

Meeting	<b>CABINET</b>
Time/Day/Date	5.00 pm on Tuesday, 11 December 2018
Location	Board Room, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

## AGENDA

Item	Pages
<b>1. APOLOGIES FOR ABSENCE</b>	
<b>2. DECLARATION OF INTERESTS</b>	
Under the Code of Conduct members are reminded that in declaring disclosable interests you should make clear the nature of that interest and whether it is pecuniary or non-pecuniary.	
<b>3. PUBLIC QUESTION AND ANSWER SESSION</b>	
<b>4. MINUTES</b>	
Minutes of the meeting held on 14 November 2018.	<b>3 - 6</b>
<b>5. GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2019/20</b>	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>7 - 20</b>
<b>6. HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2019/20</b>	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>21 - 32</b>
<b>7. 2019/20 - 2023/24 DRAFT CAPITAL PROGRAMMES</b>	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>33 - 50</b>
<b>8. 2019 - 2024 MEDIUM TERM FINANCIAL STRATEGY</b>	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>51 - 78</b>

<b>9.</b>	<b>RESPONSE OF NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL TO THE CONSULTATION IN RESPECT OF THE HS2 PHASE 2B WORKING DRAFT ENVIRONMENTAL STATEMENT</b>	
	Report of the Strategic Director of Place Presented by the Regeneration and Planning Portfolio Holder	<b>79 - 102</b>
<b>10.</b>	<b>COUNCIL TAX CHANGES</b>	
	Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>103 - 128</b>
<b>11.</b>	<b>PEOPLE PLAN</b>	
	Report of the Chief Executive Presented by the Leader	<b>129 - 148</b>
<b>12.</b>	<b>2018/19 QUARTER 2 PERFORMANCE MANAGEMENT REPORT</b>	
	Report of the Chief Executive Presented by the Leader	<b>149 - 222</b>
<b>13.</b>	<b>FORMER TENANT RENT ARREARS, CURRENT TENANT RENT ARREARS, COUNCIL TAX, NON DOMESTIC RATES AND SUNDRY DEBTOR WRITE OFFS</b>	
	Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	<b>223 - 228</b>

Circulation:

Councillor R D Bayliss  
Councillor R Blunt (Chairman)  
Councillor T Gillard  
Councillor T J Pendleton  
Councillor N J Rushton  
Councillor A V Smith MBE

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on WEDNESDAY, 14 NOVEMBER 2018

Present: Councillor R Blunt (Chairman)

Councillors R D Bayliss, T Gillard, T J Pendleton, N J Rushton and A V Smith MBE

In Attendance: Councillors J Clarke, J Geary and G Houlton

Officers: Mr J Arnold, Mrs T Bingham, Mr G Jones, Mr T Shardlow, Mrs B Smith and Miss E Warhurst

**45. APOLOGIES FOR ABSENCE**

There were no apologies.

**46. DECLARATION OF INTERESTS**

There were no interests declared.

**47. PUBLIC QUESTION AND ANSWER SESSION**

There were no questions received.

**48. MINUTES**

Consideration was given to the minutes of the meeting held on 9 October 2018.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The minutes of the meeting held on 9 October 2018 be approved and signed by the Chairman as a correct record.

**Reason for decision:** To comply with the Constitution.

**49. CUSTOMER EXPERIENCE STRATEGY**

The Leader presented the report to Members.

He reminded Cabinet that the Council had made a commitment in the current Council Priorities to establish a Customer First Programme, as there had been an uneven culture of customer service across the authority. He advised that the result was different levels of service across the Council. The corporate customer service team were receiving several hundred thousand contacts per annum with many customers having long wait times or failed calls.

He informed Members that the service was now improving, and following the appointment of the new Head of Customer Services, a 'Customer Experience Strategy' had been produced which outlined the scope and ambition of the work required to deliver against the customer first commitment. He highlighted that the strategy would provide a clear vision for all officers, members, partners and customers around how the Council will interact with its customers and that it would embrace technological opportunities, new working practices and changing customer expectations. He outlined the six themes and principles in the strategy as detailed in the report.

Councillor A V Smith acknowledged the excellent progress with the work so far and that the website was working well.

Councillor R D Bayliss advised that the tenants' forum worked well for the housing service in obtaining customer feedback which had helped to shape policies.

The Leader invited the Head of Customer Services to join the meeting and provide Members with further background and information on the work required.

The Head of Customer Services advised Members that when he first arrived some service areas were performing better than others and that some customers were waiting up to 10-15 minutes for calls to be answered and up to 1 in 3 calls were abandoned. He stated that work in front of them would require officers to look at how the information was being presented to customers and then tailoring each service to meet their needs.

In response to questions from Councillor N J Rushton, the Head of Customer Services advised that the digital transformation team were working with other authorities to look at how they connect with their residents. They would then be looking at tailoring the proposals in the Strategy to meet the needs of the residents of North West and that the strategy would be an ongoing piece of work that would need to be reviewed after 2 years to then look at the next 3 years.

Councillor R Blunt felt that the three things that annoyed customers the most needed to be identified and a process to deal with the issues prepared.

The Leader requested that quarterly reports be brought to Cabinet on the progress of the strategy and how each service area is changing its approach to customer service.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The delivery of the strategy to transform the customer experience of NWLDC customers be approved.

**Reason for decision:** To mobilise a programme that delivers against the themes and principles of the Customer Experience Strategy to improve the customer experience.

## 50. DISPOSAL OF PROPERTY - CONFIRMATION OF URGENT ACTION

The Housing Portfolio Holder presented the report to Members.

He reminded Members that they had previously considered the disposal of the property in September, however, prior to the exchange of contracts, the original purchaser reduced their offer significantly and the decision was made to re-advertise the property. He advised that a new offer was received which was considered reasonable, and Cabinet was being asked to confirm the action that had been taken.

It was moved by Councillor R D Bayliss, seconded by Councillor N Rushton and

RESOLVED THAT:

The decision of the Strategic Director of Housing and Customer Services (acting as Chief Executive) and the Leader of the Council to accept an offer of £65,000 for the freehold sale of 58 Ramscliffe Avenue, Donisthorpe be confirmed.

**Reason for decision:** The proposal to dispose of the property was in accordance with the HRA Disposal Policy, which was approved by Cabinet on 3 March 2015, to generate a capital receipt to meet the needs of the HRA Business Plan.

## 51. MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY

The Community Services Portfolio Holder presented the report to Members.

She noted the excellent work of the working party and the events that had been held in the summer that had been well attended. She supported the work that had already begun in relation to the options for Christmas lights when considering the new contract in 2020. She stated that she was pleased to see that the working party recommended that the full traffic management plan be commissioned to further explore the suitability of hosting events along the high street. She recognised the excellent commemorative artwork that had been installed at Memorial Square, and that both the work to the floodlights at the Owen Street Recreation Ground and the play equipment at the Coalville Forest Adventure Park had been completed.

Councillor A V Smith was pleased to advise Members that the Fields in Trust status had now been granted for Coalville Park and that she supported that both Councillors J Legrys and J Cotterill be appointed as representatives on the Coalville Park Community Group. She also informed Members that the MUGA had been removed from Lillehammer Drive and future landscaping options were being considered.

Councillor T Gillard congratulated all staff that had been involved in the organisation of the Remembrance Day parade as the event had gone very well.

In response to a question from Councillor T J Pendleton, Councillor A V Smith stated that she did not have the information to hand in relation to the future use of the former MUGA site but would find out and respond to him.

It was moved by Councillor A V Smith, seconded by Councillor T Gillard and

RESOLVED THAT:

The recommendations made by the Coalville Special Expenses Working Party as detailed within the minutes be noted and the recommendations as summarised at 3.0 be approved.

**Reason for decision:** To progress Coalville Special Expenses projects and programmes.

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.27 pm

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 11 DECEMBER 2018**

Title of report	<b>GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2019/20</b>
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Strategic Director of Housing and Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Finance S151 Officer 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	For Cabinet to approve 2019/20 General Fund and Special Expenses revenue budget proposals for consultation.
Reason for Decision	Required to complete 2019/20 budget process.
Council Priorities	The budget assists the Council to achieve all its priorities.
Implications:	
Financial/Staff	As contained in the report.
Link to relevant CAT	The budget is relevant to all Corporate Action Teams (CATs).
Risk Management	The budget will be monitored throughout the year to ensure savings are achieved and services delivered as planned.
Equalities Impact Screening	The requirement for equalities impact screening and assessments is being assessed during the consultations and details if required will be provided as part of the management responses.
Human Rights	None identified.
Transformational Government	Not applicable
Comments of Deputy Head of Paid Service	Report is satisfactory

Comments of Section 151 Officer	As report author the report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team 21 November 2018 Strategy Group 27 November 2018
Background papers	None.
Recommendations	<p><b>CABINET IS RECOMMENDED TO :</b></p> <p><b>1. AGREE THE 2019/20 BUDGET PROPOSALS FOR STATUTORY CONSULTATION; AND</b></p> <p><b>2. THAT THE ASSURANCE STATEMENT BY THE S151 OFFICER BE NOTED</b></p>

## 1.0 INTRODUCTION

- 1.1 This report seeks Cabinet approval to consult on the draft General Fund and Special Expenses budget proposals for 2019/20, with the outcome of this consultation exercise being fed back into the subsequent reports to Cabinet and Council to seek approval for the final budget in February 2019.
- 1.2 Draft proposals for consultation have been prepared based on budget holders own projections in respect of expenditure budgets and locally generated income forecasts.
- 1.3 The Council's funding has been forecast in the context of the continuation of the Governments four year settlement in respect of funding. The draft budget position for 2019/20 therefore reflects current understanding in respect of Revenue Support Grant (RSG), New Homes Bonus and the level of business rates retained as part of the 4 year settlement offered by Central Government for the period 2016/17 to 2019/20. The Government is expected to announce the Provisional Local Government Finance Settlement around 6 December 2018, and refined estimates will be presented to Cabinet and Council as part of the final approval budget process on 5 and 28 February 2019 respectively.
- 1.4 Building on the new Finance Business Partnering service delivery of the Finance service, the approach to developing expenditure and locally generated income budgets has included a greater level of engagement with budget holders and a focus on more sophisticated estimates taken in order to reduce variance between budgeted and outturn position. This new approach has also projected the revenue position for 2020/21 to 2023/24 for indicative purposes only and for informing the review of the projections of the council's Medium Term Financial Strategy.
- 1.5 Members will be aware that the decision to outsource the Council's Hermitage and Hood Park leisure centre facilities and creation of a new £20m facility and subsequent closure of the Hermitage centre was approved by Council on 21 November 2017. The planned



outsourcing date is 1 May 2019. Based on this, forecasts in relation to the cost of the leisure centres has been based on the anticipated revenue costs associated with running the leisure centres until transfer date, the ongoing costs likely to be incurred post outsourcing date (but that will cease later in the year or in the following year), and the anticipated reduction in corporate support overheads that will be achieved by reviewing the council's internal support functions. In addition, early indication via the bidding process to secure an operator have identified that the council will likely be required to make a management fee payment to the operator in the early years of the contract before the arrangement transfers to one which the council benefits from a payment from the operator for the remainder of the contract. The anticipated level of management fee payable to the operator has therefore be included in the draft budgeted position and will be revised as part of the final budget following selection of an approved bidder.

- 1.6 Under the existing 50% Business Rates retention system, the level of business rates to be retained by the Council is not ultimately confirmed until after the end of the financial year when the actual level of Business Rates is reported. This means that the Council is not able to accurately predict local business rates income until after the budget has been approved by Cabinet and Council in February. However, work to determine this figure will inform the budget presented and approved.
- 1.7 Furthermore, the Council, along with all counterparties in respect of Business Rates in Leicester and Leicestershire, entered a bid to undertake in a 1 year pilot of 100% business rate retention. If successful, financial modelling undertaken by the Leicestershire Treasurer's Association (LTA) indicates that around £13.8m could be retained and shared across Leicestershire to be invested in infrastructure and housing growth, town centre enhancements and financial sustainability. The outcome of the process will be announced as part of the Draft Local Government Finance Settlement on 6 December. If we are successful, the financial implications (which are favourable to the Council) will be detailed in the final budget report.
- 1.8 The Councils General Fund financial position is broadly made up of two elements:
  - 1.8.1 Net revenue expenditure - this includes all expenditure incurred net of income generated through fees and charges and other income (including additional grants authorities apply for, which are not part of central government funding) and financing costs, broadly made up of investment income, interest charged in respect of loans and the minimum revenue provision charge made in respect of unsupported borrowing to fund capital expenditure; and
  - 1.8.2 Funding - The main sources of funding available to finance revenue expenditure which include locally retained Business Rates, Council Tax, New Homes Bonus and Revenue Support Grant.
- 1.9 The report presents changes as per above.
- 1.10 The approved 2019/20 budget will undergo regular monitoring and scrutiny during the financial year through quarterly performance monitoring and finance clinics, so that when they arise any variances can be identified at an early stage and remedial action taken to deal with them where necessary.

## **2.0 GENERAL FUND 2018/19 – PROJECTED OUTTURN**

- 2.1 The second quarter Performance Report is due to be considered by Cabinet at this meeting and presents outturn projections for the current year. A surplus of £720k is forecast compared to the original budget of £299k. A number of favourable movements have contributed to this position including an increase in the anticipated level of business rates (£96k) and salary savings. Full details of the main variances to Quarter 2 can be found in the Quarter 2 Performance Management Report on the same agenda as this report. A full update in respect of further variances will be presented as part of the forthcoming Quarter 3 report due to be presented in March 2019.
- 2.2 As part of the setting of the annual budget on 27 February 2018, the council committed to transferring the surplus income over expenditure in 2018/19 to the Self-Sufficiency reserve. The Self-Sufficiency Reserve remains at £2.76m and there has been no expenditure against the reserve since it was created. As part of the Journey to Self-Sufficiency Programme and development of the council's Commercial Strategy, members will be presented with proposals to utilise this fund for investing in income generating opportunities or delivering savings.
- 2.3 The forecast outturn position presented as part of Appendix B is based on the forecast outturn at period 7.

## **3.0 2019/20 NET REVENUE EXPENDITURE PROPOSALS**

- 3.1 For 2019/20, there has been an increase in net revenue expenditure of £195k. The main reasons for this increase are a combination of factors made up of a number of budgetary pressures (increased expenditure or reduced income) and savings (increased income or reduced expenditure).
- 3.2 Budget proposals presented in this report have been considered and approved by the Corporate Leadership Team and are categorised as either:
- 3.2.1 Savings Challenge - Savings put forward as part of an organisational wide savings challenge to achieve savings of 2.5% (or £300k) in the net cost of delivering each service, including the net position of changes under the de-minimums level of £5k. In total, the budget holders put forward proposals with a combined value of £230k saving. De-minimums budget movements across the General Fund which totalled a saving of £285k, taking the total reduction in the net cost of service of £515k.
- 3.2.2 Staffing increases - which include the cost of the pay award, pension increases and incremental salary progression for 2019/20. The additional cost in 2019/20 of staffing is £351k.
- 3.2.3 Cost Pressure - Proposed additional budget provision to cover unavoidable cost pressures. The total of these is £261k and more detail is included in paragraphs 3.4 to 3.9 below.
- 3.2.4 Service Development - Proposed additional budget provision to cover enhancement of the service. The total value of service development proposals is £222k. Details of these proposals are covered in paragraphs 3.10 to 3.218 below.

3.2.5 Leisure Outsourcing – The anticipated net change in budgetary provision for the leisure centres and new outsourced service for 2019/20. This has been estimated as a net saving of £25k for 2019/20 based on the saving of the council not providing the service from May 2019 and an assumption that the Council is required to make a management fee payment to the operator in the early years of the contract before the arrangement transfers to one which the council benefits from a payment from the operator for the remainder of the contract.

3.2.6 Reduction in Corporate Overheads – The anticipated net reduction in corporate overheads for 2019/20 as a result of the outsourcing in the council's leisure centres. This currently stands at £100k and further work is being undertaken to achieve the full target of £200k.

3.3 A full breakdown of proposals as outlined above can be found in Appendix A.

### **Cost Pressures**

3.4 The Council's Waste Service requires an additional £175k to cover the anticipated cost of employing additional staff (£51k), the cost of additional fuel and an allowance to cover fuel increases (£33k), recycling containers (£30k) and additional vehicle costs (£61k) due to the need to extend rounds to service the growing district.

3.5 An increase of £24k to cover the cost of maintaining the council's firewall system and telephony platform is sought. These two system provide critical functions for the council in protecting its systems and data and providing a communication telephony network.

3.6 There is an anticipated increase of £13k based on the net position of various benefits related expenditure (Rent Rebates, Bed and Breakfast and Rent Allowances) and the net forecast funding due from the DWP.

3.7 There is additional budgetary provision requested for the Grounds maintenance team to cover the business rates payable for the parks depot (£13k) and to maintain mowing equipment (£12k).

3.8 The council will see an increase in its net financing costs for 2019/20 as a result of an increase in value of its Capital Programme for 2019/20 (total programme of £14.897m) compared to 2018/19 (forecast programme of £6.66m). The major reason for the increase is due to the assumed expenditure of £12.3m on the new leisure facility. Any capital items funded by 'unsupported borrowing' will incur a minimum revenue provision (MRP) charge where funds are to be set aside from revenue in line with statutory provisions. The increase in net financing costs for the 2019/20 year is £9k. The Section 151 Officer is currently reviewing the MRP policy to ascertain to ensure compliance with the Prudential Code and statute provisions. An update in respect of any revisions to the policy and the financial impact on the General Fund will be provided as part of the final budget in February 2019.

3.9 Finally, other cost pressures presented for approval include an increase in costs of £9.3k to cover the expected reduction in recharges from the HRA and from registered social landlords for advertising properties to let (£9.3k), an increase in the cost of facilitating the annual external audit for Revenues and Benefits (£5k).

## **Service Developments**

- 3.10 A proposal for £100k additional budgetary provision for the next 3 financial years to cover the cost of engaging specialist support to assist the council in minimising the disbenefit and maximising the opportunities that arise from the proposed HS2 which will run through the district.
- 3.11 A provision of £50k is sought to cover the cost in 2019/20 of developing the council's extended and corporate leadership teams via a programme of specific external training in line with the People Plan.
- 3.12 It is proposed that a one off provision of £28k is approved to cover the cost of purchasing ICT hardware equipment for the council's members. The cost is net of the anticipated reduction in postage and printing of meeting agenda packs.
- 3.13 Funding of £26k to cover the cost of a new 'Recycle More' officer is sought. The Recycling Strategy, due to be presented to members in due course will make this recommendation. It is proposed that funding is approved subject to the future consideration of the strategy by Cabinet and CLT approval of the post.
- 3.14 A budget of £12k is proposed to cover the contribution to the Ashby Town Centre Manager post.
- 3.15 A provision of £10k is requested by the Waste team to cover the cost of an alternative recycling container pilot. The alternative containers trialled will be an all-in-one system and the impact on recycling rates used to determine whether the containers should be rolled out across the district and replace the current container systems.
- 3.16 A budget of £10k is requested to cover the Project Management fees anticipated as part of developing the shared service or Local Authority trading company arrangements for Building Control.
- 3.17 Waste services propose £12k for 2019/20 to cover the vehicle costs associated with the creation of a Commercial Street Cleansing Team. This team will provide services to the Housing department (at a salary cost of £63k) but will earn £70k from the Housing contract and are targeted to earn a further £30k through other new businesses.
- 3.18 Finally, other service developments include £6.6k to cover the cost of employing an apprentice within the ICT team (net of other staffing savings) and an additional £5k contribution to Citizens Advice, taking the annual contribution across the council from £65k per annum to £70k. This increase in grant to Citizens Advice is the first in a number of years and will assist the charity to provide an increased level of support and advice to local residents which will in turn improve the collection of council tax and council rent. An updated service level agreement will track and monitor progress.

## **4.0 2019/20 FUNDING**

- 4.1 The provisional local government finance settlement is due to be announced on 6 December 2018 and will confirm the level New Homes Bonus, Revenue Support Grant, the tariff and levy charges against business rates to be retained by the Council, and the

outcome of the Leicestershire-wide bid to become a Business Rate pilot. Estimates below are therefore based on the 4 year settlement and other assumptions as detailed below.

- 4.2 The Council will receive nil Revenue Support Grant in 2019/20 as per the 4 year settlement.
- 4.3 For 2019/20 there is an estimated increase in total funding of £659k, subject to the local government finance settlement and further work required in respect of council tax and business rates estimates.
- 4.4 Under the existing 50% Business Rates retention system, the level of business rates to be retained by the Council is not ultimately confirmed until after the end of the financial year when the actual level of Business Rates is reported. This means that the Council is not able to accurately predict the actual level of business rates likely to be collected during the following year until after the final budget has been approved at Council in February. Forecast Business Rates income for 2019/20 has been estimated based on the period 7 performance of Business Rates plus assumptions around the anticipated level of growth in the district in 2019/20 based on an assessment of commercial developments underway. The Council will submit its final projections of Business Rates for 2019/20 to the Government by the end of January 2019 and this information will be used to determine the final budget position for 2019/20 which will be presented in the final budget in February 2019.
- 4.5 The Council is not planning to increase the District's share of the Council Tax in 2019/20. This will be the tenth year without an increase. The net income foregone by not increasing council tax for 2019/20 from its 2018/19 level is £166k. The cumulative loss of income as a result of this policy from 2010/11 to 2019/20 will be £8.5m and the cumulative average saving to residents of £286 over the ten years. The draft budgeted level of Council tax income has been assessed on the likely level council tax base, level of further anticipated housing growth in 2019/20 and a non-collection rate of 2%. This has resulted in an increase of £86k, from £5.21m for the 2018/19 year to £5.3m for the 2019/20 year. The Council Tax Base for 2019/20 is due to be approved by members at its Cabinet meeting in January. Therefore, as is the case with Business Rates, the final Council Tax budget will be confirmed in the final budget presented to Council in February 2019.
- 4.6 The Council Tax Collection Fund is monitored throughout the year and the forecast income will be available from the fund towards next year's budget. The budget for 2018/19 has reduced by £225k from £289k to £63k. This step-change in anticipated Collection Fund surplus is as a result of the council more accurately predicting its housing growth in year which has reduced the effect of a surplus received a year in arrears. As above, this position will be finalised as part of the final budget.
- 4.7 The level of New Homes Bonus for next year is determined by the Council Tax Base report (CTB1) which was completed and returned to Central Government in October. In the Government's September 2018 consultation on the Draft Local Government Finance Settlement, it was stated that 2019/20 represented the final year of New Homes Bonus funding agreed through the 2015 Spending Review. The Government also announced that it may increase the national baseline for housing growth of 0.4% of council tax base (weighted by band), below which the Bonus will not be paid. As a result, it has been assumed that the baseline will be increased to 0.6% for 2019/20. Based on this and the increase in the council's council tax base between October 2017 and October 2018 it is

anticipated that the council will receive an additional £91k in New Homes Bonus funding in 2019/20 compared to 2018/19.

