

<b>Report To:</b>	<b>CABINET</b>	<b>Date:</b>	<b>23 FEBRUARY 2021</b>
<b>Heading:</b>	<b>ANNUAL BUDGET &amp; COUNCIL TAX 2021/22 AND MEDIUM TERM FINANCIAL STRATEGY (MTFS) UPDATE</b>		
<b>Portfolio Holder:</b>	<b>CABINET MEMBER FOR FINANCE &amp; RESOURCES - COUNCILLOR RACHEL MADDEN</b>		
<b>Ward/s:</b>	<b>ALL</b>		
<b>Key Decision:</b>	<b>YES</b>		
<b>Subject to Call-In:</b>	<b>YES</b>		

### **Purpose of Report**

This report sets out the proposed:

- 2021/22 Annual Revenue (General Fund) and Housing Revenue Account (HRA) Budgets and the Capital Programme for 2020/21 to 2024/25;
- 2020/21 In-Year Revised Budgets (HRA and Capital); and
- 2021/22 Proposed District Council Tax

The report also sets out the estimated financial challenge in the Medium Term Financial Strategy (MTFS) for 2022/23 to 2025/26 and the Chief Finance Officer's advice regarding the robustness of the estimates included in the proposed 2021/22 Budget, and the adequacy of reserves for which the proposed budget provides.

## Recommendation(s)

That Cabinet recommends to Council:

1. Approval of a freeze (no increase) in the level of the District's own Council Tax for 2021/22, setting the Band D equivalent at £190.46, the same as in 2020/21;
2. Approval of the proposed 2021/22 Revenue (General Fund) and HRA Budgets as set out in this report. (Sections 3 and 4).
3. Approval of the proposed Capital Programme and associated borrowing 2020/21 to 2024/25 as set out in this report. (Section 5 and Appendix 1).
4. Approval of the 2020/21 Revised HRA and Capital Budgets as set out in this report. (Sections 4 and 5).
5. Approval that the precept figures from Nottinghamshire County Council, Nottinghamshire Fire and Rescue Authority, Police and Crime Commissioner and the two Parish Council's within the District be incorporated, when known, into the Council Tax recommendation to Council on 4<sup>th</sup> March 2021.
6. That it notes the estimated financial challenge in the Medium Term Financial Strategy (MTFS) for 2022/2023 to 2025/26 and the planned approach to address the challenge. (Section 6).
7. That a detailed, refreshed MTFS will be brought back to Cabinet after the 2020/21 Accounts have been closed and audited and the 3 year Spending Round figures are confirmed.
8. Approval of the proposed use of reserves as set out in this report. (Table 5 (General Fund) and Table 9 (HRA)), and the proposed changes to reserves. (As set out in Section 3.8).
9. That it notes and accepts the comments and advice of the Corporate Finance Manager (Section 151 Officer), provided in compliance with Section 25 of the Local Government Act 2003, as to the robustness of the estimates included in the 2021/22 Budget and the adequacy of the reserves for which this budget provides. (Section 7).
10. Notes that the proposed 2021/22 budgets reflect the agreed changes to Fees and Charges approved by Cabinet on 26th January 2021.
11. Approval of the use of in-year Capital Receipts up to 2021/22 to maximise capitalisation opportunities arising from service transformation to deliver efficiencies and improved services to residents and clients, and thereby minimise the impact of costs on the revenue budget as included in the Flexible Use of Capital Receipts Strategy 2018/19 approved by Council on 11<sup>th</sup> October 2018.

## **Reasons for Recommendation(s)**

To recommend to Council approval of a freeze (no increase) in the District Council's Council Tax for a Band D equivalent property, approval of the HRA and Capital Budget Revisions for 2020/21 and approval of the proposed 2021/22 Revenue and HRA Budgets and the Capital Programme 2020/21 to 2024/25. In accordance with the Local Government Finance Act 1992 the Council must set its annual budget by 10<sup>th</sup> March in the preceding financial year.

## **Alternative Options Considered**

The District Council is able to set a Council Tax increase of up to the greater of 2.00% or £5 per annum without triggering a referendum. The proposal is to apply no increase to the level of District Council Tax for 2021/22. Whilst the Council does have an estimated funding gap in future years with which a Council Tax inflationary increase would help reduce the funding gap, the Council also recognises the severe adverse impact the Coronavirus pandemic has had on many residents and the need and desire of this Council to be as supportive to our residents as possible.

Careful consideration has been given to each of the proposed investments and savings included in this report. The investments proposed will support the Council in delivering its Corporate Plan priorities. The proposed savings will increase the efficiency of the Council with minimal adverse impact on residents and customers.

## **Detailed Information**

### **1. Background**

- 1.1 Since 2010 Local Government has seen an unprecedented reduction in the level of funding from Central Government.
- 1.2 Despite this significant reduction in funding this Council has a proven track record of setting its annual budget and delivering an Outturn within the budget set. However, despite this good financial performance the Council does face further financial challenges which it will need to address into the medium and longer term through Local Government Finance Reform. These pressures are now compounded by the potential financial implications of financial recovery from the Coronavirus pandemic.
- 1.3 Although this report contains proposals to balance the 2021/22 revenue budget it is essential that the Council's management continue to work closely with Cabinet to identify and agree options to address the estimated financial challenge in the Medium Term Financial Strategy for 2022/23 to 2025/26 and beyond; ensuring the Council has a sustainable future.
- 1.4 The proposed 2021/22 Budget reflects the impact of both the Provisional and Final Local Government Settlements, including the Government's decision to extend payment of Revenue Support Grant (RSG) funding by one further year for 2021/22 due to delays in implementing the Fair Funding Review, the Business Rates reset and changes to the level of Business Rates retention as a consequence of the pandemic.

- 1.5 The proposed revenue and capital budgets included in this report will facilitate the delivery of the Council's Priorities as set out in the Corporate Plan 2019-2023.
- 1.6 The direct implications of the pandemic will continue into the 2021/22 financial year and the impact on the Council's financial position will continue to be closely monitored and reported through the usual financial monitoring processes.
- 1.7 Since the UK left the European Union on 31st January 2020, the one year "transition period" has now ended and how this will impact specifically on the Council and its local businesses and residents is still unclear. No provision has been made in this budget for costs (or financial benefits) that may be incurred as a result of the EU Exit. In the event of any significant cost implications, these will be reported to Leadership and Cabinet at the earliest opportunity.

