

MEETING OF THE CABINET

TUESDAY, 10 JANUARY 2023

ADDITIONAL PAPERS

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CABINET – TUESDAY, 10 JANUARY 2023

**ADDENDUM TO ITEM 5 – MINUTES OF THE COALVILLE SPECIAL EXPENSES
WORKING PARTY**

At its meeting on 3 January 2023, the Coalville Special Expenses Working Party were asked to consider the 2023/24 Coalville Special Expense Draft Budget and provide any comments and feedback to Cabinet on the recommended level of Council Tax increase/savings to be achieved.

As noted in section 4 of the Coalville Special Expenses report, as the meeting took place after the Cabinet agenda had been published, an update would be provided to Cabinet with any recommendations of the working party for Cabinet to consider.

At the meeting on the 3 January, the members of the working party expressed that they were unable to provide any comments or feedback on the draft budget as they felt that they had not got a detailed enough breakdown of the budgets to be able to make any recommendations. Therefore, there are no recommendations from the meeting for Cabinet to consider.

It was agreed that officers would provide and brief the working party on the budgets over the next couple of weeks and then the working party would formally meet prior to Cabinet's meeting on 31 January 2023, to comment and provide feedback to Cabinet as part of the budget consultation process.

The minutes of the Coalville Special Expenses Working Party meeting held on the 3 January can be found at appendix 1 of this addendum.

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MINUTES of a meeting of the COALVILLE SPECIAL EXPENSES WORKING PARTY held in the Council Chamber, Council Offices, Coalville on TUESDAY, 3 JANUARY 2023

Present: Councillor D Everitt (Chairman)

Councillors M B Wyatt, A S Black, J Geary, J Legrys and J Windram

Officers: Mrs A Crouch, Mrs C Hammond, Mr P Wheatley, Mr G Hammons, Ms R Haynes, Mr R Kyei and Ms S Thirkettle

20. APOLOGIES FOR ABSENCE

Apologies were received from Councillor E Allman.

The Chairman advised that Councillor M French had been held up and would try to join the meeting remotely if she was able to do so.

21. DECLARATIONS OF INTEREST

Councillor M Wyatt declared a registerable interest in all items as the owner of two businesses in Coalville.

Councillor J Legrys declared a registerable interest in all items as a volunteer at and Director of the Hermitage FM project.

22. 2022/23 QTR 2 FINANCE UPDATE REPORT

The Finance Team Manager presented the report, outlining the expected deficit balances as at 31 March 2023 and highlighting the need to take action in order to ensure savings are made in 2022/23 of at least £17,000 in order that the Coalville Special Expenses budget and reserves would not be exceeded.

A member asked for clarification as to why there would be such a large budget deficit and officers responded that this had been raised in previous years and that the deficit position had been identified. However, it was noted that a savings plan had not been formulated when the budget was originally set and in order to maintain a balanced budget, the plan was for it to be addressed during this financial year. It was observed that annual expenditure had risen year on year but that income hadn't, additionally the district council grant had also decreased, therefore it had been a combination of factors which had led to the deficit position. It was highlighted that some of the need to make spending reductions would be on planned preventative maintenance. A member requested a more detailed breakdown of finances and officers agreed to provide this.

Members expressed a wish to see events broken down into more detail, for example instead of including Picnic in the Park under the umbrella of "Coalville Events" it was felt that it would be beneficial for members comprehension to see that this would still be a planned event under its own right.

A member thanked officers for the report and for the explanation around it but suggested that members could have received more notice of spiralling costs. Officers responded that ultimately the authority has a set amount of money which expenditure must be kept within and suggested that the current spending would send the budget into deficit, highlighting the need to attain a more balanced financial position.

Officers emphasised the importance of looking at ways to make savings in the present, as by acting later on a potential saving, this could run the risk of this saving not being

optimised, for example costs may have already been incurred which it would not be possible to claw back.

A member asserted that the working party did not have the responsibility of controlling the budget, however officers drew attention to the terms of reference in which it is stated that it is within the remit of the working party “to consider budget”.

A member suggested that there had been land within the special expenses area boundaries which had been rented out for less than the ‘going rate’, and suggested that by increasing rent, this would be a way to recoup some of the budget. Officers requested that the member provide specific details of the land in question so this could be investigated and followed up on.

