>					
Contract Cost Inflation - Inspire	694	490	422	700	2,306
Contract Cost Inflation - Country Parks	125	40	40	40	245
<b>Subtotal Communities &amp; Public Health Inflation</b>	<b>819</b>	<b>530</b>	<b>462</b>	<b>740</b>	<b>2,551</b>
<b>Total Inflation</b>	<b>29,460</b>	<b>22,332</b>	<b>18,348</b>	<b>18,767</b>	<b>88,907</b>
<b>Total Pressures &amp; Inflation</b>	<b>56,610</b>	<b>27,851</b>	<b>24,984</b>	<b>25,354</b>	<b>134,799</b>



**Summary of Budget Savings & Efficiencies**

Appendix B

Portfolio	Efficiency	Description	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Transport & Environment	Service Efficiencies	Cross Council staff travels savings.	300	-	-	<b>300</b>
Transport & Environment	Highways	Maintaining the level of spend on our highways but ensuring the spend is appropriately charged to the capital programme rather than through our revenue budget.	2,000	-	-	<b>2,000</b>
Communities & Public Health	Culture Services/Country Parks	Seek further invest to save and cost reduction opportunities.	-	445	-	<b>445</b>
Economic Development & Asset Management	Planning	Increased income from Planning Fees.	50	50	70	<b>170</b>
Transport & Environment	Waste Contracts	Flexible use of the Waste PFI reserve.	1,100	-	-	<b>1,100</b>
Communities & Public Health	Additional Income Generation	Commercial options for Emergency Planning and Registration Service.	99	54	215	<b>368</b>
Economic Development & Asset Management	Growth Infrastructure & Development	Explore options to transition the Service to an externally funded model.	30	60	1,670	<b>1,760</b>
Economic Development & Asset Management	Property Services	Explore options to deepen the scope of the Buildings and Office Rationalisation Programme, including service premises.	-	650	750	<b>1,400</b>
Adult Social Care	Joint Work with Health	Explore two areas of opportunity - 1. Hospital Avoidance. 2. Reviewing high-cost nursing and residential care home placements.	-	2,000	2,000	<b>4,000</b>
Adult Social Care	Technology at scale	Increase in the use of technology to assist more people being able to maintain their independence for longer.	1,848	420	2,200	<b>4,468</b>
Children & Families	Outdoor Education	Explore options to enable the service to become self sustaining by transferring to an external provider or remodelling in order to prioritise support to vulnerable children at risk of care or placement breakdown.	-	-	282	<b>282</b>
<b>Total Efficiencies</b>			<b>5,427</b>	<b>3,679</b>	<b>7,187</b>	<b>16,293</b>



## **ROBUSTNESS OF BUDGET ESTIMATES AND THE ADEQUACY OF THE COUNTY COUNCIL'S RESERVES**

1. Reserves are a fundamental part of the Council's financial strategy and are used to ensure resilience and stability when setting the budget requirement. Therefore, by taking a prudent approach to budgeting, the Authority can operate with a level of reserves appropriate for the risks (both internal and external) to which it is exposed.
2. There are four main types of reserve held by the County Council:
  - The General Fund Balance is a non-earmarked reserve, consisting of accumulated surpluses. A balance on the General Fund is maintained to cushion the impact of uneven cash flows and as a contingency to reduce the impact of unexpected events or emergencies.
  - Earmarked Reserves are held to meet specific planned expenditure, for example, those relating to PFI schemes.
  - The Schools Statutory Reserve represents funds held on behalf of Schools under the Financial Management of Schools scheme.
  - Grants/External funding that have been received in advance but have not yet been applied.

### **Forecast Level of Reserves**

3. Given the continuing financial challenges facing Local Authorities, Central Government have encouraged councils to use reserves to maintain services in the face of immediate inflationary pressures whilst maintaining appropriate levels to support financial sustainability and future investment. This budget report is proposing to directly utilise £35.3m of reserves over the medium-term financial strategy (MTFS).
4. As in previous years, the County Council has undertaken a review of all its reserves and forecasts based on latest estimates for the current and future years across the MTFS are shown in Table B1 below.
5. The Council continues to take a risk-based approach in setting its budget for 2024/25 and compiling the MTFS. This is reflected in the level of balances and reserves it needs to maintain. The main financial risks include:
  - General inflationary pressures impacting a range of expenditure budgets including wage growth and costs that relate to energy, fuel and external contracts.
  - The assumptions factored into the budget may not be sufficient to meet the underlying cost and demand pressures that actually arise, particularly with regard to increased demand pressures in Adults and Children's Social Care services together with SEND and Home to School Transport.

- The MTFS for 2024-28 includes proposed delivery of savings and efficiencies totalling 19.6m.
  - The 2024/25 Settlement reflects a one-year settlement only. As such, the considerable uncertainty beyond 2024/25 will remain.
6. The latest budget monitoring report, which covers the first three quarters of the current financial year, predicts an underspend of £5.5m representing 0.9% of the net budget. This projection may however fluctuate in the intervening period prior to 31st March. It is proposed that any in-year underspend is treated as a contribution to earmarked reserves to fund investment in technology, transformation and invest to save programmes. This has been reflected in Table B1.

**Table B1 – County Council Reserves Forecast to 31st March 2028**

Reserve	Actual Balance as at 31/03/2023 £'m	Projected balance at 31/03/2024 £'m	Projected balance at 31/03/2028 £'m
<b>General Fund Balance</b>	36.9	36.9	36.9
<b>Earmarked Reserves</b>			
General Insurance Reserve	41.5	40.9	37.8
Trading Activities	0.8	0.6	0.6
Earmarked for Services	7.5	2.4	2.4
Revenue Grants	26.0	20.9	20.9
Section 256 Grants	29.3	27.8	17.1
Earmarked Reserve	16.2	15.9	0.7
Capital Projects Reserve	14.1	11.5	2.2
NDR Pool Reserves	15.3	14.3	0.0
East Leake PFI	2.8	2.6	0.0
Bassetlaw PFI	2.0	2.0	2.0
Waste PFI	24.9	22.4	22.4
Workforce Reserve	7.3	7.3	0.0
Strategic Development Fund	17.9	21.7	0.0
Council Tax Equalisation	1.1	0.0	0.0
Business Rates Equalisation	8.7	8.7	8.5
Highways / Env't Reserve	8.3	3.9	0.0
Traders Resilience Reserve	4.0	4.0	0.0
<b>Subtotal Earmarked Reserves</b>	<b>227.7</b>	<b>206.9</b>	<b>114.6</b>
<b>Schools Statutory Reserve</b>	<b>41.9</b>	<b>41.9</b>	<b>41.9</b>
<b>Capital Grants Unapplied</b>	<b>3.8</b>	<b>3.8</b>	<b>3.8</b>
<b>Total Usable Reserves</b>	<b>310.3</b>	<b>289.5</b>	<b>197.2</b>

7. The movements above reflect current expectations in terms of usage of reserves over the period of the MTFS. This includes anticipated consumption of balances in relation to supporting the Capital programme. Certain assumptions have been made in predicting closing balances and the timing of when movements on balances will occur.

### General Fund Balance

8. The General Fund balance has been stable over recent years and can be considered relatively strong in terms of risk cover when compared with other County Councils. This is a prudent approach given the uncertainty that currently exists within the Local Government financial landscape and difficulty in projecting the full impact of inflationary and service demand pressures across the MTFS.
9. An assessment has been undertaken to identify the key financial risks for next year which can be used as a basis for determining the minimum level of general balances for the county council. Whilst this is not an exhaustive list of all the financial risks faced by the council, the assessment includes those most likely to have a significant impact on the budget. Details of this assessment are provided in the table below:

Risk	Impact	Probability (Low, Medium or High)	Mitigation	Proposed level of reserve cover for 2024/25 £m
Major funding stream variations	If an in-year correction or top-slice is made to external funding during 2024/25 this would reduce the Council's ability to fund its Budget (say 0.5% of RSG+BR)	Low	The government settlement has been announced, however, there have been in-year changes previously.	£0.8
Major variations in budget assumptions e.g. inflation	If inflationary expectations are too low, it could have a greater impact on the Council's expenditure than expected. (1% of net committee requirements of £711.293m)	Medium	The Service Director – Finance, Infrastructure & Improvement monitors the economic environment and takes forecasts from reliable sources	£7.1

## Appendix C

Risk	Impact	Probability (Low, Medium or High)	Mitigation	Proposed level of reserve cover for 2024/25 £m
Major expenditure and income variations	If expenditure is higher than budgeted or income lower than budgeted in any service, this will lead to a service overspend and potentially an overall overspend in Budget (say 1.5% of net committee requirements of £711.293m)	Medium	The Council's Leadership Team control the budget through a robust monthly budget management process, however, there are ongoing risks in Children's and Adults Services where safeguarding takes priority	£10.7
Risk in the Social Care Market	As a result of the COVID19 pandemic, the Social Care Market is facing significant challenges relating to workforce, quality and cost which could lead to potential service overspends in Children's and Adult budgets	High	The Council will maximise the use of external funding opportunities, put plans in place for improved career progression and recruitment and continue to control budgets through the usual budget monitoring processes.	£6.0
Slippage and/or non-delivery of savings	If planned savings are delayed or are found to be undeliverable this will have a significant impact on the Council's ability to deliver its Budget (say, 10% non-delivery in-year of £6.678m to be saved)	High	The Council's Leadership Team control the delivery of the savings programme through a robust monthly budget management process, however, this becomes more difficult given the savings already delivered to date and the complexity of building change on change	£0.7
Major disaster implications	Based on recent experience, the Council could face unplanned expenditure if faced with a major disaster (e.g. Flooding & other freak/adverse events)	Medium	The Council may receive central government support however it is not certain this would cover all required expenditure. Whilst robust major emergency plans are in place, many associated costs will be unavoidable.	£1.9

## Appendix C

Risk	Impact	Probability (Low, Medium or High)	Mitigation	Proposed level of reserve cover for 2024/25 £m
Health and safety breaches	The Council could be faced with a fine if found to be in breach of health and safety requirements	Low	The Council has very good health and safety procedures and records in place and these are reviewed and updated on a regular basis. A mandatory training programme is also in place.	£0.5
Security breaches	The Council could be liable for a penalty from the Information Commissioner's Office with regard to General Data Protection Regulations.	Low	The establishment of an Information Governance Framework was approved at Policy Committee in March 2018. A mandatory training programme is also in place.	£2.5
ICT failure	The reliance on ICT for the Council is significant and growing, which means that there could potentially be a significant impact if one or more of the Council's main systems failed.	Low	The Council has an ICT Strategy in place, which includes a disaster recovery plan and business continuity plans are in place for all services	£1.0
Impact of litigation	The Council may be faced with litigation related to the services that it provides (e.g. related to safeguarding in Children's and Adults Services)	Low	The services have strong procedures in place for the delivery of services and are fully conversant with the requirements of the legislation relevant to each service area	£1.0
Employment matters	The Council could be faced with costs associated with industrial action or individual tribunal cases	Low	The Council has good employee and union relations, including early consultation for major policy implications and major service changes	£0.5

## Appendix C

Risk	Impact	Probability (Low, Medium or High)	Mitigation	Proposed level of reserve cover for 2024/25 £m
Third party failure	The Council could have a significant negative financial impact if one or more of its major suppliers or trading operations failed	Low	The Council has strong governance and contract controls in place, with major contracts reviewed and monitored closely as part of the operation of each Council service	£1.0
Contingency – unforeseen events	The above risks are intended to cover all foreseen situations that the Council could face, however, there could be future major policy changes or unforeseen incidents that could significantly impact on the Council's financial stability (say 0.5% of Net Budget Requirement £638.835m)	Low	Whilst the Council allocates funding for budgeted contingencies, the current uncertainty within Local Government Finance coupled with volatility in the global economy mean it is advisable for the Council to hold a contingent level of reserves	£3.2
<b>Risk assessed minimum level of General Fund Reserve</b>				<b>£36.9</b>
<b>% of net revenue expenditure (based on £711.293m)</b>				<b>5.2%</b>

### Other Earmarked Reserves

- A full review of Earmarked for Services reserves has been undertaken and where funds have been identified as no longer required, transfers have been actioned. A further review will be undertaken to assess planned use against the need to deliver and support County Council priorities. The reserves relating to revenue grants that are received in advance will be spent in accordance with the relevant grant conditions.

- In previous years, the costs of Transformation have been funded by capital flexibility provisions as announced in the 2018/19 provisional Local Government Settlement. Whilst this funding opportunity still exists, the Authority has taken the decision to use future capital receipts to either repay previous years borrowing or to invest directly in the Capital Programme. It is therefore proposed that the Strategic Development Fund (SDF) is used to fund future costs of Transformation across the MTFS. This includes funding earmarked for expanding productivity related technology (e.g. AI) through Invest to Save initiatives.
- PFI Reserves are accumulated using funding surpluses which are held for use in later years of the contract when the planned withdrawal of government support will leave a funding shortfall.
- The Schools Statutory Reserve comprises money that schools have set aside from their share of Dedicated Schools Grant and these funds are not available for use by the Local authority. As such it is not possible to accurately predict future balances although they are likely to reduce as schools transfer to Academy status.

### **Adequacy of Proposed Reserves**

10. CIPFA do not advocate the introduction of a statutory minimum level of reserves as 'there is a broad range within which authorities might reasonably operate depending on their particular circumstances'. Imposing a statutory minimum would also be against the promotion of local autonomy and would conflict with the increased financial freedoms that are being introduced in local authorities. Indeed, guidance suggests that 'local authorities, on the advice of their finance directors, should make their own judgement on such matters taking into account all the relevant local circumstances'.
11. Furthermore, in previous responses to media coverage of Council reserve balances, CIPFA have supported the flexible management of reserves 'If local councils are trying to manage their reserves to protect the public from future financial problems this is good financial management and should be applauded. The CIPFA Resilience Indicator for local authorities provides a useful broad dashboard indicator of the financial risks and mitigations within the budget approved for the current year. The Resilience Indicator for Nottinghamshire does not highlight any undue risk to the Authority.
12. Ultimately it is the responsibility of the County Council's Section 151 Officer to recommend a strategy for the management of reserves based on their professional opinion.