## **5.0 2019/20 DRAFT BUDGET POSITION**

- 5.1 Given the proposals in respect of net revenue expenditure and funding forecasts as detailed above, the predicted surplus and contribution to General Fund reserves for 2019/20 is £762k. Subject to 2018/19 outturn this surplus position will take the Self-Sufficiency Reserve from an estimated £3.48m at 31 March 2019 (as per paragraph 2.1), to £4.242m at 31 March 2020, assuming there is no spend against this reserve.
- 5.2 The draft Budget Summary for 2019/20 can be found in Appendix B.

## **6.0 SPECIAL EXPENSES**

- 6.1 The forecast outturn for 2018/19 Special Expenses forecast outturn remains at £527k net expenditure as per the approved budget.
- 6.3 Until such time that the Council Tax Base is approved by Cabinet in January, the estimated position of Special Expenses balances cannot be detailed. This information will be presented as part of the final budget report approved by members in February 2018.

## **7.0 MEDIUM TERM FINANCIAL STRATEGY**

- 7.1 The Council's Medium Term Financial Strategy 2018 – 2023 was approved by Cabinet in February 2018. At that time, the projected deficit on the General Fund arising over the 5 year period was £5.4m. Following the review in July 2018, this deficit reduced to £4.6m.
- 7.2 Given the expenditure proposals and assumptions around funding presented as part of this report, the forecast deficit between 2019 – 2024 is now £3.98m. As detailed in paragraph 5.1 above, the Self-Sufficiency reserve is forecast to stand at £4.242 as at March 2020.
- 7.3 Full details of the full assumptions used to determine this forecast can be found in the Medium Term Financial Strategy report on the same agenda as this report.

## **8.0 CONSULTATION**

- 8.1 The Council will undertake a consultation on the Council's proposed budget provision and its proposed Council Tax freeze for 2019/20. Consultation is required with the business community, through the North West Leicestershire Chamber of Commerce, in compliance with the Non-Domestic Ratepayers (Consultation) Regulations 1992. There will also be consultation with Staff, Unions and Town and Parish Councils.
- 8.2 The Policy Development Group will be asked for its comments on the specific budget proposals during the consultation period at its next meeting on 9 January 2019.
- 8.3 Cabinet will receive details of the consultations at its meeting on 5 February 2019 where it will make its final budget recommendations for approval by Council on 26 February 2019.

## **9.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

- 9.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.
- 9.2 The Section 151 Officer considers that the estimates which form the draft General Fund budget are robust and prudent, and the proposals are deliverable for 2019/20.
- 9.3 The Section 151 Officer also considers that the overall level of General Fund reserves is adequate for 2019/20.
- 9.4 The Section 151 Officer notes the business, housing and population growth in the district and the need for the future increased expenditure arising from future growth to be funded.
- 9.5 By 2020, all local authorities will have faced a reduction to core funding from the Government and the Section 151 Officer is closely monitoring the progress of the Fair Funding Review, the government's departmental Spending Review and the redesign of the national Business Rate Retention System. The council's current projections within the Medium Term Financial Strategy (MTFS) make prudent and robust assumptions around the likely level of future funding in light of these government-led reviews.
- 9.6 The updated MTFS presents a total deficit between 2019/20 and 2023/24 of £3.98m. By March 2020, the council's Self-Sufficiency reserve is forecast to stand at £4.242, subject to funding future commercial initiatives presented to Cabinet for approval.
- 9.7 The MTFS will be reviewed in July 2019 and reported to Cabinet, by which time we will have further clarity surrounding the likely funding position from 2020 and will be able to present further recommendations to safeguard the council's future financial position on an ongoing basis.

## Appendix A

### Budget Proposals

#### Proposals to cover cost pressures

Proposal Title	Amount	One-off / Ongoing
Waste Services - Extension of Rounds Vehicle Costs	£60,800	Ongoing
Waste Services - Extension of Rounds Staffing Costs	£51,200	Ongoing
Waste Fuel increase and additional mileage	£33,140	Ongoing
Recycling containers	£30,000	Ongoing
Firewall Support and Maintenance and SIP Telephony Platform Maintenance	£23,550	Ongoing
Benefits expenditure	£13,300	One-off
Grounds Maintenance - NDR	£13,000	Ongoing
Grounds Maintenance - Ride on Mower	£12,300	Ongoing
Net Financing Costs	£9,418	Ongoing
Choice Based Lettings Advertising fees	£9,300	On-going
Revenues and Benefits External Audit Fees	£5,130	One-off
<b>TOTAL</b>	<b>£261,138</b>	



## Service Developments Proposals

Proposal Title	Amount	One-off / Ongoing
HS2 Consultancy	£100,000	3 years
CLT/ELT Training	£50,000	On-off
ICT Equipment for Members	£27,910	One-off
Recycle More Officer	£26,060	Ongoing
Ashby Town Centre Manager	£12,000	One-off
Commercial Street Cleansing Team - One year start up costs	£11,880	One off
Alternative Recycling container pilot scheme	£10,000	One off
Building Control non-fee earning - Project Management	£10,000	One-off
ICT Apprenticeship (18m)	£6,660	One-off
CAB Grant increase	£5,000	Ongoing
Commercial Street Cleansing Team - Ongoing revenue income (net of expenditure)	-£37,410	Ongoing
<b>TOTAL</b>	<b>£222,100</b>	

## Other Changes affecting the Net Cost of Services

Savings in 2019/20 in corporate support as a result of outsourcing of leisure centres	-£100,132	Ongoing
Staffing increases as a result of incremental increases, pay award, pension increases and the cost of posts approved but not included in establishment staffing costs in 2018/19	£351,470	Ongoing
De-minimus budgetary changes (changes below £5k)	-£285,352	Ongoing
Savings Challenge	-£229,538	Ongoing
Leisure Year 1 savings (based on the council no longer providing the service from 1 May 2019 and the anticipated level of management fee payable to the successful bidder).	-£ 24,520	Ongoing
<b>TOTAL</b>	<b>-£-288,072</b>	

## Funding Changes

<b>Proposal Title</b>	<b>Amount</b>	<b>Movement</b>	<b>One-off / Ongoing</b>
<b>Reduction in Revenue Support Grant</b>	£235,000	Funding reduction	
<b>Reduction in forecast Collection Fund Surplus</b>	£225,500	Funding reduction	Ongoing
<b>Council Tax Growth as a result of growth in homes</b>	-£85,585	Increased funding	Ongoing
<b>New Homes Bonus growth as a result of growth in homes in District</b>	-£91,000	Increased funding	Ongoing
<b>Additional Business Rates funding as a result of increase in rates and anticipated business growth</b>	-£943,000	Increased funding	Ongoing
<b>TOTAL</b>	<b>-£659,085</b>		

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL SUMMARY BUDGET 2019/20**

2018/19	2018/19		2019/20	2020/21	2021/2022	2022/23	2023/24
Budget	Forecast	Service	Budget	Indicative	Indicative	Indicative	Indicative
£	Outturn		£	£	£	£	£
@P7	£						
287,370	285,490	Chief Executive	285,300	291,820	298,770	306,150	313,190
527,000	535,430	Human Resources	664,460	642,260	627,030	640,770	654,670
1,309,030	1,220,960	Legal & Support Services	1,373,100	1,369,790	1,404,660	1,439,050	1,476,500
<b>2,123,400</b>	<b>2,041,880</b>	<b>Total Chief Executive's Department</b>	<b>2,322,860</b>	<b>2,303,870</b>	<b>2,330,460</b>	<b>2,385,970</b>	<b>2,444,360</b>
341,360	279,968	Strategic Director of Place	349,260	358,580	368,480	378,640	388,700
5,590,570	5,796,733	Community Services	5,749,210	5,521,300	5,552,730	5,472,790	5,491,360
434,910	232,250	Regeneration & Planning	399,170	267,010	282,140	310,410	528,180
742,630	706,740	Economic Development	845,110	846,570	862,130	773,830	780,740
8,080	8,080	Joint Strategic Planning	7,820	8,050	8,300	8,560	8,820
<b>7,117,550</b>	<b>7,023,771</b>	<b>Total Director of Services</b>	<b>7,350,570</b>	<b>7,001,510</b>	<b>7,073,780</b>	<b>6,944,230</b>	<b>7,197,800</b>
485,310	510,420	Strategic Housing	516,910	538,510	553,420	568,700	583,780
162,700	103,210	Property Services	172,210	186,440	195,880	205,880	215,260
2,194,870	2,244,770	Customer Services	2,372,350	2,444,970	2,525,100	2,609,690	2,686,310
875,560	878,830	Finance	879,020	899,310	922,140	946,610	972,700
3,718,440	3,737,230		<b>3,940,490</b>	<b>4,069,230</b>	<b>4,196,540</b>	<b>4,330,880</b>	<b>4,458,050</b>
296,770	117,280	Other (Director of Resources, Customer Team Manager, Performance)	0	0	0	0	0
9,580	14,920	Non Distributed - Revenue Expenditure on Surplus Assets	9,770	9,820	9,870	9,920	9,970
77,810	107,750	Non Distributed - Retirement Benefits	77,510	79,300	81,140	83,030	84,960
44,600	47,100	Corporate & Democratic Core	35,520	38,420	37,110	40,200	38,750
		Savings in corporate overheads as a result of leisure outsourcing less HRA element	(20,290)	-20,290	-20,290	-20,290	-20,290
<b>13,388,150</b>	<b>13,089,931</b>	<b>NET COST OF SERVICES</b>	<b>13,716,430</b>	<b>13,481,860</b>	<b>13,708,610</b>	<b>13,773,940</b>	<b>14,213,600</b>
(1,273,160)	(1,301,150)	Net Recharges from General Fund	(1,332,380)	(1,360,080)	(1,389,750)	(1,420,080)	(1,449,510)
<b>12,114,990</b>	<b>11,788,781</b>	<b>NET COST OF SERVICES AFTER RECHARGES</b>	<b>12,384,050</b>	<b>12,121,780</b>	<b>12,318,860</b>	<b>12,353,860</b>	<b>12,764,090</b>
		<b>CORPORATE ITEMS AND FINANCING</b>					
		<b>Corporate Income and Expenditure</b>					
1,080,408	1,080,408	Net Financing Costs	1,089,826	1,672,154	2,095,492	2,198,282	2,204,989
(145,300)	(145,300)	Investment Income	(188,450)	(147,010)	(50,380)	(50,380)	(50,380)
139,081	139,081	Localisation of Council Tax Support Grant - Parish & Special Expenses	113,889	88,696	63,503	63,503	63,503
14,970	14,970	Various Chief Executive items (Annual Governance Statement improvements)	0	0	0	0	0
<b>13,204,149</b>	<b>12,877,940</b>	<b>NET REVENUE EXPENDITURE</b>	<b>13,399,315</b>	<b>13,735,620</b>	<b>14,427,475</b>	<b>14,565,265</b>	<b>14,982,202</b>
298,604	720,813	Contribution to/(from) Balances/Reserves	762,372	200,149	(841,010)	(1,763,071)	(2,339,027)
<b>13,502,753</b>	<b>13,598,753</b>	<b>MET FROM GOVT GRANT &amp; COUNCIL TAX (Budget Requirement)</b>	<b>14,161,687</b>	<b>13,935,769</b>	<b>13,586,465</b>	<b>12,802,194</b>	<b>12,643,175</b>
		<b>Financed By</b>					
235,000	235,000	Formula Grant	0	0	0	0	0
2,904,589	2,904,589	New Homes Bonus	2,996,000	2,346,000	1,816,000	819,000	0
289,160	289,160	Transfer from Collection Fund	63,066	32,000	0	0	0
5,209,670	5,209,670	Council Tax	5,295,621	5,390,769	5,484,465	5,582,255	5,681,399
4,864,334	4,960,334	National Non-Domestic Rates Baseline	5,807,000	6,167,000	6,286,000	6,396,000	6,498,000
		Assumed Transition Funding	0	0	0	4,939	463,776
<b>13,502,753</b>	<b>13,598,753</b>	<b>TOTAL FUNDING AVAILABLE</b>	<b>14,161,687</b>	<b>13,935,769</b>	<b>13,586,465</b>	<b>12,802,194</b>	<b>12,643,175</b>



**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL****CABINET – TUESDAY 11 DECEMBER 2018**

Title of report	<b>HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2019/20</b>
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Councillor Roger Bayliss 01530 411055 <a href="mailto:roger.bayliss@nwleicestershire.gov.uk">roger.bayliss@nwleicestershire.gov.uk</a>  Strategic Director of Housing and Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Finance and Section 151 Officer 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	To seek approval of the draft 2019/20 Housing Revenue Account (HRA) Budget proposals for consultation.
Reason for Decision	To enable the Council to set a balanced Housing Revenue Account Budget for 2019/20.
Council Priorities	The HRA budget assists the Value for Money priority.
Implications:	
Financial/Staff	As included in report.
Link to relevant CAT	Delivering a HRA Budget for 2019/20 will allow the Council to achieve the objectives for the service as set out in the Housing Business Plan and Service Team Business Plans.
Risk Management	The Council sets an HRA budget, which is regularly monitored throughout the year to ensure services are delivered within budget. Risks are managed through the corporate risk management process.
Equalities Impact Screening	None identified.
Human Rights	None identified.

Transformational Government	Not applicable
Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team (CLT).
Background papers	None
Recommendations	<p><b>THAT CABINET:</b></p> <p><b>A. NOTE THE ASSURANCE STATEMENT BY THE S151 OFFICER; AND</b></p> <p><b>B. APPROVE THE DRAFT HRA BUDGET PROPOSAL, INCLUDING THE 1% RENT DECREASE, AS DETAILED IN THIS REPORT AND ASSOCIATED APPENDICES FOR CONSULTATION</b></p>

## 1.0 INTRODUCTION

- 1.1 This report seeks Cabinet approval to consult on the draft HRA budget proposals for 2019/20, with the outcome of this consultation exercise being fed back into the subsequent reports to Cabinet and Council to seek approval for the final budget.
- 1.2 The formal consultation process with customers adheres to the same consultation timetable as the General Fund and will commence on 12 December 2018 and end on 11 January 2019 in readiness for Cabinet and Full Council approval of final proposals on 5 and 24 February 2019 respectively.
- 1.3 Draft proposals for consultation have been prepared in the context of the continuation of four years of 1% per annum rent reductions from 2016/17 in accordance with the Work and Welfare Reform Act 2016. The impact of that rent reduction was fully incorporated into the HRA Budgets from 2016/17 onwards and the long term business plan. The Government has announced that from 2020 rent increases can be applied (limited to 1% above CPI), which provides more certainty for medium term financial planning. However, ongoing inflationary pressures, coupled with the 1% rent reduction for 2019/20, will certainly present financial challenges to the Housing service in the short term.

## **2.0 2018/19 BUDGET POSITION**

- 2.1 The budgeted outturn position for 2018/19 was a £2.946m surplus. The overall forecast for the current year at period 7 shows a surplus of £3.217m resulting in an increase to the forecast surplus of £271,000. This is largely as a result of savings in energy costs, partly as a result of an over accrual in 2017/18, savings in Council Tax as a result of fewer empty properties, together with additional income from rents, mainly as a result of increased void performance and additional income from interest on balances.
- 2.2 As a result of this the balance on the Housing Revenue Account at 31 March 2019 is estimated to be £12.6m This balance significantly exceeds our agreed minimum working balance on the HRA of £1m and this has been developed to provide a loan repayment reserve provision for the future repayment of debts taken out on a maturity repayment basis, within the HRA Business Plan. The first maturity loans of £10m and £3m fall due for repayment on 28 March 2022. It is proposed that the balances over the £1m minimum working balance on the HRA continue to be transferred to a savings reserve for the purposes of repaying these loan commitments in 2022.
- 2.3 After 2022, it is proposed that the council will not automatically use any surpluses to pay into a loan redemption reserve for the repayment of maturity loans that next become payable in 2037. This will allow the council more flexibility and the ability to use future surpluses to either invest in capital improvements, new housing stock, service improvements or repayment of debt. The existing annuity loans will of course continue to be repaid as outlined in Appendix D. This decision will be presented to members formally as part of the Treasury Management Strategy Statement for 2019/20 at Cabinet and Council in February 2019.

## **3.0 2019/20 BUDGET OVERVIEW**

- 3.1 Budget proposals are based on prices and levels of charges for Council Housing related services at September 2018 plus other known increases, for example contractual uplift obligations.
- 3.2 The process of determining the 2019/20 budget includes the capturing of all of the changes required from one budget year to the next within the HRA in the form of a budget “investment” – a request for more funding or a reduction in income collected, or a budget “saving” – an increase in income or a budget saving via reduced expenditure.
- 3.3 The budget investment and budget saving proposals for the 2019/20 budget are shown within Appendix A.
- 3.4 For 2019/20, the level of revenue contribution to capital outlay (RCCO) will be £1.7m.
- 3.5 The draft budget for 2019/20 is estimated to produce an operating surplus / deficit of zero, after making a contribution of £1.4m to the debt repayment reserve, which will take total estimated HRA balances at 31 March 2020 to £14m. The HRA working balance will be £1m and the remaining £13m will be held in the debt repayment reserve to repay the debt that matures in 2021/22.

#### **4.0 2019/20 BUDGET – RENTS**

- 4.1 During 2014, the Government announced that from 2015/16 rent guidance required rent increases to be via a formula of September CPI + 1% for the next 10 years. On the introduction of that guidance the former rent restructuring policy ceased, with the exception of re-letting properties at the converged rent level ('target rent') on re-let.
- 4.2 As part of the 2015/16 budget, Cabinet agreed to adopt an accelerated convergence approach that increased 2014/15 rents following the guidance of CPI + 1%, but also continued to converge rents not already at the target rent at an accelerated rate of up to £4 per week. Cabinet also agreed to the expansion of the approach to letting properties at target rent to include transfers by existing tenants.
- 4.3 However, at the end of October 2018, only 60% of properties were at their target rent, a much lower percentage compared to the vast majority of local authorities.
- 4.4 The Work and Welfare Reform Act 2016 required rents to be reduced by 1% below their 2015/16 levels for 4 years, with the exception of those for supported housing. An exemption was granted for supported housing and those rents were increased by CPI + 1%. However, the Secretary of State for Work and Pensions announced on 15 September 2016 that the 1% rent reduction would apply for supported housing for 2017/18 and the following two years.
- 4.5 Earlier this year the Government announced a five-year rent policy from April 2020 which enables annual rent increases of CPI plus 1%. This has been built into the thirty-year HRA business plan.
- 4.6 The level of rent loss due to the void properties target included in the budgeted rental income is 0.8%, a reduction from 1.0% assumed in the previous year.
- 4.7 As a result of the 1% rent reduction, and lower property numbers due to RTB sales but some offsetting through the effects of the new build and acquisitions programme, net budgeted rental income is £20k less than budgeted for in 2018/19.
- 4.8 A number of accounting and budget estimate amendments have been made from 2018/19, which are set out in Appendix B. The most significant of those are as follows:
- an increase of £243k in employee costs for the cost of the pay award, increments and posts approved during 2018/19, which were not reflected in the original budget
  - savings of £157k as a result of a net reduction in salary costs after recharges to the General Fund and Capital Programme
  - savings of £126k in the redecoration programme. During 2019/20 a five year plan will be produced of internal and external decoration including replacement of soffit and fascias with plastic
  - savings of £200k for responsive repairs and maintenance due to an increase in efficiency as resources are diverted to the Home Improvement Programme.



## **5.0 SERVICE CHARGES, FEES AND OTHER CHARGES**

- 5.1 Approximately one third of the Council's properties have a service charge, covering a range of items such as communal heating, communal lighting, maintenance of communal areas and the older persons service charge. Service charges are covered by Housing Benefit and will be eligible for Universal Credit payments, whilst all other fees and charges are not.
- 5.2 For 2019/20 average weekly service charges are proposed to be increased by 7.96%. Included within this is the charge for laundry room services where applicable.
- 5.3 Central heating charges are proposed to be maintained at existing levels, based on forecast energy prices anticipated for 2019/20.
- 5.4 Garage rent levels are proposed to rise by 3.3%, which is in line with the Retail Prices Index (RPI) as at September 2018.
- 5.5 Appleby Magna Caravan Site is a General Fund asset but managed by the Housing Service. Ground rents for the site are proposed to be increased by RPI of 3.3% on the anniversary of each individual rent agreement in 2019/20.
- 5.6 It is proposed that Lifeline Charges are increased by RPI of 3.3% from April 2019 for both East Midlands Housing as per the contract, and for private customers.
- 5.7 Most shop leases are proposed to rise by 14% as agreed by Cabinet in November 2014 as part of the process of gradually moving all of them to a market rent.
- 5.8 A table detailing each charge increase can be found in Appendix C.

## **6.0 HRA BUSINESS PLAN**

- 6.1 Significant annual surpluses on the HRA will be required in future years if the Council wishes to meet the loan repayment commitments in the HRA Business Plan which become due in 2042, instead of considering other options such as refinancing. As detailed in 2.2 above, existing balances and 2019/20 surpluses will be transferred to the debt repayment reserve for the purposes of repaying the first tranche of those loans, which fall due in 2021/22 and are for £3m and £10m. Please see Appendix D for a schedule of HRA loans.
- 6.2 The inclusion of the new build programme and the negotiated gifted units from developers provides some improvement in the overall business plan viability. However, given the current forecasts for the rental income stream, it is not possible to achieve a positive cash flow in future over a 30 year period where borrowing is required to finance new development for affordable rent (and no HCA funding or other subsidy is available).
- 6.3 Depending on how the Council wishes to deal with the significant sums in loans that mature later during the business plan period, further savings, additional income or refinancing will be needed to address potential shortfalls of £8.4m in 2041/42 and a further £40.8m by the end of the 30 year period in 2048/49.
- 6.4 It should be noted that any projected level of savings requirement is very sensitive to the level of future rent increases, which is difficult to predict given the uncertainty in the

medium to long term of future inflation rates and changes in central government rents policy. Therefore, as these potential liabilities fall 25 years plus hence, there are several other variables that could change over the intervening period, and the recurring option to refinance at an appropriate juncture is available, it is not considered necessary to draw up detailed plans at the moment to address the highlighted sums.