Members asserted that they had not been provided with sufficient facts to come to a recommendation at this particular meeting and expressed reticence toward making decisions without being fully aware of the consequences of these decisions.

A member pointed out that there had been some positives, for example a £5,000 donation had been made to Coalville in Bloom and also money had been obtained in the form of grants from private companies.

The working group confirmed that whilst they would be satisfied to move and second the first recommendation, they wished to defer the decision on the second recommendation until further information had been provided.

It was moved by Councillor J Legrys, seconded by Councillor M Wyatt and

RESOLVED THAT

1. The 2022/23 Quarter 2 budget monitoring figures and forecasted outturn for 2022/23 be noted.
2. The decision to identify at least £17,000 of savings or deferral of planned maintenance to future financial years be deferred until the February meeting to allow officers time to provide the working party with a more detailed breakdown of the finances of the special expenses.

23. 2023/24 DRAFT BUDGET

The Finance Team Manager presented the report and provided the options available in order to produce a balanced budget, highlighting the need for members to choose the appropriate balance between increasing council tax, reducing costs and rephasing asset preventative maintenance.

A member suggested that the Council approach private companies in order to sell advertising space around the town, which could be a viable route to increase income.

A debate was had around the potential to increase council tax, however it was highlighted by officers that this did depend on what other special expense areas charged due to the statutory limits of the council tax referendum principles.

It was suggested that the finance sub group should meet and include all members in order to share the detailed breakdown information which officers had been asked to provide. It was felt that this would allow more potential and time to look at finance in much finer detail. It was proposed that this could take the form of a briefing over Teams, proceeded by a formal meeting.

Members proposed to defer making a recommendation, however it was highlighted that this would leave insufficient time to bring those recommendations to Cabinet. Officers suggested that a further, formal meeting would be required in order to agree upon recommendations before these would be presented to Cabinet on 31 January. It was suggested that the working party form part of the consultation process, which would allow the finance team time to circulate the extra information which the working party had requested, and still allow time to hold another formal meeting prior to 31 January Cabinet, before the working party recommend the budget to Council in February.

It was agreed that the finance team would hold a briefing for members in which they would be able to ask questions, followed by a formal meeting to discuss the report again. Officers agreed to collaborate in order to arrange a date for the additional meeting following the briefing.

It was moved by Councillor J Legrys, seconded by Councillor A Black and

RESOLVED THAT:

1. Any comments and feedback in the recommended level of council tax increase/savings to be achieved be deferred to allow officers time to provide the working party with a more detailed breakdown of the finances of the special expenses
2. Once members have received and been briefed on the more detailed breakdown, a further meeting of the working party be held to provide any comments and feedback to Cabinet at its meeting on 31 January 2023 as part of the budget consultation process.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.40 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 10 JANUARY 2023



Title of Report	ADDENDUM TO DRAFT GENERAL FUND BUDGET AND COUNCIL TAX 2023/24	
Presented by	Glenn Hammons Head of Finance and Section 151 Officer	
Background Papers	Budget & Council Tax 2022/23 – Council - 24 February 2022	Public Report: Yes
Financial Implications	This report sets out the revised Draft General Fund Revenue Budget for 2023/24.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications		
	Signed off by the Monitoring Officer:	
Staffing and Corporate Implications		
	Signed off by the Head of Paid Service:	
Purpose of Report	To provide an update to Cabinet on the revised funding figures contained within the revised Draft General Fund Budget 2023/24	
Recommendations	IN ADDITION TO THE RECOMMENDATIONS ON PAGE 81 CABINET ARE ALSO ASKED: 1. TO NOTE THE REVISED FUNDING FIGURES FOLLOWING THE ANNOUNCEMENT OF THE PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2. TO NOTE ANY COMMENTS FROM CORPORATE SCRUTINY	

1. BACKGROUND

- 1.1 The Draft General Fund Budget and Council Tax 2023/24 is being considered by Cabinet on the 10 January 2023. As mentioned in paragraph 2.4.3 of the original report, this report provides a revised Appendix 1 with the amended figures highlighted in red.
- 1.2 The provisional Local Government Finance Settlement (LGFS) was published on 19 December 2022. Due to the timing of the provisional settlement announcement the draft budget papers were prepared using estimates of government funding based on the intelligence available incorporating the Policy Statement announcement on 12 December.