**Professional Opinion of the Council's Section 151 Officer**

13. The 2003 Local Government Act stipulates that the County Council's Section 151 Officer should report to Members on the robustness of budget estimates and the adequacy of proposed reserves. A summary of the total usable reserves available to the County Council is shown in Table B1 above. The table includes estimates of future reserve levels based on latest estimates of plans and commitments.
14. My conclusion is that the budget as set out in this report is legal, robust and sustainable. However, given the on-going financial uncertainties and challenges, the need for robust financial management, strict budgetary control and the on-going monitoring of savings delivery plans, will be of paramount importance.

**Recommendations**

15. The level of proposed General Fund balances in 2024/25 be regarded as acceptable cover for any reasonable level of unforeseen events.
16. The report be noted.

**NIGEL STEVENSON CPFA**

**SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT**

## **ANNUAL MINIMUM REVENUE PROVISION (MRP) STATEMENT**

Local authorities are required by law to make provision through their revenue account for the repayment of long-term external borrowing and credit arrangements. This provision is made in the form of the Minimum Revenue Provision charge to the Council's General Fund.

The Council is under a statutory duty "to determine for the current financial year an amount of MRP which it considers to be prudent". Local authorities are asked by the Secretary of State "to prepare an annual statement of their policy on making MRP for submission to their Full Council".

It is proposed that the following policy, approved by Full Council (9 February 2023) for 2023/24, is continued for 2024/25:

- That MRP for capital expenditure financed by borrowing prior to 1 April 2007 is based on a fixed, straight-line method over a period of 50 years commencing in 2016/17;
- That MRP for capital expenditure financed by borrowing after 1 April 2007 is based on the annuity method over the estimated life of assets;
- For assets acquired by lease or PFI, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability, over the life of the lease.

As part of the MRP report to Finance and Property Committee in February 2016, it was identified that applying the previous policy had led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. There was a realignment of MRP charged to the revenue account in 2017/18 and this will continue into future years to recognise this excess sum. Total MRP after applying realignment will not be less than zero in any financial year.

The critical consideration of the MRP Policy is prudence. The proposed policy detailed above ensures responsible economic foresight and is consistent with the methods prescribed by statutory guidance.

**NIGEL STEVENSON CPFA**

**SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**



## **Nottinghamshire County Council Capital Strategy**

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## Purpose and Aims

1. The importance of having a meaningful and comprehensive capital strategy was recognised in the Prudential Code for Capital Finance in Local Authorities that was updated by the Chartered Institute of Public Finance and Accountancy in 2021. This requires that all Local Authorities have a Capital Strategy to ensure that capital investment is directed to programmes and projects which maximise the delivery of organisational objectives. This report has been developed with reference to the updated Capital Strategy Guidance document that was published in 2021.
2. The objectives of the Prudential Code are to ensure that the capital expenditure plans of local authorities are affordable, prudent and sustainable, that risks associated with investments for commercial purposes are proportionate to their financial capacity and that treasury management decisions are taken in accordance with good professional practice and in full understanding of the risks involved.
3. The Prudential Code requires authorities to look at capital expenditure plans, investments and debt in the light of overall organisational strategy and resources and ensure that decisions are made with sufficient regard to the long run financing implications and potential risks to the authority. Effective financial planning, option appraisal, risk management and governance processes are essential in achieving a prudential approach to capital expenditure, investments and debt.
4. The Prudential Code sets out that in order to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes.
5. This capital strategy sets out a framework for the self-management of capital finance and examines the following areas:
  - Capital expenditure and investment plans
  - Prudential Indicators
  - External debt
  - Treasury Management

## Nottinghamshire County Council – Longer Term Investment Influencers

6. Nottinghamshire County Council is the upper-tier Local Authority for the county of Nottinghamshire. The Council is responsible for providing such important public services as Education, Transport, Social Care, Libraries, Trading Standards and Waste Management. How the Council is structured, how it listens to its stakeholders, how it meets its environmental targets and delivers services

to its residents will have a major impact on the capital investment decisions that will be made over the longer term.

7. On 30 August 2022, the leaders of Derbyshire County Council, Nottinghamshire County Council, Derby City Council and Nottingham City Council all signed up to work on a devolution deal following an announcement from the Government that a package of new powers and funding, worth £1.14bn, were available for the area.
8. A public consultation was held from 14 November 2022 to 9 January 2023. Following consideration of the consultation responses, all four Councils voted to approve a final proposal for an East Midlands Combine County Authority in March 2023. Following the Royal Assent of the Levelling Up and Regeneration Act 2023 in October 2023, the devolution proposal was submitted to Government on 1 November 2023. Draft statutory instruments were laid before Parliament in December 2023 and are making their way through the relevant parliamentary process, approval of which is anticipated in approximately February / March 2024. Devolution means that a future mayor and combined county authority could:-
  - Work towards Net Zero and cleaner air with new low carbon homes, retrofit existing houses with external wall insulation, promote the use of renewable energy, and protect and enhance green spaces, like areas for wildlife and green verges.
  - Build on the region's existing knowledge and expertise in green technology and promote the growth of a future low carbon economy by investing in related skills training at colleges and other training facilities.
  - Set up and coordinate smart integrated ticketing and enhanced concessionary fares schemes.
  - Work with Homes England to build more affordable homes, by using new powers to buy land and housing (With district and borough council consent).
  - Enhance the region's economy by developing new commercial space to maximise opportunities.
  - Work with national government on initiatives to address homelessness, domestic abuse, community safety, social mobility, and support for young people.
  - Take advantage of economies of scale by using combined and devolved budgets to deliver more value for taxpayers and more cost-efficient services.

The first election for a regional mayor for Derby, Derbyshire, Nottingham and Nottinghamshire is scheduled to take place in May 2024. Altogether Nottinghamshire County Council is working towards a stronger, more prosperous Nottinghamshire for everyone.

9. In March 2020, the County Council resolved to bring forward proposals for a new Environment Strategy to support the Government's national aspiration to achieving a legally binding target of net-zero greenhouse gas emissions by 2050. The Climate Emergency, which the Council declared in May 2021, heightened expectation further with the Cabinet Member for Transport and Environment

being tasked with overseeing the measures required to achieve the Authority's commitment to achieve carbon neutrality in all its activities by 2030.

10. The current and changing connectivity and access needs across the county with regards to travel and expected changes in user behaviour have been addressed as part of a full highways services review which has been overseen by the Cabinet Member for Transport and Environment.
11. The Nottinghamshire Highways Improvement Plan was created using the recommendations identified by a cross-party highways review panel. The recommendations were developed over a series of meetings with input from a significant Local Government Association Peer Review and external input from industry sector experts. They formed a comprehensive list of activities designed to improve the council's highways maintenance work and provide an opportunity to :-
  - Move to a right first-time approach to highway maintenance and reduce the need to use reactive short-term maintenance.
  - Publish a longer-term programme of capital works to keep residents informed of future plans.
  - Maintain network condition and seek to improve it within financial constraints.
  - Prioritise local roads and footways.
  - Work with communities alongside improving communications, so that residents understand our approaches and are better informed about future plans.
  - Increase our effectiveness and efficiency, maximising return on investment by ensuring that our highways maintenance and management works are driven by our policies and strategy.
  - Developing a new Highways Strategy which will set out the highways service the Council wants and the quality / outcomes required within the context of the new Council Plan 2021 – 31
  - Refreshing and updating the current Highways Infrastructure Asset Management Plan and Policy
  - Embedding a 'right repair, right first time' approach in our Asset Management Plan
12. Other major areas of service delivery will continue to inform the capital strategy over the next ten years as follows:
13. The Council has a statutory duty to ensure that there continues to be sufficiency of school places for children resident in the county, including special school provision. The Council is also responsible for ensuring that all mainstream schools are maintained to suitable condition.
14. The Council has a rich history and a considerable level of maturity around Smarter Working. There have been unforeseen impacts and far-reaching changes to how the Council views its property portfolio. A review of the Building and Office Rationalisation programme will capture the opportunities provided by

the Hybrid Working Strategy, address the Climate Emergency declaration, maximise the environmental benefits available and connects with our communities and ensure that the Council maximises the use of our buildings and office spaces. This programme of work will continue to evolve and capital investment will be kept under review.

15. As reported to the Place Select Committee in September 2023, a task and finish review of Household Waste Recycling Centre provision across the county is currently taking place. Once the outcome of this review is known there may be a requirement for additional capital investment. Any approvals required would go through the usual capital approval processes.
16. The Council has a continuing successful record of delivering world-class digital infrastructure throughout Nottinghamshire. The Council has achieved 98% superfast broadband coverage to make Nottinghamshire one of the top three most digitally connected in the UK. The Council will continue to invest in new technology to improve individuals' access to and experience of services, as well as making businesses more fit for purpose, more efficient and more effective, delivering both national and local priorities.
17. It is important to note that the capital strategy has been prepared against a background of funding difficulties being experienced by local authorities. At the same time the Council's own resources available to finance capital projects have reduced to a low level and will need to be replenished before any substantial further capital investment can be made. The Council will however work to lever in external funding wherever possible and make use of excess capital receipts to ensure that continuing capital investment can be made.
18. In summary, the next decade promises both opportunities and challenges for our public services. With the growing, increasingly ageing population, demand for our services will continue to grow. Many services will need to be re-invented and rebuilt to meet the new challenges ahead and the Council is in a good position to meet these challenges.

### **The Nottinghamshire Plan 2021 – 2031: Healthy, Prosperous, Green**

19. At the Full Council meeting held on 25 November 2021, the Council approved The Nottinghamshire Plan 2021-31: Healthy, Prosperous, Green. This ambitious, new plan sets out the strategic vision for the future of Nottinghamshire and the local authority.
20. The activity in the Nottinghamshire Plan is built around achieving a bold 10-year vision for a 'healthy, prosperous and greener future for everyone'. The plan will focus on:
  - Improving health and well-being in all our communities
  - Growing our economy and improving living standards
  - Reducing the County's impact on the environment
  - Helping everyone access the best of Nottinghamshire.

21. These are broad themes that will build resilience in our communities into the future and are supported by nine ambitions which will act as a framework for all County Council activity:
- Helping our people live healthier, more independent lives
  - Supporting communities and families
  - Keeping children, vulnerable adults and communities safe
  - Building skills that help people to get good local jobs
  - Strengthening businesses and creating more good-quality jobs
  - Making Nottinghamshire somewhere people love to live, work and visit
  - Attracting investment in infrastructure, the economy and green growth
  - Improving transport and digital connections
  - Protecting the environment and reducing our carbon footprint
22. The Plan sets out what the County Council will do over the next four years to achieve these ambitions as well as how it will measure progress and success. This will have a particular focus on supporting Nottinghamshire's communities and businesses to recover from the socio-economic impacts of the COVID19 pandemic. The Plan also details the Council's on-going journey of improvement as we continue to deliver services in a responsive, efficient, financially sustainable and forward-looking way.
23. Finally, the Plan sets the approach the Council will take in planning and delivering its services. Our approach is to:
- Listen to our communities
  - Support independence
  - Reduce inequalities
  - Spend money wisely
  - Make decisions based on evidence
  - Work together
  - Lead with optimism
24. The vision and ambitions of the Council Plan are far-reaching and cannot be delivered by the County Council alone. The Council is proud to be working towards a stronger future with a wide range of public, private and voluntary sector organisations as well as communities themselves.

### **Capital Ambitions**

25. The Council's ambitious Capital Strategy is prepared principally to enable the Council to achieve its vision and its ambitions. Despite the unprecedented financial and non-financial challenges that Local Government is currently facing, Nottinghamshire's Capital Strategy has delivered and will continue to deliver capital investments that the residents of Nottinghamshire can be proud of. The following section of the Capital Strategy will set a flavour of the capital projects that have been or will be undertaken to help deliver the Council's nine ambitions. The links will take you to a short YouTube video which outlines each ambition.

26. [The Nottinghamshire Plan - Ambition 1: Helping our people live healthier and more independent lives - YouTube](#)

The Council continues to work with partners to use its land to supply new homes that meet the needs of people of all abilities in Nottinghamshire and help them to live independently. The Top Wighay Farm site, a 40-hectare site situated north-west of the Nottinghamshire town of Hucknall will feature an 805-property housing development, a new primary school and a local community centre. Developers will use modern building techniques to accelerate construction of the housing units, 30% of which have been designated as affordable.



27. [The Nottinghamshire Plan - Ambition 2: Supporting communities and families - YouTube](#)

A key element of the Children and Young People's capital strategy is to provide support to children with special educational needs and their families. The range of local, specialist service provision will be improved as the Council looks to find ways to better support those preparing for adulthood. The replacement Orchard Special School in Newark was delivered in March 2021, a new special school in Ravensdale is set to open in September (see design picture below) and further funding has been secured to support the provision of new places for children with special educational needs and disabilities in future years.



28. [The Nottinghamshire Plan - Ambition 3: Keeping children, vulnerable adults and communities safe - YouTube](#)

The Council will keep improving support for vulnerable children and adults and continue to make improvements where we can. Clayfields House is a secure children's home run by the Council. A new, robust modern wing has recently been completed and delivered through our partnership with ARC. The new wing has created a more homely, inspiring space for young people to live, yet making security a top priority. Additional external funding has already been secured to carry out further improvements at Clayfields House.



29. [The Nottinghamshire Plan - Ambition 4: Building skills that help people get good jobs - YouTube](#)

Working alongside the Government and local developers, the Council will address the growing demand for secondary school places in Gedling, Rushcliffe and Worksop and primary schools in East Leake, Carlton, Colwick and Edwinstowe. The Council will also ensure sufficient places are provided alongside new housing developments. The Chapel Lane Primary School in Bingham (pictured below) opened in September 2022 and is a fully electric, carbon neutral school with a cohort of 210 pupils aged 4 to 11.