- 6.5 There is a requirement for a revenue contribution to capital outlay (RCCO) for 2019-20 of £1.7m to support the acquisition of new, affordable housing through section 106, or other, agreements with developers. Future amounts are forecast to be required in order to support the capital programme, including new build proposals, as follows:

**RCCO**

- 2021/22 - £0.1m
- 2022/23 - £0.6m

**7.0 CONSULTATION PROCESS**

- 7.1 The contents and appendices of this report will be used to consult with Council tenants on the proposals for the 2019/20 Housing Revenue Account budget.
- 7.2 This will include consulting with tenant members of the Performance and Finance Working Group (the Council's Resident Involvement technical finance working group) and the Tenants and Leaseholders Consultation Forum (the Council's main consultative body of tenants) to review and comment on the proposals.
- 7.3 In addition, the contents and appendices of this report will be published on the Council's Housing internet page and available in hard copy format upon request.
- 7.4 The report will be presented to the Policy Development Group on 9 January 2019.
- 7.5 A copy of the consultation timetable can be found in Appendix E.

**8.0 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

- 8.1 The Local Government Act 2003 requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves. Members must have regard to these comments when making a decision on the budget proposals for the forthcoming year.
- 8.2 Taking into account identified risks, the Section 151 Officer considers that the estimates which form the Housing Revenue Account Budget for 2019/20 are robust and prudent, and the proposals are deliverable.
- 8.3 The Section 151 Officer also considers that the overall level of Housing Revenue Account reserves is adequate.

**APPENDIX A**

LINE NO.	DETAIL	2018/2019	Forecast	2019/2020
		Budget £	(p7) £	Estimate £
	<b>HOUSING REVENUE ACCOUNT</b>			
1.	TOTAL REPAIRS & MAINTENANCE	5,505,420	5,492,280	5,387,500
	<b>SUPERVISION &amp; MANAGEMENT</b>			
2.	General	2,156,750	2,018,390	2,140,060
3.	Special / Supporting People	530,830	557,220	559,960
4.		2,687,580	2,575,610	2,700,020
5.	PROVISION -DOUBTFUL DEBTS	100,000	100,000	100,000
6.	CAPITAL FINANCING:-			
7.	Depreciation - MRA & other	3,139,190	3,139,190	3,139,190
8.	Debt Management Expenses	1,210	1,210	2,750
9.		3,140,400	3,140,400	3,141,940
10.	TOTAL EXPENDITURE	11,433,400	11,264,520	11,329,460
11.	RENT INCOME			
12.	Dwellings	17,029,440	17,137,380	17,009,750
13.	Service Charges	512,300	477,010	553,070
14.	Garages & Sites	72,640	68,140	65,920
15.	Other	19,960	19,540	19,920
16.	TOTAL INCOME	17,634,340	17,702,070	17,648,660
17.	NET COST OF SERVICES	-6,200,940	-6,437,550	-6,319,200
18.	CAPITAL FINANCING - HISTORICAL DEBT	125,000	125,000	125,000
19.	CAPITAL FINANCING - SELF FINANCING DEBT	3,257,170	3,257,170	3,257,170
20.	INVESTMENT INCOME	-83,700	-117,590	-108,550
21.	PREMATURE LOAN REDEMPTION PREMIUMS	7,060	7,060	7,060
22.		3,305,530	3,271,640	3,280,680
23.	NET OPERATING EXPENDITURE	-2,895,410	-3,165,910	-3,038,520
24.	REVENUE CONTRIBUTION TO CAPITAL	0	0	1,700,000
25.	DEPRECIATION CREDIT - VEHICLES	-50,730	-50,730	-50,730
26.		-50,730	-50,730	-50,730
27.	NET (SURPLUS) / DEFICIT	-2,946,140	-3,216,640	-1,389,250
	<b>HRA BALANCES</b>			
28.	Balance Brought Forward	-1,000,000	-1,000,000	-1,000,000
29.	(Surplus)/Deficit for Year	-2,946,140	-3,216,640	-1,389,250
30.	Transfer to Loan Repayment Reserve	2,946,140	3,216,640	1,389,250
31.	HRA General Balance as at year end	-1,000,000	-1,000,000	-1,000,000
32.	Loan Repayment Reserve balance	-11,196,204	-11,601,122	-12,990,372

## Saving / Increase in Income

Ref	Team	HRA Savings Bid Title	Value	RAG
SAV1	Housing Management	Council Tax Liabilities	-£25,000	g
SAV2	Income and Systems	CBL Advertising	-£4,520	g
SAV3	Asset Management	Painting Programme	-£125,680	g
SAV4	Housing Management	Reduction in Rent Loss due to improved performance 0.8%	-£36,000	g
SAV5	Housing Management	Service Charges	-£40,769	g
SAV13	Income and Systems	Legal and Professional Services	-£30,000	g
SAV14	Income and Systems	Bank Charges	-£1,000	g
SAV15	Income and Systems	Miscellaneous Expenditure	-£1,000	g
SAV16	Income and Systems	Review of HRA Business Support Budgets	-£1,750	g
SAV17	Asset Management	Solid Fuel Servicing	-£69,200	g
SAV18	Housing Management	HRA Hardship Fund	-£9,000	g
SAV19	HRA	Increase in Rent Income due to extra rent day in 2019/20	-£46,640	g
SAV20	HRA	Increase in Rent Income due to additional affordable rented properties	-£248,550	g
SAV21	Commercial Services	Responsive & Maintenance Charges (RTB Sales)	-£15,900	g
SAV22	Commercial Services	Responsive & Maintenance Charges (increased Efficiency)	-£200,000	g
SAV23	HRA	Net reduction in salary costs after recharges to GF and Capital	-£157,100	g
<b>Total</b>			<b>-£1,012,109</b>	

**Investments / Reduction in Income**

<b>Ref</b>	<b>Team</b>	<b>HRA Investments Bid Title</b>	<b>Value</b>	<b>RAG</b>
BI1	Housing Management	Support Officer (Universal Credit), following withdrawal of grant	£38,000	g
BI2	Asset Management	Compliance - Electrical Inspections	£88,670	g
BI3	Asset Management	Compliance - Third-party auditors for gas, etc.	£13,646	g
BI4	Asset Management	Air source heat pumps servicing	£34,000	g
BI5	HRA	Annual Contract Inflation	£20,115	g
BI6	Commercial Services	Materials Supply Chain - Annual Contract Inflation	£14,300	g
BI7	Housing Management	Removal of Assistive Technology Fees and Charges Budget	£8,670	g
BI9	HRA	1% Rent Reduction	£170,300	g
BI10	Income	Garage and Garage Site Rents	£6,723	g
BI11	Housing Management	Tunstall Disaster Recovery	£7,500	g
BI12	Housing Management	Laundry Rooms Service Contract	£19,773	g
BI15	Income and Systems	Subscriptions	£4,500	g
BI16	Income and Systems	Computing Costs	£5,000	g
BI17	HRA	Rent loss through stock reductions	£180,580	g
BI18	HRA	Employee cost changes (pay award, increments, new asset management posts)	£243,050	g
<b>Total</b>			<b>£854,827</b>	

**APPENDIX C**

<b>COMPARISON OF 2018/19 AND 2019/20 HOUSING CHARGES</b>							
	<b>2018/19</b>		<b>2019/20</b>				
<b>Chargeable Service</b>	<b>Actual Income 2018/19</b>	<b>Charge</b>	<b>Income Estimates 2019/20</b>	<b>Increase/ (Decrease)</b>	<b>Percentage Change</b>	<b>Charge</b>	<b>Basis of Increase</b>
Service Charges	£509,865	Varies per property	£550,993	£41,128	8.07%	Largest weekly increase value:£2.26; Largest weekly decrease value: £1.55	Based on assessment of all chargeable services.
Central Heating	£84,550	0 Bed: £7.75pw, 1 Bed: £9.34pw, 2 Bed: £10.72pw, 3 Bed: £12.32pw	£84,550	£0	0.00%	0 Bed: £7.75pw 1 Bed: £9.34pw 2 Bed: £10.72pw 3 Bed: £12.32pw	Based on market assessment of predicted increases in utility costs during 2018/19 and 2019/20.
Garage & Garage Site Rent	£79,484	Garage: £6.68pw Site: £4.28pw	£72,761	£6,723	-8.46%	Garage: £6.91pw Site: £3.43pw	September 2018 RPI increase in line with previous years
Appleby Magna Caravan Site Rent	£16,527	Site: £33.23pw	£13,756	£-2,771	-16.77%%	Site: £34.39pw	September 2018 RPI increase at anniversary date of each licence in line with previous years.
Shop Leases	£18,584	n/a	£21,186	£2,602	14.00%	Varies by location	14% increase based on Nov 14 Cabinet Report
Tenants Contents Insurance	£51,961	Premiums from £0.36 to £7.41pw	£51,961	£0	0.00%	Premiums from £0.36 to £7.41pw	No increase, but assumes IPT will be unchanged.
Lifelines for private customers	£119,310	£3.95 pw basic, £5.95 p.w enhanced	£123,247	£3,937	3.30%	£4.08pw basic, £6.15pw enhanced 3.3% increase also proposed for all sensor elements	September 2018 RPI increase
Lifelines (East Midlands Housing Association)	£40,493	Various depending on scheme but average increase from £2.88 to £2.99 pw	£41,829	£1,336	3.30%	Various depending on scheme but average increase from £2.99 to £3.09pw	September 2018 RPI increase in line with previous years
<b>Total Services</b>	<b>£920,774</b>		<b>£960,283</b>	<b>£39,509</b>	<b>4.29%</b>		

**NWLDC Housing Revenue Account Loan Schedule**

**NWLDC - HRA Self Financing loans taken up 26/03/12**

**PAYMENT PROFILE - PRINCIPAL AND INTEREST**

<b>Loan Type</b>	<b>Principal</b>	<b>Loan Period (Years)</b>	<b>Interest Rate</b>
Maturity (2042)	10,000,000	30	3.5
Annuity	10,000,000	20	2.57
Maturity (2022)	10,000,000	10	2.4
Maturity (2022)	3,000,000	10	2.4
Annuity	10,000,000	15	2.02
Maturity (2037)	10,000,000	25	3.44
Maturity (2042)	13,785,000	30	3.5
Maturity (2042)	10,000,000	30	3.5
	<b>76,785,000</b>		

Note – The above schedule does not reflect the HRA share of existing general fund loans for which the HRA bears an annual charge.

### Consultation and approval of HRA 2019/20 Budget Timetable

Date	Item	Information
26 November 2018	Budget considerations and headlines	Members of Tenants and Leaseholder Consultation Forum
12 December 2018 to 11 January 2019	Consultation with customers	Consultation with: <ul style="list-style-type: none"> <li>• All customers via NWLDC website</li> <li>• Tenant members of the Performance and Finance Working Group (13 December 2018)</li> </ul>
11 January 2019	Policy Development Group	Opportunity for Members to consider proposals prior to agreement of final budget by Cabinet & Council
28 January 2019	Tenant and Leaseholders Consultation Forum	Draft budget consideration
5 February 2019	Cabinet Meeting	Approval of recommendations to Council
24 February 2019	Council	Approval of Budget



**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 11 DECEMBER 2018**

Title of report	<b>2019/20 - 2023/24 DRAFT CAPITAL PROGRAMMES</b>
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nicholas Rushton Tel: 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Strategic Director of Housing and Customer Services Tel: 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Finance and Section 151 Officer Tel: 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	To advise Members of the likely Capital Outturn and the relevant financing for 2018/19 for the General Fund, Special Expenses and the Housing Revenue Account.  To seek approval to the Draft General Fund, Special Expenses and HRA Capital Programmes for 2019/20 and to note indications for future years and associated funding for consultation.
Reason for decision	To enable projects to be included in the Programmes for consultation.
Council priorities	The projects in the Capital Programmes help the Council achieve all its priorities.
Implications:	
Financial/Staff	As contained in the report
Link to relevant CAT	The Capital programmes are potentially relevant to all Corporate Action Teams (CATs).
Risk Management	The Capital Programmes are monitored at project level to ensure they are delivered on time and within budget.
Equalities Impact Screening	No impact at this stage
Human Rights	None Identified

Transformational Government	This relates to the new ways in which Councils are being asked to deliver their services
Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	<a href="#">Delegation and Collaboration Agreement in relation to the Lightbulb Programme – Cabinet 16 January 2018</a>
Recommendations	<p><b>A. THAT THE ESTIMATED GENERAL FUND, COALVILLE SPECIAL EXPENSES AND H.R.A. CAPITAL OUTFURN FOR 2018/19 AND PLANNED FINANCING BE NOTED AT APPENDICES A, B AND C</b></p> <p><b>B. THAT CABINET APPROVES FOR CONSULTATION THE DRAFT CAPITAL PROGRAMMES IN 2019/20 DETAILED IN:</b></p> <ul style="list-style-type: none"> <li>• <b>APPENDIX A - GENERAL FUND CAPITAL SCHEMES</b></li> <li>• <b>APPENDIX C - H.R.A. CAPITAL SCHEMES AND IN 2020/21, THESE SCHEMES ONLY:</b></li> <li>• <b>£1,150,000 FOR THE VEHICLE REPLACEMENT PROGRAMME, AS DETAILED IN PARAGRAPHS 3.6 TO 3.6.6</b></li> </ul> <p><b>C. THAT CABINET NOTES THE PROPOSED PROCUREMENT ROUTES IN RESPECT OF VEHICLES, EQUIPMENT AND PLANT AND DELEGATES THE AUTHORITY TO AWARD THESE CONTRACTS AND ANY ASSOCIATED AGREEMENTS IN FURTHERANCE OF THE PROJECT TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE PORTFOLIO HOLDER, SUBJECT TO FINAL APPROVAL OF THE CAPITAL PROGRAMMES IN FEBRUARY 2019.</b></p>

## 1.0 INTRODUCTION

- 1.1 By Regulation, all local authorities are required to have regard to the Prudential Code when setting their Capital Programmes. The core objectives of the Code are to ensure that Capital schemes are 'Affordable, Prudent and Sustainable'. This is reviewed in conjunction with

both the Capital Strategy and the Treasury Management Strategy Statement (TMSS) which contains indicators that evidence compliance with the Code. These strategies will be presented to members with the budget in February 2019.

- 1.2 As part of the process of effectively assessing property items for inclusion in the capital programme, the Council has collated a Planned Preventative Maintenance (PPM) Schedule that prioritises works based on a matrix scoring system. Items of a capital nature that are essential have been included in the capital programme in 2019/20.
- 1.3 Appendix "A" shows the General Fund estimated outturn for 2018/19 and the proposed Capital Programme for 2019/20 to 2023/24.
- 1.4 Appendix "B" shows the Special Expenses estimated outturn for 2018/19
- 1.5 Appendix "C" shows the H.R.A. estimated outturn for 2018/19 and the proposed Capital Programme for 2019/20 to 2023/24.

## 2.0 GENERAL FUND - ESTIMATED OUTTURN 2018/19

- 2.1 The projected outturn for 2018/19 on General Fund schemes totals £6,658,691. This is a managed increase of £3,521,438 on the original budget for the year of £3,137,253.
- 2.2 This managed increase is caused by the following:

<b>Schemes carried forward from 2017/18</b>	<b>£</b>	<b>£</b>
Refuse Vehicles	677,330	
Vans – Medium	56,500	
Access Rd High St car park, Measham	25,000	
Belvoir Shopping Centre Main Service Road	10,296	
HPLC car Park - resurfacing section of	15,000	
Swannington Depot Demolition	34,500	
Coalville Market (phase 2)	11,371	
Coalville Park reconfigure depot	103,552	
Wellbeing centre HPLC	399,250	
Car park - Ashby Cultural Quarter	612,535	
Memorial Clock Tower	120,000	
Disabled Facilities Grant – Slippage into 2018/19	5,848	
<b>Total</b>		<b>2,071,182</b>
<b>Additional Approved Schemes and Virements 2018/19</b>		
Car Park - Ashby Health Cultural Quarter	(100,000)	
HPLC Ashby - Wall improvements and statue	100,000	
Disabled Facilities Grant – Slippage into 2018/19	(52,849)	
Fleet Programme (Net overspend agreed)	18,418	
Marlborough Square	1,100,605	
Marlborough Square – further funding	546,000	
Castle Donington College - AWP resurfacing	662	
Finance System review - increase in scheme	50,000	
Finance System review - Vired to revenue	(400,000)	
User Screen replacement - vired to revenue	(25,000)	

Hood Park LC Car Park Ashby - Resurfacing (section of)	(12,716)	
Car Park - Ashby Health Cultural Quarter	12,716	
Memorial Clock Tower	40,000	
New Market Provision	600,000	
<b>Total</b>		<b>1,877,836</b>
<b>Planned Slippage in 2018/19 carried forward to 2019/20</b>		
Council Offices - Upgrade Fire Alarm system	(30,000)	
<b>Total</b>		<b>(30,000)</b>
<b>Underspends - not required - Identified in 2018/19</b>		
Hood Park LC Car Park Ashby - Resurfacing (section of)	(2,284)	
Linden Way Depot Workshop Extension (For 8 wheelers)	(90,000)	
Linden Way Depot Extension	(200,000)	
IDOX Platform	(30,000)	
Access Road High St Car Park Measham	(25,000)	
Belvoir Shopping Centre-Main Service Road, Coalville-Maintenance	(10,296)	
North Service Road Car Park coalville - Improvements	(40,000)	
<b>Total</b>		<b>(397,580)</b>
<b>Total Managed Increase</b>		<b>3,521,438</b>
<b>Total Managed Increase Funded by: (Net Position)</b>		
Revenue	(55,000)	
Reserves	2,929,890	
Other Contributions	399,250	
Grant	81,252	
Internal Borrowing (USB)	166,046	
<b>Total</b>		<b>3,521,438</b>

- 2.3 The total planned financing of the General Fund expenditure totalling £6,658,691 in 2018/19 is:

	£
Disabled Facilities Grant	572,989
S106 Contributions	399,250
Revenue Contributions to Capital	50,000
Capital Receipts	30,000
Reserves	3,069,154
Grants	81,252
Unsupported Borrowing – Internal	2,456,046
<b>Total</b>	<b>6,658,691</b>

- 2.4 There were sufficient funds identified prior to this capital spend being committed.
- 2.5 The 'Schemes Carried Forward' shown in paragraph 2.2 above, represents expenditure which was originally expected and budgeted for in 2017/18 but has slipped into 2018/19. The budgeted financing has also been carried forward.

### **3.0 GENERAL FUND CAPITAL PROGRAMME 2019/20 TO 2023/24 – INDIVIDUAL SCHEMES**

3.1 The programme for 2019/20 to 2023/24 is detailed in Appendix A. This programme provides for a continuation of the current Disabled Facilities Grants Scheme and the Vehicle Replacement Programme.

3.2 Schemes shown as slippage from 2018/19 and carried forward to 2019/20 are detailed in the table in paragraph 2.2 above.

3.3 In addition, the following new schemes are included in the programmes for approval to commence in 2019/20:

#### **3.4 Planned Preventative Maintenance schemes (£819,450)**

##### 3.4.1 Moira Furnace – Masonry and Drainage (£40,000)

Moira Furnace is a listed Scheduled Monument. A condition survey completed for the 2018/19 budget setting process, identified that urgent remedial actions were required and a £170,000 budget was allocated in 2018/19. Further drainage works have been identified for the building.

##### 3.4.2 Moira Furnace – Upgrade to Furnace and Bridge and further remedial works (£85,000)

This budget will ensure that works to the bridge and surrounding site can be completed to enhance the experience for visitors and users of the site.

##### 3.4.3 Council Offices – Upgrade to failing/obsolete Fire Alarm System (£63,000)

The age of the existing fire alarm system is outdated with spare parts becoming obsolete. The original scheme for £30,000 was agreed by Cabinet in the capital programme for 2018/19. The slippage from this original budget is included in Table 2.2 above to be spent in 2019/20. An increase to this scheme of £33,000 is requested. This revised total allocation of £63,000 is to ensure that the outdated alarm can be upgraded.

##### 3.4.4 Council Offices – Replacement Cotag System (£44,000)

The Cotag system has been in place for 25 years and is now at risk of failure and therefore is due for replacement. This work can be undertaken alongside the Fire Alarm System work to minimise disruption to staff and services.

##### 3.4.5 Council Offices – Replace obsolete parts to consumer units (£75,000)

The consumer unit does not meet the current legislation ie. 17<sup>th</sup> Edition of BS7671. There is no residual circuit breakers and parts for the current consumer unit are obsolete.

##### 3.4.6 Council Offices – Replacement LED Lighting throughout (£35,000)

This will reduce the carbon footprint of the council offices, reducing electricity bills and will provide more natural light for employees.

##### 3.4.7 Council Offices – Insulate roof space (£30,000)

The insulation in the loft space of the Council offices is approximately 100mm. The requirements for loft insulation have been increased to 250mm. increasing the insulation to the required amount will boost thermal comfort and reduce energy bills.

##### 3.4.8 Council Offices – Lift Works (£100,000)

Installation of new lift. The current lift is becoming expensive to maintain due to recurring problems and could potentially fail. This would mean that the first floor would be inaccessible to disabled people and heavy or cleaning equipment would also be unable to be transported to the first floor.

3.4.9 Council Offices – Upgrade walkways including double glazing and insulated panels (£250,000)

The external walkways of Stenson House and the council offices are showing signs of deterioration and decayed timber. Repairs will need to be carried out to the structure of the walkways which will include scaffolding for access and decoration on completion. The windows are single glazed and the walkway is therefore difficult and expensive to heat. By replacing the windows with double glazed units and insulated panels, energy costs will be reduced and would provide a more comfortable environment for users of the building.

3.4.10 Council Offices Stenson House – Replacement windows, light wells (£35,450)

The light wells in the centre of Stenson House require the current single glazed windows replacing with double glazed windows. This will require access via scaffolding. To maximise the cost of the scaffolding, decoration works will be undertaken in unison with the replacement windows.

3.4.11 Council Offices Stenson House – External works to roadway frontage (£50,000)

The circular drive in front of Stenson House is currently paved with slabs and kerbs as an upstand around the area. The paving slabs have become uneven causing a potential health and safety hazard. The kerb edgings also need to be reset as they act as a retaining edge for the gardens around the circle.

3.4.12 Whitwick Business Centre – Replacement LED Lighting (£12,000)

This will reduce the carbon footprint, reducing electricity bills and will be more attractive to prospective tenants.