## **2. District Council Tax 2021/22**

- 2.1 **Ashfield District Council is proposing to freeze its own Council Tax.** This would set the District's Council Tax level (Band D equivalent property) at £190.46 for 2021/22; the same as in 2020/21.
- 2.2 This proposed District Council Tax increase is reflected in the proposed Annual Revenue Budget for 2021/22 shown in Section 3, Tables 3 and 4.
- 2.3 Based on the number of Band D equivalent properties in the 2021/22 Council Tax Base (33,731.7) and a District Council Tax of £190.46, this will generate Council Tax income of £6.425m for 2021/22.
- 2.4 If the maximum £5 annual Council Tax increase had been applied this would have generated a District Council Tax increase of circa £168k for 2021/22 and for each future year.

## **3. Annual Revenue Budget 2021/22**

- 3.1 The proposed 2021/22 Annual Revenue Budget includes a number of Investments and Savings/Efficiencies. These are set out in tables 1 and 2 below.
- 3.2 The proposed Revenue Budget assumes a pay freeze in 2021/22 with the exception of the lowest graded staff earning less than £24,000 per year. It also includes a vacancy factor (or turnover target) of 4%; 0.5% higher than in 2020/21, and the budget includes provision for contractual inflation. The proposed 2021/22 Budget also includes any revenue implications from the proposed Capital Programme (Appendix 1) yet to be approved by Council on 4<sup>th</sup> March 2021.
- 3.3 The proposed 2021/22 Budget does not reflect potential cost and income pressures or savings which may arise as a consequence of the pandemic. These are entirely uncertain as is the potential for any further Government financial support. The Council will have unspent Covid funding by the end of 2020/21 which it will transfer to a reserve to be called on during 2021/22 when required. As part of the Final Settlement for 2021/22 the Council has received £817k government funding (see paragraph 3.12) to meet the ongoing costs of the pandemic. The Government's Sales, Fees and Charges 75% reimbursement scheme has also been extended to the end of June 2021. The ongoing financial impact of the pandemic will be closely monitored and

reflected in in-year financial monitoring reports to the Corporate Leadership Team (CLT) and Cabinet.

- 3.4 Most of the Investments in Table 1 below were approved during 2020/21 but for transparency and to show the full year effect, additional costs on the 2021/22 budget are shown here:

**Table 1 – Investments 2021/22**

<b>Investment Area</b>	<b>Detail</b>	<b>Approval Route</b>	<b>£'000</b>
Digital Services Transformation (DST) Software	Upgrade of website software, Geographical Information Software (G.I.S), movement to a Cloud based solution for Modern.gov and additional Microsoft Agreement costs.	Mod.gov ODR 21/01/21 Website ODR 18/09/20 GIS EDR 12/11/20 Helpdesk ODR 12/08/20	12
DST Additional Staffing	Appointment of staff with specific skillsets ensure the success of the DST programme and capitalise on efficiency opportunities derived from this investment. (General Fund proportion of costs) 4 FTE posts	ODR's 02/12/20 & 20/01/21	124
Corporate Communications	Appointment of Web Content Lead and Part time Graphics Designer. 1.7 FTE posts	ODR 20/01/21	56
Procurement	Revised Procurement contract with Nottingham City Council	Cabinet 21/07/20	13
Member Services	Political Assistant Post. 1 FTE and appointment of Chair and Vice Chair of the Covid Scrutiny Panel (to July 2021)	Council 09/07/20	34
Asset Management	Renegotiation of a lease agreement to a secure a 5 year lease extension. (2021/22 only)	ODR 20/07/20	18
Asset Management	Introduction of 2 hour free Car Parking in the Council's main Town Centre car parks to encourage trade to support local businesses.	Cabinet 30/06/20	43
War Memorials	Creation of a maintenance budget for cyclical repair and maintenance of War Memorials.	Cabinet 13/10/20	3
Finance	Increase in cost of External Audit to recognise the impact	Referenced at Audit Committee 01/02/21	14

	of the pandemic and the additional auditing requirements arising from the Redmond Review.		
Public Funerals	Expected increase in the cost of providing this statutory service.	Cabinet 26/01/21	10
<b>TOTAL</b>			<b>327</b>

**Table 2 – Savings/Efficiencies 2021/22**

<b>Saving / Efficiency</b>	<b>Detail</b>	<b>£'000</b>
Markets Review	Rationalisation of markets to reduce costs allow focus on successful higher take up trading days within each Town.	35
Depot Canteen	The canteen was trading at a loss and the proposed future trading model (post pandemic) is self-service. This makes this service cost neutral.	10
Courier Service	Cessation of Courier service between Ashfield and Mansfield largely due to more documents being transferred electronically.	5
Communications	Reduced cost of Ashfield Matters – graphics design work to be undertaken in-house.	8
DST	Movement to a hosted telephony solution (£37k), reduced paypoint costs as more customers transacting on-line (£5k) and mobile telephony contract savings (£5k)	47
Member Allowances	Reduced Member Allowances in line with Independent Remuneration Panel recommendations.	23
Place & Communities Management	Management Structure savings	13
Investment Property	Net annual income from Investment Property acquired in early April 2020.	117
Taxi Licensing	Apportionment of relevant share of taxi license income to support the MOT's of Taxis at the depot.	48
Office Accommodation	Additional income from the Police for their increasing share of the offices at Urban Road. (Annual rent income now £38k).	3
<b>TOTAL</b>		<b>309</b>

3.5 Factoring in the above proposed Investments and Savings/Efficiencies, the proposed Annual Revenue Budget for 2021/22 is shown in Table 3 below:

**Table 3 – Annual Revenue Budget by Directorate 2021/22**

<b>Directorate</b>	<b>£'000</b>
Place & Communities	9,314
Resources & Business Transformation	-786
Legal & Governance	1,788
Housing & Assets	2,169
Chief Executive	548
<b>Sub Total - Directorates</b>	<b>13,033</b>
Net Recharges In/Out	-2,723
Borrowing & Capital Financing Costs	2,549
Net Interest Payable	8
Transfers to Earmarked Reserves	269
<b>TOTAL</b>	<b>13,136</b>