30. [The Nottinghamshire Plan - Ambition 5: Strengthening businesses and creating more good-quality jobs - YouTube](#)

The Council's ambition to develop new opportunities for business growth within the Council's land and premises portfolio has already been seen at the Worksop Turbine Centre. The Centre has been developed through previous capital programmes and is a dedicated business centre which assists small businesses to achieve growth. Further innovative opportunities will be created at Top Wighay Farm where plans are in place to build a range of offices, green spaces and other infrastructure opening up more jobs for local people.



31. [The Nottinghamshire Plan - Ambition 6: Making Notts somewhere people love to live, work and visit - YouTube](#)

The Council will deliver the Nottinghamshire Visitor Economy Strategy to grow tourism across the county. More opportunities to invest in and improve our beautiful country parks and green spaces, like Rufford Abbey and Sherwood Forest as well as our sporting venue, the National Water Sports Centre. A project to create the Sherwood Forest Visitor Centre has been completed and it is hoped that new, RSPB led building brings higher footfall, increases tourism, aids education, learning and engagement as well as benefitting the local community. Additional external funding was also secured to carry out pioneering work which introduced cutting-edge digital technology in the heart of Sherwood Forest and Rufford Country Park.



32. [The Nottinghamshire Plan - Ambition 7: Attracting investment - YouTube](#)

The Council will continue to deliver the major development programme at Lindhurst and Top Wighay Farm. Top Wighay Farm in particular will be developed as a blueprint for sustainable living in Nottinghamshire and will develop more sites over the coming years to supply quality housing and new job opportunities for our residents.



33. [The Nottinghamshire Plan - Ambition 8: Improving transport and digital connections - YouTube](#)

The Council will continue to improve and join up local and regional transport connections, opening up employment, training and leisure opportunities to everyone and securing funding to develop new infrastructure where it is needed most. The Gedling Access Road (GAR) is a new 3.8km single carriageway road which has provided a link between the B684 Mapperley Plains and the A612 Trent Valley Road. The new road has provided significant economic and congestion relief benefits and has unlocked new housing in the Gedling Local Plan, create jobs and provide business opportunities locally. Additional funding has been allocated by the Department for Transport, subject to a Full Business Case, to carry out a major scheme to improve the road network along the A614 and A6097 corridor between Ollerton and Lowdham.



34. [The Nottinghamshire Plan - Ambition 9: Protecting the environment and reducing our carbon footprint - YouTube](#)

As part of the Council's ambition to restore our landscapes, ecosystems and biodiversity, the Council will plant 250,000 trees on Council land and set up five new nature reserves to restore our green spaces. The Council has already secured significant external funding from the Department for the Environment, Food and Rural Affairs to create a new community forest in Nottinghamshire. This new 'Trees for Climate' programme was announced as part of the Government's 'Nature for Climate' fund to deliver widespread woodland creation to help combat the climate emergency.



35. In summary, the capital strategy is not intended to be static, it is a dynamic plan that will evolve and change over time alongside the Council's changing priorities. The strategy ambition is set over a ten-year period but will be updated annually and include short, medium and long-term investment ambitions.

### **Future Capital Strategy Development**

36. As set above, it is recognised that the capital strategy is a continually changing document that will need to develop over time. Potential development actions will be identified during 2024/25 as part of a process of continuous improvement. Such actions include:
- Building on an initial data gathering exercise identifying capital pressures and risks over a ten-year horizon.
  - Assessment of service asset management plans to inform decision making and inform prioritisations.
  - Clear scope and post project evaluations to identify learnings.
  - Review the existing capital strategy and identify any areas that require improving.

## Key strategies and policies impacting on the Council's Capital Strategy

37. The Council has a number of strategies and policies in place which significantly influence the Council's Capital Programme. The major ones are as follows.

### Corporate Property Strategy

38. The Corporate Property Strategy (2018-2023) provides a framework to support the development and management of the Council's land and property assets to achieve our ambition of delivering collaborative property solutions which achieve corporate objectives.
39. The Corporate Property Strategy is publicly available at:  
<https://www.nottinghamshire.gov.uk/policy-library/60247/corporate-property-strategy-2018-2023>
40. Aligned to the Corporate Property Strategy is a five-year Property Asset Management Plan (PAMP). This is updated annually and its main purpose is to:
- set out the Council's objectives, priorities, programmes and performance in relation to land and property assets
  - provide a clear statement of direction for other land and property stakeholders and customers
41. Service Asset Management Plans (SAMPs), also updated annually, are developed to support the PAMP and to clearly articulate a service's land and property needs. Each will contain important information to help inform capital bids such as anticipated changes to the service, supply and demand detail, prioritised solutions and a delivery plan.

### ICT Strategy

42. The ICT strategy 2022-2025 built on the previous strategy and was drawn up with linkages to the new Council Plan. The key themes of this strategy revolve around Cloud based technologies, technical debt, safe and ethical use of systems and data, reducing ICT's environmental impact, accessible services, transparency and governance.
43. This strategy is publicly available here:  
[ICT Strategy](#)

### Pupil Place Planning and School Capital Policy

44. This Policy is a key document enabling the Local Authority to meet its statutory duty to provide sufficient places for the children and young people of Nottinghamshire. It provides a context for all to understand the pressures and considerations when addressing demand for the expansion of existing provision or the creation of new provision across the County.

45. The Pupil Place Planning and School Capital Policy is publicly available at:  
<https://www.nottinghamshire.gov.uk/policy-library/41408/pupil-place-planning>

### **Highway Infrastructure Asset Management Plan**

46. This document sets out the asset management strategy and plan for Nottinghamshire, promoting best practice and the implementation of asset management principles in all highway maintenance activities.
47. The Highway Infrastructure Asset Management Plan is publicly available at  
<https://www.nottinghamshire.gov.uk/transport/roads/highway-infrastructure-asset-management-plan>

### **Highways Capital Programme 2022/23-2024/25**

48. This consists of a suite of programmes stating how the Council plans to meet the transport objectives set out in the Nottinghamshire Local Transport Plan and to satisfy locally identified priorities.

The Highways Capital Programme 2022/23-2024/25 is publicly available at  
<https://www.nottinghamshire.gov.uk/transport/roads/highways-capital-programme>

### **Commercial Strategy**

49. The Commercial Strategy sets out the high-level framework for the commercial approach of the Council across a wide number of activities.
50. The Commercial Strategy is publicly available at:  
<https://www.nottinghamshire.gov.uk/policy-library/55851/commercial-strategy>
51. The area of Property Investment comes with risk. For example, items such as the long-term effects of the COVID-19 pandemic and the expected economic situation as at late 2023. The Council takes a largely risk-averse approach and does not tend to invest in Commercial Property for the sole purpose of revenue return.
52. Investment Properties represent only 4.0% of total Long-Term assets.
53. Sales of property has and continues to deliver capital receipts, but in the main the property was not originally acquired for this purpose.
54. The Council owns a number of commercial units and farms that deliver a return through rental income but these were not originally purchased for the purpose of generating a commercial return. The net figure for rental income and expenditure from these properties in 2022-23 was £631k.

## Corporate Environmental Policy

55. The Council recognises the impact its operations and decisions have on the environment and how its position as a service provider, major employer, community leader and partner can have positive environmental outcomes. This policy outlines the Council's commitment to protecting and enhancing the environment for today and for future generations.
56. The Corporate Environmental Policy is publicly available at: <https://www.nottinghamshire.gov.uk/policy-library/72901/corporate-environmental-policy>

## Working with External Partners

57. Delivering investment across the county to meet the Council's ambition needs a strategic approach with the public, private, voluntary and community sectors. In delivering its capital strategy the Council works with a number of external partners, each of whom have their own strategies, priorities and availability of funding, which in turn interact with the Council's capital strategy. These partners include:
  - Central government and its Agencies
  - East Midlands Combined County Authority
  - D2N2 Local Enterprise Partnership
  - Other local authorities in the region
  - Local NHS providers
  - Local Universities and Further Education Providers
  - Charities and other voluntary organisations

## Working in Partnership

### Arc and Via – A Collaboration to Deliver Economic Growth

58. Arc Partnership and Via East Midlands are Alternative Service Delivery Models established by the Council to deliver services in line with their Service Agreements and empowered to deliver third party works under the auspices of Local Authority Trading Companies, as both are classed as 'Teckal Companies'. Both companies are either wholly or partly owned by the Council.
59. Arc Partnership delivers multi-disciplinary property design, consultancy, master planning, regeneration, project/programme management, construction; emergency, reactive, compliance, asset management and planned servicing on behalf of the Council and the communities and people it represents.
60. Via East Midlands delivers multi-disciplinary engineering and fleet management services, including highways maintenance, design and consultancy, project/programme management, construction, signals and lighting, drainage, landscaping, environmental assessment, road safety, fleet services and a highway training centre.

61. Both organisations already collaborate and partner in a number of areas in delivering projects and programmes of work that deliver value for money, quality of output and customer excellence. They are looking to formalise this collaboration in order to deliver greater joint working, cross selling, and establish a framework which will bring forward a number of key regeneration, inward investment and economic growth opportunities.

### What is Capital Expenditure?

62. An understanding of what constitutes capital expenditure is fundamental to realising the benefits that an authority can obtain under the Prudential framework. Unless expenditure qualifies as capital it will normally fall outside the scope of the framework and be charged to revenue in the period that the expenditure is incurred. If expenditure meets the definition of capital, there may be opportunities to finance the outlay from capital receipts or by spreading the cost over future years' revenues.
63. Capital expenditure is where the Council spends money on buying, building, or enhancing long-term fixed assets that will yield benefits for the Council and be used for more than one financial year.
64. Examples of long-term assets include but are not limited to land and buildings, vehicles, infrastructure such as roads and bridges.
65. In Local Government this includes spending on assets owned by other bodies and loans / grants to other bodies enabling them to buy assets.

### Funding Streams

66. Nottinghamshire County Council's Capital Programme is funded from a mix of sources including: -
- **Prudential Borrowing** – The introduction of the Prudential Code in 2004 allowed the Council to undertake unsupported borrowing itself. This borrowing is subject to the requirements of the Prudential Code for Capital Expenditure for Local Authorities. The Council must ensure that unsupported borrowing is affordable, prudent and cost effective. This funding can also be used as an option to front fund development to stimulate growth. This has provided the Council with the flexibility to raise capital funding as demand and business need have dictated. This type of borrowing has revenue implications for the Council in the form of financing costs.
  - **External Grants** – The largest form of capital funding comes through as external grant allocations from central government departments such as the Department for Transport and the Department for Education.
  - **Section 106 and External Contributions** – Elements of the capital programme are funded by contributions from private sector developers and partners. Growth in Nottinghamshire has resulted in Section 106 contributions from developers accounting for significant elements of funding of the capital programme in recent years.

- **Revenue / Reserves Funding** – The Council can use revenue and reserve resources to fund capital projects on a direct basis. However, the impact of austerity on the Council's revenue budget has reduced options in this area and therefore the preference is for Invest to Save options to be adopted where feasible.
  - **Capital Receipts** – The Council is able to generate capital receipts through the sale of surplus assets such as land and buildings. The Council seeks to maximise the level of these resources which will be available to support the Council's plans.
67. The size of the Capital Programme will be influenced by funding sources and financing costs and any related constraints. The Strategy has been prepared against a background of continuing reductions in funding provided to local authorities by central government and its agencies, arising from the need to restrain public expenditure owing to the ongoing economic conditions and to rebalance public finances.
68. The main limiting factor on the Council's ability to undertake capital investment is whether the revenue resource is available to support in full the implications of capital expenditure, both borrowing costs and running costs, after allowing for any support provided by central government, now mainly through capital grants.

### Approach to Capital Investment

69. Nottinghamshire County Council's Capital Strategy defines and outlines the Council's approach to capital investment and is fundamental to the Council's financial planning processes. It aims to ensure that:
- Capital expenditure contributes to the achievement of the Council's strategic plan.
  - An affordable and sustainable capital programme is delivered.
  - Use of resources and value for money is maximised.
  - A clear framework for making capital expenditure decisions is provided.
  - A corporate approach to generating capital resources is established.
  - Access to sufficient long-term assets to provide services are acquired and retained.
  - Invest to save initiatives to make efficiencies within the Council's revenue budget are encouraged.
  - An appraisal and prioritisation process for new schemes is robust.

### Capital Prioritisation

70. It is usual that demand for capital resources to meet investment needs and aspirations will exceed the resources available to the Council. In times of financial difficulty this situation is exacerbated.
71. To ensure that capital resources are allocated to the Council's priorities it is essential that an objective, structured prioritisation process is adopted when determining new schemes within the capital programme. This capital prioritisation process will then assist the Corporate Asset Management Group in

making recommendations to the Corporate Leadership Team and Members in respect of the content of the Capital Programme.

72. The prioritisation process specifically addresses the key requirements of the Prudential Code:-

- Affordability, prudence and sustainability – the integration of the capital and revenue planning processes ensure that coherent decision-making takes place with regard to the level of borrowing.
  - Spend to save schemes must be able to demonstrate clearly the level of forecast revenue savings. These savings will be applied towards the repayment of the capital investment required. Subsequent savings will accrue to departmental budgets.
  - External funding may include earmarked capital receipts that require agreement with Strategic Property with regard to value and timing. Any external funding must be confirmed prior to project commencement.
- There should be a regard for the stewardship of the Council's assets – with explicit regard to the Council's Asset Management Plan.
- All capital expenditure should link into, and be consistent with, current corporate / service strategic objectives and be supported by appropriate levels of option appraisal and consultation to ensure value for money.

73. The practicalities of the capital expenditure plan – i.e projects are realistically phased and are capable of being delivered in physical terms.

Particular types of projects are prioritised as follows:

- **Externally Funded Schemes**  
Schemes that are totally funded by external sources and have no revenue or capital impact on the County Council are not subject to prioritisation. This would include 'spend to save' schemes where expenditure is fully funded by savings within the same financial year. These schemes are automatically absorbed into the capital programme once necessary funding and approvals are confirmed.
- **Immediate, Unavoidable Obligations**  
These schemes would have the highest priority against available funding and would include, for example, compulsory and immediate legislative changes requiring funding.
- **Other schemes**  
These are scored and prioritised according to the following criteria:
  - Funding criteria: for example Spend to Save initiatives and projects that lever in external funding / capital receipts

- Service needs
- Corporate priorities.