- 1.3 Attached is a Briefing Note which sets out the differences between the provisional settlement announcement and the draft budget papers (Appendix 2) along with the revised Draft General Fund Budget 2023/24 (Appendix 1) and the draft minutes from the Corporate Scrutiny meeting on 4 January 2023.
- 1.4 Cabinet are asked to consider these documents and make a recommendation to Council on 24 February 2023 for consideration as part of the budget reports.

Policies and other considerations, as appropriate	
Council Priorities:	The budget provides funding for the Council to deliver against all its priorities.
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	The equality impact assessment will be completed for the final budget to be presented to Cabinet.
Customer Impact:	Customers are likely to be impacted by the changes to fees and charges and special expenses precepts set out in this report.
Economic and Social Impact:	The General Fund capital programme allocates £9.6 million to investing in Coalville Regeneration Projects over five years.
Environment and Climate Change:	The draft budget sees substantial new investment of £7.4m in the replacement of council vehicles and reducing our carbon emissions. There is £0.8m investment in bins and recycling containers to increase recycling from households. The Climate Change Programme Manager post has been funded for the next five years from reserves within the draft revenue budget.
Consultation/Community Engagement:	Corporate Scrutiny – 4 January 2023 Cabinet – 10 January 2023 Public consultation 16/01/23 – 27/01/23
Risks:	As part of its Corporate Governance arrangements, the Council must ensure that risk management is considered and satisfactorily covered in any report put before elected Members for a decision or action.
Officer Contact	Glenn Hammons Head of Finance and Section 151 Officer glenn.hammons@nwleicestershire.gov.uk

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL GENERAL FUND SUMMARY BUDGET 2023/24 to 2027/28

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
282,310	Chief Executive	402,500	402,500	331,690	331,690	331,690
724,900	Human Resources	748,750	750,580	752,660	755,150	757,810
1,486,570	Legal & Support Services	1,567,540	1,593,930	1,599,620	1,604,410	1,608,260
2,493,780	Total Chief Executive's Department	2,718,790	2,747,010	2,683,970	2,691,250	2,697,760
347,920	Strategic Director of Place	342,410	342,410	342,410	342,410	342,410
6,776,570	Community Services	6,341,790	5,935,100	5,767,690	5,620,620	5,429,640
1,031,610	Planning & Infrastructure	977,119	1,010,119	1,010,119	1,010,119	1,010,119
893,070	Economic Regeneration	891,210	891,210	891,210	891,210	891,210
12,420	Joint Strategic Planning	9,120	6,500	4,700	2,860	990
9,061,590	Total Director of Services	8,561,649	8,185,339	8,016,129	7,867,219	7,674,369
560,010	Strategic Housing	796,453	796,453	796,453	796,453	796,453
1,199,820	ICT	1,240,780	1,258,280	1,258,280	1,258,280	1,268,280
951,330	Revenues & Benefits	1,033,790	1,041,910	1,062,460	1,083,850	1,106,100
213,930	Property Services	263,260	248,380	250,000	251,650	253,330
898,150	Customer Services	958,570	951,300	952,720	954,170	955,650
1,094,790	Finance	1,244,370	1,112,510	1,114,330	1,115,860	1,117,460
4,918,030	Total Director of Housing & Customer Services	5,537,223	5,408,833	5,434,243	5,460,263	5,497,273
0	Estimated Pay Award and Inflation Contingency	679,545	1,165,945	1,519,421	1,889,327	2,259,142
16,040	Non Distributed - Revenue Expenditure on Surplus Assets	97,140	99,020	100,000	101,000	102,020
70,690	Non Distributed - Retirement Benefits	67,380	69,980	71,330	72,710	74,120
40,750	Corporate & Democratic Core	81,970	81,970	81,970	81,970	81,970
0	Grants rolled in to RSG	90,000	-	-	-	-
16,600,880	NET COST OF SERVICES	17,833,697	17,758,097	17,907,063	18,163,739	18,386,654
(1,684,570)	Net Recharges from General Fund	(1,784,060)	(1,784,060)	(1,784,060)	(1,784,060)	(1,784,060)
14,916,310	NET COST OF SERVICES AFTER RECHARGES	16,049,637	15,974,037	16,123,003	16,379,679	16,602,594
	CORPORATE ITEMS AND FINANCING					
	Corporate Income and Expenditure					
1,762,293	Net Financing Costs	1,478,797	2,641,377	2,641,377	2,641,377	2,641,377
(4,895)	Investment Income	(250,300)	(50,300)	(40,300)	(40,300)	(40,300)
31,741	Localisation of CT Support Grant - Parish & Special Expenses	15,871	0	0	0	0
0	Revenue Contribution to Capital	0	0	0	0	0
16,705,449	NET REVENUE EXPENDITURE	17,294,005	18,565,114	18,724,080	18,980,756	19,203,671
(895,000)	Targeted savings in relation to J2SS	0	0	0	0	0
	Budget Proposals Funded from Reserves - One-Off	(290,195)	(161,905)	(92,590)	(94,100)	(87,795)
1,196,055	Contribution to/(from) Balances/Reserves	0	0	0	0	0
17,006,504	MET FROM GOVT GRANT & COUNCIL TAX	17,003,810	18,403,209	18,631,490	18,886,656	19,115,876
	ANTICIPATED BASELINE FUNDING GAP	- 198,539	1,449,200	2,027,445	2,286,717	3,721,484