3.6 Table 4 below shows how the proposed 2021/22 Annual Revenue Budget is funded:

**Table 4 – Funding the 2021/22 Annual Revenue Budget**

<b>Funding Source</b>	<b>£'000</b>
New Homes Bonus	-651
Revenue Support Grant	-198
Lower Tier Services Grant (New – One-off)	-198
Net Business Rates / Section 31b Grants	-5,512
Business Rates Collection Fund Deficit (Net)	+701
Business Rates – Covid Compensation Funding	-324
District Council Tax (Frozen)	-6,425
Council Tax Collection Fund Deficit	+55
Use of Earmarked Reserves	-700
General Fund Reserve (Contribution to reserves)	+116
<b>TOTAL</b>	<b>13,136</b>

3.7 General Fund Earmarked Reserves

Table 5 below shows the planned movement in General Fund Earmarked Reserves:

**Table 5 – Known and Planned Movement in General Fund Earmarked Reserves**

Movement on Earmarked Reserves	Balance as at 1st April 2020	Transfer to Reserve 2020/21	Transfer from reserve 2020/21	Expected Balance as at 31st March 2021	Transfer to Reserve 2021/22	Transfer from Reserve 2021/22	Expected Balance as at 31st March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
District Planning Inquiry / Local Plan	375	0	250	125	0	125	0
Elections	10	54	0	64	54	0	118
Harold Farr Bequest	5	0	0	5	0	5	0
Joint Use Maintenance Fund	201	0	32	169	0	0	169
Asset Repair & Renewal Reserve	772	0	30	742	0	0	742
LAMS Reserve	76	0	0	76	0	0	76
Joint Crematorium Reserve	487	0	0	487	0	0	487
Insurance Related Funds	417	75	39	453	75	0	528
Revenue Grant Reserve	1,758	0	459	1,299	0	0	1,299
NNDR Equalisation Reserve	1,430	0	0	1,430	0	0	1,430
Supported Housing Reserve	11	0	0	11	0	0	11
Corporate Transformation Reserve	1,384	200	484	1,100	0	250	850
Commercial Property Investment Reserve	2,300	600	0	2,900	100	308	2,692
Economic Development & Place Reserve	209	0	30	179	0	0	179
Legal (ADC) Reserve	0	5	0	5	5	0	10
Winter Maintenance	0	5	0	5	5	0	10
Commercial Property Delapidations Reserve	0	10	0	10	10	0	20
Brexit Reserve	51	0	51	0	0	0	0
Covid Reserve	62	0	62	0	0	0	0



Licensing Reserve	110	0	48	62	0	0	62
Selective Licensing Reserve	12	0	0	12	0	12	0
Call Monitoring Equipment Reserve	0	30	0	30	20	0	50
<b>Total</b>	<b>9,670</b>	<b>979</b>	<b>1,485</b>	<b>9,164</b>	<b>269</b>	<b>700</b>	<b>8,733</b>

### 3.8 Proposed Reserve Changes

- It is proposed that the recently created Investment Property (Aborted Enquiries) Reserve is now deleted as it is no longer required following the decision not to acquire further Investment Properties for yield. The 2020/21 in-year planned transfer of £10k will no longer be required.
- It is proposed to establish a Call Monitoring Equipment reserve for the replacement of kit (included in Table above). Moving from analogue to digital kit is anticipated to be more costly. It is proposed to transfer £30k to this reserve at year end 2020/21 with a further contribution in 2021/22. Draw down from the reserve is expected to be from 2022/23.
- Creation of a Leisure Management Contract reserve to manage the fluctuating cashflows over the lifetime of the contract.

### 3.9 Proposed transfers to Reserves (£269k)

The proposed transfers to Earmarked Reserves for 2021/22 are:

- £54k to Elections reserve which includes £44k annual contribution and £10k towards costs of potential future By-elections.
- £75k annual contribution to the General Fund Insurance Reserve to meet costs of self-insurance.
- £100k to the Commercial Property Investment Reserve to help mitigate potential future risks in respect of business failure resulting in void occupancy periods. Following review of the properties in the portfolio and the timing of break clauses, it is considered appropriate in the short term to build this reserve up to £3m.
- £20k transfer to the three recently established reserves; Legal (£5k), Winter Maintenance (£5k) and Commercial Property dilapidation costs (£10k) to help mitigate future uncertain and exceptional costs.
- £20k transfer to the Call Monitoring Equipment reserve for the replacement of kit in future years (included in Table above).

### 3.10 Proposed transfers from Reserves (£700k)

The proposed transfers from Earmarked Reserves for 2021/22 are:

- £125k from the District Planning Inquiry / Local Plan Reserve to fund the evidence base required for the development of the Local Plan.
- There may be a requirement to utilise the Corporate Transformation Reserve during 2021/22 to progress at pace the delivery of our Digital Service Transformation programme and to meet any severance costs which may arise from the annual programme of Service Reviews. £250k has been provisionally earmarked for this purpose.
- Use of £308k from the Commercial Property Investment Reserve to meet short term pressures relating to the newly tenanted Vine Hotel, recognising the impact of the pandemic on loss of income in the short-term.
- Use of the £5k balance on the Harold Farr bequest fund and £12k balance on the Selective Licensing reserve to meet one-off costs in 2021/22.

### 3.11 General Reserve

As at 31<sup>st</sup> March 2020 the balance on the General Reserve was £6.713m. **In setting the proposed budget for 2021/22 there is also a proposed transfer to the General Reserve of £116k.** The Council's Constitution requires that the General Fund Reserve minimum balance does not fall below £1.35m.

### 3.12 Other Government Funding

Within the Provisional and Final Local Government Settlement the Council also received confirmation of £817k additional funding to help mitigate the adverse financial impact of the pandemic into 2021/22. This income is excluded from Table 5 above as is, for consistency, the corresponding expenditure excluded from Table 3 above.