## **Governance Arrangements**

### **Capital Programme Approvals**

74. The Authority's constitution and financial regulations govern the capital programme as set out below:

- All capital expenditure must be carried out in accordance with the financial regulations and the Council's Constitution.
- The expenditure must comply with the statutory definition of capital purposes as defined within this document and wider financial standards.
- The Capital Programme approved by Full Council as part of the Council's annual budget report sets the capital funding availability for the Council, the prioritisation of funding and the schemes receiving entry into the Capital Programme.
- All schemes are formally approved into the capital programme by following a process as set out in the financial regulations.
- Officers are not authorised to commit expenditure without prior formal approval as set out in the financial regulations.
- Each scheme must be under the control of a responsible person/project manager.
- Corporate Directors must take a Latest Estimated Cost report to the appropriate Cabinet Member where the capital cost is over £1 million.
- Any agreements (such as section 106) which contractually commit to procure capital schemes will need to follow the same approval process as other capital expenditure before it can be formally incorporated into the capital programme.

### **Capital Programme Bodies**

75. The main internal bodies that are responsible for the governance and management of the capital programme are the Full Council, Cabinet, Cabinet Members and the Corporate Asset Management Group.

76. **Full Council:**

- Approves the capital programme as part of the Annual Budget Report within the strategic boundaries set by the Council.
- Approves capital schemes into the approved capital programme to enable commencement of delivery and schemes to start to incur expenditure.

77. **Cabinet / Cabinet Members:**

- Receive Latest Estimated Cost reports where the capital costs are in excess of £1m.

78. **Corporate Asset Management Group (CAMG)** – CAMG is a cross-service group of officers with a finance, service and property management background. It is responsible for ensuring that the County Council has a clear and cohesive strategy for managing its physical assets and to oversee the development and delivery of the County Council's capital programme in support of that strategy.

### Skills & Training

79. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. All staff are encouraged to keep abreast of new developments and skills to ensure their continuous professional development.
80. The Council's property portfolio is valued by a team of internal valuers working in accordance with the statements of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors. The team has extensive knowledge of the Nottinghamshire property market and experience dealing with a mix of property types.

### Overview of the Capital Programme

81. The following table shows Nottinghamshire County Council's overall Capital Programme by Portfolio and how it is funded from 2023/24 to 2027/28:-

**Table E1 - Capital Programme by Portfolio**

	Revised 2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	TOTAL £m
<b>Portfolio:</b>						
Education & SEND	57.859	58.806	24.453	6.500	6.500	154.118
Children & Families	4.159	5.861	0.000	0.000	0.000	10.020
Adult Social Care	0.776	0.000	0.000	0.000	0.000	0.776
Transport & Environment	58.438	61.793	31.220	30.857	30.331	212.639
Communities & Public Health	2.652	1.714	0.500	0.500	0.500	5.866
Economic Devt & Asset Mngt	15.500	19.313	6.328	2.400	2.400	45.941
Finance & Resurces	5.610	10.111	4.210	4.210	4.210	28.351
Contingency	3.057	3.698	3.000	3.000	4.660	17.415
<b>Capital Expenditure</b>	<b>148.051</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>	<b>475.126</b>
<b>Financed By:</b>						
Borrowing	40.805	72.145	18.497	14.305	15.420	161.172
Capital Grants	97.064	80.767	47.030	29.077	29.077	283.015
Revenue / Reserves	10.182	8.384	4.184	4.085	4.104	30.939
<b>Total Funding</b>	<b>148.051</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>	<b>475.126</b>

\*This table excludes funding that is given directly to schools.

## Description of Major Schemes

82. The main capital projects / programmes of work that are incorporated into the Authority's capital programme are identified below:

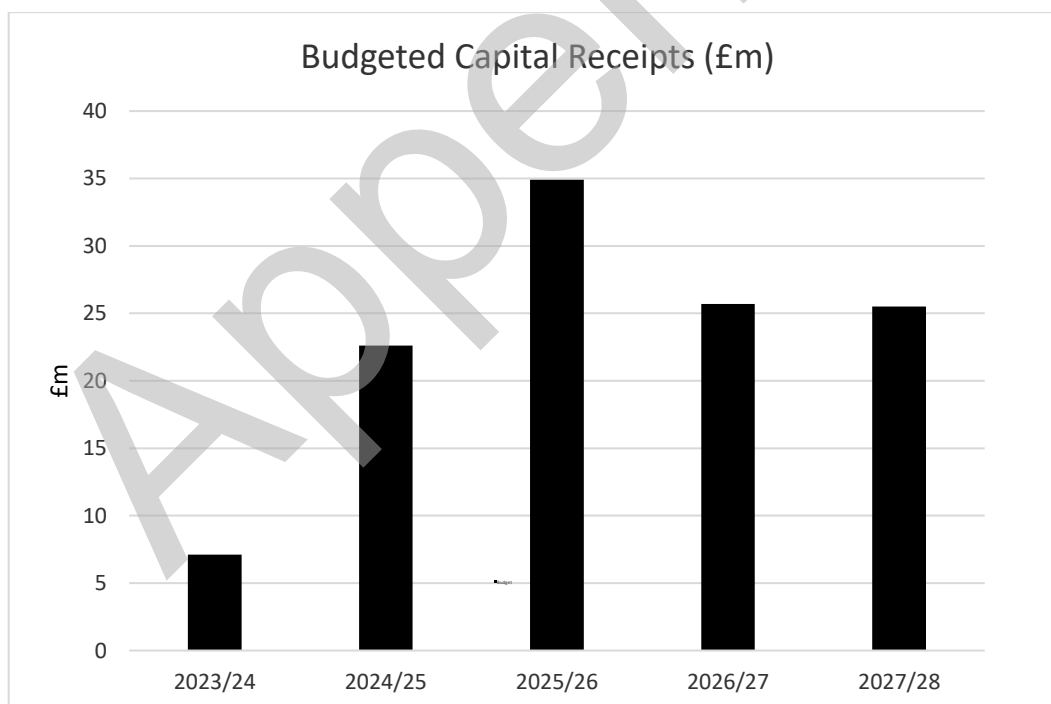
- **Schools Building Improvement Programme (SBIP)** – The SBIP focuses on the most immediate condition issues relating to heating, lighting and power, windows and roofing of the County Councils' maintained school building stock.
- **School Places Programme** - The School Places Programme focuses on the Council's statutory duty to provide sufficient school places. This applies to sufficiency planning across all schools, including academies. It is expected that local authorities will work closely with academies and the voluntary aided sector to meet this statutory responsibility and function. The fulfilment of this duty is described as meeting Basic Need. Children and Young People's Services analyse the pupil projection data available to identify schools which would be best suited to fulfil the Basic Need requirement and secure diversity of provision and increase the opportunity for parental preference.
- **New / Replacement Schools** – The Schools Place programme focuses on the Council's statutory duty to provide sufficient school places. The Council works closely with academies and the voluntary aided sector to meet this statutory responsibility and function. As part of this programme new / replacement schools have been built in Bestwood Hawthorne Primary, Orchard Special School, Newark, Hucknall Flying High Academy, Rosecliffe Spencer Academy, Edwalton, Chapel Lane Primary, Bingham and the Millside Spencer Academy, East Leake. Further work on new or major expansions are taking place in Rushcliffe and Worksop.
- **Special Schools** – This programme of work is funded by the High Needs Provision capital allocations received from the Department for Education and focusses on supporting the provision of new places and the improvement of existing provision for children with special educational needs and disabilities.
- **Roads Maintenance and Renewals** - This major programme of work supports local highway maintenance across the County and is funded mainly from Department for Transport grant with a local top up funded from capital allocation.
- **Integrated Transport Measures (ITM)** - The ITM is a package of capital schemes developed to support the Local Transport Plan and is funded mainly by direct grant from Government with a local top up funded from capital allocation.
- **Gedling Access Road (GAR)** - This major transport scheme has enabled the realisation of a key strategic development site in Gedling. It has also fulfilled the long-term proposal to provide a bypass around Gedling village. The project has been delivered by key public sector partners working jointly towards achieving common objectives for the future redevelopment of the former Gedling Colliery site.
- **Bus Service Improvement Programme (BSIP)** – This programme is an initiative by the Council to improve the reliability and efficiency of bus services

across the county. The programme aims to increase bus patronage and improve customer satisfaction.

- **Building Works** - The building works capital budget funds essential capital works to maintain the condition of the Council's property portfolio.
- **Building and Office Rationalisation Programme** – Following a review by Overview Committee and as reported to Full Council in July 2023, the Council has established a Building and Office Rationalisation capital programme that sets out to utilise the Council's property estate to deliver, environmental, economic and financial benefits in a post-COVID19 world. This funding allows for the delivery of a programme of projects that will improve, refurbish or build new offices across multiple sites of the Council's estate which allow the vacation and rationalisation of other buildings.

### Capital Receipts / Disposals

83. Anticipated capital receipts are reviewed on a regular basis by the Finance Committee. All forecasts are based on estimated disposal values of identified properties and prudently assume a slippage factor based on risks associated with each property.
84. The chart below shows the budgeted capital receipts for the four years to 2027/28:



85. As part of the recent capital programme review, a decision was taken to limit borrowing to what is already approved in the capital programme. To further minimise the impact of the cost of borrowing on the revenue budget it is proposed that a minimum level of capital receipts, based on forecasts set out in the February 2021 Budget Report and the value of capital investment in short life assets over the MTFS, are set against previous years' borrowing. It is also

proposed that reserves are used where appropriate to limit the value of borrowing required over the MTFS. These measures will help reduce the impact of the Minimum Revenue Provision on the revenue accounts. This approach will also enable excess capital receipts to be used to fund any future additional capital investment.

Appendix

## 2024/25 PRUDENTIAL INDICATORS FOR CAPITAL FINANCE

86. This section of the capital strategy sets out the prudential indicators and outlines how expenditure will be financed by borrowing in an affordable, prudent and sustainable way.

### Information and Advice

87. The Local Government Act 2003 enables local authorities to determine their programmes for capital investment and associated borrowing requirements, provided they have regard to the Prudential Code for Capital Finance in Local Authorities developed by CIPFA and also take advice from the Section 151 Officer.
88. The Executive Summary of the Code states that “The framework established by the Prudential Code should support local strategic planning, local asset management planning and proper option appraisal. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice.”
89. The Code sets out a number of prudential indicators designed to support and record local decision making and it is the duty of the Service Director – Finance, Infrastructure and Improvement (the Council's Section 151 Officer) to ensure that this information is available to Members when they take decisions on the County Council's capital expenditure plans and annual budget. Key issues to be considered are:
- Affordability (e.g. implications for Council Tax)
  - Prudence and sustainability (e.g. implications for external borrowing and whole life costing)
  - Value for money (e.g. option appraisal)
  - Stewardship of assets (e.g. asset management planning)
  - Service objectives (e.g. alignment with the Council's Strategic Plan)
  - Practicality (e.g. whether the capital plans are achievable).

### Affordability

90. The fundamental objective in the consideration of the affordability of the Authority's capital plans is to ensure that the level of investment in capital assets proposed means that the total capital investment of the authority remains within sustainable limits.
91. In considering the affordability of its capital plans, the Authority is required to consider all of the resources currently available to it and estimated for the future, together with the totality of its capital plans, income and expenditure forecasts.

92. The costs of financing capital expenditure are:

- Interest payable to external lenders less interest earned on investments; and
- Amounts set aside for repayments of amounts borrowed (including repayments of amounts relating to PFI schemes and other finance lease liabilities).

The relevant figures from the 2022/23 Accounts are as follows.

**Table E2 – 2022/23 Capital Financing Costs and Net Revenue Stream**

<b>Capital Financing Costs</b>	<b>£'m</b>
Interest Payable (incl. PFI/Finance Leases)	32.466
Interest and Investment Income	-5.562
Repayment of Previous Years' Borrowing	6.034
Repayment of PFI/Finance Lease Liabilities	6.616
Other Amounts Set Aside for Repaying Debt	12.135
<b>Total Capital Financing Costs</b>	<b>51.689</b>

<b>Net Revenue Stream</b>	<b>663.913</b>
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93. The Capital Financing Costs as a proportion of Net Revenue Stream for 2022/23 and future years are shown in the table below:

**Table E3 – Capital Financing Costs as a Proportion of Net Revenue Stream**

<b>Capital Financing Costs as a proportion of Net Revenue Stream</b>		
<b>Actual</b>	2022/23	7.8%
<b>Estimates</b>	2023/24	8.0%
	2024/25	8.6%
	2025/26	8.9%
	2026/27	7.8%
	2027/28	7.5%

94. The prudential indicator that sets out the proportion of capital financing costs to net revenue stream will be kept under review.

### **Prudence and Sustainability**

95. The Prudential Code requires that the Authority shall ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it will take into account its arrangements for the repayment of debt and consideration of risk and the impact on the Authority's overall fiscal sustainability.

96. The Authority is required to make reasonable estimates of the total capital expenditure that it plans to incur in the forthcoming financial year and at least the following two financial years. These indicators, together with anticipated sources of finance, are as follows.

**Table E4 – Estimates of Capital Expenditure**

	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m
<b>Capital Expenditure</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>
<b>Funded from:</b>				
Borrowing	72.145	18.497	14.305	15.420
Grants and Contributions	80.767	47.030	29.077	29.077
Revenue / Reserves	8.384	4.184	4.085	4.104
<b>Total Capital Financing Costs</b>	<b>161.296</b>	<b>69.711</b>	<b>47.467</b>	<b>48.601</b>

97. The proposed level of borrowing under the Prudential Code for 2024/25 is £72.1m.
98. One of the features of the Prudential Code arrangements is the need to calculate the Capital Financing Requirement. This figure covers capital expenditure which has not yet been permanently financed through the revenue account. It is derived by consolidating a number of Balance Sheet items as follows.