2022/23		2023/24	2024/25	2025/26	2026/27	2027/28
Budget £	Service	Indicative £	Indicative £	Indicative £	Indicative £	Indicative £
	Financed By					
2,218,274	New Homes Bonus	1,219,692	1,194,745	-	-	-
153,126	Transfer from/(to) Collection Fund - CT Prev Yrs Surplus/(Deficit)	140,327	-	-	-	-
5,642,435	Council Tax	5,771,361	5,951,887	6,091,161	6,233,694	6,379,562
2,403,617	National Non-Domestic Rates Baseline	2,493,566	2,499,955	2,548,123	2,601,109	2,654,094
6,222,377	Business Rates Retained Growth & Renewables Disregard	6,222,377	6,126,039	2,002,389	2,028,000	2,053,596
0	Business Rates Reserve	-	-	-	-	-
200,977	Lower Tier Services Grant	-	-	-	-	-
165,699	2022/23 Services Grant	93,369	125,383	-	-	-
0	Minimum Funding Guarantee	1,171,479	1,056,000	-	-	-
0	Revenue Support Grant	90,178	-	737,491	717,217	697,289
0	Transitional Relief	-	-	5,224,881	5,019,919	3,609,851
17,006,504	TOTAL FUNDING AVAILABLE	17,202,349	16,954,009	16,604,045	16,599,939	15,394,392

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Briefing Note on Provisional Local Government Finance Settlement 2023/24

Background

The provisional Local Government Finance Settlement (LGFS) was published on 19 December 2022. The settlement was preceded by a Policy Statement on local government finance on 12 December 2022, which included the following:

- Two-year settlement covering 2023/24 (firm) & 2024/25 (indicative).
- Fair Funding Review and Business Rates Reset delayed until 2025/26 (at earliest).
- 3% minimum increase for all councils' Core Spending Power.
- Council tax referendum limits for district councils 2.99% or £5 (whichever is greater).
- New round of New Homes Bonus (NHB) in 2023-24, with potential for further round in 2024-25. No future legacy payments.
- New funding stream: Extended Producer Responsibility for Packaging (pEPR) from 2024/25.

Provisional Settlement – Key Headlines

The key headlines from the provisional LGFS were:

- The total increase to core spending power for district councils will be 5%, assuming all councils raise council tax by the maximum 3% or £5.
- This compares to a 9.2% rise for all English councils and inflation at 10.7%.
- Allocations announced for 2023/24 only. No allocations for 2024/25 however, core settlement is expected to continue in a similar manner to 2023/24.
- Business rates pooling will continue in 2023-24 where requested.

Impact of North West Leicestershire District Council

Due to the timing of the provisional settlement announcement the draft budget papers have been prepared using estimates of government funding based on the intelligence available incorporating the Policy Statement announcement on 12 December.

The table below sets out the differences between the provisional settlement announcement and the draft budget papers.

Govt Funding Allocations 2022/23 £000		Draft Budget Report 2023/24 £000	Provisional LGFS 2023/24 £000	Change Draft Budget to Prov LGFS £000	Change Allocations 2022/23 to Provisional LGFS 2023/24 £000
2,218	New Homes Bonus	1,195	1,220	+ 25	- 998
2,404	Business Rates Baseline	2,404	2,494	+ 90	+ 90
201	Lower Tier Services Grant	0	0	0	- 201

166	Services Grant	125	93	- 32	- 73
0	Revenue Support Grant	0	90	+ 90	+ 90
0	Min Funding Guarantee	1,056	1,171	+ 115	+ 1,171
4,989	Total	4,780	5,068	+ 288	+ 79
0	Grants rolled into RSG	0	-90	- 90	- 90
4,989	Adjusted Total	4,780	4,978	+ 198	- 11

Notes

1. Revenue Support Grant allocation is the transfer of two (previous) specific grants (Family Annexe and Local Council Tax Support) being transferred into mainstream funding.