#### 4. Housing Revenue Account (HRA)

- 4.1 Local housing authorities are required by Section 74 of the Local Government and Housing Act 1989 (the 1989 Act) to keep a Housing Revenue Account (HRA). The HRA reflects a statutory obligation to account separately for local authority housing provision. It identifies the major elements of housing revenue expenditure such as maintenance, administration, and contributions to capital costs and how these are funded, mainly being from housing rent.
- 4.2 The proposed 2021/22 Annual HRA Budget includes a number of Investments and Savings/Efficiencies. These are set out in tables 6 and 7 below.
- 4.3 The proposed budget includes no provision for pay award (assumed to be frozen), funding for increments and contractual inflation. The budget also includes a 4% vacancy factor (turnover target) which is 0.5% greater than in 2020/21. The 2021/22 Budget also includes any revenue implications from the proposed Capital Programme yet to be approved by Council.

**Table 6 – Proposed HRA Investments 2021/2022**

<b>Investment</b>	<b>Detail</b>	<b>£'000</b>
Digital Services Transformation (DST) Software	Upgrade of website software, Geographical Information Software (G.I.S), movement to a Cloud based solution for Modern.gov and additional Microsoft Agreement costs. (HRA proportion of costs)	5
DST Additional Staffing	Appointment of staff with specific skillsets ensure the success of the DST programme and capitalise on efficiency opportunities derived from this investment. (HRA proportion of costs)	80
<b>TOTAL</b>		<b>85</b>

**Table 7 – Proposed HRA Savings/Efficiencies 2021/22**

<b>Saving/Efficiency</b>	<b>Detail</b>	<b>£'000</b>
Service Review of Housing Repairs	Annual employee savings from the Housing Repairs Review.	46
Implementation of the Dynamic Resource Scheduler	Efficiency gained from productivity of repair operatives reducing subcontractor requirement.	90
<b>TOTAL</b>		<b>136</b>

- 4.4 **Table 8 below shows the proposed Revised HRA budget for 2020/21 and the proposed HRA Budget for 2021/22:**

The 2019/20 Revised Budget above includes the proposed HRA Capital Scheme budget changes for 2019/20 proposed in Section 5 of this report.

**Table 8 below shows the Revised HRA budget for 2020/21 and the proposed HRA Budget for 2021/22:**

<b>Description</b>	<b>2020/21 Revised Budget</b>	<b>2021/22 Original Budget</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income</b>		
Rents, Charges and Contributions	(24,471)	(24,772)
Interest and investment income	(210)	(16)
Total Income	(24,681)	(24,788)
<b>Expenditure</b>		
Repairs and Maintenance	7,799	7,873
Supervision and Management	4,446	4,446
Interest payable and similar charges	3,548	3,548
Rents, Rates, Taxes and other charges	192	196
Depreciation and impairments of fixed assets	3,736	3,884
Debt Management Costs	45	44
Contribution to the Bad Debt Provision	240	200
Transfer to Major Repairs Reserve	22	4,429
Capital expenditure funded by the HRA	2,589	3,892
Total Expenditure	22,617	28,512
<b>Net Cost of HRA Services</b>	<b>(2,064)</b>	<b>3,724</b>

The main changes to the above budget for 2021/22 are:

Transfer to Major Repairs Reserve

Due to the Covid-19 restrictions in 2020/21 there were delays to the major works programme for the existing social housing stock. This has pushed some of the planned programme back into 2021/22.

Capital expenditure funded by the HRA

In 2021/22 the development of new affordable housing schemes are due to commence with some funding coming from Homes England Grant and the remainder funded by HRA reserves.

The 2020/21 Revised Budget above includes the proposed HRA Capital Scheme budget changes for 2020/21 proposed in Section 5 of this report.

- 4.5 The HRA uses a sophisticated 30-year business planning model. This enables the impact of various changes in income and expenditure to be monitored across a 30-year timespan.

Whilst there is not an immediate risk to the HRA within the short term the Council must be mindful savings are required within the service itself and from those services and funds that receive contributions from the HRA as well as a potential need to scale back the timing of capital investment within existing properties. Housing services have continued

to make year on year savings within its operating and capital budgets. The IT investment within the Housing Repairs service to improve customer service has led to £136k of savings and will lead to further savings and efficiencies of £350k within 3 years.

Even though the HRA borrowing cap ended in October 2018. The current financial position of the HRA cannot sustain further additional debt repayments

#### 4.6 Possible Future impacts on the HRA

##### Social Housing Green Paper – A New Deal for Social Housing

Improving People's Homes and Reducing Bills. The Government will look at a long-term trajectory for energy performance standards across the social housing sector, with the aim of as many social rented homes as possible being upgraded to EPC Band C by 2030, where practical, cost-effective and affordable.

It is broadly estimated that the cost to achieve a Band C energy rating to the Council's housing stock is in the region of £10m. This would involve the installation of measures or a combination of measures to each property dependent upon the respective property types and their respective current thermal efficiency characteristics. This figure may vary upon detailed analysis. This has been built into the HRA 30-year business plan across the years 2022/23 to 2028/29

##### Social Housing White Paper

The Social Housing White Paper was published by the Ministry of Housing, Communities and Local Government (MHCLG) on 17th November 2020. This included proposals to introduce new primary building safety legislation and a new Decent Homes Standard, which is likely to include higher safety, quality, sustainability and energy efficiency standards. One proposal from the paper is to amend the statutory guidance of the Building Regulations to require that carbon monoxide alarms are fitted in all rented and owner-occupied homes. This has been built into the capital programme at an estimated cost of £400k.

#### 4.7 HRA Earmarked Reserves

Table 9 below shows the already approved movements in the HRA earmarked reserves in 2019/20 and 2020/21:

**Table 9 – HRA Earmarked Reserves**

Movement on Earmarked Reserves	Balance as at 1st April 2020/21	Transfer to Reserve 2020/21	Transfer from reserve 2020/21	Forecast Balance as at 31st March 2021	Transfer to Reserve 2021/22	Transfer from Reserve 2021/22	Forecast Balance as at 31st March 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Grants Reserve	25	0	0	25	0	0	25
Eco Funding Reserve	263	0		263	0	0	263
Insurance Reserve	182	50	15	217	0	20	197
Corporate Change Reserve	193	0	0	193	0	0	193
Technology Investment	81	0	56	25	0	25	0
Welfare Reform Reserve	200	0	0	200	0	100	100
<b>Total</b>	<b>944</b>	<b>50</b>	<b>71</b>	<b>923</b>	<b>0</b>	<b>145</b>	<b>778</b>

#### 4.8 Planned Movement in HRA Earmarked Reserves 2021/22

The HRA insurance reserve was established in 2016/17 to fund any damage to the Council's housing stock. All housing stock damage claims will go against the HRA insurance reserve, which was agreed to have a contribution of £50k per annum for the financial years 2016/17 through to 2020/21. This has been reviewed this year and based on average use of the fund over the last 5 years no contribution is required in 2021/22 or the following two years. This will be reviewed again at the end of 2021/22 in readiness for the next budget cycle.