**Table E5 – Capital Financing Requirement 2022/23**

	£m
Fixed Assets	1,514
Short-term Assets Held For Sale	34
Capital Adjustment Account	(468)
Revaluation Reserve	(294)
<b>Capital Financing Requirement as at 31/3/23</b>	<b>786</b>

99. The Code states that “In order to ensure that over the medium term net debt will only be for a capital purpose, the local authority should ensure that net debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.” This is a key indicator of prudence.

100. The Capital Financing Requirement needs to be rolled forward to the estimated position at the end of 2023/24:

**Table E6 – Estimated Capital Financing Requirement 2023/24**

	£m
<b>Capital Financing Requirement 2022/23</b>	<b>786</b>
Borrowing in 2023/24	41
Additional PFI/Finance Lease Liabilities in 2023/24	-
Repayment of PFI/Finance Lease Liabilities in 2023/24	(7)
Capital Receipts set against previous borrowing in 2023/24	(7)
Other amounts set aside for Repayment of Debt in 2023/24	(12)
<b>Estimated Capital Financing Requirement 2023/24</b>	<b>801</b>

101. The additional Capital Financing Requirements for the next 3 years are:

**Table E7 – Estimated Capital Financing Requirements 2024/25 - 2026/27**

	2024/25 £m	2025/26 £m	2026/27 £m
New Borrowing	72	18	14
Additional PFI/Finance Lease Liabilities	2	1	1
Repayment of PFI/Finance Lease Liabilities	(8)	(9)	(10)
Capital Receipts set against previous borrowing	(18)	(16)	(8)
Other amounts set aside for Repayment of Debt	(13)	(13)	(13)
<b>Capital Financing Requirement Net Additions</b>	<b>35</b>	<b>(19)</b>	<b>(16)</b>
<b>Estimated Capital Financing Requirement</b>	<b>836</b>	<b>817</b>	<b>801</b>

102. As such there is a requirement to ensure that net debt (the sum of borrowing and other long-term liabilities, net of investments) in 2024/25 does not, except in the short term, exceed £836m (i.e. the estimated CFR for 2024/25).

### External Debt

103. The Local Government Act 2003 requires the County Council to set two borrowing limits for next year and the following two years with respect to external borrowing.
104. Operational Boundary – has to be set for both borrowing and long-term liabilities. This measure encompasses all borrowing and is used in-year as a tool for monitoring the Council's prudent borrowing requirements. The operational boundary is calculated by taking account of existing borrowing and long-term liabilities, planned new borrowing, net change in long term liabilities and any amounts set aside for repayment of debt.
105. Authorised Limit – this higher measure, is the upper limit on the level of gross indebtedness which must not be breached without County Council approval. If it appears that the Authorised Limit might be breached, the Service Director –

Finance, Infrastructure and Improvement has a duty to report this to the County Council for appropriate action to be taken.

106. The Operational Boundary for external debt for the next three years is built up from the existing level of external borrowing, which was £475m, and the level of relevant liabilities (including finance lease liabilities), which was £90m, on the Balance Sheet at 31 March 2023.
107. These figures can be rolled forward to provide the proposed Operational Boundaries for 2024/25 and subsequent years.

**Table E8 – Operational Boundaries 2024/25 – 2026/27**

	<b>Borrowing £m</b>	<b>Other Long-Term Liabilities £m</b>	<b>TOTAL £m</b>
External borrowing at 31 March 2023	493	-	493
Other Long-Term Liabilities as at 31 March 2023	-	97	97
Net new borrowing in 2023/24	(18)	-	(18)
Net change in PFI/finance lease liabilities	-	(7)	(7)
<b>Estimated external borrowing as at 31 March 2024</b>	<b>475</b>	<b>90</b>	<b>565</b>
Capital expenditure financed by borrowing 2024/25	72	-	72
Amounts set aside for repayment of debt	(30)	-	(30)
Net change in PFI/finance lease liabilities	-	(7)	(7)
Contingency for changes in cash flow forecast	40	-	40
<b>Operational Boundary 2024/25</b>	<b>557</b>	<b>83</b>	<b>640</b>
Capital expenditure financed by borrowing 2025/26	19	-	19
Amounts set aside for repayment of debt	(29)	-	(29)
Net change in PFI/finance lease liabilities	-	(8)	(8)
Contingency for changes in cash flow forecast	40	-	40
<b>Operational Boundary 2025/26</b>	<b>587</b>	<b>75</b>	<b>662</b>
Capital expenditure financed by borrowing 26/27	14	-	14
Amounts set aside for repayment of debt	(20)	-	(20)
Net change in PFI/finance lease liabilities	-	(9)	(9)
Contingency for changes in cash flow forecast	40	-	40
<b>Operational Boundary 2026/27</b>	<b>621</b>	<b>66</b>	<b>687</b>

108. The Authorised Limits should not need to be varied during the year, bar exceptional purposes. It is proposed to add a further £25m to the Operational Boundaries for Borrowing to provide sufficient headroom for events such as unusual cash movements. The proposed Authorised Limits are:

**Table E9 – Authorised Limits 2024/25 – 2026/27**

	Authorised Limit		
	Borrowing £m	Other Long-Term Liabilities £m	Borrowing and Other Long-Term Liabilities £m
<b>2024/25</b>	582	83	665
<b>2025/26</b>	612	75	687
<b>2026/27</b>	646	66	712

109. Both the Authorised Limits and Operational Boundaries are less than the Capital Financing Requirement because best practice in treasury management means that actual borrowing is below the notional underlying borrowing requirement.
110. The Prudential Code indicator in respect of treasury management is the adoption of the CIPFA Treasury Management Code of Practice. The County Council has formally adopted the code and approves an annual Treasury Management Policy and Strategy. This includes setting the treasury indicators:
- upper limits for fixed and variable interest rate exposures
  - upper limit for investments over 364 days
  - upper and lower limits for the maturity structure of borrowing.

### **Value for money – option appraisal**

111. The County Council's Capital Programme is driven by the desire to provide high quality, value for money public services and is monitored by the CAMG. Business cases for proposed new capital schemes are reviewed by this group against an agreed prioritisation criteria. The results of this exercise are presented to the Cabinet Member for Finance or Cabinet.

### **Stewardship of Assets**

112. The Council's Asset Management Plan sets out the condition of its assets and the arrangements for managing these effectively. The Council's Corporate Property Strategy enhances these arrangements, including increasing the awareness that efficient use of property is an important element of maximising the value obtained from the Council's overall resources.

### **Service Objectives**

113. The option appraisal of proposed capital schemes overseen by CAMG considers, amongst other factors, the following:

- How the proposal helps achieve the objectives and priorities set out in the Council's Strategic Plan.
- How the proposal will help achieve objectives set out in Departmental Strategic Plans.
- The service improvements and other anticipated benefits expected to be delivered from the investment.

#### 114. Practicality / Monitoring

- Capital budget holders are responsible for providing monthly forecasts to the Financial Strategy and Accounting Team. Any slippage on schemes is identified as soon as possible.
- All forecasts are collated by the Financial Strategy and Accounting Team and reported to the Cabinet Member for Finance or Cabinet on a monthly basis.

#### Recommendation

115. That Cabinet recommend to Full Council that the Prudential Indicators in Table E10 are approved as part of the 2024/25 budget.

**Table E10 – Prudential Indicators 2024/25 – 2026/27**

	2024/25	2025/26	2026/27
Estimated capital expenditure	£161.3m	£69.7m	£47.5m
Estimated Capital Financing Requirement	£836m	£817m	£801m
Authorised limit for external debt	£665m	£687m	£712m
Operational boundary for external debt	£640m	£662m	£687m
Financing costs as a % of net revenue stream	8.6%	8.9%	7.8%

## Report of the Service Director (Finance, Infrastructure & Improvement)

### Treasury Management Strategy 2024/25

#### Introduction

116. Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as:

“the management of the organisation’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”.

117. The Local Government Act 2003 (the Act) requires local authorities “to have regard –

- (a) to such guidance as the Secretary of State may issue, and
- (b) to such other guidance as the Secretary of State may by regulations specify for the purposes of this provision.”

118. The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 state that:

“In carrying out its capital finance functions, a local authority must have regard to the code of practice in ‘Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes’ (regulation 24).”

119. The 2003 regulations further require local authorities to have regard to the code of practice entitled the ‘Prudential Code for Capital Finance in Local Authorities’ (published by CIPFA), when considering how much they can afford to borrow. Both the Treasury Management Code (the Code) and the Prudential Code were updated in December 2021.

120. With regard to investment of funds, the Secretary of State issued revised guidance in 2010 that requires local authorities to prepare an annual investment strategy which has the key objectives of security and liquidity of funds.

121. The Code has 3 key principles which are:

- the establishment of ‘comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective management and control of their treasury activities’.
- the effective management and control of risk are prime objectives and that responsibility for these lies clearly within the organisation.
- the pursuit of value for money and the use of suitable performance measures are valid and important tools.

122. In accordance with the CIPFA Code, the Council adopts the following:

- (a) The Council will create, and maintain, as the cornerstones for effective treasury management:
  - a Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities
  - suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject to amendment only where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- (b) The Council will receive reports on its treasury management policies, practices and activities, including an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

- (c) The Council delegates responsibility for the implementation, scrutiny and monitoring of its treasury management policies and practices to the Treasury Management Group, comprising:

- Service Director (Finance, Infrastructure & Improvement)
- Group Manager (Financial Services)
- Senior Accountant (Financial Strategy & Accounting)
- Senior Accountant (Pensions & Treasury Management)
- Investments Officer

The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act in accordance with the policy statement and TMPs.

123. Regarding cash balances that form part of the Nottinghamshire County Council Pension Fund, the Council has delegated responsibility for the setting of treasury management policies and practices to the Pension Fund Committee.

124. This Treasury Management Strategy has been prepared in accordance with regulations, guidance and codes of practice to support the Council's Medium-Term Financial Strategy and in particular the financing of the capital programme and the management of cash balances. In addition to this strategy there is a Treasury Management Policy Statement in Appendix F that underpins the strategy, together with the TMPs that govern treasury management operations.

125. The strategy covers:

- Current treasury position
- Borrowing requirement
- Treasury Indicators
- Interest rate forecasts
- Borrowing strategy
- Investment strategy

### Current Treasury Position

126. The table below shows the Council's forecast treasury position for 31 March 2024:

Table E11		Total £m	Average Interest Rate
<b>EXTERNAL BORROWING</b>			
Fixed Rate	PWLB	382.8	3.79%
	Market loans	90.0	3.83%
<b>Total External Borrowing</b>		<b>472.8</b>	
Other Long-term Liabilities		90.0	
<b>Total Gross Debt</b>		<b>562.8</b>	
Less: Cash balances		(150.0)	
<b>Total Net Debt</b>		<b>412.8</b>	

Note 1: PWLB = Public Works Loans Board

Note 2: Figures exclude accrued interest

### Borrowing Requirement

127. Under the Prudential Code, the Council is required to calculate the 'Capital Financing Requirement' (CFR). This represents the Council's underlying need to borrow for the approved capital programme. New capital expenditure, financed by borrowing or by credit arrangements such as finance leases and private finance initiative schemes, increases the CFR.

128. The Council also sets aside an amount each year as a provision for the repayment of debt. This is known as the Minimum Revenue Provision (MRP) and is, in effect, the principal repayment for the borrowing expected to be undertaken by the Council to finance its capital programme. MRP set aside reduces the CFR.

129. The difference between the CFR and the total of long-term liabilities and existing and new borrowing indicates that the Council has made temporary use of internal cash balances (from its own earmarked reserves and working capital) to finance the capital programme. This is known as “internal borrowing”. Internal borrowing is a way of making short-term savings and avoiding the risks associated with holding large cash balances and is explained further in the “Borrowing Strategy” section below.
130. The Local Government Act 2003 and supporting regulations requires the Council to determine and keep under review how much it is prepared to borrow, termed the “Authorised Limit”. This limit is determined for external borrowing (including both long-term and temporary borrowing and other forms of long-term liability, such as credit arrangements). This limit reflects the need to borrow for capital purposes. The Authorised Limit is set for at least the forthcoming financial year and two successive financial years. The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that its total capital investment is ‘affordable, prudent and sustainable’.
131. In practice during the year the level of borrowing will be monitored against the “Operational Boundary”. This represents a reasonable limit for the planned level of borrowing for capital purposes and is affected by the following:
- Existing borrowing and other long-term liabilities
  - Increased by:
    - planned new borrowing
    - net change in long-term liabilities
  - Reduced by amounts set aside for repayment of debt (referred to as Minimum Revenue Provision or MRP).
  - Contingency for changes to reserves forecast
132. The Operational Boundary is set for the forthcoming financial year and next two financial years. Any breach of this indicator would provide an early warning of a potential breach of the Authorised Limit and allow time for the Council to take any appropriate action.
133. There are two main reasons why planned actual borrowing may be lower than that shown as being required to finance the capital programme. These are slippage in capital schemes and the Council temporarily making use of its cash reserves to delay external borrowing (the internal borrowing referred to above). The main components involved in calculating planned actual borrowing over the next three years are shown in the table below:

**Table E12 – Borrowing Forecasts**

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Closing Capital Financing Requirement	786.0	801.0	836.0	817.0	801.0	785.0
Less:						
- Long-term liabilities	-97.0	-90.0	-84.0	-76.0	-67.0	-57.0
- Existing borrowing	-483.6	-472.8	-462.3	-452.2	-434.9	-424.9
- Cap Ex to be financed by borrowing (a)		-41.0	-72.0	-18.0	-14.0	-15.0
- Cumulative replacement borrowing (b)		41.0	72.0	18.0	11.0	-7.9
<b>Internal borrowing (A)</b>	<b>205.4</b>	<b>238.2</b>	<b>289.7</b>	<b>288.9</b>	<b>296.2</b>	<b>280.2</b>
Cash and cash equivalents	73.8	100.0	78.5	57.3	30.0	30.0
Fixed investments	125.0	50.0				
<b>Y/E investment balances (B)</b>	<b>198.8</b>	<b>150.0</b>	<b>78.5</b>	<b>57.3</b>	<b>30.0</b>	<b>30.0</b>
<b>Cash deployed (A+B)</b>	<b>404.2</b>	<b>388.2</b>	<b>368.2</b>	<b>346.2</b>	<b>326.2</b>	<b>310.2</b>
comprising:						
- Usable reserves	307.0	291.0	271.0	249.0	229.0	213.0
- Estimated provisions / working capital	97.2	97.2	97.2	97.2	97.2	97.2
<b>Cumulative minimum borrowing requirement (-a-b)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>3.0</b>	<b>22.9</b>
Annual borrowing requirement (nearest £10m)	0.0	0.0	0.0	0.0	0.0	20.0
Cumulative annual borrowing requirement	0.0	0.0	0.0	0.0	0.0	20.0

134. The table above shows the latest capital expenditure, financing and reserves forecasts. From this can be calculated the Council's estimated internal borrowing and its cumulative minimum borrowing requirement, which is zero for all years to 2026/27. In other words, the Council is forecasting to use its cash balances to postpone its long-term borrowing at least until 2027/28.
135. This forecast assumes that usable reserves will be used in the first instance to postpone borrowing and thereby keep year-end cash balances to a comfortable minimum. However, if reserve balances are used quicker than forecast, or if working capital is for any reason reduced, then some borrowing will be necessary before 2027/28.
136. Under the capital finance regulations, local authorities are permitted to *fully borrow* (i.e. use no internal borrowing) up to three years in advance of need as determined by the Capital Financing Requirement. This will only be done if cashflow dictates or if market conditions indicate that it is the best course of action.
137. The main reason for borrowing more than the minimal amount would be to take advantage of, and lock in, low long-term interest rates, making long-term savings and also reducing the Council's exposure to variable interest rate risk. However, this could result in a 'cost of carry' if interest rates on cash deposits dropped below borrowing rates. The financial implications of any amounts borrowed 'in advance of need' would therefore be fully evaluated by Treasury Management Group before commitment.
138. Borrowing in advance of need also increases the level of temporary investments and makes the security of those funds even more important. However, the Council's treasury management practices ensure that the risks of investing funds are minimised.