The table shows:

- The total change in government funding allocations between 2022/23 and 2023/24 is a cash increase of £79k. However, when adjusted for the transfer of £90k from specific grant into general grants funding there is a like for like cash decrease of £11k.
- The total change, on a like for like basis, in funding between the provisional settlement and the estimates in the Draft Budget Reports is an increase of £198k. It should be noted the increase may be required to offset any emerging cost pressures that were not included in the Draft Budget.

MINUTES of a meeting of the CORPORATE SCRUTINY COMMITTEE held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 4 JANUARY 2023

Present: Councillor V Richichi (in the Chair)

Councillors J G Simmons, D Bigby, G Houl, S Sheahan and M B Wyatt

Officers: Mr A Barton, Mr G Hammons, Mrs A Crouch, Miss E Warhurst, Mrs C Hammond, Ms S Thirkettle and Ms R Haynes

67. APOLOGIES FOR ABSENCE

Apologies were received from Councillor N Smith, for whom Councillor D Harrison acted as substitute. Apologies were also received from Councillor A C Saffell.

68. DECLARATION OF INTERESTS

No interests were declared.

69. PUBLIC QUESTION AND ANSWER SESSION

No questions were received.

70. MINUTES

Consideration was given to the minutes of the meeting held on 7 December 2022.

It was moved by Councillor G Houl, seconded by Councillor J Simmons and

RESOLVED THAT:

The minutes of the meeting held on 7 December 2022 be approved as a correct record.

71. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME

Consideration was given to the inclusion of any items on the work programme. The plan of forthcoming Cabinet decisions and the current work programme were set out in the agenda for information.

It was highlighted that there had been a minor typing error in the work programme and that at the March meeting members would be considering the Quarter 3 report, not the Quarter 4 report as stated in the document.

A member enquired whether the item on housing repairs, on which a scoping document had been drafted that evening could be considered at the Committee meeting in March. The Strategic Director stated it would be possible to bring a report to the next meeting, albeit that timescales were challenging.

72. DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY RESERVES

The Interim Head of Finance and S151 Officer presented the report and highlighted the key points. Firstly, it was noted that the Council would be facing significant inflationary pressures and secondly there was a lack of certainty with regard to government funding levels over the medium term within the General Fund.

Officers informed the meeting that business rates growth had benefitted the council in recent years, however that it would not be prudent to continue to rely on this as a source of income due to the potential for changes from the government in the future. It was observed that this year the budget process had been more robust and intense than in previous years.

It was noted that financial strategies and policies were guiding principles and it would be important to follow these, and to use business rates growth for 'one off' funding and capital projects, as opposed to relying on it as a source of income for on-going costs.

With regards to capital strategy, it was observed that the improvements proposed to governance and the management of schemes through their project life cycle were in line with best practice.

With regards to treasury management strategy, it was observed that the improvements proposed would be in line with national guidelines.

In relation to the general fund, it was suggested that the council would need to start planning ahead as the government would be giving consideration to changing how local government would be financed. The earliest any changes would be implemented would be in 2025/26.

The budget key risks were noted, along with specific actions required to mitigate or minimise these risks. Primarily, it was highlighted that the medium term financial plan would need to be implemented.

Officers emphasised the fact that a positive opinion could be provided with regards to the robustness of budget estimates and adequacy of reserves provided that the actions set out in the report were undertaken.

A member expressed concerns that the HRA budget featured reference to taking action to reduce the forecast overspend in 2022/23 and asked what the impact of this would be to tenants and enquired how the council would be making provision for it. It was asserted that there was no clear functional savings plan in place. Concern was voiced that no impact assessment had been carried out and if the potential for negative impact should the scope of repairs be reduced as a consequence.