The Technology Investment reserve was set up to support the upgrading of out of date technology, to support the introduction of new technology, to support the move to digital delivery of services and improve the customer experience and to support the move to more agile working. The main part of the reserve of £252k was utilised for a Dynamic Resource Scheduler, Repairs Module and Mobile licencing in housing repairs approved by Cabinet on 21/01/2019. This investment will produce efficiency savings from 2020 onwards that will return the initial investment over three years. The systems and software implementation have been completed on this scheme leaving a £25k contingency for replacement devices and a pre/post inspection module.

The Welfare Reform Reserve was created to support and react to the high volume of issues raised with the roll out of Universal Credit (UC) that commenced in November 2018. There is a planned full migration across to UC which will impact on the HRA. A UC pilot is underway and there are no firm dates yet for wider migration. This would require additional resources to manage the large-scale increase in claimants and to provide the necessary support. Additional resource will also be required, when allowed, for the work that has been suspended under the current Covid restrictions.

## **5. Capital Programme 2020/21 to 2024/25**

5.1 The proposed Capital Programme and funding is summarised in Table 10 below. Appendix 1 shows a detailed breakdown of all the schemes below.

The three areas of the Capital Programme (Area Schemes, General Fund and HRA) and the in-year changes (2020/21) are discussed in more detail below.

### **Leisure Transformation**

The key planned Schemes within the Capital Programme are in respect of Leisure Transformation which includes the new Kirkby Leisure Centre and significant planned expansion and improvements to both the Lammas and Hucknall Leisure Centres.

As part of the transformational leisure programme, the new provider, Everyone Active will bring forward a number of key investment priorities across existing facilities at Lammas and Hucknall. These investments are in addition to the investment of £15.5m already committed for the new leisure centre in Kirkby. Innovatively in an effort to achieve the best rate of return on the contract the Council confirmed during the tender process for the operator contract that the borrowing requirements for these investments would be funded by us and not the provider. The Council is able to fund these improvements more efficiently than the leisure provider. As part of the financial model, the provider will cover the full costs of these investments back to the Council.

The improvements range from essential maintenance to existing equipment such as chiller units linked to the ice rink at Lammas, through to improvements at Hucknall such as the second swimming pool that will be constructed and available for the people of the District to enjoy.

### **New Schemes to be added to the Capital Programme**

In the very near future further Schemes will be added to the Capital Programme which recognise the Council's success of securing £6.27m Future High Streets funding and Schemes to be funded from the Towns Fund. Our business cases have been submitted for review and once approved will be added to the Capital Programme for Council approval.



**Table 10 – Capital Programme (2020/21 to 2024/25)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Capital Expenditure</b>						
Area Schemes	1,166	382	0	0	0	1,548
General Fund	10,436	22,242	2,592	3,263	2,768	41,301
Housing Revenue Account	5,677	15,358	18,629	13,360	15,546	68,570
<b>Grand Total</b>	<b>17,279</b>	<b>37,982</b>	<b>21,221</b>	<b>16,623</b>	<b>18,314</b>	<b>111,419</b>
<b>Capital Financing</b>						
Developers Contributions - Area Schemes						
Schemes	366	240	0	0	0	606
Borrowing	200	109	0	0	0	309
Capital Receipts	193	0	0	0	0	193
Other Capital Grants and Contributions - Area Schemes						
	407	33	0	0	0	440
<b>Sub Total - Area Schemes</b>	<b>1,166</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,548</b>
Prudential Borrowing - General Fund						
	7,033	18,261	1,744	2,415	1,920	31,373
Direct Revenue Financing - General Fund						
	205	0	0	0	0	205
Developers Contributions - General Fund						
	62	93	0	0	0	155
Capital Receipts						
	0	0	0	0	0	0
Other Capital Grants and Contributions - General Fund						
	3,136	3,888	848	848	848	9,568
<b>Sub Total - General Fund</b>	<b>10,436</b>	<b>22,242</b>	<b>2,592</b>	<b>3,263</b>	<b>2,768</b>	<b>41,301</b>
Funded from HRA Reserves						
Homes England	5,304	11,931	16,845	12,180	14,366	60,626
Homes England	20	1,020	340	0	0	1,380
Developers Contributions - Housing Revenue Account						
	10	210	264	0	0	484
Future 1-4-1 Capital Receipts Funding Recently Built and New Schemes						
	343	437	300	300	300	1,680
Non 1-4-1 Capital Receipts						
	0	1,760	880	880	880	4,400
<b>Sub Total - HRA</b>	<b>5,677</b>	<b>15,358</b>	<b>18,629</b>	<b>13,360</b>	<b>15,546</b>	<b>68,570</b>
<b>Grand Total</b>	<b>17,279</b>	<b>37,982</b>	<b>21,221</b>	<b>16,623</b>	<b>18,314</b>	<b>111,419</b>

**Area Capital Programme**

5.2 These consist of mainly self-financed schemes that enhance the local environment. Developers' contributions (known as Section 106 funding) make up the largest funding source. Additional grant funding is sought wherever possible to maximise the benefit to local communities. Area schemes are included in Table 11.