**3.5 New Schemes for consideration (£13,376,140)**

3.5.1 LAN Switches Replacement (£15,500)

Network capacity expansion within the Council Offices. 3 of the existing network cabinets have reached maximum capacity. In order to provide room for expansion, agile working and mobile working, 3 \* additional switches are required.

3.5.2 Wi-Fi Management Portal (£25,000)

Central Management Portal for the Wi-Fi network, so that we can manage, its configuration and settings from a central location. Currently we have to manage each remote access point individually.

3.5.3 Telephony Unified Communication (£130,000)

Replacement of the Alcatel VOIP platform and Contact centre, with a new Skype unified communications platform to modernise the Council's telephony and unified communications. This will be a new contact centre platform for Customer Services, to provide up-to-date contact centre features and reduction in overall telephony cost.

3.5.4 Professional Services for windows 2008 to Windows 2016 migration (£45,000)

35 servers are currently running key line of business applications. Windows server 2008 comes to end of life on January 14 2020, from this date there will be no more security

updates or patches, which leaves the servers vulnerable and the Council at risk to increased cyber attack. The applications on these servers need to be migrated to new servers and require the help of suppliers to migrate the applications to Windows Server 2016.

**3.5.5 Disabled Facility Grants (£649,640)**

Continuing Disabled Facilities Grant function that has been delegated to the lead authority (Blaby District Council) under the Lightbulb Project Scheme – Cabinet report on “Delegation and Collaboration Agreement in relation to the Lightbulb Programme” 16 January 2018.

**3.5.6 GM Depot Coalville Park – Concreting Grounds (£40,000)**

Replacement of the existing tarmac surface at the Grounds Maintenance depot at Coalville Park with a concreted surface. In 2017/18, over £3,000 of materials and £2,000 of labour costs - over £5,000 in total - were spent on tarmac damaged areas of the compound and refilling potholes. This doesn't take into account any damage to vehicles caused by the uneven and damaged surface, or the health and safety risk apparent to staff, visitors, and vehicles. The revenue costs are likely to increase annually as the surface gets older. Concreting the surface would last for a minimum of 30 years and would be unlikely to require ongoing revenue funding for repairs or reinstatement, as the concrete will continue to get harder over time and would be less likely to fall into disrepair.

**3.5.7 Leisure Centre Project (£12,276,000)**

As per the scheme reports to Cabinet

**3.5.8 Salt bay Cover – (£20,000)**

Cover for the bay where the salt is stored which needs to be on rails so that the salt can be easily loaded and unloaded with machinery.

**3.5.9 Appleby Magna Caravan Site redevelopment (£175,000)**

The Council has owned and managed a residential caravan site in Appleby Magna for many years. This site now has 8 remaining residents, and is in need of extensive refurbishment to ensure it meets modern standards. Discussions with the residents about the refurbishment are ongoing, and it is anticipated that a design for the replacement site will be completed by the end of 2018/19. This will then require planning permission prior to works being undertaken, which it is expected will be over a 2 year period (2019/20 and 2020/21).

**3.6 Fleet Replacement Programme (£701,000 2019/20 and £1,150,000 2020/21)**

3.6.1 Fleet Replacement is a rolling programme. Each year a number of vehicles either come to the end of their useful economic life when each of these vehicles are reviewed based on its age, condition, mileage or potential risk of major repairs (due to being out of warranty). A decision is made to replace the vehicle or to extend its life for a further period.

3.6.2 These decisions are made in the previous year in order to allow a suitable lead-in period from order to delivery in April, particularly for large items such as refuse vehicles. Many of these vehicles are built to order and these orders have to be placed before October for delivery the following April. Therefore, although they are actually acquired in April a commitment has to be made in the previous year.

3.6.3 Due to service requirements, approval is sought to amend the 2019/20 fleet budget from £600,000 to £701,000; a net increase of £101,000. This increase consists of: the addition of seven vehicles, a Box Lorry (£65,000) and six Medium Vans (£100,000) for the housing service; the reduction of 1 small van (-£14,000); the cost of the refuse/recycling vehicles has been revised down (-£50,000).

3.6.4 The total fleet budget for 2019/20 is now as follows:

<b>Vehicles / Plant &amp; Equipment</b>	<b>Original Budget £</b>	<b>Revised Budget £</b>
Refuse / Recycling Vehicles	425,000	375,000
Vans - Small	30,000	16,000
Vans - Medium - Housing	80,000	180,000
Vans – Box Lorry	0	65,000
2 x Mowers	65,000	65,000
<b>TOTAL</b>	<b>600,000</b>	<b>701,000</b>

3.6.5 In order to progress with the 2020/21 purchases, approval is sought for the following vehicles:

<b>Vehicles / Plant &amp; Equipment</b>	<b>Budget £</b>
3 x Refuse / Recycling Vehicles	660,000
2 x Market Vehicles / Cars	24,000
1 x Vans Small	16,000
10 x Vans Medium - Housing	180,000
2 x Vans – Box Lorry	130,000
Sweepers	130,000
Misc Plant/equipment	10,000
<b>Total</b>	<b>1,150,000</b>

3.6.6 The 2020/21 budget has been set based on the rolling vehicle replacement programme to ensure reliability and cost effectiveness of all fleet vehicles, to control maintenance costs, to avoid increased repairs to ageing vehicles and to ensure efficient service delivery.

3.7 The General Fund Capital Programme (2019/20) will be funded by:

<b>Funding Stream</b>	<b>£</b>
Disabled Facilities Grants	621,200
Revenue Contribution	28,440
Reserves	52,500
Capital Receipts	2,786,000
S106 Contributions	181,000
Unsupported Borrowing - Internal	11,227,450
<b>Total</b>	<b>14,896,590</b>



#### **4.0 COALVILLE SPECIAL EXPENSES – ESTIMATED OUTTURN AND INDIVIDUAL SCHEMES**

4.1 There is one scheme in 2018/19 – Owen Street Football Floodlights budgeted to cost £50,000. This is on target and the forecast outturn is £50,895 (Appendix B).

4.2 There are no new schemes identified to commence in 2019/20.

#### **5.0 H.R.A. CAPITAL PROGRAMME – 2019/20 - 2023/24 INDIVIDUAL SCHEMES**

5.1 The HRA Capital programme (Appendix “C”) covers in detail the capital schemes for the period 2019/20 to 2023/24.

5.2 Planned spend in 2019/20 and onwards consists mainly of:

##### 5.2.1 Home Improvement Programme (HIP)

The Council brought all of its homes up to the Decent Homes standard in 2014/15 and is forecast to spend £4.2m on maintaining decency in 2019/20. Each year will require further investment to ensure that 100% of homes remain at this minimum quality standard.

The Home Improvement Programme for the remaining 4 year period will see an investment of £10.5m in improving tenants’ homes.

##### 5.2.2 New Build/Affordable Housing Programme

The current programme comprises -

Former Cocked Hat site, Cropston Drive	- 12 homes
Coalville Police Station	- 24 homes
Potential scheme in Whitwick, current estimate	- 24 homes

Total = up to 60 homes

The above schemes will see a planned investment of £3.2m for 2019/20 with a further £1.6m investment planned in 2020/21. Other HRA owned sites are currently being considered for inclusion in the programme, as are further acquisitions of properties through s106, or other, deals with developers for which an additional sum of £1.7m has been included in the 2019/20 programme, provisionally funded by a revenue contribution. A variety of funding streams can be used to fund these initiatives, including commuted sums.

##### 5.2.3 Renewable Energy Installation Programme

The renewable energy is generated by air source heat pumps which are being installed to replace solid fuel heating. Originally the programme was to be carried out over three years and end during the 2019/20 financial year. Everwarm Group were selected as the contractor to complete the programme of replacement heating systems.

Due to the efficient working of Everwarm they will be able to complete the programme by the end of the current financial year. Therefore the capital programme has been realigned and an additional £1.5m included in the forecast spend for 2018/19. It is proposed to cover this amount by the underspend caused by other projects being delayed and moved to 2019/20. Appendix C reflects these changes.

#### 5.2.4 Other Schemes / Miscellaneous

There are various other schemes with brief notes in the Housing Capital Programme as per Appendix C.

In relation to the proposed sale of higher value empty homes, a provision of £1m originally included in the 2017/18 capital programme has been revised to nil. This follows a change in the government's policy as detailed in the social housing green paper in the summer. To accommodate the inclusion of the expenditure within the capital programme, capital receipts income from asset disposals had also been included. For consistency, this has been reduced in line with the removal of the expenditure requirement.

#### 5.2.5 Future Funding

The long term HRA business plan continues to be based on a 1% rent reduction for 2019/20 and then, following recent guidance from the Government, at rent increases of CPI plus 1% for five years, then reverting to CPI plus 0.5% for the remainder of the 30 year period the plan covers. The latest guidance on future rent increase levels provides greater certainty for the five-year period following rent reductions, and additional efficiencies will continue to be sought.

### 6.0 CAPITAL RESOURCES

6.1 The resources estimated to be needed to finance the **General Fund** programme 2019/20 to 2023/24 totals £28,728,960 and is as follows:

	£
2019/20	14,896,590
2020/21	10,070,640
2021/22	1,466,950
2022/23	1,139,250
2023/24	1,155,530
<b>Total</b>	<b>28,728,960</b>

6.2 Details of the planned funding of the programmes are included in Appendix A.

6.2.1 Funding is in place in 2019/20 for the Disabled Facilities Grants Scheme (£649,640) consisting of £621,200 Disabled Facilities Grants and £28,440 of revenue contribution.

6.2.2 A S106 contribution of £181,000 has been identified for the Leisure Centre Project.

6.2.3 Funding from reserves have been identified for: LAN switches replacement (£15,500); W-Fi Management Portal (£25,000); and Whitwick Business Centre Replacement LED Lighting (£12,000).

6.2.4 For 2019/20, £11,000 of capital receipts from vehicles sold will be used to supplement the Fleet programme and £2,775,000 of forecast capital receipts from sale of land will be used to support the Leisure Centre Project.

6.2.5 The remaining schemes for 2019/20 (£11,227,450) can be funded by either unsupported borrowing or leasing depending on value for money and for which, provision has been made in the 2019/20 Revenue Budget.

- 6.3 The following resources are budgeted to be available for financing the **Housing Revenue Account programme** in 2019/20:

	<b>£</b>
Usable Balances	5,912,062
Retained Right to Buy Receipts	247,956
Right to Buy Receipts – Attributable debt	998,943
Use of Right to Buy 'One for One' reserve	920,464
Direct Revenue Financing	1,700,000
Major Repairs Allowance	3,139,190
Asset Disposals (Capital Allowance)	400,000
Renewable Heat Incentive	200,000
S106	215,697
<b>Total Resources</b>	<b>13,734,312</b>
Less Budgeted Expenditure	12,559,559
<b>Surplus to be carried forward to 2020/21</b>	<b>1,174,753</b>

## 7.0 PROCUREMENT ROUTES

- 7.1 Where the authority is required to enter into a contract which has a value of £100,000 or more, Cabinet authority is sought prior to award of the contract. As Cabinet is considering the budgetary implications of the Capital Programmes, it is efficient for Cabinet to consider the award of subsequent high-value contracts at the same time. Cabinet may also be asked to address a request for a waiver to the Contract Procedure Rules (CPR) for a particular selection of contract opportunities. Each will be considered in turn.
- 7.2 Although the procurement processes may be commenced sooner, the contract award will not take place before Council has approved the budget for the Capital Programmes. The authority's procurement documentation gives it a right not to award a contract, should Council not approve the budget.
- 7.3 Each year, as part of the Fleet, Plant and Equipment Replacement Programme, replacements will need to be made to some of the Council's vehicles, equipment and plant. Officers will select the most appropriate public sector framework or procurement route for each item, considering which offers value for money for the Council at the time of procurement.
- 7.4 Cabinet is asked to delegate award of the subsequent contracts for vehicles, equipment and plant to the Strategic Director of Place in consultation with the Portfolio Holder.
- 7.5 Where not using pre-existing contracts or frameworks all procurement processes for contracts over £25,000 will be advertised and available for local suppliers to submit bids, should they be of interest.

## 8.0 CONSULTATION

- 8.1 The Cabinet's draft Capital Programme will be presented to the Policy Development Group at its meeting on 9 January 2019.

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SCHEME	BUDGET HOLDER	CURRENT				FUTURE					FUNDING					
		2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 Actual @ Period 7	2018/19 FORECAST (Inc c/f & slippage)	2019/20	2020/21 Indicative	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative	GRANTS/ S106 CONTS	DF GRANTS	Capital Receipts	RESERVES	REVENUE	LEASING OR BORROWING
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
HR / Payroll System	Anna Wright	0	0	(809)	0	0	0	0	0	0						0
Finance System / Review	Anna Wright	450,000	100,000	0	100,000	0	0	0	0	0						100,000
Server and storage additional capacity	Sam Outama	68,000	68,000	67,952	68,000	0	0	0	0	68,000						136,000
IDOX Platform	Sam Outama	30,000	0	0	0	0	0	0	0	0				0		0
User Screen Bulk Replacement	Sam Outama	25,000	0	0	0	0	0	0	0	0				0		0
Website Intranet and Internet	Sam Outama	0	0	0	0	0	50,000	0	0	0						50,000
LAN Switches replacement	Sam Outama	0	0	0	0	15,500	0	0	0	90,000				15,500		90,000
WAN and DC Renewal	Sam Outama	0	0	0	0	0	518,000	0	0	0						518,000
Wi-Fi Replacement	Sam Outama	0	0	0	0	0	0	0	0	55,000						55,000
Wi-Fi Management Portal	Sam Outama	0	0	0	0	25,000	0	0	0	0				25,000		
Desktop Equipment Upgrade	Sam Outama	0	0	0	0	0	0	120,000	0	0						120,000
Laptop Replacements	Sam Outama	0	0	0	0	0	0	0	25,000	0						25,000
Telephony Unified Communication	Sam Outama	0	0	0	0	130,000	0	0	0	0						130,000
Professional Services for Windows 2008 to Windows 216 Migration	Sam Outama	0	0	0	0	45,000	0	0	0	0						45,000
Disabled Facility Grants	Minna Scott	762,253	715,251	465,902	715,251	649,640	648,640	647,950	647,250	646,530		3,678,989		92,262	184,010	0
Refuse Vehicles & Refuse Kerbsider	Claire Preston	650,000	1,327,330	1,313,437	1,313,437	375,000	660,000	220,000	320,000	180,000			41,000			3,027,437
Market Vehicles/Cars	Claire Preston	0	0	0	0	0	24,000	32,000	0	0						56,000
Vans - Small	Claire Preston	0	0	0	0	16,000	16,000	32,000	17,000	36,000						117,000
Vans - Medium	Claire Preston	210,000	266,500	264,110	264,110	180,000	180,000	100,000	100,000	-						824,110
Vans - Pickup	Claire Preston	35,000	35,000	39,482	39,482	0	0	100,000	30,000	80,000						249,482
Vans - Box Lorry	Claire Preston	40,000	58,102	60,920	60,920	65,000	130,000	0	0	0				18,418		237,502
Wrecker	Claire Preston	50,000	50,000	63,565	63,565	0	130,000	130,000	0	0						323,565
Digger/Misc Plant	Claire Preston	50,000	50,000	43,964	43,964	0	0	35,000	0	0						78,964
Mowing	Claire Preston	60,000	60,000	61,770	61,770	65,000	10,000	50,000	0	0						186,770
Swannington depot - Demolition	Claire Preston	0	34,500	19,740	34,500	0	0	0	0	0						34,500
Belvoir Shopping Centre-Main Service Road, Coalville-Maintenance	Clare Proudfoot	0	10,296	0	0	0	0	0	0	0						0
High Street Car Park Measham - Access Road resurfacing	Clare Proudfoot	0	25,000	0	0	0	0	0	0	0						0
North Service Road Car Park Coalville - Improvements	Clare Proudfoot	40,000	40,000	0	0	0	0	0	0	0						0
Linden Way Depot - Extension	Karen Cannon	200,000	0	0	0	0	0	0	0	0						0
Linden Way Depot - Workshop Extension	Karen Cannon	90,000	0	0	0	0	0	0	0	0						0
GM Depot Coalville Park - Concreting Grounds	Jason Knight	0	0	0	0	40,000	0	0	0	0						40,000
District Car Parks - LED Lighting Replacement	Clare Proudfoot	25,000	25,000	0	25,000	0	0	0	0	0						25,000
Coalville Market Upgrade (Phase2)	Paul Sanders	0	11,371	0	11,371	0	0	0	0	0				11,371		0
Wellbeing Centre at HPLC	Paul Sanders	0	399,250	0	399,250	0	0	0	0	0	399,250					
Leisure Centre Project	Paul Sanders	0	0	0	0	12,276,000	7,199,000	0	0	0	181,000		2,775,000			16,519,000
HPLC Ashby - Wall Improvements and Statue	Paul Sanders	0	100,000	37,920	100,000	0	0	0	0	0				100,000		
Coalville Park-Reconfigure Depot, replace building	Jason Knight	0	103,552	90,704	103,552	0	0	0	0	0				8,552		95,000
Hood Park LC-Replace outdoor learner pool boiler and pipework	Jason Knight	10,000	10,000	0	10,000	0	0	0	0	0						10,000
Hermitage LC-Replace hot water system pipework, heat emitters & cold water storage tank	Jason Knight	18,000	18,000	0	18,000	0	0	0	0	0						18,000
Hermitage LC-Replace gym air con	Jason Knight	14,000	14,000	0	14,000	0	0	0	0	0						14,000
Car Park - Ashby Cultural Quarter	Karen Cannon	0	525,252	525,252	525,252	0	0	0	0	0				512,536		12,716

DRAFT GENERAL FUND CAPITAL PROGRAMME 2019/20 to 2023/24

APPENDIX A

SCHEME	BUDGET HOLDER	CURRENT				FUTURE					FUNDING					
		2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 Actual @ Period 7	2018/19 FORECAST (Inc c/f & slippage)	2019/20	2020/21 Indicative	2021/22 Indicative	2022/23 Indicative	2023/24 Indicative	GRANTS/ S106 CONTS	DF GRANTS	Capital Receipts	RESERVES	REVENUE	LEASING OR BORROWING
Memorial Clock Tower	Karen Cannon	0	120,000	105,681	160,000	0	0	0	0	0	81,252			78,748		
Castle Donington College - All Weather Pitches - Re-surfacing	Karen Cannon	30,000	30,662	30,662	30,662	0	0	0	0	0				662		30,000
Linden Way Depot - Welfare Facilities	Karen Cannon	50,000	50,000	0	50,000	0	0	0	0	0						50,000
Moira Furnace - Masonry & Drainage	Karen Cannon	170,000	170,000	0	170,000	40,000	0	0	0	0						210,000
Moira Furnace - Upgrades to furnace and Bridge & further remedial works	Karen Cannon	0	0	0	0	85,000	0	0	0	0						85,000
Council Office - Upgrade to failing obsolete fire alarm system	Karen Cannon	30,000	30,000	0	0	63,000	0	0	0	0						63,000
Council Office - Replacement Cotag system	Karen Cannon	0	0	0	0	44,000	0	0	0	0						44,000
Council Offices - Replace obsolete parts to consumer units following M&E survey	Karen Cannon	0	0	0	0	75,000	0	0	0	0						75,000
Council Offices - Replacement LED Lighting throughout (Stenson House & Main Building)	Karen Cannon	0	0	0	0	35,000	0	0	0	0						35,000
Council Offices - Insulate roof space to building	Karen Cannon	0	0	0	0	30,000	0	0	0	0						30,000
Council Offices - Install solar power	Karen Cannon	0	0	0	0	0	40,000	0	0	0						40,000
Council Office - Main Building Lift works	Karen Cannon	30,000	30,000	0	30,000	100,000	0	0	0	0						130,000
Council Offices - Main Building - Upgrade of all walkways, double glazing and insulated panels	Karen Cannon	0	0	0	0	250,000	0	0	0	0						250,000
Council Offices - Main Building - Replacement windows generally	Karen Cannon	0	0	0	0	0	250,000	0	0	0						250,000
Council Offices - (Stenson House) Replacement windows Lightwells and External works	Karen Cannon	0	0	0	0	35,450	0	0	0	0						35,450
Council Offices - (Stenson House) External works to roadway outside registry office	Karen Cannon	0	0	0	0	50,000	0	0	0	0						50,000
Whitwick Business Centre - Replace Lighting with LED	Karen Cannon	0	0	0	0	12,000	0	0	0	0			12,000			
Whitwick Business Centre - Installation of Solar Power	Karen Cannon	0	0	0	0	0	40,000	0	0	0			40,000			
Marlborough Square	Mark Fiander	0	1,646,605	156,850	1,646,605	0	0	0	0	0			1,646,605			
New Market Provision	Paul Sanders	0	600,000	0	600,000	0	0	0	0	0			600,000			
Salt Bay Cover	Claire Preston	0	0	0	0	20,000	0	0	0	0						20,000
Appleby Magna Caravan Site - redevelopment		0	0	0	0	175,000	175,000	0	0	0						350,000
<b>TOTAL GENERAL FUND</b>		<b>3,137,253</b>	<b>6,723,671</b>	<b>3,347,102</b>	<b>6,658,691</b>	<b>14,896,590</b>	<b>10,070,640</b>	<b>1,466,950</b>	<b>1,139,250</b>	<b>1,155,530</b>	<b>661,502</b>	<b>3,678,989</b>	<b>2,816,000</b>	<b>3,161,654</b>	<b>184,010</b>	<b>24,885,496</b>