Officers responded that in terms of setting any budgets for the future it would be important to consider the pressures that the council is experiencing in the current year, and therefore to factor the underlying causes for the overspend in the current year into the budget for the next year. Some of the key reasons for the overspend in the current year were outlined. Officers explained that with both the HRA and the general fund, it would be necessary to minimise the overspend as far as possible, however this would not lead to decisions which would put housing stock or the vulnerable at risk. Members were assured that an impact assessment would be carried out as part of the process of formulating a medium term financial plan, however that this was not a part of the budget which would be considered at the current meeting. It was noted that for the HRA it would be necessary to maximise value for money, in order to reinvest back into the council's housing stock.

A member asked whether the forecast overspend had been factored into the draft budget position or if it was assumed to be reduced/mitigated. Officers advised that there had been an assumption drawn from Quarter 2's overspend which had reduced reserves, however if and when the outturn position improved, this would provide more money for the HRA.

A member enquired if the £1m operating balance which had been retained in reserve would be secure in the future. Officers responded that it is considered good practice to have a minimum level of reserves and following assessments, it was considered that £1m in reserve would be a minimum in order to counter any unforeseen circumstances. The importance of reviewing and monitoring finances to identify and respond to risks was highlighted.

A member expressed concerns that money in excess of £1m would be used for capital spending and repayments and noted that there appeared to be a large increase in the level of borrowing to finance the capital programme and asked if officers were confident that the debt would be serviceable from the HRA. Officers advised that provision had been made for interest costs for borrowing and also that the policy would be to repay the debt by the end of the 30-year business plan and reassured members that the budget would be built on this assumption.

It was asked what the estimates of transitional government funding which had been assumed in the medium term financial plan were based on and how confident officers were on the reliability of these estimates. Officers advised that the further the council looks into the future, the more uncertain the funding becomes, however members were advised that the council employs expertise from Pixel Financial Management who specialise in local government funding formulae. Officers explained to the meeting that Pixel's modelling is utilised in order to identify the level of potential transitional support. It was noted that the government hadn't announced that the business rates reset would happen or whether there would be transitional relief. However based on previous changes to local government funding formulae, there had been some sort of transition funding available to the councils most likely to be affected. A member asked why the predicted amount of transitional relief would be markedly higher in this budget than it had been in previous ones. Officers advised that by using Pixel's latest knowledge, their expertise had been utilised to build into funding forecasts going forwards.

A member stated that they welcomed the introduction of finance specific quarterly reports which would go to Cabinet and enquired why the new finance system had not been fully implemented and if it would be operational by the end of this financial year. Officers replied that work had been actively ongoing with the new system and offered their assurances that it would be going live on 1 April 2023.

A member asked for clarification on the new capital strategy group mentioned in the report and the structure that this would take. Officers advised that this would be an officer group with representations from a number of disciplines across the council, for example Finance, Housing and Legal and would essentially be a group to help develop capital schemes in the early stages of their conception, prior to being considered by Cabinet and Council in accordance with the Constitution.

RESOLVED THAT:

Corporate Scrutiny Committee provide comments on the Draft Robustness of Budget Estimates and Adequacy of Reserves (Appendix A) for consideration by Cabinet on 10 January 2023.

73. DRAFT CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS

The Finance Team Manager presented the report and outlined the proposed updates for these core financial strategies which would go out for consultation along with the draft general fund and Housing Revenue Account budgets. It was noted that the two main changes were firstly the improvement of governance and the process to the managing

scheme through their project lifecycle, the second change being how the general fund capital programme would be financed.

A member asked if the changes to the MRP had had any significant impact on budgets and was advised that this would have an impact in the future. Members commended officers for taking decisive action with regard to capital funding.

RESOLVED THAT:

Corporate Scrutiny Committee provide comments on the Draft Capital Strategy, Treasury Management Strategy and Prudential Indicators (Appendix A) for consideration by Cabinet on 10 January.

74. DRAFT GENERAL FUND BUDGET AND COUNCIL TAX 2023/24

The Interim Head of Finance presented the report and wished to draw members attention to the additional paper distributed prior to the meeting. It was reiterated that the council had been subject to inflationary pressures, which had caused a significant increase. The number of efficiencies to be adopted and increases in fees and charges were noted, and it was observed that government funding to local authorities had not increased in line with inflation.