**Table 11 – Area Schemes (2020/21 to 2024/25)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Area</b>						
Hucknall Area	393	9	0	0	0	402
Kirkby Area	598	133	0	0	0	731
Sutton Area	167	239	0	0	0	406
Rural Area	9	1	0	0	0	10
<b>Total</b>	<b>1,166</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,548</b>
<b>Funded by</b>						
TF Accelerator	75	0	0	0	0	75
Borrowing	200	109	0	0	0	309
Brierley Forest Park Trust	1	0	0	0	0	1
Capital Receipts	193	0	0	0	0	193
Friends of Cromford Canal	2	0	0	0	0	2
Nottinghamshire County Council (NCC)	312	25	0	0	0	337
Reserves	0	0	0	0	0	0
Rural Payments Agency	13	0	0	0	0	13
Section 106	334	234	0	0	0	568
Selston Parish Council	4	0	0	0	0	4
Skanska	0	8	0	0	0	8
Sustainable Transport S106	32	6	0	0	0	38
Walk on Group	0	0	0	0	0	0
<b>Total</b>	<b>1,166</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,548</b>

Table 12 below shows where changes to capital schemes by Area are proposed due to project delays (slippage) or changes in project spend.

**Table 12 – Area Schemes (changes in proposed expenditure)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Approved Area Scheme</b>	<b>1,373</b>	<b>415</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,788</b>
Changes to Hucknall Schemes	-9	9	0	0	0	0
Changes to Sutton Area Schemes	-101	106	0	0	0	5
Changes to Kirkby Area Schemes	-100	-149	0	0	0	-249
Changes to Rural Area Schemes	3	1	0	0	0	4
<b>Proposed Area Schemes to be Approved</b>	<b>1,166</b>	<b>382</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,548</b>

**Table 13 – Area Schemes (changes to budget – by scheme)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Hucknall Area</b>						
Titchfield Park Brook	-9	9	0	0	0	0
<b>Sub Total</b>	<b>-9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sutton Area</b>						
Ashfield Estate Footpaths	-5	5	0	0	0	0
Brierley Forest Park Management Plan	5	0	0	0	0	5
Kingsmill Reservoir management plan: Implementation Works	-8	8	0	0	0	0
Roundhill Recreation Ground	-9	9	0	0	0	0
Sutton Lawn management Plan	-14	14	0	0	0	0
Sutton Town Centre Improvements	-70	70	0	0	0	0
<b>Sub Total</b>	<b>-101</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>
<b>Kirkby Area</b>						
Annesley Art Project	-29	29	0	0	0	0
Kirkby footpaths/cycle ways	13	-13	0	0	0	0
Play Areas	-45	-200	0	0	0	-245
Rowan Drive	-4	0	0	0	0	-4
Titchfield Park Play, Hucknall	-35	35	0	0	0	0
<b>Sub Total</b>	<b>-100</b>	<b>-149</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-249</b>
<b>Rurals Area</b>						
Friezeland Recreation Ground - Scooter Park	-1	1	0	0	0	0
Jacksdale Car Park	4	0	0	0	0	4
<b>Sub Total</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>
<b>Grand Total</b>	<b>-207</b>	<b>-33</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-240</b>

### 5.3 Changes to Existing Area Projects

Table 13 above shows the proposed changes to budget on a scheme by scheme basis. Several of the schemes planned for 2020/21 are not now expected to be completed until 2021/22. The actual allocation to each project is shown at Appendix 1. Four schemes have changed in value:

- **Brierley Forest Park Management Plan** – Additional Rural Payments Agency and Brierley Forest Park Trust funding has allowed the scheme to increase.
- **Kirkby Play Areas** – Amounts included in this scheme have been allocated to other Area Schemes. Please see 1<sup>st</sup> December 2020 Cabinet Report.
- **Rowan Drive** – Scheme now complete and the underspend will be reallocated to another area project.
- **Jacksdale Car Park** – Additional funding received has made it possible for additional expenditure to be made.

**Table 14 - General Fund Schemes Summary Reconciliation of Current Capital Programme to Proposed January 2021 Capital Programme**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Current Capital Programme</b>	<b>35,653</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,427</b>
Changes to Current Projects	-25,217	-18,045	0	0	0	-43,262
New Schemes	0	7,446	690	0	0	8,136
<b>Proposed January 2021 Capital Programme</b>	<b>10,436</b>	<b>22,242</b>	<b>2,592</b>	<b>3,263</b>	<b>2,768</b>	<b>41,301</b>

**Table 15 – General Fund Projects (changes in budget – by scheme)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Changes to Current Projects</b>						
Cemeteries	-1	1	0	0	0	0
External health and safety works required for the Urban Road office	-97	10	0	0	0	-87
Green Space Improvements	4	0	0	0	0	4
Hucknall Car Park - Titchfield Street	-115	115	0	0	0	0
Investment Properties	-23,189	-20,000	0	0	0	-43,189
Kings Mill Reservoir (The King and Miller to Kingfisher)	28	0	0	0	0	28
Kings Mill Reservoir Car Park Expansion	-192	192	0	0	0	0
Kirkby Leisure Centre	-1,637	1,637	0	0	0	0
Retail Improvement Scheme	-18	0	0	0	0	-18
<b>Grand Total</b>	<b>-25,217</b>	<b>-18,045</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-43,262</b>

5.4 Table 15 above shows the proposed changes to budget on a scheme by scheme basis. Several of the schemes planned for 2020/21 are not now expected to be completed until 2021/22.

Key changes to Existing General Fund Projects:

- **External Health and Safety Works** – A re-assessment of this scheme has resulted in savings of £87k.
- **Investment Properties** – No future investment property purchases will be made in order to ensure continued Public Works Loan Board (PWL) borrowing.
- **Kings Mill Reservoir (The King and Miller to Kingfisher)** – The Authority has received additional Nottinghamshire County Council (NCC) funding of £23k and a private sector donation of £5k which will both be spent on further works to this site.
- **Retail Improvement Scheme** – Scheme has been reduced to match current available funding.

The actual allocation to each project is shown at Appendix 1.