DRAFT SPECIAL EXPENSES CAPITAL PROGRAMME 2018/19 to 2022/23

SCHEME	BUDGET HOLDER	2018/19				2019/20	2020/21	2021/22	2022/23	2023/24	FUNDING						
		ORIGINAL BUDGET	REVISED BUDGET	Actual @ Period 7	FORECAST (Inc c/f & slippage)						GRANTS/ \$106 CONTS	GRANTS	Capital Receipts	VfM Reserve	OTHER RESERVES	REVENUE	LEASING OR BORROWING
		£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Owen Street Football floodlights	Property	50,000	50,895	50,895	50,895	0	0	0	0	0	50,895	0	0	0	0	0	0
<b>TOTAL GENERAL FUND</b>		<b>50,000</b>	<b>50,895</b>	<b>50,895</b>	<b>50,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,895</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	F'cast 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>2019 - 2024 Home Improvement Programme:</b>						
Home Improvement Programme	1,281,341	4,236,106	2,800,195	2,642,184	2,910,872	2,165,383
Non Decency Improvements	-	-	-	-	-	-
<b>2019 - 2024 Home Improvement Programme Total</b>	<b>1,281,341</b>	<b>4,236,106</b>	<b>2,800,195</b>	<b>2,642,184</b>	<b>2,910,872</b>	<b>2,165,383</b>
<b>New Build:</b>						
New Build Programme - use of RTB one for one reserve	216,683	920,464	463,710	13,815		
New Build Programme - NWLDC contribution to RTB one for one	505,594	2,147,748	1,081,990	32,235		
New Build Programme - NWLDC additional provision	2,072,977	215,697	27,000		-	-
Gifted units	35,586					
Acquisition of sites/homes	160,000	1,700,000	-	-	-	-
<b>New Build Total</b>	<b>2,990,840</b>	<b>4,983,909</b>	<b>1,572,700</b>	<b>46,050</b>	<b>-</b>	<b>-</b>
<b>Estate Improvements:</b>						
Mobility Scooter Stores	-	108,526	-	-	-	-
Off Street Parking	-	412,500	100,000	150,000	150,000	150,000
Footpaths & Unadopted Roads	-	137,500	75,000	125,000	100,000	100,000
Garage Demolition & Replacement	-	65,270	60,000	60,000	60,000	60,000
Handrail Replacement	-	55,000	-	-	-	-
Estates Projects - Other	-	-	370,000	557,553	726,551	761,837
<b>Estate Improvements Total</b>	<b>-</b>	<b>778,796</b>	<b>605,000</b>	<b>892,553</b>	<b>1,036,551</b>	<b>1,071,837</b>
<b>Compliance:</b>						
Fire Risk Assessment Remedial Works	87,000	162,000	125,000	100,000	87,000	87,000
<b>Compliance Total</b>	<b>87,000</b>	<b>162,000</b>	<b>125,000</b>	<b>100,000</b>	<b>87,000</b>	<b>87,000</b>
<b>Major Aids &amp; Adaptations</b>	<b>275,000</b>	<b>295,000</b>	<b>250,000</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Renewable/Replacement Energy Installations Programme</b>	<b>2,813,000</b>	<b>104,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Supported Housing Improvements:</b>						
Speech Module	-	100,000	-	-	-	-
Sheltered Housing Improvements	-	200,000	250,000	300,000	200,000	200,000
<b>Supported Housing Improvements Total</b>	<b>-</b>	<b>300,000</b>	<b>250,000</b>	<b>300,000</b>	<b>200,000</b>	<b>200,000</b>
<b>Active Asset Management:</b>						
Property Demolition	-	197,400	-	-	-	-
Capital Works - Voids	217,500	355,000	350,000	350,000	398,000	350,000
Professional Fees	-	70,000	70,000	70,000	70,000	70,000
<b>Active Asset Management Total</b>	<b>217,500</b>	<b>622,400</b>	<b>420,000</b>	<b>420,000</b>	<b>468,000</b>	<b>420,000</b>
<b>Other Capital Spend:</b>						
New Housing Systems	362,751	597,458	23,170	-	-	-
PNC8 Software Upgrade - Central Control	-	45,400	-	-	-	-
Capital Works - Other	-	-	-	-	-	-
Unallocated/Contingency	-	-	-	-	-	-
<b>Other Capital Spend Total</b>	<b>362,751</b>	<b>642,858</b>	<b>23,170</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Salaries</b>	<b>440,389</b>	<b>433,710</b>	<b>433,710</b>	<b>433,710</b>	<b>433,710</b>	<b>433,710</b>
<b>Total Programme Costs</b>	<b>8,467,821</b>	<b>12,559,559</b>	<b>6,479,775</b>	<b>5,034,497</b>	<b>5,336,133</b>	<b>4,577,930</b>
<b>Funding</b>						
Usable balances held @ 31/03/18	0	5,912,062	1,174,753	81,539	579	579
Major Repairs reserve balances held @ 31/03/18	3,030,824	0	0	0	0	0
Retained Right to Buy Receipts	245,501	247,956	250,435	252,939	252,939	252,939
RTB receipts - attributable debt	970,321	998,943	872,462	807,989	681,459	678,969
RTB receipts committed for one to one spend (balance)	2,241,328					
Use of RTB one for one reserve	216,683	920,464	463,710	13,815	0	0
Other Usable balances held @ 31/03/18	1,699,109	0	0	0	0	0
RCCO	0	1,700,000	0	100,270	616,335	0
Major Repairs Allowance	3,139,190	3,139,190	3,172,954	3,178,525	3,185,399	3,195,080
Asset Disposals (Capital Allowance)	603,950	400,000	400,000	400,000	400,000	400,000
Renewable Heat Incentive	0	200,000	200,000	200,000	200,000	200,000
Section 106	2,232,977	215,697	27,000	0	0	0
	<b>14,379,883</b>	<b>13,734,312</b>	<b>6,561,314</b>	<b>5,035,076</b>	<b>5,336,712</b>	<b>4,727,568</b>
Cumulative over/(under) resource	5,912,062	1,174,753	81,539	579	579	149,638

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY 11 DECEMBER 2018**

Title of report	<b>2019 – 2024 MEDIUM TERM FINANCIAL STRATEGY</b>
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nicholas Rushton Tel: 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Strategic Director of Housing and Customer Services Tel: 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Finance Tel: 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	To present members with the impact of modified assumptions within the council’s Medium Term Financial Strategy and provide an update in respect of the Journey to Self Sufficiency Programme
Reason for decision	To keep members up to date in respect of the council’s financial projections.
Council priorities	Value for Money
Implications:	
Financial/Staff	A review and revision of the assumptions used in the medium term financial plan and Housing Revenue Account business plan cash flow model upon drafting of the 2019/20 draft budget has resulted in a revised forecast financial position between 2019/20 - 2024. These are detailed in the report.
Link to relevant CAT	None.
Risk Management	There are a number of risks associated with the medium term financial plan as clearly future events cannot be accurately predicted and as a result the economic outlook can change quickly. In addition, a great deal of uncertainty remains in the local government sector around core funding. A risk and sensitivity analysis is included within this report.
Equalities Impact Screening	None.

Human Rights	None.
Transformational Government	The report provides an update in respect of the Journey to Self-Sufficiency Programme.
Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	As report author, the report is satisfactory.
Comments of Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	<a href="#">Medium Term Financial Strategy Cabinet 6 Feb</a> <a href="#">Medium Term Financial Council 27 Feb</a> <a href="#">Provisional Outturn Cabinet 12 June</a>
Recommendations	<b>THAT CABINET NOTE:</b>  <b>1. THE REVISED MEDIUM TERM FINANCIAL PLAN</b>  <b>2. THE PROGRESS OF THE JOURNEY TO SELF SUFFICIENCY PROGRAMME</b>

## 1.0 BACKGROUND

- 1.1 The council's Medium Term Financial Strategy 2018 – 2023 was approved by Cabinet on 6 February 2018 and presents a high level, 5 year assessment of the financial resources required to deliver the Council's strategic priorities and essential services over this period in respect of both the revenue and capital plans of the General Fund and Housing Revenue Account.
- 1.2 The strategy also promotes self-sufficiency to safeguard the Council's financial position against future central government funding changes. A new Self-Sufficiency reserve was created as part of the setting of the 2018/19 budget.
- 1.3 A review of the strategy's financial projections for the Council was undertaken in July 2018. The assumptions of both plans were reviewed in light of the financial outturn of the council for 2017/18, the Government's Spring Statement and other known information concerning the predictions around future income and expenditure, such as developments arising from the Fair Funding Review, the government's departmental Spending Review and progress on the development of the national 75% Business Rate Retention System.
- 1.4 This report details the revised financial projections for the Council based on the forecast outturn for the 2018/19 financial year, the draft budgeted position for 2019/20, the Budget

statement (announced by the Chancellor of the Exchequer on 29 October) and other known factors around the Fair Funding Review and Business Rates System as outlined in 1.3 above, pending the Government's Draft and Final Local Government Funding Settlement Announcement due in December 2018 and early 2019 respectively.

## **2.0 GENERAL FUND MEDIUM TERM FINANCIAL PLAN**

### **2018/19 Forecast Outturn**

- 2.1 The forecast position on the General Fund for 2018/19 is a surplus for the year of £720k, compared to a budgeted surplus of £299k. This is due to a number of favourable movements including an increase in anticipated Business Rate income of £100k, Salary underspends across the Council and additional taxi licencing income and commercial rental income. Full details of movements to Quarter 2 can be found in the Cabinet report dated 9 October 2018.
- 2.2 In line with the decisions made by council at its meeting on 27 February 2018, the budgeted surplus of £299k and any additional surpluses achieved will be transferred to the self-sufficiency reserve.

### **Medium Term Financial Plan - Projections as at July 2018**

- 2.3 The projected deficit arising between 2018/19 and 2022/23, as last reported to members in July 2018 totalled £4.576m. To summarise this position, the following table details the projected financial position over the period:

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>TOTAL</b>
Surplus/(Deficit)	298	366	(1,301)	(1,662)	(2,278)	<b>(4,576)</b>

### **Review of Assumptions**

- 2.4 Appendix B includes a list of the original assumptions included in the MTFs and details of assumptions that have been revised.

### **Fair Funding Review**

- 2.5 The fair funding review, which will set new baseline funding allocation for all local authorities by delivering an up-to-date assessment of their relative needs and resources remains underway. Consultation was undertaken between December 2017 and March 2018 to assist in the development of a new formula for determining funding allocations from 2020/21 onwards. As was the case in July 2018, the government is yet to publish its response to consultation feedback. These funding allocations were last reviewed in 2013/14.

## **Budget Announcement and the Draft Local Government Finance Settlement**

- 2.6 On 29 October 2018 the Chancellor of the Exchequer delivered the Autumn Budget. There were a number of announcements made that will affect the Council's financial position including additional business rate reliefs for retailers and additional 'Future High Streets Fund' for Local Authorities to bid for to support town centre transformation.
- 2.7 The detail of the Budget and its impact on Local Authority funding will be announced as part of the Local Government Finance Settlement on 6 December 2018.
- 2.8 The Budget announcement around the government's forecast in respect of CPI has been built into the revised assumptions.
- 2.9 The district has a number of key sectors that may be impacted by Brexit through the movement of goods or people: Logistics, Aviation, Hospitality, Manufacturing and Aggregates. Equally the District is also home to a number of foreign owned businesses and European Headquarters for global firms whose future is less certain in light of the EU exit. Through ongoing engagement with businesses via the Council's Economic Development team, there hasn't been any defined thought or movement from businesses to Brexit. Whilst Brexit may pose a risk to the Council's Business Rate income, officers have been unable to quantify this risk.

## **Draft Budget**

- 2.10 The Net Cost of Service for 2019/20 has been based on the draft General Fund Revenue budget and inflated for future years. Details in respect of the budgetary proposals for 2019/20 can be found on the Draft General Fund Budget report on the same agenda as this paper.
- 2.11 The predicted surplus and contribution to General Fund reserves for 2019/20 is £762k. Subject to 2018/19 outturn this position, this surplus position will take the Self-Sufficiency Reserve from an estimated £3.48m at 31 March 2019 to £4.242m at 31 March 2020.

## **Business Rates**

- 2.12 Work in respect of the Business Rate Retention Scheme (BRRS) also continues. This review will implement the move from the 50% Business Rate Retention Scheme to that of 75% system from 2020/21.
- 2.13 The revised system will also implement the reset of the business rates baseline, which represents the anticipated level of business rates within a locality. This baseline is used within the existing 50% retention system to share business rates between local preceptors and the government. Income collected that is above this baseline tends to be as a result of growth in the local area and under the retention system, is shared on a basis that is more favourable to the council. There is not yet any detail regarding the date at which the baseline will be referenced against, however we do know that it will be implemented from 2020/21.
- 2.14 Work has been undertaken to assess the likely growth in business rates to the Council in consultation with the Revenues and Benefits and Business Focus teams. Assessing growth is a continuous exercise due to the fluidity of business growth and decline.

Additionally, this team is also seeking to establish a methodology for identifying the risk exposure that businesses in North West Leicestershire face in the light of Brexit and EU trading changes and the resultant risk of loss in business rates for the council.

- 2.15 The version of the Medium Term Financial Plan presented to members in July assumed that a full business rates baseline reset would be implemented in 2020/21 at the 2018/19 level of rates due to the Council. This assumption has now been revised based on advice from our funding advisors Pixel to assume a partial reset (50%) from 2020/21 at the 2018/19 level of rates collected.
- 2.16 Other scenarios for the resetting of the business rates baseline include a full reset and/or reset at 2017/18 or 2019/20 level of rates collected. A full reset is less favourable to the council. Similarly rates being reset at the 2019/20 level would be less favourable as the reset would absorb more of the growth anticipated in 2019/20. An assessment of the sensitivity to likely other Business Rates baseline reset scenarios can be found in Appendix G

### **New Homes Bonus**

- 2.17 In the Government's September 2018 consultation on the Draft Local Government Finance Settlement, it was stated that 2019/20 represented the final year of New Homes Bonus funding agreed through the 2015 Spending Review. The Government stated that they would explore how to incentivise housing growth most effectively going forward and would consult on any proposed changes.
- 2.18 The Government also announced that it may increase the national baseline for housing growth of 0.4% of council tax base (weighted by band), below which the Bonus will not be paid.
- 2.19 Given the above and the threat that the loss of New Homes Bonus presents to the Council, the Medium Term Financial Plan has been revised to assume that the baseline will be increased to 0.6% and new bonus payments withdrawn from 2020 (effectively meaning that the council will continue to receive legacy payments based on past bonus awards until 2022/23).
- 2.20 Other scenarios for New Homes Bonus include the scheme being abolished entirely or the scheme remaining as is. An assessment of the sensitivity to such scenarios can be found in Appendix G

### **Council Tax**

- 2.21 The Council has frozen its share of council tax in 2018/19 and this is the ninth year of this policy. The cumulative loss of income as a result of this policy from 2010/11 to 2018/19 stands at £6.6m and the cumulative average saving to residents of £231.
- 2.22 The assumption for 2019/20 is that the Council's precept will not rise, taking the cumulative loss of income as a result of the policy to £8.5m and the cumulative average saving to residents to £286 over the ten years. The net income foregone by not increasing council tax for 2019/20 from its 2018/19 level is £166k.

- 2.23 In the plan presented to members in July 2018, it was assumed that the council tax freeze policy would remain in place for the foreseeable future. This assumptions has not changed.
- 2.24 Given the likely significant funding challenges, volatility and uncertainty faced by the Council from 2020, it is the recommendation of the Section 151 Officer that all current assumptions should be reviewed in July 2019 by Cabinet as part of the mid-year review of the Medium Term Financial Strategy, when further clarity will be available surrounding local government funding.
- 2.25 The impact of assuming a council tax precept freeze to 2024 is £1.7m of foregone council tax income.
- 2.26 Growth projections in respect of the Council Tax Base remain consistent at 600 homes per annum.
- 2.27 A scenario to model the impact of deflated growth in the council tax base is included in Appendix G.

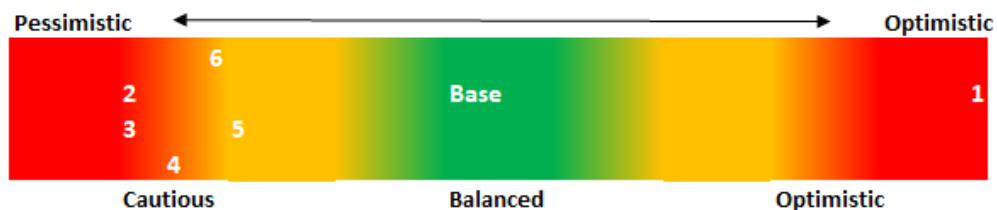
### **Transitory Measures**

- 2.28 A new assumption in respect of 'transition' has been included in the Medium Term Financial Plan as a result of the progress of the Fair Funding Review and Business Rates Retention working group.
- 2.29 Transitory funding (often referred to as 'damping') is likely to occur when a council suffers a loss of total resources above a certain level.
- 2.30 At this moment in time it is unclear on what that level may be. Based on advice received from our funding advisors Pixel, an assumption of -5% has been used in the Medium Term Financial Plan.
- 2.31 It is unlikely that the council will be compensated for any loss below the -5% that occurs as a result of its policy to freeze council tax. Transition funding has therefore been incorporated into the Medium Term Financial Plan (Appendix C) and the scenario analyses (Appendix G) at the level that could be received if the council's council tax precept had been increased from 2020 - 2024.



## Assessment of Assumptions and Sensitivity Analysis

2.32 The below diagram and table illustrate the assessed reasonableness of assumptions used within the revised Medium Term Financial Plan alongside 6 other potential scenarios.



Ref	NHB	Business Rates	Council Tax	Transition
Base	0.6% Baseline; Legacy payments from 2020	Partial Baseline Reset in 2020 @ 2018/19 rates level	0% precept to 2024, growth 600 homes p.a	Yes, assumed when funding reduces by more than 5%
1	Baseline remains at 0.4% and scheme continues as is	as per Base	as per Base	
2	Baseline increased to 0.6% and abolished from 2020	as per Base	as per Base	
3	as per Base	Full reset in 2020 based on 19/20 rates level	as per Base	
4	as per Base	Full reset in 2020 based on 18/19 rates level	as per Base	
5	as per Base	Full reset in 2020 based on 17/18 rates level	as per Base	
6	as per Base	as per Base	0% precept increase to 2024, growth deflated at 400 homes	

2.33 Contained within Appendix G are some further illustrative charts to show the impact of each of the scenarios listed in the table above and their impact on the specific funding stream.

### Medium Term Financial Plan – Revised Projections

2.34 The projected deficit arising between 2019/20 and 2023/24 has now been assessed to be £3.98m over the five year period and can be found in the table below.

	2019/20	2020/21	2021/22	2022/23	2023/24	Total
Surplus/(Deficit)	763	200	- 841	- 1,762	- 2,339	- 3,980*

\* Subject to rounding

- 2.35 Whilst the forecast deficit over the period is £3.98m, the anticipated balance of the Self-Sufficiency reserve as at March 2020 is £4.242m. The intention of this reserve is to cover the investment cost for initiatives that will earn the council a revenue return. However, the reserve can also be utilised to balance deficit years where necessary.
- 2.36 The revised medium term financial plan can be found in Appendix C.

### **3.0 REVIEW OF HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL PLAN**

#### **2018/19 Forecast Outturn**

- 3.0 The forecast outturn position for the Housing Revenue Account for 2018/19 is a surplus of £3,217k being £271k higher than the approved budgeted surplus of £2,946k.
- 3.1 The additional surplus forecast for the year is as a result of a number of favourable and offsetting adverse variances. The most significant variances are savings in energy costs, partly as a result of an over accrual in 2017/18, savings in Council Tax as a result of fewer empty properties, together with additional income from rents, mainly as a result of increased void performance and additional income from interest on balances.
- 3.2 In line with the decisions made by council at its meeting on 27 February 2018, the surplus achieved for the year will be added to the HRA balance which stood at £9.384m at 31 March 2018. This balance represents £8.384m set aside within a loan redemption reserve for the purposes of repaying two maturity loans totalling £13m which fall due for repayment in March 2022 with the remaining £1m being retained as a minimum working balance for the HRA.
- 3.3 A copy of the five year extract of the HRA business plan cash flow can be found in Appendix D.

#### **2019/20 Draft Budget**

- 3.4 The draft budget for 2019/20 is estimated to produce an operating surplus / deficit of zero, after making a contribution of £1.4m to the debt repayment reserve and a RCCO contribution to the capital programme of £1.7m, which will take total estimated HRA balances at 31 March 2020 to £14m. The HRA working balance will be £1m and the remaining £13m will be held in the debt repayment reserve to repay the debt that matures in 2021/22.
- 3.5 See HRA Revenue Budget proposals for further details, which is shown elsewhere on this agenda.

#### **HRA 30 year Business Plan Cash Flow – Previous July MTFS Projections**

- 3.6 The projected financial position contained within the MTFS showed that the HRA was able to fully fund its capital programme and meet loan commitments falling due over the five year period from 2018/19 to 2022/23.

- 3.7 Over the life of the business plan, a shortfall was shown to arise in 2041/42 of £1.3m followed by a further £32m by the end of the 30 year period in 2047/48. The total of these sums being £33.3m between 2041 and 2048. Given that this projected position is 25 years from being realised, financial forward planning in the intervening years will be required to address the shortfall, including consideration of refinancing at an appropriate time.

### **Review of Assumptions**

- 3.8 Inflation forecasts have been updated and the projected increase in CPI in line with the government's Spring Statement has led to a significant increase in the income from housing rents. Costs are also projected to increase, although the overall impact on expenditure is less significant, bringing about additional net income from 2020/21.
- 3.9 The cash flow model updates in respect of right to buy sales and affordable properties brought onto the rent debit in 2018/19 and has resulted in a favourable movement on HRA cash balances due to the compound nature of accruals of additional rental income on these properties.

The 30 year capital programme cost projections for the HRA have been revised from £177m to £186m.

- 3.10 Appendix E includes a list of assumptions and review details.

### **HRA 30 Year Business Plan Cash Flow – Revised Projections**

- 3.11 A shortfall first arises in 2041/42, which is £8.4m, followed by a further £40.8m by the end of the 30 year period to 2048/49. The total of these sums being £49.2m between 2041 and 2049.
- 3.12 After 2022, it is proposed that the council will not automatically use any surpluses to pay into a loan redemption reserve for the repayment of maturity loans that next become payable in 2037. This will allow the council more flexibility and the ability to use future surpluses to either invest in capital improvements, new housing stock, service improvements or repayment of debt. The existing annuity loans will of course continue to be repaid as originally intended when the council took on the self-financing debt and came out of the former HRA subsidy system. This decision will be presented to members formally as part of the Treasury Management Strategy Statement for 2019/20 at Cabinet and Council in February 2019.
- 3.13 The five year extract of the revised HRA Business Plan cash flow model can be found in Appendix F.

## **4.0 JOURNEY TO SELF-SUFFICIENCY PROGRAMME**

- 4.1 As detailed in paragraph 2.35 above, the self-sufficiency reserve now stands at £2.76m and remains in line with the projections of the MTFs. There has been no expenditure against the reserve to date.