A member noted that the budget seemed to be 'cautious' and enquired whether an assessment had been undertaken as to what level of resource would be required for a more, or increased level of, proactive enforcement for example with regards to planning, antisocial behaviour and housing and expressed a wish to propose that Cabinet take into account the need for more proactive enforcement. Officers advised it would be necessary to confer with the relevant head of service in order to offer clarification and offered to do so. Officers wished to draw members' attention to the Task and Finish group around fuel poverty and advised that findings from the group would be presented to Cabinet and would contain proposals around additions to the enforcement team but that this would not be revenue funded.

A member wished to formally express the proposal that Cabinet be requested to assess what is required to deliver a full spectrum, proactive enforcement service and set out a plan to address any shortfall in staffing levels. Officers assured members that any comments made would be taken forward to Cabinet in the form of the minutes, for Cabinet to give full consideration to.

A member enquired whether it was correct that the full cost of rolling out a food waste collection scheme would be paid for by the government and if so, had this been included in the budget. Officers responded that the council was awaiting further information from the government prior to moving this forward and would not be able to include this until the promised funding be received. Officers informed the meeting that Cabinet and Community Scrutiny had been involved in the consideration food waste collection and had decided to await the government funding coming forward, and whilst the government had 'reconfirmed' that this funding would be made available no detail had been provided to date.

A member enquired how it had been proposed to make savings to the community services budget and if these cuts would lead to a reduction in services. Officers responded that the primary reason had been the income generated from the new leisure centre so it had been attributable to an increase in income as opposed to a cut in service.

A member noted that the Property Services budget had been increased by around £800,000 and questioned why such a large increase would be occurring. Officers offered

to respond to this following the meeting, as it had not been immediately apparent at first glance.

A member noted that the Coalville Regeneration Programme featured work associated with a Coalville railway station and expressed a wish to see similar works carried out at Ashby de la Zouch and at other locations throughout the district. Concerns were also raised at the marked increase in the cost of using public conveniences in Ashby de la Zouch, but officers confirmed that these increased costs had been in line with inflation.

Members asked how much income would have been generated had there not been a freeze on council tax, and officers advised that this is something which would have to be worked out and brought back to members, however it was noted that this freeze had created some element of income which would have been foregone if the council tax had increased.

A member enquired where the receipt for the sale of the council offices and the car park appeared in the budget and if it had been included as capital receipt. Officers advised that it had not been factored in at present and offered clarification around the separate issues of the business case for the accommodation changes and plans for the future site, and what the future income stream might be.

RESOLVED THAT:

Corporate Scrutiny Committee provide comments on the Draft General Fund Budget and Council Tax 2023/24 (Appendix 1) for consideration by Cabinet on 10 January 2023.

75. DRAFT HOUSING REVENUE ACCOUNT BUDGET AND RENTS 2023/24

The Interim Head of Finance and S151 Officer presented the report and outlined that inflationary pressures had been a major strain which the HRA had seen. There had been a proposal to increase rents which would generate an extra £1.5m but this increase would be under the rate of inflation which the country is currently experiencing. It was noted that the affordable rent homes would continue to be capped at the relevant local housing allowance level.

A member requested clarification on the large investment proposed to restructure the asset management team and asked for more information on exactly what the £350,000 would be spent on. Officers advised that this was still in process but would primarily be staff focussed and at the time of the meeting was dependant on various factors such as staff changes, which could be discussed outside of the public meeting.

A member expressed disappointment at the reduction in the zero-carbon budget and asked whether the council would be able to reach the zero carbon goals given this cut. The question as to why there had been such a considerable reduction in government funding towards the zero-carbon budget was also raised. Officers explained that there had been a combination of things happening, for example awaiting government grants for which applications had been made to inflate the programme back to its former state. In terms of a future approach, it was recommended that the council take a more conservative estimate of what government may fund in future and that this had been factored in.

A member enquired about the obligations of the council around new tenancies and EPC and existing tenancies and EPC and was advised that the whole programme was geared towards achieving this target and was assured that 2025 and 2028 targets would be met.

A member raised concerns regarding the new build programme and requested figures around what was expected to be achieved. Officers responded that these figures would be included as part of quarterly monitoring so would be available shortly and assured members that three major sites were being actively pursued.

RESOLVED THAT:

Corporate Scrutiny Committee provide comments on the Draft General Fund Budget and Council Tax 2023/24 (Appendix 1) for consideration by Cabinet on 10 January 2023.

The meeting commenced at 6.00 pm

The Chairman closed the meeting at 8.00 pm