139. A summary of the proposed Treasury Management Indicators for the years to 2026/27 are set out in tables E13 and E14 below. Please note that the 'Authorised Limit and 'Operational Boundary' are detailed in paragraphs above.

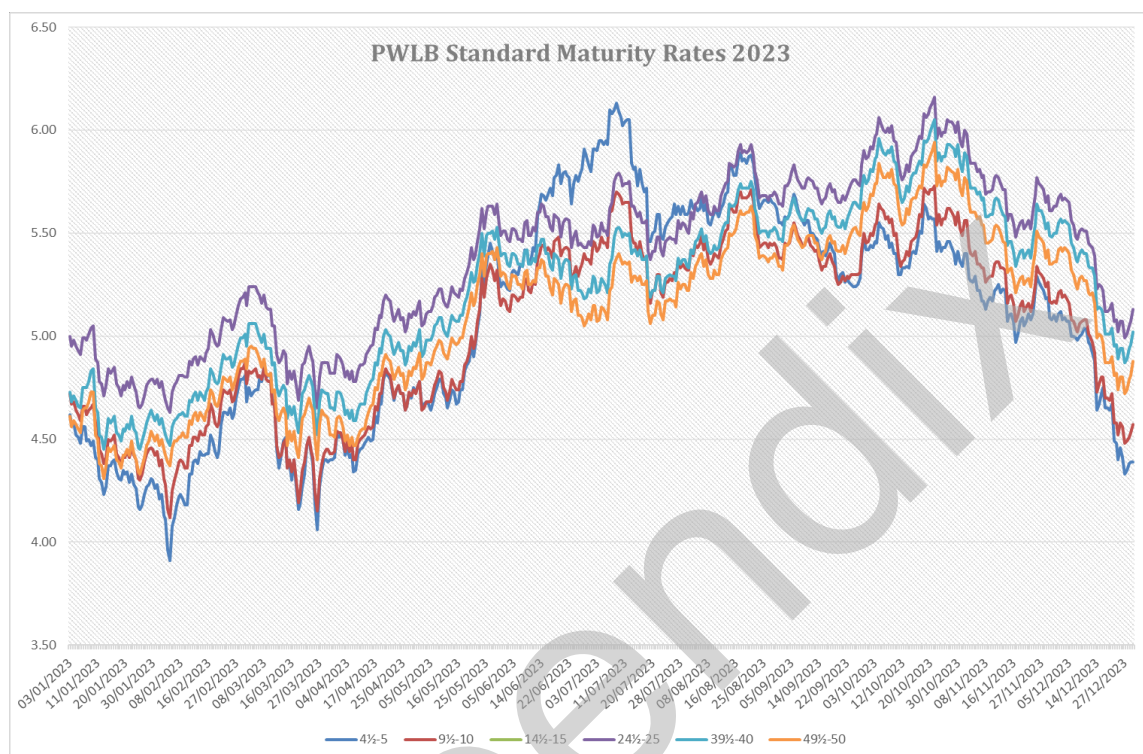
<b>Table E13 TREASURY INDICATORS</b>	<b>Proposed 2024/25 £m</b>	<b>Proposed 2025/26 £m</b>	<b>Proposed 2026/27 £m</b>
<b>Upper limit for Rate Exposure (fixed-term investments)</b>			
Fixed Rate	100%	100%	100%
Variable Rate	75%	75%	75%
<b>Upper limit for principal sums invested for over 364 days</b>	Higher of £20m or 15%	Higher of £20m or 15%	Higher of £20m or 15%

<b>Table E14. Maturity structure of fixed rate borrowing</b>	<b>Lower limit</b>	<b>Upper limit</b>
under 12 months	0%	25%
12 months and within 24 months	0%	25%
24 months and within 5 years	0%	75%
5 years and within 10 years	0%	100%
10 years and above	0%	100%
<b>Adoption of CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes</b>	Adopted	

## Borrowing Strategy

140. PWLB rates varied significantly during 2023, in line with inflation, but by year-end they were back to previous year's level. This can be seen in the chart below:

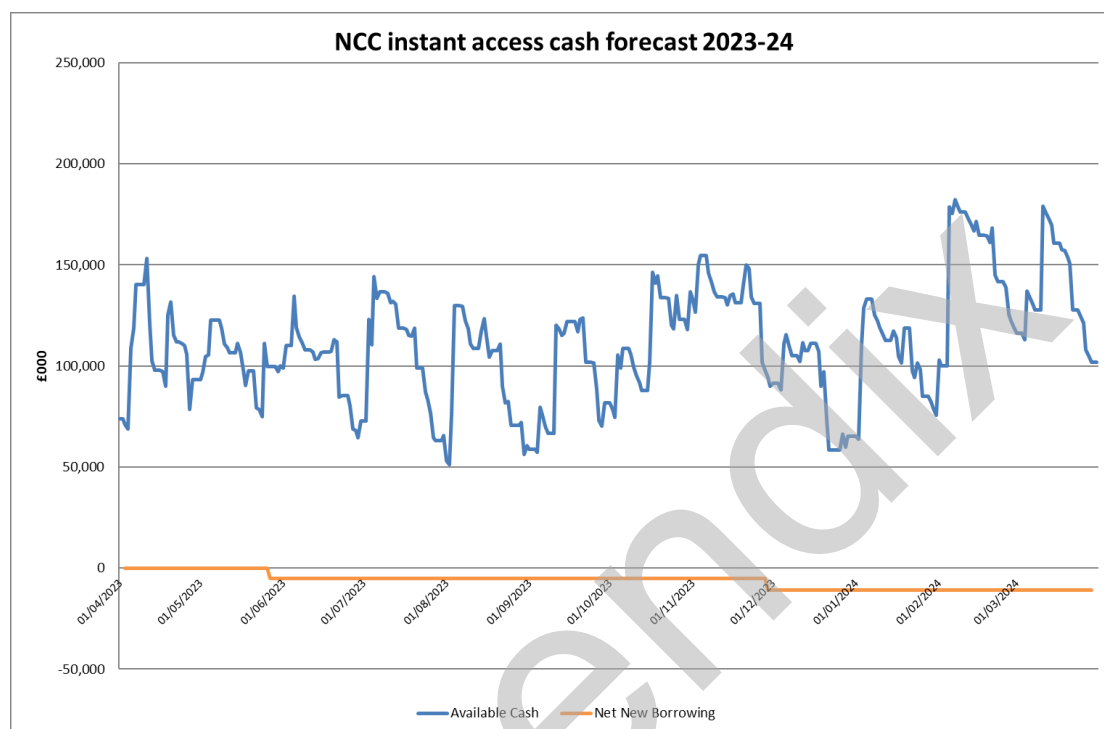
**Table E15 – PWLB Standard Maturity Rates 2023**



141. The chart below shows how the Council's instant-access cash position has progressed over the financial year to January 2024 and how it is forecast to progress until the year-end. This position varies over the course of the year but averages about £110m. The line reflects the day-to-day impact of the Council's revenue and capital expenditure, grant and precept income, together with any borrowing or fixed-term lending decisions made by the Council's treasury management team.

142. The lower line shows the Council's net new borrowing, which was negative over the course of the year. During 2023/24 approximately £10.8m matured and no new borrowing was undertaken.

**Table E16 – NCC Cash Forecast 2023/24**



143. Over the past several years the Council has in the short-term funded its capital programme by using its cash balances. These are essentially earmarked reserves, general fund reserves and net movement on current assets. As the cash in these reserves is not required in the short term for the reserves' specific purposes, it has been utilised in order to reduce external borrowing. This is known as 'internal borrowing'.
144. This means the borrowing strategy needs to provide funds not only to finance the capital programme but also funds (i) to replenish reserves as and when these are required and (ii) to cover principal repayments on any maturing debt. If long-term borrowing is not taken to cover these outflows of cash then the Council would need to consider other sources of finance (such as an ongoing bank overdraft facility or a series of short-term loans).
145. Generally, the advantage to the Council of internal borrowing is that it costs less than external borrowing, the cost being the opportunity cost of interest foregone by not investing the cash. Internal borrowing can therefore generate short-term savings for the Council. It also reduces the Council's cash balances deposited with the various counterparties and thereby reduces counterparty risk.
146. Occasionally, however, and at the time of writing this strategy, for some loans interest rates are lower than prevailing deposit rates, meaning that internal

borrowing can result in the short-term in reduced income. Furthermore, by always postponing its long-term borrowing the Council is in effect increasing its exposure to interest rate risk, as rates will fluctuate in the intervening period until long-term fixed rate borrowing is taken.

147. But it must be borne in mind that switching away from the position of postponing borrowing, and taking long-term borrowing before liquidity demands were felt, would greatly increase the Council's exposure to counterparty risk.
148. In practice, a balanced portfolio will include a mix of:
  - Temporary use of the Council's cash reserves
  - Short-term debt provided by the market/other local authorities
  - Short-term or variable rate debt provided by PWLB
  - Long-term debt provided by PWLB
  - Long-term debt provided by the market or other local authorities
149. Given these contingencies the amount, type, period, rate and timing of new borrowing will be an operational matter falling under the responsibility of the Service Director (Finance, Infrastructure & Improvement) exercised by the Senior Accountant (Pensions & Treasury Management) within the approved borrowing strategy, taking into account the following factors:
  - expected movements in interest rates as outlined above.
  - current debt maturity profile.
  - the impact on the medium-term financial strategy.
  - the capital financing requirement.
  - the operational boundary.
  - the authorised limit.
150. Opportunities to reschedule debt will be reviewed as and when they occur during the coming year.

## **Investment Strategy**

151. During 2024/25 it is intended to maintain a minimum instantly available cash balance of £30m (although in practice available funds will be higher than this). This will provide a level of liquidity without recourse to temporary borrowing, i.e., having to seek funds at short notice when availability may be restricted and rates therefore expensive.
152. Forecast cash balances above this level can therefore be considered for longer-term deposits of up to 12 months, if rates are favourable.
153. The Council manages counterparty risk by monitoring the ratings of the institutions in which it could invest. Exposure to the Eurozone is limited by depositing cash only in UK banks and high credit quality overseas banks. The criteria for selecting counterparties are detailed in TMP 1 in Appendix F.
154. A further measure to ensure security of the Council's cash deposits is to maintain the Council's exposure to the UK local authority sector and UK government

securities. When lending to local authorities fixed-term deposits would be used but these are subject to demand and cannot be relied upon in the same way as bank lending. The use of treasury bills and UK government gilts may be considered and would ensure priority is given to security and liquidity of funds.

**NIGEL STEVENSON CPFA**  
**SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE & IMPROVEMENT**

Appendix



## Report of the Service Director (Finance, Infrastructure & Improvement)

### Treasury Management Policy Statement 2024/25

1. The Council, in line with the CIPFA Code of Practice, defines its treasury management activities as:  
*The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*
2. The Council regards the successful identification, monitoring and control of risk as the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. The Council acknowledges that effective treasury management will provide support towards achieving its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.
4. The Council's borrowing strategy will take account of all legislative requirements, codes of practice and other guidance to ensure that borrowing costs are "affordable, prudent and sustainable" and to mitigate refinancing risk. The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so within the Council's capital financing requirement.
5. The Council's investment strategy will take account of all legislative requirements, codes of practice and other guidance to ensure that priority is given to the security and liquidity of investments.
6. The Council delegates responsibility for the implementation, scrutiny and monitoring of its treasury management policies and practices to the *Treasury Management Group*, comprising:
  - Service Director (Finance, Infrastructure & Improvement)
  - Group Manager (Financial Services)
  - Senior Accountant (Financial Strategy & Accounting)
  - Senior Accountant (Pensions & Treasury Management)
  - Investments Officer
7. The Council's Treasury Management Policy will be implemented through the following Treasury Management Practices (TMPs). The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act in accordance with the policy statement and TMPs.