- 4.2 A Journey to Self-Sufficiency Programme Board has been established and 4 key work streams identified.
- 4.3 The portfolio holder for Finance will act as Cabinet sponsor for the programme and updates will be provided on a monthly basis at the portfolio holder briefing session. Formal updates on the progress of savings will be reported to Cabinet as part of the bi-annual review of the MTFS. As is the normal course of business, any strategies or initiatives will be presented to Policy Development Group prior to Cabinet approval.
- 4.4 Each of the 4 work streams are detailed below with a summary of progress.
- 4.4.1 **Commercialism** – A Commercial Strategy for the council was approved by Cabinet on 9 October 2018. The strategy lays out how the council will focus on income generation and developing the culture of the organisation to become more commercial in all areas. The Head of Legal and Commercial Services is now leading the implementation of the strategy. Preliminary work has been undertaken to facilitate an efficient start to the project. This includes a staff survey to benchmark the organisational awareness of commerciality, a data capture exercise with team managers on our current fees and charges to inform the development of a new charging policy, identifying new ideas for revenue generation and beginning work on mapping out an organisational skills and knowledge programme. The first meeting of the project team will be held in December 2018.
- 4.4.2 **Phase 2 Organisational Restructures** – The phase 2 restructures followed on from the senior management restructure which was implemented in February 2018 and are led by The Chief Executive Head of HR and Organisational Development. Annual revenue savings across the organisation of £68k have been achieved, of which £36k related to General Fund and £32k the Housing Revenue Account (excluding the anticipated one off redundancy costs charged to the General Fund of £25k). Phase 2 restructures in other services, namely Customer Services and Cultural Services are due to be undertaken in the coming months.
- 4.4.3 **Savings** – All Team Managers of the council's corporate support services have formed a group led by the Head of Finance to review how each service area can flex to deliver savings against the target of £200k reduction in corporate costs that was committed as part of the decision to outsource the councils leisure centres. They have identified circa £100k of savings and have included these amounts in the 2019/20 draft budget. It is anticipated that annual savings of £200k will be achieved from 2020. A vacancy review process has been implemented for all corporate support services to allow for thorough review of vacancies arising with a view to minimise central support costs where possible. The Head of Finance and the Head of HR and Organisational Development and the Chief Executive will now continue to meet on a regular basis to monitor progress of savings achieved and further savings identified.
- 4.4.4 **Budget process** – the Head of Finance has led the council in preparing the draft 2019/20 budget. The budget process has focussed on the delivery of savings via a Savings Challenge where each budget holder was challenged to deliver 2.5% savings on their net cost of service. The budget process delivered net savings of

£639k across the General Fund which have been offset by cost pressures, service developments and increased staffing costs which have increased the budgeted net cost of service by circa £835k from £13.2m in 2018/19 to £13.4m in 2019/20. Savings achieved across the Housing Revenue Account have maintained the level of expenditure at the 2018/19 level, with the net operating expenditure for the year budgeted at £3.04m compared with £2.9m for 2018/19.

**GENERAL FUND MEDIUM TERM FINANCIAL PLAN – JULY 2018**

	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>
Base Budget	£000 13,204	£000	£000	£000	£000
Indicative Base Budget (based on services assessment)		12,954	13,587	14,327	14,848
Assumed Base Budget (5% increase year on year)					
<b>Total Budget before Savings/Surplus</b>	<b>13,204</b>	<b>12,954</b>	<b>13,587</b>	<b>14,327</b>	<b>14,848</b>
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	298	366	(1,301)	(1,662)	(2,278)
<b>Total Final Expenditure Budget</b>	<b>13,503</b>	<b>13,320</b>	<b>12,286</b>	<b>12,665</b>	<b>12,570</b>
<b>Funding</b>					
Revenue Support Grant	235	0	0	0	0
Business Rates	4,864	4,970	3,824	3,908	3,983
New Homes Bonus	2,905	2,896	2,987	3,197	2,941
Council Tax	5,210	5,305	5,400	5,497	5,596
Council Tax Surplus	289	150	75	63	50
Other grants					
<b>Total Funding</b>	<b>13,503</b>	<b>13,320</b>	<b>12,286</b>	<b>12,665</b>	<b>12,570</b>

**GENERAL FUND REVENUE PROJECTIONS**  
**KEY ASSUMPTIONS**

	<b>MTFS 2018 – 2023 Original Assumptions (February 2018)</b>	<b>MTFS 2018 – 2023 Revised Assumptions (June 2018)</b>	<b>MTFS 2019 – 2024 Assumptions (November 2018)</b>
Base Budget 2018/19	1. As per 2018/19 draft budget.	1. No change	1. As per draft budget 2019/20
Indicative Base Budget 2019/20 – 2022/23	2. Stabilisation of planning fees from 2018/19 at £1.2 million per annum 3. Stable car parking charges and income 4. Local Council Tax Reduction / Support Scheme grant to town and parish councils reducing by £25,000 (approximately 25%) each year over four years, and maintain Special Expenses at their current levels 5. Pay award in line with Local Government Pay Offer, with 3% built in for 2019/20 and 2% each year thereafter, pending a detailed redesign of the council's existing pay structure 6. Pensions and national insurance costs inflated at anticipated levels to 2023. 7. Non pay costs inflated from 2018/19 levels at 2.8% (CPI @ Sept 2017) to 2023 8. Return on investments at previously achieved performance level of 0.44%, with no additional targets included for commercial activity such as a Local Housing Company or investment into property funds 9. Apprenticeship levy of 0.5%	2. No change 3. No change 4. No change 5. No change, pending review of the council's pay grading structure 6. No change 7. Adjustment to align with the governments forecasts for CPI as announced as part of the Spring Statement: 2019/20 – 1.8% 2020/21 – 2022/23 – 2% 8. No change 9. No change at present, ut we are looking at reviewing the Treasury Management Strategy Statement with a view to increase the return we receive on investments. 10. No change 11. No change	2. No change 3. No change 4. No change 5. Pay Award based on 2020/21 2%, 2021/22 – 2022-23 2.1%, 2023/24 2% 6. No change 7. 2020/21 2%, 2021/22 – 2022-23 2.1%, 2023/24 2% 8. No change 9. No change 10. That the council saves £100k in corporate overheads in 2019/20 and saves £25k in year 1 based on the net position of the new leisure outsourcing arrangement. Additional interest and minimum revenue provision (repayment of internal debt) is also factored in from 2020/21 based on the capital funding of the new facility.

	<p>10. That the council saves £200,000 in corporate overheads from 2019/20 and receives £250,000 income each year in a management fee on outsourcing it's leisure centres in March 2019. Additional interest and minimum revenue provision (repayment of internal debt) is also factored in from 2020/21.</p>		
Revenue Support Grant	<p>12. RSG is phased out in 2018/19</p>	<p>12. No change, although it should be noted that until the outcome of the Fair Funding review is known, negative RSG is absorbed into the council's business rate baseline funding level, reducing the council's funding position by:</p> <ul style="list-style-type: none"> <li>• 2019/20: nil</li> <li>• 2020/21: -£210k</li> <li>• 2021/22: -£270k</li> <li>• 2022/23: -£320k</li> </ul>	<p>13.</p>
Business Rates	<p>13. Full business rate baseline reset in 2020/21 at the 2018/19 level of business rates collected, with no transitional measures upon implementation of the Fair Funding Review</p> <p>14. 75% Business Rate Retention system implemented in 2020/21</p> <p>15. Tariff on business rates income in line with Government announcement in respect of 2018/19. 2019/20 and beyond assumed at anticipated level before the announcement in respect of 2018/19. These projections will be updated once firmer detail is understood.</p>	<p>14. No change</p> <p>15. No change</p> <p>16. Tariff payable reviewed and error corrected from 2019/20.</p>	<p>13. Partial Business Rates Baseline reset in 2020/21 at the 2018/19 level of business rates collected with transition payments assumed so that the council's net funding doesn't reduce below 5%.</p> <p>14. No change</p> <p>15. No change.</p>



New Homes Bonus	14. That our reliance on New Homes Bonus as part of our core budget will be reduced by 25% by 2023 after it has funded regeneration activities and services, phased in incrementally at 6.25% per year over four years from 2019/20.	16. No change	16. That New Homes Bonus funding is removed from 2020/21 but that legacy payments continue and reduce to NIL by 2023/24. Also assumed that baseline for which payments are made above is increased from 0.4% to 0.6%.
Council Tax	17. Council tax assumed at 0% increase to the council tax base per annum 18. Estimates of council tax base increase of 1.8% every year (broadly 600 homes each year) which impacts on council tax base and NHB. Note that the average increase since 2014 has been in the region of 700 new homes per year.	17. No change 18. No change  It is anticipated that a review of the discounts and exemptions offered by the council will deliver a future saving and this will be updated as part of the MTFs in December.	17. 0% increase assumed for 2019/20. Default 2.99% increase assumed thereafter.  18. No change  NB – A report will be delivered to Cabinet in December with a view to amend the current discounts offered on second homes and empty homes. This will marginally increase the council tax base and therefore the income collected. These assumptions are not yet built into the calculations, pending Cabinet approval of the revised discounts and production and subsequent approval of the Council Tax Base.
Council Tax Surplus	19. Collection fund surplus reduced from £289,000 in 2018/19 with incremental decreases year on year until 2022/23 where a £50,000 surplus is assumed	19.No change	19. £63k surplus for 2019/20, assumed at £32k 2020/21 and to NIL from 2021/22.
Other	20. That we will create a Self Sufficiency Reserve of £2.76 million from £900,000 of existing general fund reserves and the forecast 2017/18 surplus of £1.86 million and that surpluses generated in future years (as	20. No change (except to acknowledge that the self-sufficiency reserve now stands at £2.76m as anticipated in February 2018). 21. No change 22. No change	20.No change 21.No change 22. No change

	<p>projected in section 7) will be paid into this reserve.</p> <p>21. That we will maintain a minimum General Fund working balance will be maintained at the higher of £1.5 million or 10% of net expenditure to 2023</p> <p>22. The General Fund Capital Programme is fully funded.</p>		
New			<p>23 – Transitional measures based on assumption that the council will not suffer a loss of total resources of more than 5% in any one year.</p> <p>24 – Minimum Revenue Provision policy revised in line with Statutory Guidance – impact to 2019/20 negligible, but increase in MRP for future years.</p> <p>25 – Assumed NWLDC is not a Business Rate Pilot authority in 2019/20, pending outcome of the Leicestershire-wide bid to become a pilot.</p>

**GENERAL FUND MEDIUM TERM FINANCIAL PLAN – REVISED PROJECTIONS***Draft Medium Term Financial Plan 2019 - 2024 (BASE)*

		1	2	3	4	5
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Forecast Outturn @ P7	Budget	Budget	Budget	Budget	Budget
Base Budget	13,204	£000	£000	£000	£000	£000
Indicative Base Budget (based on services assessment)		13,399	13,736	14,427	14,565	14,982
Assumed Base Budget (5% increase year on year)						
<b>Total Budget before Savings/Surplus</b>	<b>13,204</b>	<b>13,399</b>	<b>13,736</b>	<b>14,427</b>	<b>14,565</b>	<b>14,982</b>
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	395	763	200	(841)	(1,762)	(2,339)
<b>Total Final Expenditure Budget</b>	<b>13,599</b>	<b>14,162</b>	<b>13,935</b>	<b>13,586</b>	<b>12,803</b>	<b>12,643</b>
<b>Funding</b>						
Revenue Support Grant	235	0	0	0	0	0
Business Rates	4,960	5,807	6,167	6,286	6,396	6,498
New Homes Bonus	2,905	2,996	2,346	1,816	819	0
Council Tax	5,210	5,296	5,391	5,484	5,582	5,681
Council Tax Surplus	289	63	32	0	0	0
Other grants						
Damping			0	0	5	464
<b>Total Funding *</b>	<b>13,599</b>	<b>14,162</b>	<b>13,935</b>	<b>13,586</b>	<b>12,803</b>	<b>12,643</b>

\* Subject to rounding

**HRA BUSINESS PLAN MODEL PROJECTIONS – JULY**

<b>Year</b>	<b>2018.19</b>	<b>2019.20</b>	<b>2020.21</b>	<b>2021.22</b>	<b>2022.23</b>
<b>£ Thousands</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>INCOME:</b>					
Rental income	17,153	16,997	17,174	17,358	17,568
Void losses	(136)	(172)	(173)	(175)	(177)
Service charges	523	536	550	563	577
Non-dwelling income	93	42	21	22	22
Grants and other income	285	301	308	316	324
<b>Total income</b>	<b>17,918</b>	<b>17,704</b>	<b>17,879</b>	<b>18,084</b>	<b>18,314</b>
<b>EXPENDITURE:</b>					
General management	(2,284)	(2,343)	(2,401)	(2,461)	(2,523)
Special management	(649)	(665)	(682)	(699)	(716)
Other management	0	0	0	0	0
Rent rebates	0	0	0	0	0
Bad debt provision	(98)	(100)	(101)	(102)	(104)
Responsive and cyclical repairs	(5,573)	(5,702)	(5,833)	(5,968)	(6,114)
<b>Total revenue expenditure</b>	<b>(8,604)</b>	<b>(8,810)</b>	<b>(9,018)</b>	<b>(9,231)</b>	<b>(9,457)</b>
Interest paid	(2,277)	(2,252)	(2,226)	(2,198)	(1,862)
Finance administration	(8)	(9)	(9)	(9)	(9)
Interest received	84	141	252	204	116
Depreciation	(3,103)	(3,146)	(3,116)	(3,088)	(3,065)
<b>Net operating income</b>	<b>4,009</b>	<b>3,628</b>	<b>3,762</b>	<b>3,763</b>	<b>4,039</b>
<b>APPROPRIATIONS:</b>					
FRS 17 / other HRA reserve adjustments	(2,906)	(2,500)	(2,608)	16,266	0
Revenue provision (HRACFR)	(1,103)	(1,128)	(1,154)	(14,180)	(1,206)
Revenue contribution to capital	0	0	0	0	(2,557)
<b>Total appropriations</b>	<b>(4,009)</b>	<b>(3,628)</b>	<b>(3,762)</b>	<b>2,086</b>	<b>(3,763)</b>
<b>ANNUAL CASHFLOW</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>5,849</b>	<b>275</b>
Opening balance	1,000	1,000	1,000	1,000	6,849
<b>Closing balance</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>6,849</b>	<b>7,125</b>
<b>Other HRA reserve balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA debt repayment reserve</b>	<b>11,158</b>	<b>13,658</b>	<b>16,266</b>	<b>0</b>	<b>0</b>
<b>HRA new build reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**HOUSING REVENUE ACCOUNT PROJECTIONS**  
**KEY ASSUMPTIONS**

	<b>MTFS 2018 – 2023 Original Assumptions (February 2018)</b>	<b>MTFS 2018 – 2023 Revised Assumptions (June 2018)</b>	<b>MTFS 2019 – 2024 Assumptions (November 2018)</b>
Income (Rents)	<ol style="list-style-type: none"> <li>1. As per Government rent policy of 1% reduction to 2019/20 then CPI + 1%. CPI assumed at 1%</li> <li>2. Rent loss performance on empty homes sustained at 1% for the life of the plan</li> <li>3. Right to Buy sales projected to be between 43 and 30 every year.</li> <li>4. 68 new homes added to the housing stock during 2018/19 at affordable rent levels</li> </ol>	<ol style="list-style-type: none"> <li>1. No change</li> <li>2. No change</li> <li>3. Forward projections reflect economic forecast of CPI at 2% from 2020/21 onwards. 2017/18 outturn updated in respect of lower level of sales than anticipated. Additional 26 affordable homes added to stock list in 2017/18.</li> <li>4. Assumed development of a further 2 new homes in 2019/20</li> </ol>	<ol style="list-style-type: none"> <li>1. No change</li> <li>2. Rent loss performance on empty homes reduced to 0.8% for the life of the plan</li> <li>3. Right to Buy sales projected to be 36 in 2019/20, 34 in 2020/21 and falling to 30 per annum thereafter</li> <li>4. 39 new homes added to the housing stock during 2018/19 with an assumed development of a further 37 new homes in 2019/20 and 20 in 2020/21 at affordable rent levels</li> </ol>
Base budget	<ol style="list-style-type: none"> <li>5. RPI increase on all costs (inclusive of staffing, supplies and services) at 2.5% per annum.</li> </ol>	<ol style="list-style-type: none"> <li>5. Increase assumed to rise to 3.5% from 2021/22 onwards</li> </ol>	<ol style="list-style-type: none"> <li>5. No change</li> </ol>

Other	<ul style="list-style-type: none"> <li>6. Surplus balances on the HRA to be transferred to the loan redemption reserve to repay maturity loans</li> <li>7. HRA Capital Programme is fully funded</li> </ul>	<ul style="list-style-type: none"> <li>6. £13m requirement for repayment of loans in 2022 reached</li> <li>7. No change</li> </ul>	<ul style="list-style-type: none"> <li>6. To be applied up until 2022, and then no policy requirement to automatically build up a reserve to repay maturity loans after this date.</li> <li>7. Whilst there is no requirement for an RCCO to balance the funding of the capital programme in 2019/20 a provision of £1.7m has been provided to fund the acquisition of affordable homes. This has been met from a surplus on the HRA revenue budget</li> <li>8. The 30 year capital programme cost projections for the HRA have been revised from £177m to £186m.</li> </ul>
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**HRA BUSINESS PLAN MODEL PROJECTIONS – REVISED**

Year	2019.20	2020.21	2021.22	2022.23	2023.24
£'000	2	3	4	5	6
<b>INCOME:</b>					
Rental Income	17,008	17,607	18,058	18,463	18,881
Void Losses	1	-144	-147	-151	-154
Service Charges	553	567	587	607	629
Non-Dwelling Income	86	82	79	75	73
Grants & Other Income	276	274	272	271	269
<b>Total Income</b>	<b>17,925</b>	<b>18,386</b>	<b>18,848</b>	<b>19,266</b>	<b>19,697</b>
<b>EXPENDITURE:</b>					
General Management	-2,267	-2,325	-2,407	-2,491	-2,578
Special Management	-710	-727	-753	-779	-806
Other Management	0	0	0	0	0
Rent Rebates	0	0	0	0	0
Bad Debt Provision	-100	-107	-110	-113	-115
Responsive & Cyclical Repairs	-5,337	-5,446	-5,627	-5,814	-6,030
<b>Total Revenue Expenditure</b>	<b>-8,413</b>	<b>-8,604</b>	<b>-8,896</b>	<b>-9,197</b>	<b>-9,529</b>
Interest Paid	-2,252	-2,227	-2,198	-1,862	-1,835
Finance Administration	-10	-8	-9	-9	-9
Interest Received	107	186	228	193	253
Depreciation	-3,139	-3,173	-3,179	-3,185	-3,195
<b>Net Operating Income</b>	<b>4,217</b>	<b>4,559</b>	<b>4,795</b>	<b>5,207</b>	<b>5,383</b>
<b>APPROPRIATIONS:</b>					
FRS 17 /Other HRA Reserve Adj	-1,389	0	12,990	0	0
Revenue Provision (HRACFR)	-1,128	-1,154	-14,180	-1,206	-1,234
Revenue Contribution to Capital	-1,700	0	-100	-616	0
<b>Total Appropriations</b>	<b>-4,217</b>	<b>-1,154</b>	<b>-1,290</b>	<b>-1,823</b>	<b>-1,234</b>
<b>ANNUAL CASHFLOW</b>	<b>0</b>	<b>3,406</b>	<b>3,505</b>	<b>3,384</b>	<b>4,149</b>
Opening Balance	1,000	1,000	4,406	7,911	11,295
<b>Closing Balance</b>	<b>1,000</b>	<b>4,406</b>	<b>7,911</b>	<b>11,295</b>	<b>15,445</b>
<b>Other HRA Reserve Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA Debt Repayment Reserve</b>	<b>12,990</b>	<b>12,990</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>HRA New Build Reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2019 – 2024**  
**FUNDING SCENARIO ANALYSIS**

The charts below are intended to illustrate the isolated change in an assumption. The table below explains each scenario and the change in funding.

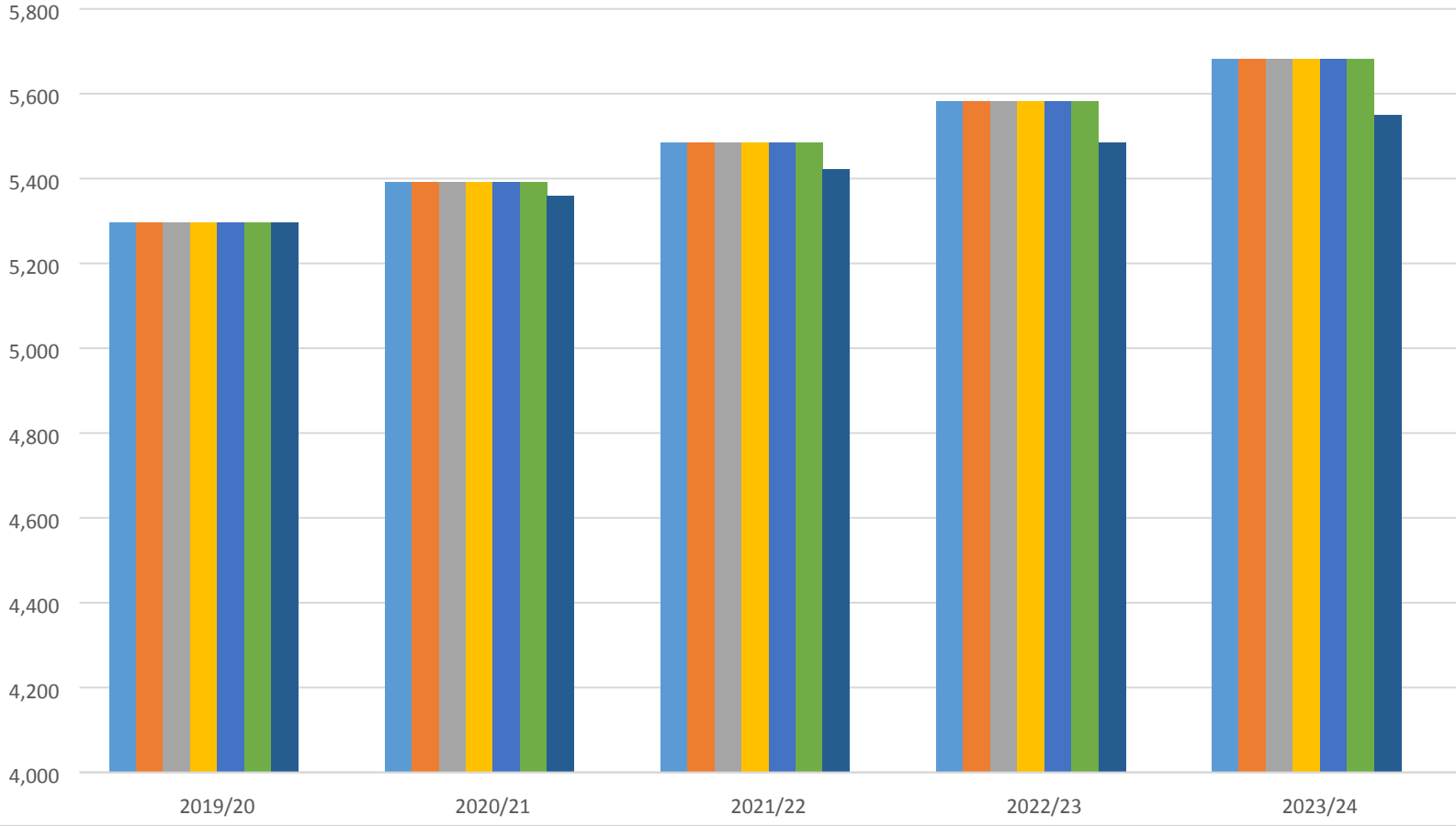
**Table 1 – Scenarios**

<b><u>Ref</u></b>	<b><u>NHB</u></b>	<b><u>Business Rates</u></b>	<b><u>Council Tax</u></b>	<b><u>Transition</u></b>
<b>Base</b>	0.6% Baseline; Legacy payments from 2020	Partial Baseline Reset in 2020 @ 2018/19 rates level	0% precept to 2024, growth 600 homes p.a	Yes, assumed when funding reduces by more than 5%
<b>1</b>	Baseline remains at 0.4% and scheme continues as is	as per Base	as per Base	
<b>2</b>	Baseline increased to 0.6% and abolished from 2020	as per Base	as per Base	
<b>3</b>	as per Base	Full reset in 2020 based on 19/20 rates level	as per Base	
<b>4</b>	as per Base	Full reset in 2020 based on 18/19 rates level	as per Base	
<b>5</b>	as per Base	Full reset in 2020 based on 17/18 rates level	as per Base	
<b>6</b>	as per Base	as per Base	0% precept increase to 2024, growth deflated at 400 homes p.a.	