**Table 16 – General Fund Projects (New Schemes)**

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>New Projects</b>						
Hucknall Leisure Centre - Fixtures, Fittings and Equipment	0	1,775	250	0	0	2,025
Hucknall Leisure Centre - New Pool	0	2,700	0	0	0	2,700
New Kirkby Leisure Centre - Fixtures, Fittings and Equipment	0	0	440	0	0	440
Lammas Leisure Centre - Fixtures, Fittings and Equipment	0	2,971	0	0	0	2,971
<b>Grand Total</b>	<b>0</b>	<b>7,446</b>	<b>690</b>	<b>0</b>	<b>0</b>	<b>8,136</b>

5.5 Four new schemes have been added to the Capital Programme:

- **Hucknall Leisure Centre - Fixtures, Fittings and Equipment** – various improvements to the existing Leisure Centre including fitness suite development, Group Exercise Studios, Reception / Foyer improvements and cooling/chilling tower replacement and HVAC units.
- **Hucknall Leisure Centre - New Pool** – New pool facility.
- **New Kirkby Leisure Centre - Fixtures, Fittings and Equipment** – Additional fixtures, fittings and equipment not currently included on the current Kirkby Leisure Centre specifications.
- **Lammas Leisure Centre - Fixtures, Fittings and Equipment** - various improvements to the existing Leisure Centre including fitness suite extension, cooling/chilling tower replacement and ice rink flooring.

These new schemes are all funded by prudential borrowing. The revenue costs of the borrowing for the capital works to fixtures, fittings and equipment are provided for in the Leisure Operators financial bid and the amount will be paid over to ADC to fund the prudential borrowing. The cost of the prudential borrowing on the Hucknall Leisure Centre will be met from the positive contribution for the new Leisure Operator Contract.

5.6 The Council has received a provisional allocation £6.2m from the Government's Future High Street Fund (FHSF), which is 69% of the amount bid. The Authority is looking at options for scaling back the schemes, to align the costs of the schemes to the funding allocation. The capital programme will be updated once the final schemes to be included have been agreed with FHSF.

5.7 The Council is currently finalising the application to the Towns Fund. Further detailed work will then be required on schemes included. The Capital Programme will be updated once the detailed final schemes have been agreed.

**Table 17 – General Fund – Financing of the Capital Programme**

The tables below show the changes in financing required to move from the existing Capital Programme to the proposed 2020/21 – 2024/25 Capital Programme.

	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Total £'000
<b>Current Capital Programme</b>	<b>35,653</b>	<b>32,841</b>	<b>1,902</b>	<b>3,263</b>	<b>2,768</b>	<b>76,427</b>
Capital Grants	12	16	0	0	0	28
Capital Receipts - General Fund	0	0	0	0	0	0
Prudential Borrowing	-25,122	-10,708	690	0	0	-35,140
Developers Contributions - General Fund	-89	93	0	0	0	4
Direct Revenue Financing	-18	0	0	0	0	-18
<b>Proposed January 2021 Capital Programme</b>	<b>10,436</b>	<b>22,242</b>	<b>2,592</b>	<b>3,263</b>	<b>2,768</b>	<b>41,301</b>

## 5.8 Housing Revenue Account (HRA) Capital Programme

There have been numerous changes to the profiling of the HRA capital schemes.

Key changes to existing schemes are as follows:

- **Catch Up and Major Repairs** – carbon monoxide detection required by legislation.
- **Service Improvements** – Increase to bring Energy Performance Certificate ratings up to level 'C'.
- **Contingent Major Repairs** – Works reduced to partially offset cost increases in other areas.
- **Exceptional Extensive Works** – Works bought forward following recent consultant survey.
- **Davies Avenue** – Reassessment of build costs have resulted in cost reduction.

Full details of the HRA Capital Programme are shown in Appendix 1.

**Table 18 – Housing Revenue Account (changes to budget)**

<b>Expenditure Approved</b>	<b>12,243</b>	<b>16,383</b>	<b>12,620</b>	<b>12,165</b>	<b>12,307</b>	<b>65,719</b>
<b>Changes to Current Projects</b>						
Management Fee	0	0	0	0	0	0
Catch up and Major Repairs	-708	-1,706	974	775	774	108
Service Improvements	-3	-173	425	425	376	1,050
Contingent Major Repairs	-60	0	-5	-5	-5	-75
Exceptional Extensive Works	-50	0	0	0	2,094	2,044
Disabled Adaptations	-189	189	0	0	0	0
Affordable Housing developments	-710	710	0	0	0	0
Investment in Additional Council Dwellings in Hucknall	-4	4	0	0	0	0
Investment in New or Existing Dwellings	-451	451	0	0	0	0
Davies Avenue Housing Project	-41	-2,800	2,565	0	0	-276
Hucknall Infill Sites	-1,747	1,697	50	0	0	0
Maun View Sutton-in-Ashfield	-2,603	603	2,000	0	0	0
<b>Grand Total</b>	<b>5,677</b>	<b>15,358</b>	<b>18,629</b>	<b>13,360</b>	<b>15,546</b>	<b>68,570</b>
<b>Capital Funding</b>						
Funded from HRA Reserves	5,304	11,931	16,845	12,180	14,366	60,626
Homes England	20	1,020	340	0	0	1,380
Developers Contribution	10	210	264	0	0	484
Future 1-4-1 Capital Receipts						
Funding Recently Built and New Schemes	343	437	300	300	300	1,680
Non 1-4-1 Capital Receipts	0	1,760	880	880	880	4,400
<b>Total Capital Funding</b>	<b>5,677</b>	<b>15,358</b>	<b>18,629</b>	<b>13,360</b>	<b>15,546</b>	<b>68,570</b>

## 6. MTFs Update

- 6.1 There remains significant uncertainty around the level of resources which will be available to the Council beyond 2021/22. This uncertainty is in relation to the outcome of the Fair Funding Review and the impact it will have on 'assessed need' and subsequent resource allocation levels through a Business Rates re-set and the potential change to the levels of business rates retention from 2022/23, and the future of, or potential changes to, the distribution methodology for New Homes Bonus.
- 6.2 Because of the above significant uncertainty indications of the future financial challenge for the Council (like all other Councils) will potentially be subject to considerable variation. However, based on use of the LG Futures financial model and our current estimate of expenditure required for the next five years the current estimated funding gaps are shown in Table 19 below:

**Table 19 – MTFS Estimated Funding Gap 2021/22 to 2025/26**

	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Estimated Expenditure	13,136	13,356	13,296	13,580	14,141
Estimated Income	-13,136	-10,890	-10,838	-11,024	-11,123
Estimated Cumulative Funding Gap	0	2,466	2,458	2,556	3,018
Estimated Annual Funding Gap	0	2,466	-8	98	462

6.3 The above estimated funding gaps currently include the following assumptions (which may change on further review):

- Pay inflation (2%) – from 2022/23
- Contract Inflation (2.4%)
- Utilities Inflation (5%)
- No allowance for any inflationary increase in District Council Tax increase from 2021/22
- No allowance for any growth in the Council Tax Base (Number of properties)

The above assumptions will all be revisited over the Summer as part of the MTFS review (See 6.6 below).