**TMP1 Risk management**

8. The Senior Accountant (Pensions & Treasury Management) will design, implement and monitor all arrangements for the identification, management and control of treasury management risk. Reports will be made on these arrangements in accordance with the procedures set out in *TMP6 Reporting requirements and management information arrangements*. The arrangements will seek to cover each of the following risks.
9. **Credit and counterparty risk**  
The risk of failure by a counterparty to meet its contractual obligations to the Council under an investment, borrowing, capital, project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the Council's capital or revenue resources.
10. The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, it will ensure that its counterparties and lending limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit its investment activities to the instruments, methods and techniques referred to in the following paragraphs.
11. The Local Government Act 2003 gives a local authority power to invest for any purpose relevant to its functions or for the purposes of the prudent management of its financial affairs. In exercising this power, the local authority must have regard to any guidance issued by the Secretary of State.
12. Current guidance classifies investments between "specified" and "non-specified". Specified investments are those offering high security and high liquidity. All such investments should be in sterling and with a maturity of no more than a year. Such short-term investments made with the UK Government or a local authority will automatically count as specified investments. In addition, short-term sterling investments with bodies or investment schemes of "high credit quality" will count as specified investments. The Council's policy is to invest surplus funds prudently, giving priority to security and liquidity rather than yield and investing in sterling instruments only. The majority of these will be specified investments.
13. The Council will operate an approved list of counterparties for lending. The lending list will comprise institutions based on minimum ratings (see paragraph below) from at least 2 rating agencies together with Fitch support rating for longer term lending. The list reflects a prudent attitude to lending and uses a combination of ratings issued by the 3 main ratings agencies: Fitch, Moody's and Standard & Poor's. Banks will be assessed for inclusion on the basis of long-term, short-term and support ratings; money market funds (MMFs) on the basis of Sterling MMF ratings.
14. Short-term ratings assess the capacity of an entity to meet financial obligations with maturity of up to and including 12 months and are based on the short-term vulnerability to default. The long-term ratings cover a period in excess of 12 months and are useful as a key indicator impacting on the cost of borrowing for financial institutions. This cost of borrowing will feed through to the ability of the financial institution to obtain funds at reasonable cost to maintain liquidity.

15. MMFs are mutual funds that invest in cash and short-term money market instruments such as government bonds and commercial paper. They allow investors to participate in a more diverse portfolio than direct investment by spreading capital across a variety of institutions. The highest AAA rating reflects an extremely strong capacity to achieve the 'investment objective of preserving principal and providing shareholder liquidity through limiting credit, market, and liquidity risk'.
16. The Council will monitor ratings from the main agencies along with general market data. The Council will also monitor developments in the financial markets including policy announcements by the Government, Bank of England, regulatory bodies and other international bodies. It will use this information to determine if any changes are required to the above methodology.
17. Bail-in legislation, which aims to ensure that large investors (including local authorities) will rescue failing banks instead of taxpayers, has now been fully implemented in the UK, USA and Germany. This has had an impact on credit ratings, particularly Fitch support ratings. The criteria below take account of these changes.
18. The lending list will include institutions that meet the following criteria from at least 2 rating agencies:

	Long Term	Short Term	GBP MMF
Fitch	A-	F1	AAAmmf
Moodys	A3	P-1	Aaamf
Standard & Poors	A-	A-1	AAAm

Sovereign Rating	AA
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19. However, within the approved list the following minimum criteria will apply, dependent on the terms of the deposit, from at least 2 ratings agencies:

	Fitch Long term	Fitch Support	Moodys Long term	S&P Long term
Instant access	A-	-	A3	A-
Up to 3 months	A-	-	A3	A-
Up to 364 days	AA-	-	AA3	AA-
365 days and over	A	1 or 2	A2	A

20. All investments (up to 365 days duration) with the counterparties in the approved list are considered specified investments.
21. Exceptions (to be determined by the *Treasury Management Group*) to rating criteria may be made in respect of the following:
- 1) UK government
  - 2) UK local authorities

## 3) The Council's bank

22. The lending list will be approved by the *Treasury Management Group* and monitored by the Senior Accountant (Pensions & Treasury Management) in the light of rating changes and market conditions. Individual institutions or countries may be suspended from the list if felt appropriate. The *Treasury Management Group* may add or remove organisations from the approved list subject to maintaining consistency with the approved criteria.
23. The maximum amount of County Council cash (i.e. not Pension Fund cash) that can be lent to any organisation on the approved list is subject to individual institution limits of £25m. Only two institutions within the same group may be used at any one time. The *Treasury Management Group* may increase the limit for specific institutions by £10 million for investments in call accounts and MMFs with same day liquidity.
24. Investments with the UK government will have no upper limit but in practice limits will be dependent on the liquidity of those investments and may fall within the definition of specified or non-specified investments. Amounts invested in non-specified investments will be limited to £20 million or 15% of the total invested at the time of the investment, whichever is the higher.
25. The Council's current account, through which all treasury management activity operates, is held at Barclays Bank.
26. As a result of the second Markets in Financial Instruments Directive (MiFID II), from January 2018 local authorities have been treated as 'retail' clients by investment counterparties by default unless they chose to opt up to 'professional' client status. The Council has chosen to do so with all of its counterparties where required.
27. **Liquidity risk**  
The risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.
28. The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.
29. Summarised cash flow forecasts will be provided on a quarterly basis to the *Treasury Management Group*. Detailed daily cash flow forecasts will be maintained by the Loans Officer. These forecasts will be used as the basis for ensuring adequate cash resources are available in order to support the Council's objectives.
30. The Senior Accountant (Pensions & Treasury Management) or Investments Officer may approve fixed term investments up to 365 days. Longer periods require permission from either the Service Director (Finance & Procurement) or the Group

Manager (Financial Services) and must comply with the relevant treasury management limits.

31. The Treasury Management Group must also approve any long-term borrowing to ensure (a) that it is within the Council's borrowing limits and (b) that it will not have an adverse impact (in terms of creating a situation in which counterparty limits could be exceeded) on the Council's cash management.

**32. Interest rate risk**

The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

33. The Council will manage its exposure to fluctuations in interest rates with a view to containing its interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with *TMP6 Reporting requirements and management information arrangements*.

34. It will achieve this by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. This should be subject to the consideration and, if required, approval of any policy or budgetary implications.

35. Regular monitoring of interest rates and monthly monitoring of the Interest Payable and Interest Receivable budgets will be undertaken by the Senior Accountant (Pensions & Treasury Management), in line with the treasury management indicators, with quarterly reports to the *Treasury Management Group*.

**36. Exchange rate risk**

The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.

37. The Council will manage its exposure to fluctuations in exchange rates so as to minimise any detrimental impact on its budgeted income/expenditure levels. Exposure will be minimal as the Council's borrowing and investment are all in sterling.

**38. Refinancing risk**

The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the Council for those refinancings, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.

39. The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to managing refinancing risk and obtaining terms which are competitive and as favourable to the Council as can

reasonably be achieved in the light of market conditions prevailing at the time. It will manage the profile of its maturing debt such that excessive refinancing is not required in any one financial year.

40. It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective and will avoid over reliance on any one source of funding if this might jeopardise achievement of the above.

41. The maturity structure and prevailing interest rates are monitored by the Senior Accountant (Pensions & Treasury Management) in line with the limits set in the treasury management indicators, and regular reports are made to the *Treasury Management Group*.

**42. Legal and regulatory risk**

The risk that the Council itself, or a counterparty with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the Council suffers losses accordingly.

43. The Council will ensure that all its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. In framing its credit and counterparty policy under *TMP1(1) credit and counterparty risk management*, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may effect with the Council, particularly with regard to duty of care and fees charged.

44. The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.

45. The Council is an administering authority in the Local Government Pension Scheme and is required, under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009, to invest any fund money that is not needed immediately to make payments. Responsibility for approving and monitoring the implementation of the Pension Fund treasury management strategy has been delegated to the Pension Fund Committee.

**46. Fraud, error and corruption, and contingency management**

The risk that the Council fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.

47. The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.

**48. Market risk**

The risk that, through adverse market fluctuations in the value of the principal sums the Council borrows and invests, its stated treasury management policies and objectives are compromised, against which effects it has failed to protect itself adequately.

49. The Council will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations. Decisions on investment in tradeable securities, which risk loss of capital due to market fluctuations, will only be authorised by the *Treasury Management Group*.

**TMP2 Performance measurement**

50. The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its treasury management policy. One key performance measure is income/expenditure against budget, and budget setting for interest payable and receivable is crucially important for effective treasury management.

51. Furthermore, the treasury management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. Methods of service delivery and the scope for potential improvements will be regularly examined.

52. The Council's positive cashflows tend to be weighted towards the first half of the financial year, with outflows towards the second half of the year. This allows the Council to make investments most days but tends to restrict its use of fixed rate investments to the first half of the year, with most investments being for very short, often overnight, periods. For this reason, cash management returns will be benchmarked against the average **SONIA** (Sterling Over Night Indexed Average) rate, which replaced the LIBID rate in December 2021.

53. Borrowing will be undertaken in accordance with the treasury management strategy and opportunities will be taken to borrow, with regard to the Council's Capital Financing Requirement and the most recent cashflow forecast, at rates that are considered to be affordable and attractive over the long-term.

**TMP3 Decision-making and analysis**

54. The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time.

55. Treasury management processes and practices are well-documented. These are reviewed and agreed by the *Treasury Management Group* following any material changes. Full records are maintained of all treasury management decisions in order

to demonstrate compliance with these processes and for audit purposes. Where appropriate, decisions are reported to the *Treasury Management Group*.

#### **TMP4 Approved instruments, methods and techniques**

56. The Council will undertake its treasury management activities within the limits and parameters defined in *TMP1 Risk management*. Its borrowing activity will be within the prudential limits and may include the following:

- (a) overdraft or short-term loan from an authorised financial institution.
- (b) short-term loan from a local authority.
- (c) long-term loan from an authorised financial institution (to include Lender Option Borrower Option (LOBO) loans).
- (d) the PWLB (or successor).
- (e) loan instruments, including transferable loans up to five years duration and non-transferable of no fixed duration.
- (f) UK Municipal Bonds Agency.

57. For investing purposes, the Council may use the following financial instruments:

- a) call or notice accounts
- b) fixed term deposits
- c) callable deposits
- d) structured deposits
- e) certificates of deposits
- f) money market funds
- g) UK Treasury Bills
- h) UK government bonds

58. For sterling money market funds, the Council will limit their use to those with minimum total assets of £5 billion. For UK Treasury bills and UK government bonds the objective will be to hold until maturity but their tradeability gives the flexibility to realize these instruments earlier for liquidity purposes or in the event of significant capital gains. The Council will use forward dealing for both investing and borrowing where market conditions indicate that this approach offers better value for money.

#### **TMP5 Organisation, clarity and segregation of responsibilities and dealing arrangements**

59. The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.

60. The principle on which this will be based is a clear distinction between those charged with setting treasury management policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the treasury management function.

61. If the Council intends, because of lack of resources or other circumstances, to depart from these principles, the Senior Accountant (Pensions & Treasury

Management) will ensure that the reasons are properly reported in accordance with *TMP6 Reporting requirements and management information arrangements*, and the implications properly considered and evaluated.

62. The Senior Accountant (Pensions & Treasury Management) will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangements for absence cover. The Senior Accountant (Pensions & Treasury Management) will also always ensure that those engaged in treasury management shall follow the policies and procedures set out.

63. The Senior Accountant (Pensions & Treasury Management) will ensure that there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

64. The current responsibilities are outlined below.

- Treasury management strategy, policies and practices are set by the County Council.
- Responsibility for the implementation, scrutiny and regular monitoring of the treasury management policies and practices is delegated to the *Treasury Management Group*.
- The responsible officer for the execution and administration of treasury management decisions is the Senior Accountant (Pensions & Treasury Management), who will act within the parameters set by the Treasury Management Policy Statement and TMPs and decisions of the *Treasury Management Group*. The Investments Officer will act as deputy to the Senior Accountant (Pensions & Treasury Management) in his or her absence.

65. The current procedures are outlined below.

- Daily cash flow forecasts will be maintained by the Loans Officer. Annual cash flow forecasts will be provided to the *Treasury Management Group* on a quarterly basis.
- The daily procedures for cash flow monitoring, placing deals, transmission of funds and documentation can now be carried out remotely and are set out in the Treasury Management Procedure Manual. These procedures are usually carried out by the Loans Officer, with absences covered by another officer under the responsibility of the Senior Accountant (Pensions & Treasury Management) or by an identified and trained officer from the wider finance team.
- The officer dealing on the money markets each day must prepare a cash flow forecast for that day based on the most up-to-date information available and this must be checked by the Senior Accountant (Pensions & Treasury Management), or another trained officer, before that day's deals are carried out. Before conducting a deal, the officer will confirm that the credit ratings of the counterparty are in line with the approved policy.
- Deals must be within the limits set out in *TMP1 Risk management*. Dealing staff must be aware of the principles set out in UK Money Markets Code 2021 published by the Bank of England. Documentation must be kept in accordance with the Cash Process Notes.

- The transfer of funds will normally be actioned by CHAPS transfer through the banking system. Separate authorisation is required by a senior officer of the Council to release the payment.

66. Individual deal limits specified in *TMP1 Risk management* apply to all staff placing deals. Any borrowing or lending for periods greater than 365 days may only be actioned on the authority of any two of the following members of Treasury Management Group:

- Senior Accountant (Pensions & Treasury Management)
- Service Director (Finance, Infrastructure and Improvement)
- Group Manager (Financial Services)

Money may only be lent to institutions or funds on the *Approved List*.

#### **TMP6 Reporting requirements and management information arrangements**

67. The Service Director (Finance, Infrastructure and Improvement) will ensure that regular reports are prepared and considered on the implementation of the Council's treasury management strategy and policies; on the effects of decisions taken and transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the treasury management function.

68. Full Council will receive:

- an annual report on the strategy to be pursued in the coming year.
- a mid-year review.
- an annual report on the performance of the treasury management function in the past year and on any circumstances of non-compliance with the Council's treasury management policy statement and TMPs.

69. The *Treasury Management Group* will receive regular monitoring reports on treasury management activities and risks and on compliance with and suggested revisions to policy. Members of the *Treasury Management Group* will be informed of any breach of the principles contained in TMP5.