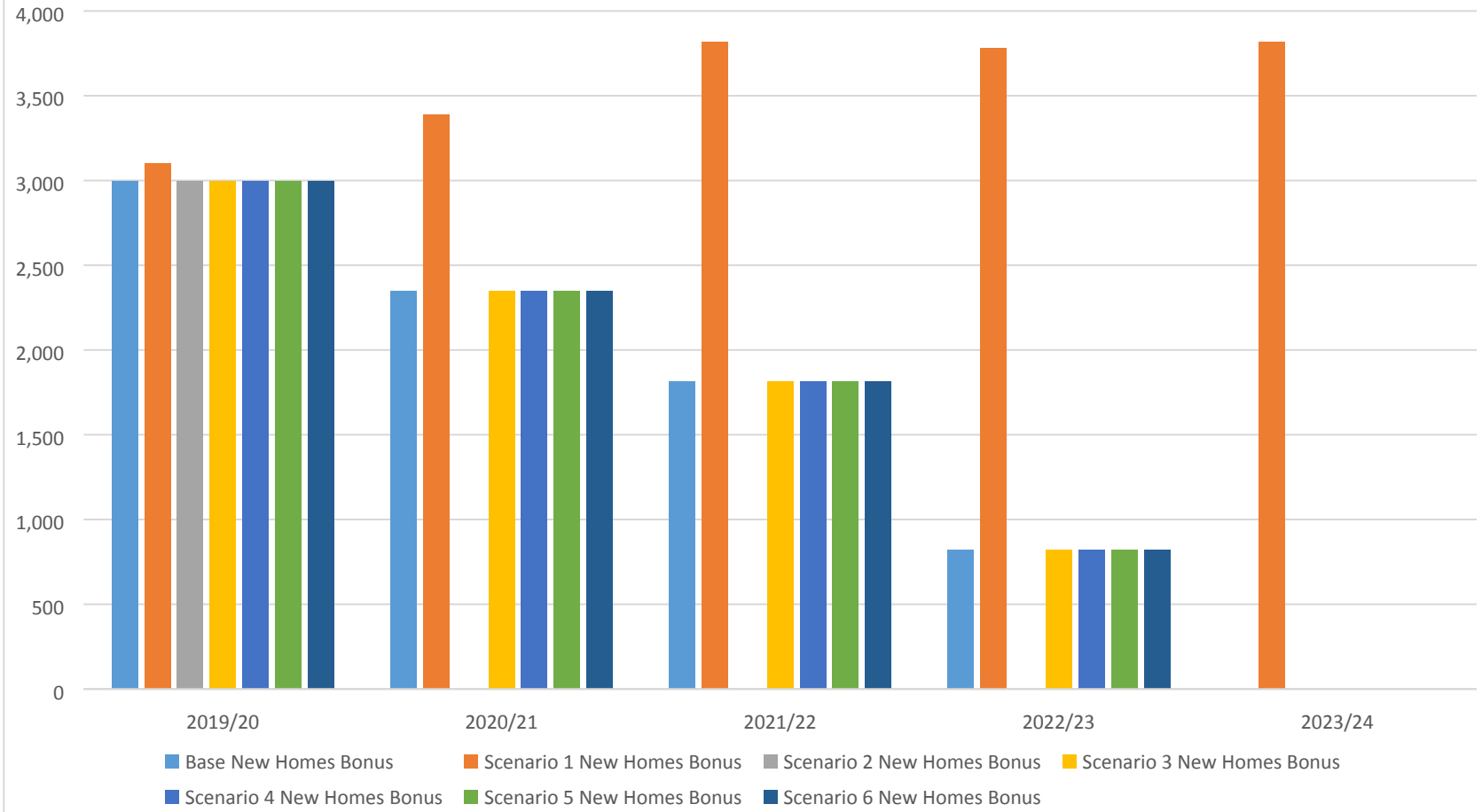
# Council Tax

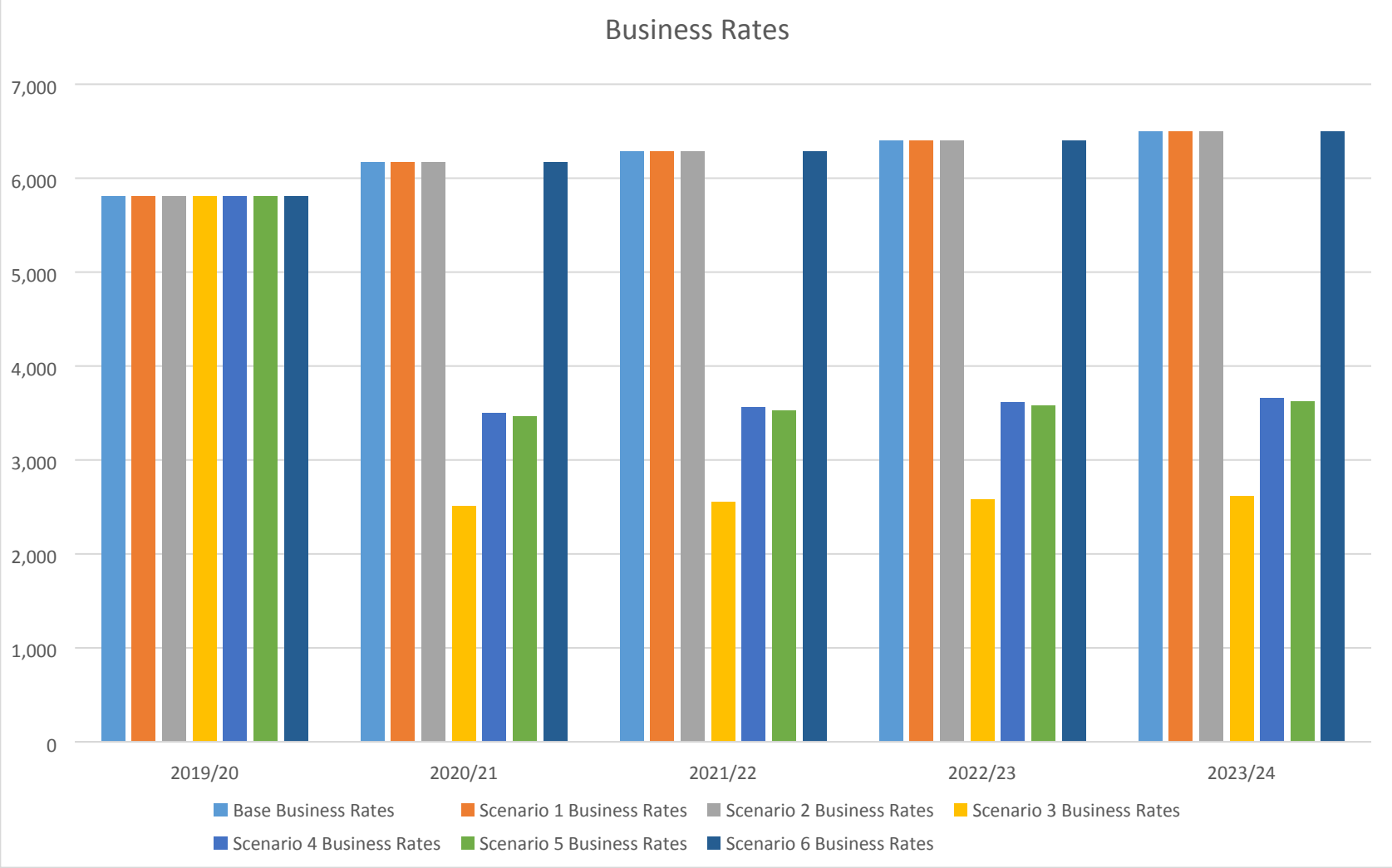
- Base Council Tax
- Scenario 1 Council Tax
- Scenario 2 Council Tax
- Scenario 3 Council Tax
- Scenario 4 Council Tax
- Scenario 5 Council Tax
- Scenario 6 Council Tax
- Scenario 6 Council Tax



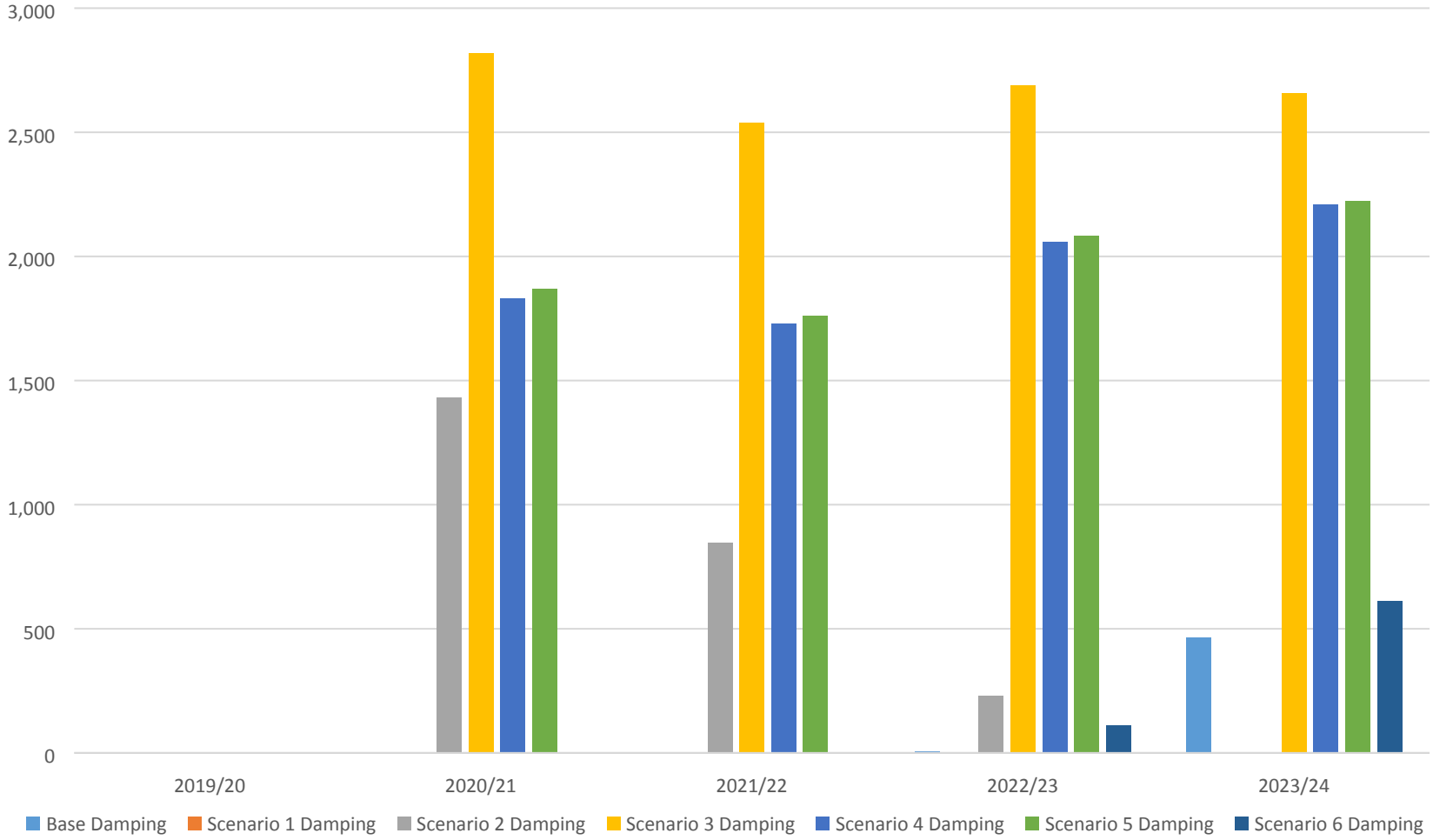
# New Homes Bonus

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# Transition Funding

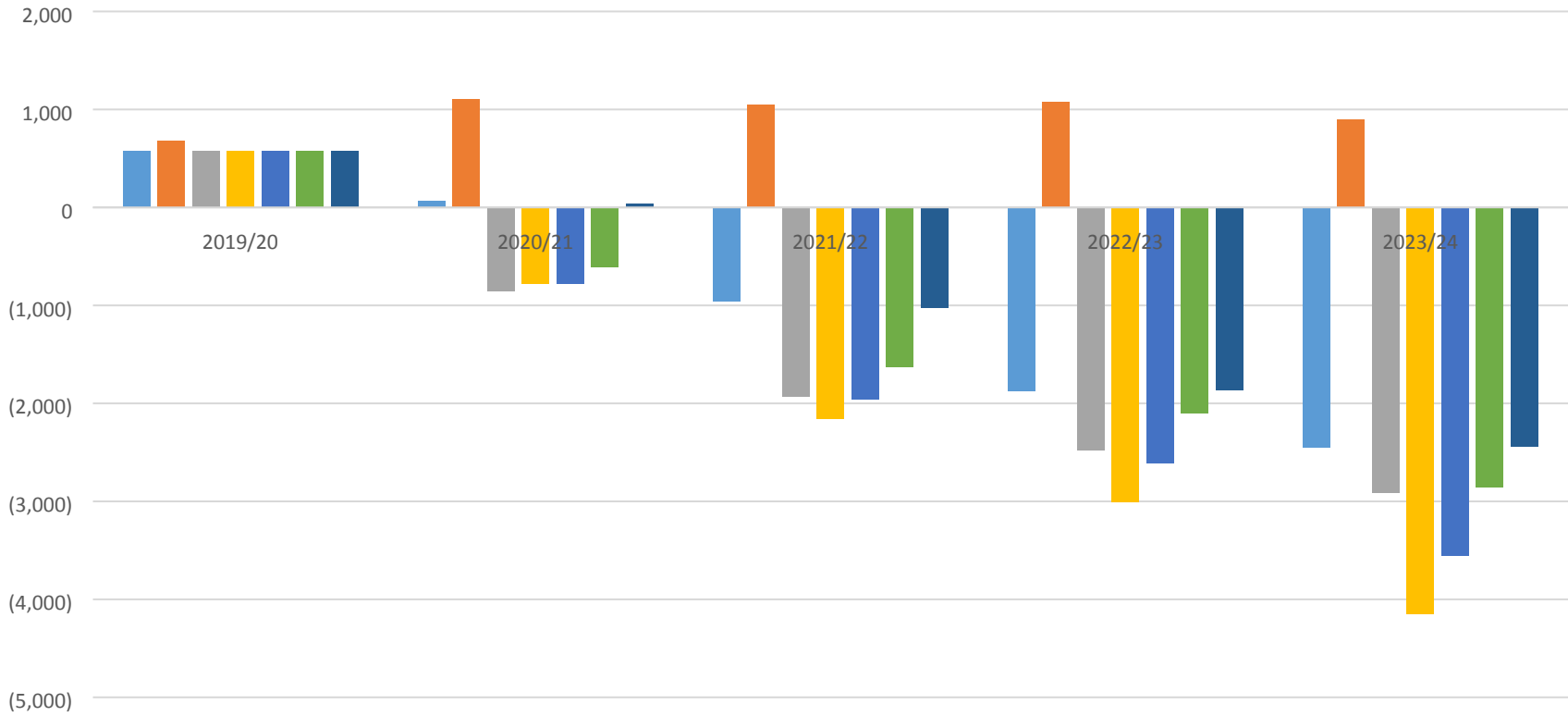


**Table 2 - In Year Surplus/(Deficit) \***

	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>Total</b>
Surplus/(Deficit)	763	200	- 841	- 1,762	- 2,339	- <b>3,980</b>
Scenario 1	866	1,243	1,160	1,193	1,013	<b>5,474</b>
Scenario 2	763	- 716	- 1,810	- 2,359	- 2,803	- <b>6,925</b>
Scenario 3	763	- 644	- 2,040	- 2,892	- 4,034	- <b>8,846</b>
Scenario 4	763	- 642	- 1,840	- 2,495	- 3,439	- <b>7,654</b>
Scenario 5	763	- 634	- 1,840	- 2,503	- 3,454	- <b>7,669</b>
Scenario 6	763	168	- 903	- 1,753	- 2,322	- <b>4,048</b>

\* Subject to Rounding

### Surplus / (Deficit)



- Base (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 1 (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 2 (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 3 (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 4 (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 5 (Savings Required)/Surplus to Self-Sufficiency Reserve
- Scenario 6 (Savings Required)/Surplus to Self-Sufficiency Reserve

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 11 DECEMBER 2018**

Title of report	<b>RESPONSE OF NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL TO THE CONSULTATION IN RESPECT OF THE HS2 PHASE 2B WORKING DRAFT ENVIRONMENTAL STATEMENT</b>
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Tony Gillard Tel: 01530 452930 <a href="mailto:tony.gillard@nwleicestershire.gov.uk">tony.gillard@nwleicestershire.gov.uk</a>  Strategic Director of Place Tel: 01530 454555 <a href="mailto:james.arnold@nwleicestershire.gov.uk">james.arnold@nwleicestershire.gov.uk</a>  Head of Economic Regeneration Tel: 01530 454752 <a href="mailto:mark.fiander@nwleicestershire.gov.uk">mark.fiander@nwleicestershire.gov.uk</a>
Purpose of report	This report seeks Cabinet approval for arrangements to respond to the current and future consultation by HS2 Limited on the proposed route.
Reason for decision	Consultation on the working draft environmental statement and equality impact assessment report from HS2 Limited provides the Council with an opportunity to seek to further mitigate the effects of the proposals and to maximise the benefits to the district.
Council priorities	Homes and Communities Businesses and jobs Green Footprints
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	None
Equalities Impact Screening	HS2 Limited's working draft of their equality impacts assessment report is a part of the consultation documents.

Human Rights	None
Transformational Government	None
Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	The Council is encouraging all stakeholders to respond direct to HS2 Limited in writing. Any comments made to the Council will be taken into consideration during the formation of the Council's response to the consultation.
Background papers	<a href="#">HS2 Phase 2b Draft Environmental Impact Assessment</a> <a href="#">HS2 Phase 2b Draft Equality Impact Assessment</a>
Recommendations	<p><b>IT IS RECOMMENDED THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1. NOTE THE CONSULTATION DOCUMENTS PRODUCED BY HS2 LIMITED IN RESPECT OF THE PROPOSED HS2 ROUTE AND THE DEADLINE OF 21 DECEMBER 2018 FOR THE RESPONSE</b></li> <li><b>2. NOTE THE COMMENTS MADE BY THE POLICY DEVELOPMENT GROUP ON 19 SEPTEMBER 2018</b></li> <li><b>3. DELEGATE AUTHORITY TO THE STRATEGIC DIRECTOR OF PLACE IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR BUSINESS TO APPROVE THE COUNCIL'S RESPONSE TO THE CURRENT AND FUTURE CONSULTATION ON HS2 PROPOSALS</b></li> </ol>

## 1.0 BACKGROUND

- 1.1 HS2 Ltd have released a large amount of details and drawings showing the proposed HS2 route through North West Leicestershire near to the A42 and its temporary and permanent implications. These implications are very varied in type, as shown below, and size. They include areas of responsibility both for the Council and for Leicestershire County Council (LCC) and will also impact on many partners, residents and businesses. An initial assessment of the impacts of the proposals compiled by a consultant from SLC Rail (instructed by the Council) is attached (Appendix 1).



Categories of impacts:

- Demolition of homes
- Demolition of businesses, substations, masts etc.
- Road disruption
- Footpath disruption/diversion
- Agriculture, forestry and soil
- Air quality
- Community facilities
- Ecology and biodiversity
- Health
- Community cohesion (impacts of temporary workers, severance of transport routes, conflicting priorities)
- Socio-economic effects
- Listed buildings and gardens
- Archaeology
- Landscape and visual effects
- Land quality (including mining and landfill)
- Sound, noise and vibration
- Water pollution
- Flood risk

1.2 HS2 Ltd commenced consultation on 11 October and this closes on 21 December. The current drawings are considered by HS2 Ltd to be a working draft and consultation at this stage is not a legal requirement. Further refinement is therefore expected taking into account comments received, followed by formal consultation as part of the Hybrid Bill being submitted to Parliament in 2020 with the aim of obtaining Royal Assent in 2023. Work would commence soon after with the line from Birmingham to Leeds becoming operational in 2033. Work in the district is likely to last around 5 years. The Council will therefore be able to influence HS2 Ltd.'s proposals up to 2023 but once the Hybrid Bill is approved then HS2 Ltd can implement it without any further approvals unless additional work is needed.