6.4 The Corporate Leadership Team (CLT) and Cabinet continue to meet regularly to identify and agree options to address this estimated financial challenge in the Medium Term Financial Strategy for 2022/23 to 2025/26 and beyond; ensuring the Council has a sustainable future.

6.5 Consideration will be given to options for additional income generation, the identification of efficiencies (service reviews, procurement savings, asset rationalisation, alternate service delivery models, etc.) and potential savings through Invest to Save – in particular via the Council's Digital Service Transformation Programme. In addition, the Council will consider how it will utilise its reserves to aid the smoothing of the funding gap in 2022/23.

6.6 An updated MTFS will be brought back to Cabinet after the 2020/21 accounts have been closed and audited, and when further updates have been provided regarding the future level of Government funding.

## **7. Section 151 Officer Comments**

7.1 Section 25 of The Local Government Act 2003 requires that the 'Chief Financial Officer' (The Corporate Finance Manager at Ashfield District Council) reports to Council on the following matters in making decisions on the budget and financial strategy:

The robustness of the estimates made for the purposes of the calculations; and  
The adequacy of the proposed financial reserves.

It is also recognised good financial management for the Council to identify target levels for reserves and balances that are based on a thorough understanding of its risks and needs.



- 7.2 The content of this report is the mechanism by which positive assurances are made by the Corporate Finance Manager about the adequacy of the proposed financial reserves.
- 7.3 The Corporate Finance Manager gives his assurance that the budget estimates for 2021/22 are robust. There is a forecast deficit in future years as public sector funding gets tighter and there is recognition that this will have to be addressed for the Council to remain sustainable in the longer term but that there are options available for development, consideration and subsequent implementation to do this. Early progress of any of the supported options during 2021/22 may also deliver in year savings.
- 7.4 The key fundamental principles which underpin the Corporate Finance Managers' assurances are:
- Directorates manage their finances within the clearly defined cash limited budgets within this report.
  - The Council recognises the need to explore income and savings options to ensure the future financial sustainability of the organisation.
  - The General Reserves (General Fund) Minimum Balance is always maintained and is not called upon for other purposes unless in exceptional circumstances with the agreement of the Leader of the Council, Chief Executive and the Corporate Finance Manager and approved by the appropriate body of the Council in accordance with the Constitution. The General Fund balance is currently significantly in excess of the minimum balance of £1.35m.
  - In considering the robustness of the Budget for 2021/22 account has been taken of the need to call on funding from the Corporate Transformation Earmarked Reserve.

## **Implications**

### **Corporate Plan:**

The proposed 2021/22 General Fund budget, HRA Budget and the 2020/21 to 2024/25 Capital Programme reflects the priorities in the Corporate Plan.

The financial position of the HRA has a direct impact on the Corporate Plan. Sustainability of the HRA will assist in maintaining existing homes and increase the supply of affordable homes in the District in the future.

### **Legal:**

When setting the Revenue Budget and Council Tax the Council has various legal and fiduciary duties. The Council is required by the Local Government Act 1992 to make specific estimates of gross revenue expenditure and anticipated income leading to the calculation of the Council Tax Requirement and the setting of the overall Budget and Council Tax for the year. The amount of the Council Tax requirement must be sufficient to meet the Council's legal and financial commitments, ensure proper discharge of its statutory duties and lead to a balanced budget.

In exercising its fiduciary duty the Council should be satisfied that the proposals put forward are a prudent use of the Authority's resources in both the short and long term; that the proposals strike the right balance between the interests of Council Tax payers and ratepayers on the one hand and the community's interests in adequate and efficient resources on the other; and that they are acting in good faith for the benefit of the community whilst complying

with all statutory duties. It is believed that the proposals in this Budget Report do strike that right balance.

All capital projects require input from Legal Services in relation to contracts. The Council must ensure that robust contractual arrangements are in place, specifications are clearly defined, and it is clear which project risks are the responsibility of the Contractor and which remain with the Council. This is to avoid potential contractual disputes and to limit the potential financial impact on the Council should they arise.

The Council is required by the LGHA 1989 to have a separate Housing Revenue Account.

If supported by Cabinet, this report will require approval by Council as this forms part of the Council's Budgetary Framework (Financial Regulation B.1 and Article 4 of the Constitution).

**Finance:**

Budget Area	Implication
General Fund – Revenue Budget	The financial implications are set out in the body and the appendix of this report.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

**Risk:**

Risk	Mitigation
That the budget set may be insufficient to provide the required services and subsequently services overspend.	Monthly budget monitoring arrangements are in place with reports produced monthly from June onwards for CLT and periodically for Cabinet. Any pressures and potential mitigation of pressures is included in these reports.
Potential adverse impact of the Coronavirus pandemic on the Councils finances.	Weekly monitoring of additional costs and lost income as a consequence of the pandemic. Covid funding from Central Government. Option to scale back non-essential services to reduce costs. Potential to use un-earmarked reserves.

**Human Resources:**

5.7 FTE new posts have been created within the Resources and Business Transformation Service. There are no direct adverse HR implications contained in this report.

**Equalities:**

Projects within the Capital Programme will ensure that as far as possible Council buildings are accessible, to enable all users to access Council services. In addition, the various projects within

the Council's Digital Transformation Strategy will ensure that individual customer needs are optimised.

**Environment/Sustainability:**

There are no environment/sustainability implications resulting from the recommendations detailed in this report.

**Other Implications:**

*None*

**Reason(s) for Urgency**

*Not Applicable*

**Reason(s) for Exemption**

*Not Applicable*

**Background Papers**

2021/22 Council Tax Base report  
Housing Rents report 2020/21 – Cabinet 26th January 2021  
Final Local Government Settlement – 10th February 2021  
Budget and Council Tax 2020/21 Report – Council 5<sup>th</sup> March 2020  
CIPFA – The Prudential Code for Capital Finance in Local Authorities 2011 (as amended 2012) and related Guidance Notes 2013.

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