#### **TMP7 Budgeting, accounting and audit arrangements**

70. The Service Director (Finance, Infrastructure & Improvement) will prepare, and the Council will approve and, if necessary, from time to time will amend, an annual budget for treasury management, which will bring together all the costs involved in running the treasury management function, together with associated income. The matters to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with *TMP1 Risk management*, *TMP2 Performance measurement*, and *TMP4 Approved instruments, methods and techniques*.

71. The Service Director (Finance, Infrastructure & Improvement) will exercise effective controls over this budget and will report upon and recommend any changes required in accordance with *TMP6 Reporting requirements and management information arrangements*.

72. The Council accounts for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.
73. The impact of expected borrowing and investment activity is dealt with in the Council's budget book. Systems and procedures are subject to both internal and external audit and all necessary information and documentation is provided on request.

#### **TMP8 Cash and cash flow management**

74. Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the Service Director (Finance, Infrastructure & Improvement), and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the Service Director (Finance, Infrastructure & Improvement) will ensure that these are adequate for the purposes of monitoring compliance with *TMP1(2) liquidity risk management*. A separate arrangement holds for any Pension Fund cash, for which separate cashflow projections are prepared.
75. As outlined in TMP5, daily cash flow forecasts are prepared in accordance with the team's Cash Process Notes, and summarised weekly and annual forecasts are regularly provided to the *Treasury Management Group*.

#### **TMP9 Money laundering**

76. The Council is alert to the possibility that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Accordingly, it will maintain procedures for verifying and recording the identity of counterparties and reporting suspicions, and will ensure that staff involved in this are properly trained.
77. All treasury management activity with banks other than the Council's own bank is actioned through CHAPS transfers to/from nominated accounts. Suspicions that a third party is attempting to involve the County Council in money laundering will be reported to the Service Director (Finance, Infrastructure & Improvement).

#### **TMP10 Training and qualifications**

78. The Council recognises the importance of ensuring that all staff involved in the treasury management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.
79. The person specifications for the Senior Accountant (Pensions & Treasury Management) and the Investments Officer require a CCAB qualification and other members of the treasury team have the option to be supported to attain professional qualifications from the Association of Accounting Technicians, the Chartered Institute of Public Finance and Accountancy or the Association of Corporate Treasurers. The members of the *Treasury Management Group* are also required to be CCAB or ACT qualified.

80. Professional qualifications will be supplemented by relevant training courses, and attendance at seminars and conferences for all team members as and when these become available. The Senior Accountant (Pensions & Treasury Management) will recommend and implement the necessary arrangements. Requests and suggestions for training may be discussed at any time with the Senior Accountant (Pensions & Treasury Management) and also feature as part of the EPDR process.
81. The *Treasury Management Group* will ensure that board/council members tasked with treasury management responsibilities have access to training relevant to their needs and those responsibilities. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to undertake their role effectively.

#### **TMP11 Use of external service providers**

82. The Council recognises that responsibility for treasury management decisions remains with the Council at all times. It also recognises that there may be potential value in employing external providers of treasury management services, in order to acquire access to specialist skills and resources. However, it does not currently employ the services of any specialist treasury management advisers.
83. In the employment of such service providers, the Council will ensure it does so for reasons which have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed, documented and subjected to regular review. It will also ensure, where feasible and necessary, that a spread of service providers is used, to avoid over-reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will be observed. The monitoring of such arrangements rests with the responsible officer.
84. The Council currently uses broking companies to act as intermediaries in lending and borrowing activity, although it will also carry out this activity directly with counterparties when opportunities arise and when settlement details can be adequately verified.

#### **TMP12 Corporate governance**

85. The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the treasury management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
86. The Council has adopted and implemented the key provisions of the CIPFA Treasury Management in the Public Services Code (2021 edition) and reports are made in accordance with the approved policy. The Council's constitution includes schemes of delegation covering treasury management activities.
87. These measures are considered vital to the achievement of proper corporate governance in treasury management, and the responsible officer will monitor and, if necessary, report upon the effectiveness of these arrangements.

## COUNTY COUNCIL MEETING – THURSDAY 22nd FEBRUARY 2024

### INDEPENDENT ALLIANCE GROUP AMENDMENT

#### ANNUAL BUDGET 2024/25

That the following amendments to the proposed budget be approved.

1. To progress the disposal of investment land held at Toton in order to fund:-
  - a. A variation to the capital programme to increase the Road Maintenance and Renewal capital programme by £10m in each of 2024/25 and 2025/26 funded initially from borrowing and then repaid from the capital receipt from the Toton land disposal.
  - b. Utilise any excess capital receipt to re-pay previous years borrowing and realise a one-off revenue saving of up to £2.0m.

#### **Amendment 1**

At the Policy Committee meeting held on 13 November 2018 approval was granted to amend the capital programme to include the acquisition of land in the vicinity of Toton Lane to deliver the HS2 Toton Growth Strategy. The purchase was completed in March 2019 at a cost of £22.1m.

This amendment proposes that work commences to dispose of the land at Toton with a view to gaining a significant capital receipt in the 2025/26 financial year over and above the capital receipt target that is set out in the 2024/25 Budget Report. The Cabinet Member for Economic Development and Asset Management stated at the Full Council meeting in December 2023 that the land was acquired with planning consent for residential use which formed the basis of the purchase price. Despite the cancellation of the eastern leg the Council believes that the land has not lost value. In the 2022/23 Statement of Accounts, this land was valued at £23.3m and it is assumed that any future capital receipt will be in that region.

Borrowing of £10m will be required in 2024/25 to fund the initial further investment in highway maintenance. There will be a financing cost of £0.5m associated with the additional borrowing in 2024/25 and this is proposed to be funded from within the 2024/25 revenue contingency.

On realisation of the capital receipt in 2025/26, the initial £10m borrowing will be repaid, a further £10m investment in highways improvements will be made and any excess capital receipts will be used to repay previous years' borrowing. This may result in a one-off revenue saving across the MTFS of up to £2.0m.

**Table 11 – Summary Capital Programme**

	Revised 2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	TOTAL £m
<b>Portfolio:</b>						
Education & SEND	57.859	58.806	24.453	6.500	6.500	154.118
Children & Families	4.159	5.861	0.000	0.000	0.000	10.020
Adult Social Care	0.776	0.000	0.000	0.000	0.000	0.776
Transport & Environment	58.438	71.793	41.220	30.857	30.331	232.639
Communities & Public Health	2.652	1.714	0.500	0.500	0.500	5.866
Economic Devt & Asset Mngt	15.500	19.313	6.328	2.400	2.400	45.941
Finance & Resources	5.610	10.111	4.210	4.210	4.210	28.351
Contingency	3.057	3.698	3.000	3.000	4.660	17.415
<b>Capital Expenditure</b>	<b>148.051</b>	<b>171.296</b>	<b>79.711</b>	<b>47.467</b>	<b>48.601</b>	<b>495.126</b>
<b>Financed By:</b>						
Borrowing	40.805	82.145	28.497	14.305	15.420	181.172
Capital Grants	97.064	80.767	47.030	29.077	29.077	283.015
Revenue / Reserves	10.182	8.384	4.184	4.085	4.104	30.939
<b>Total Funding</b>	<b>148.051</b>	<b>171.296</b>	<b>79.711</b>	<b>47.467</b>	<b>48.601</b>	<b>495.126</b>

The **Transport & Environment** row in the table above includes an additional £10m of highways investment in 2024/25 and 2025/26 funded initially from borrowing. It is proposed that the borrowing is repaid on realisation of the capital receipt.

**Table 12 – Forecast Capital Receipts**

	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	TOTAL £m
<b>Forecast Capital Receipts</b>	<b>7.1</b>	<b>22.6</b>	<b>58.2</b>	<b>25.7</b>	<b>25.5</b>	<b>139.1</b>

The forecast capital receipts table above now includes an additional £23.3m capital receipt in 2025/26.

## **RECOMMENDATION**

The Recommendations moved by the Cabinet Member for Finance as shown in the report be deleted and replaced by the following: (changes highlighted in red and underlined)

## RECOMMENDATION/S

1) That the following recommendations be approved:-

a) The Annual Revenue Budget for Nottinghamshire County Council is set at £638.835 million for 2024/25.	Table 1										
b) The principles underlying the amended Medium-Term Financial Strategy are approved.	Table 3										
c) The Cabinet be authorised to make allocations from the General Contingency for 2024/25.	Appendix 2, paragraph 73										
d) That the 2.00% Adult Social Care Precept is levied in 2024/25 to part fund increasing adult social care costs.	Appendix 2, paragraph 87										
e) The County Council element of the Council Tax is increased by 2.84% in 2024/25. That the overall Band D tax rate is set at £1,807.08 with the various other bands of property as set out in the report.	Appendix 2 paragraph 88										
f) The County Precept for the year ending 31 March 2025 shall be £482,559,408 and shall be applicable to the whole of the District Council areas as General Expenses.	Paragraph 12										
g) The County Precept for 2024/25 shall be collected from the District and Borough Councils in the proportions set out in Table 5 of this report on the dates set out in Table 8 of Appendix 1.	Table 5 and Appendix 2, Table 8										
h) The Capital Programme for 2024/25 to 2027/28 be approved at the total amounts below and be financed as set out in the report: <table border="1" data-bbox="282 1279 1018 1473"> <thead> <tr> <th>Year</th><th>Capital Programme</th></tr> </thead> <tbody> <tr> <td><b>2024/25</b></td><td><b>£171.296</b></td></tr> <tr> <td><b>2025/26</b></td><td><b>£79.711m</b></td></tr> <tr> <td><b>2026/27</b></td><td>£47.467m</td></tr> <tr> <td><b>2027/28</b></td><td>£48.601m</td></tr> </tbody> </table>	Year	Capital Programme	<b>2024/25</b>	<b>£171.296</b>	<b>2025/26</b>	<b>£79.711m</b>	<b>2026/27</b>	£47.467m	<b>2027/28</b>	£48.601m	Appendix 2, Table 11
Year	Capital Programme										
<b>2024/25</b>	<b>£171.296</b>										
<b>2025/26</b>	<b>£79.711m</b>										
<b>2026/27</b>	£47.467m										
<b>2027/28</b>	£48.601m										
i) The variations to the Capital Programme be approved.	Appendix 2, Paragraphs 118-122										
j) The Minimum Revenue Provision policy for 2024/25 be approved.	Appendix D										
k) The Capital Strategy including the 2024/25 Prudential Indicators and Treasury Management Strategy be approved.	Appendix E										
l) The Service Director – Finance, Infrastructure and Improvement be authorised to raise loans in 2024/25 within the limits of total external borrowings.	Appendix 2, Paragraph 132										
m) The Treasury Management Policy for 2024/25 be approved.	Appendix F										

n) The Council delegates responsibility for the setting of Treasury Management Policies and Practices relating to Pension Fund cash to the Pension Fund Committee.	Appendix 2, Paragraph 131
o) The implementation of the savings options set out in Appendix B is implemented.	Appendix B
p) The undertaking of future consultations on savings options where required is approved.	Appendix 2, Paragraph 59
q) The report be approved and adopted.	

**Cllr Jason Zadrozny**  
Independent Alliance  
Group

**Cllr Francis Purdue-Horan**  
Independent Alliance  
Group

## **FINANCIAL AND CONSTITUTIONAL IMPLICATIONS OF THE INDEPENDENT ALLIANCE GROUP'S AMENDMENT - COMMENTS OF THE SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND IMPROVEMENT AND THE SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND EMPLOYEES**

### **1 Purpose**

- 1.1 The purpose of this report is to set out the financial and constitutional implications of the Independent Alliance Group's Budget Amendments and provide an opinion on whether it meets the funding requirements contained in the Local Government Finance Act 1992, the Local Government Act 2003, the CIPFA Prudential Code for Capital Finance, and is in accordance with legal requirements and the Council's constitution.

### **2 Financial Implications**

- 2.1 The impact of this amendment is as follows:-

A variation to the capital programme to increase the Road Maintenance and Renewal capital programme by £10m in each of 2024/25 and 2025/26 funded initially from borrowing and then repaid from the capital receipt from the Toton land disposal.

- 2.2 Any excess capital receipt is utilised to re-pay previous years borrowing and realise a one-off revenue saving of up to £2.0m.

### **3 Commentary on the Proposals**

- 3.1 Proposal 1 incurs a cost of £0.5m in 2024/25 that is proposed to be met from 2024/25 revenue contingency. This cost could be more than offset across the MTFS by using any excess capital receipt to repay previous years' borrowing and thereby generating a one-off saving of up to £2.0m. There is no impact on planned precept calculations.

### **4 Risks and Issues**

- 4.1 The Council is under a legal obligation to achieve the best price reasonably obtainable for all land which it disposes of and to consider options to deliver best value. This applies to any land identified for sale within the Council's capital programme.

4.2 The two significant financial risks are as follows:

- a) The land referenced in the amendment was last valued in March 2023; however, the value of land can change over time so current value does not necessarily reflect future value (which may be higher or lower) with a consequent impact on the borrowing position. The amendment has set modest figure of £20m as the lowest estimate of value to account for this risk.
- b) The timing and mechanism for sale may also affect values as can the terms agreed between parties so different options should be explored and documented. The process of developers negotiating new or changed planning conditions with planning authorities could also impact on the timing of final payments for the land and delay the capital receipt beyond the end of the 2025/26 financial year with a consequent impact on repayment of borrowing. For example, a delay of obtaining the sale by one year would add a further £1m for additional financing costs in 2025/26.

## **5 Conclusion**

- 5.1 In the opinion of the Service Director – Finance, Infrastructure and Improvement, these amendments meet the requirements of the Local Government Finance Act 1992, the Local Government Act 2003 and the CIPFA Prudential Code.
- 5.2 In the opinion of the Service Director – Customers, Governance and Employees, the proposals contained in the Independent Alliance Group's Amendments are in accordance with the law and the County Council's Constitution.

**NIGEL STEVENSON**

**SERVICE DIRECTOR – FINANCE, INFRASTRUCTURE AND  
IMPROVEMENT**

**MARJORIE TOWARD**

**SERVICE DIRECTOR – CUSTOMERS, GOVERNANCE AND  
EMPLOYEES**