1.3. There are also opportunities for benefits from the proposals:

- Transport – the HS2 station at Toton is planned by the East Midlands HS2 Strategic Board to become a transport hub for the sub-region and this provides opportunities for improved links to the airport and potentially much of North West Leicestershire,
- Depots – subject to planning and land owners' agreement, temporary depots constructed by HS2 could be developed afterwards for other purposes.
- Temporary housing – houses bought by HS2 to provide compensation to the owners could be used as temporary accommodation.
- Skills – construction of HS2 requires a skilled workforce and HS2 Ltd have committed to substantial training.
- Supply chain – such a large project provides substantial commercial opportunities especially construction and engineering in this case.

## **2.0 CONSULTATION**

- 2.1. Currently the consultant from SLC Rail provides support to the Chief Executive, other officers and to Parish Councils, and attends, where requested, Town and Parish Council meetings. Most Parish Councils are now engaged in the consultation and there have recently been two public consultation sessions arranged by HS2 Ltd in Measham and Kegworth.
- 2.2 An internal group comprising of officers from many services is coordinating with LCC's Planning and Infrastructure Manager and the consultant from SLC Rail to compile the Council's response to the consultation. It is proposed that authority should be delegated to the Strategic Director of Place in consultation with the Portfolio Holder for Business to approve the finalised response to this consultation.
- 2.3 Joint working with LCC to provide a coordinated approach is therefore expected to result in benefits both in terms of efficiency and effectiveness. Experience of councils along the first phase of HS2 shows that it is possible to achieve substantial additional mitigation by engaging with HS2 Limited throughout the process and liaison meetings are being held for this purpose.
- 2.4 The East Midlands HS2 Strategic Board has also set up a mitigation board where the Council is represented in order to input into the response from the partnership. Being represented as well as on the Strategic Board itself enables the Council to seek the maximum benefits from HS2.
- 2.5 A Council motion was approved in November 2017 which agreed that the Council would review its support for HS2 so a further report will be submitted to Council in February 2019.
- 2.6 A report was submitted to PDG on 19 September and resulted in the comments attached from members (Appendix 2). It should be noted that these comments were made before the current consultation documents were made available by HS2 Ltd. The comments are not affected by the relatively small changes made by HS2 Ltd to their proposals and the comments will be submitted in the report to Council in February. It should also be noted that the Secretary of State is currently considering whether or not to ask HS2 Ltd to look further at the proposal by Measham Land for an alternative route near Measham - this is not part of the current consultation.

## Headline Notes on the Draft Environmental Statement, LA03 section

**Note: HS2's impact assessments are based upon worst case scenarios.**

### From introductory sections:

HS2 are very clear that the DES is in no way a “final” document and there will be scope for improvement all the way along the process.

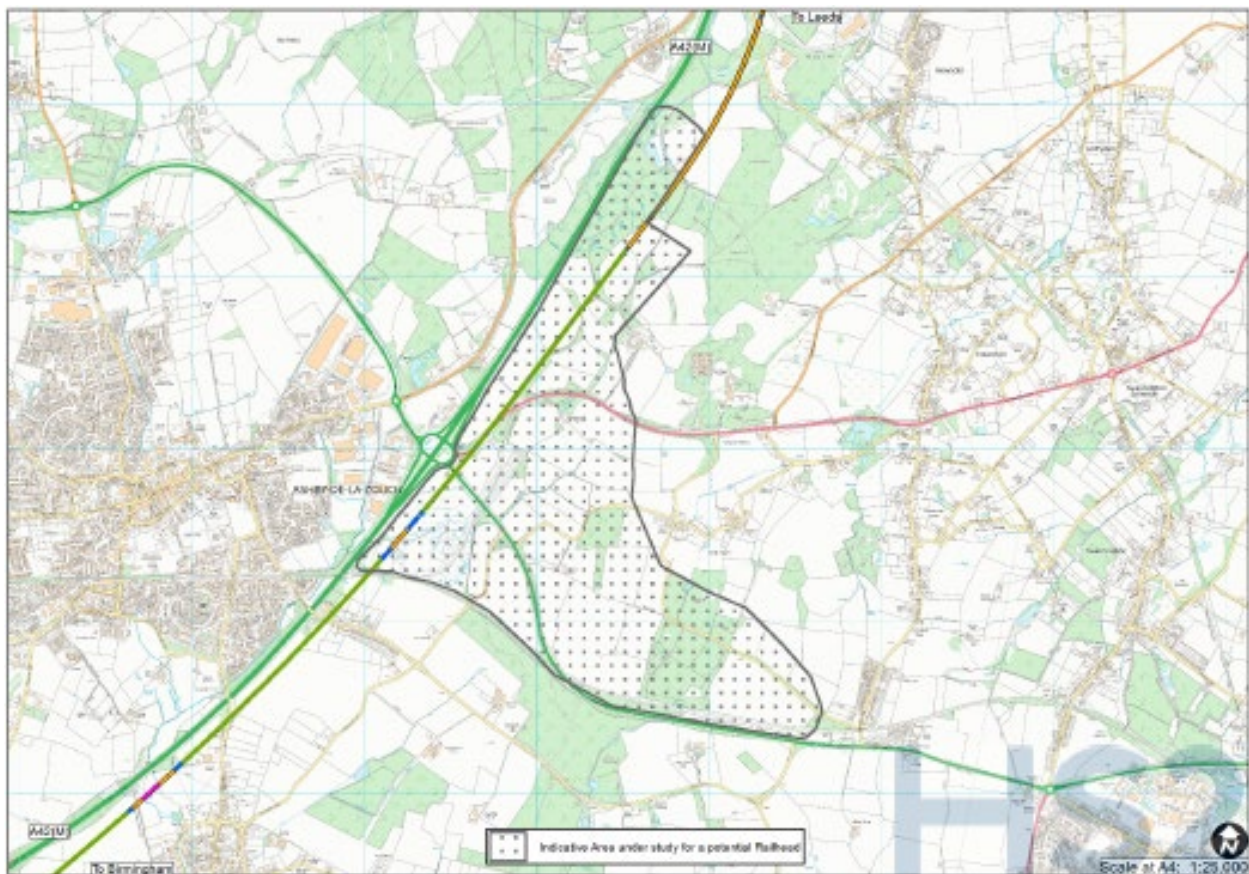
A DES is not a statutory necessity, so this is part of HS2's plan to engage with as many stakeholders as possible and inform the design process.

### Possible actions:

**We need to use this to our best advantage – HS2 are leaving plenty of scope for discussion.**

### From overview sections:

Ashby Railhead – map on p25 of the report shows the indicative area for the railhead, although in practice the site is unlikely to be this large. Residents and businesses could be alarmed by the size of the area to be surveyed.



**Possible actions:**

- **Regular liaison with HS2 to obtain further details on the Ashby railhead; the more information the better as this can be used to inform Ashby residents and those affected by the landtake or proximity of the site**
- **Look at possible gains and put together a “wants” list**

Of the total LA03 section measuring approx 12.8km, around 9.7km of it is in cutting. This may be helpful to those who are concerned about visibility and noise issues. However, there are certain sections of cutting which are above ground level. Also, the amount of cutting means that there will be considerable excavations during the construction period.

- Gilwiskaw Brook viaduct **4.9m** in height above ground level – will this help with Packington’s concerns?
- Demolitions: DES states 41 existing residential properties, 20 commercial/ business properties (including farm outbuildings) and 11 other structures:
  - Demolition of the Old Rectory
  - Demolition of outbuilding at Appleby Magna Services
  - Three properties on Rectory Lane
  - 14 industrial units at Huntingdon Court
  - 4 industrial units and outbuildings at Westminster Industrial Estate
  - Electricity substation at Burton Road, Measham
  - Treetops Farm and outbuildings (Measham)
  - Telecoms mast, Measham Road, Oakthorpe
  - Stables, Measham Road, Oakthorpe
  - 27 residential properties and outbuildings, Amersham Way, Measham
  - 7 residential properties on Park Farm, Willesley Wood Side
  - Sweethill Cottage, Willesley
  - Residential property and outbuildings on Leicester Road, New Packington
  - Commercial property Leicester Road, Ashby
  - Outbuilding, Vicarage Lane, Packington
  - Telecoms mast, Leicester Road, New Packington
  - Electricity substation, Leicester to Burton line, New Packington
  - Outbuildings, Beech Farm House, Ashby Road
  - Outbuildings, Mill Street, Packington
  - Sandwich shop, Ashby Road, Ashby
  - Telecoms mast, Ashby Road, Ashby
  - Wind turbine, Ashby Road, Ashby

**Possible actions:**

- **Check demolitions list for new additions**
- **Further information needed about the substations and telecoms masts (replacements, interim solutions etc.); background knowledge will be useful as everyone will expect the Council to know!**

### **Agricultural, Forestry and Soils:**

Noted that some farm owners have not yet had any interaction with HS2. Can the District do anything to facilitate this?

Soils stripped from agricultural land will be stored and returned to site post construction.

Measures to be put in place to lessen impacts on land adjacent to construction sites.

Table 12 on p78 sets out temporary impacts on named farms.

Table 13 on p80-81 sets out permanent impacts on named farms.

#### **Possible actions:**

- **Can the District do anything to facilitate contact with the “missing” farms?**
- **Are the permanent losses what were expected?**
- **Of the severely affected farms, do any need individual support?**

### **Air Quality:**

River Mease is noted as a sensitive area.

Air quality could be affected by demolition, construction traffic and construction activities.

No specific mitigation measures are proposed at this stage and there will be further comment in the formal ES.

#### **Possible actions:**

- **Look at possible sites for additional air quality monitoring during the construction period, e.g. near River Mease, New Packington**
- **Explore other possible wants in terms of air quality mitigation**

### **Community:**

Measham Leisure Centre not mentioned as a community resource in section 6.3.7-6.3.11; this is puzzling as recreational amenities are mentioned elsewhere in the baseline descriptions. Also, Ashby hosts an annual 10k road race, which is also not mentioned. This point would also cross-reference with the roads and traffic section

Mitigation measures already planned include:

- Resiting of a balancing pond to avoid the Rectory Lane allotments
- Tamworth Road realignment has been designed to minimise impacts on Georgina’s Wood
- New Street retaining wall helps reduce the land take and also protect properties on Windsor Way

No temporary effects identified on residential properties, community or recreational facilities resulting from the land take.

There will be an 18 month loss of access to the Rectory Lane allotments.

Temporary severance of NCN63 and bridleway O71/1 could affect cyclists and walkers. Mitigation to be included in the formal ES.

Temporary loss of 25ha of Fiveways Wood (70%) for three years. Estimated as a significant impact.

Permanent effects – demolitions as listed above.

No permanent effects on community or recreational facilities have been identified.

Permanent loss of 8ha of Fiveways Wood.

**Possible actions:**

- **Investigate need to demolish the Old Rectory. Is there another solution? May need to include justification of future use**
- **Further suitable mitigation for permanent loss of woodlands?**
- **Temporary loss of access to Rectory Lane allotments – is there another access route? If not, seek solution**
- **Investigate other mitigation measures?**

**Ecology and Biodiversity:**

River Mease and Salterswood LNR are identified. Three Local Wildlife Sites are also named; Park Farm Woodland, Willesley Wood and Packington Churchyard. National Forest is not a designated site but is part of a national initiative to increase woodland.

The assessment has looked at woodlands, grassland, hedgerows, water courses, water bodies, ancient and veteran trees, protected and notable species (see table 14, p103-106).

Mitigation measures include:

- Avoiding direct impacts to River Mease SAC and SSSI. Free passage for wildlife along Mease and Gilwiskaw Brook watercourses. However, a realignment of the Gilwiskaw Brook will cause permanent loss of a 130m section. A similar length channel will be recreated.
- Provision of woodland planting to compensate for some of that which will be lost near Measham
- Hedgerows, ponds and grassland habitats as specified on p107

Losses of parts of Fiveways and Willesley Woods are termed “significant”.

Detailed information to mitigate loss of wildlife habitats are set out in section 7.4.33.

See also Table 15 on p115-116.

**Possible actions:**

- **Are there any mitigation measures that could improve the water quality of the River Mease? (e.g. addressing issues of phosphate run-off**
- **Other possible gains?**

**Health:**

Population is less deprived than the national average.

Construction will affect populations with noise, dust, visual impacts and additional traffic. The introduction of temporary construction workers may also affect the character of the community and this effect must also be considered. Loss of properties will also have an impact.

Mitigation measures will be set out in the formal ES.

**Possible actions:**

**There are opportunities to negotiate more mitigation measures as these are still fluid.**

**Historic Environment:**

NB Field surveys are still ongoing and information could be updated.

Loss of the Old Rectory and 4 and 5 Park Farm are permanent, with no mitigation offered.

**Possible actions:**

- **As noted above, the demolition of the Old Rectory is a significant loss and no mitigation is put forward for this**
- **Ditto with 4 and 5 Park Farm; these must be pursued by the District. Future use and value of these properties may need to be considered as part of any request for mitigation measures (i.e. it is very unlikely that the Old Rectory would be suitable as a dwelling after construction but could have another use).**

**Land Quality:**

Current and historical contaminative land use is set out in Table 18 on p149-152.

The River Mease viaduct will pass close to the historic Measham Landfill site.

**Possible actions:**

- **Information on sites used for mining – are we happy with the information that HS2 setting out?**
- **Are there any other records they should be using? Is there a local expert who could be consulted?**
- **Is there any local knowledge about the landfill site?**

**Landscape and Visual:**

Construction works will be visible from many locations, and there will also be visual impacts of construction compounds and stockpiles. These are adjudged to be medium term, but a range of measures will be taken to mitigate these effects, including:

- Avoiding unnecessary removal of trees and vegetation
- Well-maintained hoardings and fencing
- Prevention of damage near to construction sites
- Thoughtful lighting design to minimise intrusion

Detailed landscape assessments are set out in sections 11.4.7-11.4.11.

Long-term mitigation will be worked into the scheme design, and these will include:

- Appropriately designed earthworks
- Woodland, scrub and hedgerow planting as screening
- Hedgerow replacement and restoration
- New wetlands, ecological ponds and biodiversity wetland features/enhancement

It is likely that planting will be commenced early on during construction to give trees/vegetation time to grow.

**Possible actions:**

**Mitigation for this section is detailed, but there may still be room for negotiation. Are there any particular wants?**

**Socio-economics:**

Mitigation measures during construction include:

- Ensuring construction site layouts minimise the possibility of nuisance to businesses
- Consulting with nearby businesses on hoardings
- Applying noise reduction measures
- Monitor and manage flood risk and other extreme weather events
- Appropriate traffic management measures
- Maintaining access to businesses

HS2 acknowledges that there may be opportunities for local employment on the scheme.

Known direct effects on businesses are listed as:

- Westminster Industrial Estate (17 business units)
- Appleby Magna Service Area (two business units)
- Treetops Farm, Measham Road (one business unit)
- Park Farm, Willesley Woodside (two business units)
- Beech Farm House, Ashby Road (one business unit)
- Meridian, Leicester Road (one business unit)
- Sandwich Shop, Ashby Road.

These comprise 170 jobs.

**Possible actions:**

- **What are the plans for rebuild of the services? And interim plans for access to fuel etc; need to ensure there is not a material loss**
- **Appleby Park Hotel is not mentioned; not for demolition but will be surrounded by the construction zone. What will happen to the business? Is there viability as a hotel during this period?**
- **How are business losses calculated? Any feedback from stakeholders?**



### **Sound, Noise and Vibration:**

Noise during construction would be under the scope of the Construction Code of Practice and it would be contractors' responsibility to ensure that noise limits are not breached. There will be core working hours.

Worth noting that as a lot of this section of HS2 is in cutting, there will be extensive excavation work during the construction period.

Further work is being undertaken to assess additional mitigation measures which will be needed, and these will be reported in the ES.

The scheme design includes noise barriers at locations which have been assessed as sensitive to noise. The following have already been identified:

- Measham; Burton Road, Dysons Close and The Croft
- Measham, Amersham Way, Kelso Close, Rosebank View, Hart Drive, Orchard Way, Blackthorn Way, Hill Rise, Lime Avenue and New Street
- Oakthorpe: Measham Road and School Street (at closest end to the railway)
- Packington: Ashby Road, Mill Street, Hall Lane, Vicarage Lane, Home Croft Drive, High Street and Normanton road, again at the closest end to the railway
- Ashby-de-la-Zouch: occupants of residential properties in the vicinity of Ashby Road, Chapmans Meadows, Upper Packington Road, The Gables, Rydal Gardens, Lowestwater Grove, Ulleswater Crescent, Thirlmere Gardens, Windermere Avenue, Derwent Gardens, Hastings Way, Windmill Close, Coniston Gardens, Ennerdale Gardens, Leicester Road and The Croft, located closest to the Proposed Scheme
- New Packington: occupants of residential properties in the vicinity of Leicester Road, located closest to the Proposed Scheme, identified as LA03-C06 on Map SV-01-359a.

HS2 have issued a precaution that Beech House Packington and Leicester Road New Packington may be affected by noise levels which exceed the daytime limits. Further work is to be undertaken.

#### **Possible actions:**

- **Any independent information available on the noise profiles?**
- **Likely to be many queries on the accuracy of HS2's noise maps from residents**

### **Traffic and Transport:**

During construction, some mitigation measures have been identified:

- New highways (roads and PRoW) to constructed and operational prior to the permanent closure of any existing highways, as far as practicable
- The majority of roads crossing the route of HS2 to be maintained or locally diverted during construction to limit the need for diversion of traffic onto alternative routes
- Appropriate traffic management measures to limit any disruption
- Road closures restricted to overnight and weekends as far as possible
- temporary alternative routes for PRoW would be provided during construction where possible

- Where reasonably practicable, site haul routes would be created adjacent to the route of the Proposed Scheme to transport construction materials and equipment to reduce heavy goods vehicle (HGV) movements on public roads with access taken via the main road network
- Route HGVs along the strategic and/or primary road network where possible
- Limit the use of the local road networks would to site set-up, access for surveys and on-going servicing (including refuse collection and general deliveries to compounds) during construction
- Reuse of excavated materials
- Junction improvements, passing places and carriageway widening to manage safe passing of construction vehicles on construction HGV routes
- On-site welfare facilities onsite for workers

Routes for construction traffic are identified as:

- M42 junction 11
- A444 Atherstone Road south east of junction 11 of the M42 to Austrey Lane
- A444 Acresford Road north-west of junction 11 of the M42 to Measham Road
- A511 Ashby Road east of junction 13 of the A42 to Corkscrew Lane
- B4116 from junction 12 of the A42 to Measham Road
- B5493 (south-west of the M42 junction 11) to No Man's Heath
- Tamworth Road between junction 11 and Huntingdon Way (Measham)
- Huntingdon Way in Measham
- Burton Road, Measham
- Measham Road between Huntingdon Way and Acresford Road
- Corkscrew Lane in New Packington
- Leicester Road in New Packington

Temporary highway closures and realignments which might cause disruption are also listed:

- Burton Road east of Huntingdon Way
- Measham Road, west of Measham
- Huntingdon Way, south of Repton Road
- B4116 Measham Road, south of the A42 junction 12
- Ashby Road, north of Packington and south of the A42
- Leicester Road, west of New Packington and east of the A42
- A511 Ashby Road, at the A42 junction 13.

A list of affected PRowS is available at section 14.5.9.

Permanent highway changes are listed in section 14.5.13 but HS2 estimates that these will not cause significant delays to travellers or increases in journey times.

Engagement is ongoing.

**Possible actions:**

- **Investigate the use of Packington roads for construction traffic; residents likely to be unhappy**
- **Careful checking needed, and further information on scheduling of road realignments/closures**

## Water Resources and Flood Risk:

HS2 are erring on the side of risks to watercourses being higher than actual.

Salterford Wood Local Nature Reserve is noted as a water-dependent habitat, and the River Mease SAC and SSSI are noted as potentially dependent on surface water flows (parts of the Gilwiskaw Brook are bracketed with the River Mease).

The substantial floodplains within the area are also highlighted, with properties potentially at risk set out in Table 34 on p233-235.

Watercourse diversions have been largely avoided except for a short section of Gilwiskaw Brook and Coleorton Brook at the New Packington culvert.

Contractor will be working under a Code of Practice to protect water resources.

Residual effects are listed as:

- a moderate adverse effect related to the positioning of the viaduct piers on the hydromorphology of the River Mease floodplain, which is significant
- a moderate adverse effect related to Measham Road Packington cutting on the hydromorphology of Gilwiskaw Brook, which is significant
- a moderate adverse effect related to the realignment of Gilwiskaw Brook under Gilwiskaw Brook viaduct on the hydromorphology of the brook, which is significant
- moderate adverse effect related to the realignment under New Packington culvert on the hydromorphology of tributary 2 of Coleorton Brook, which is significant.

### Possible actions:

- Obtain expert advice on suggested mitigation in this section
- Are there any possible gains via mitigation?

Kym Smith

SLC Rail, 15<sup>th</sup> November 2018 V2

## Headline Notes on the Draft Environmental Statement, LA04 section

**Note: HS2's impact assessments are based upon worst case scenarios.**

### From introductory sections:

HS2 are very clear that the DES is in no way a "final" document and there will be scope for improvement all the way along the process.

A DES is not a statutory necessity, so this is part of HS2's plan to engage with as many stakeholders as possible and inform the design process.

### Possible actions:

**We need to use this to our best advantage – HS2 are leaving plenty of scope for discussion.**

### From overview sections:

The LA04 section is approximately 15.2km in length; cuttings comprise 6.8km of this and embankments for 7.6km, with two viaducts totalling 828m.

The demolitions required for this section of the route are:

- Field House, Nottingham Road, Staunton Harold
- Lodge Farm, Long Hedge Lane, Worthington
- White House Fields Farm, Breedon Lane, Worthington
- Outbuildings, Worthington Field Farm, Long Hedge Lane, Worthington
- Silo, Mill House Farm, Worthington
- Gate House, Melbourne Road, Coleorton
- Newbold Gate (residential property and outbuildings), Melbourne Road, Coleorton
- Smoile Farm, Melbourne Road, Lount
- Basildon Lodge, Melbourne Road, Staunton Harold
- Electricity substation, Melbourne Road, Newbold
- Operations Buildings, Cloud Hill Quarry
- Gelscoe Lodge Farm, Mill Lane, Belton
- Pumping station, Doctor's Lane, Breedon on the Hill
- Molehill Farm, Ashby Road, Kegworth
- Commercial business at Mole Hill Farm
- Telecoms mast, Ashby Road, Kegworth

### Possible actions:

- **Check demolitions list for new additions**
- **Further information needed about the substation, pumping station and telecoms mast (replacements, interim solutions etc.); background knowledge will be useful as everyone will expect the Council to know!**

### **Agricultural, Forestry and Soils:**

Noted that some farm owners have not yet had any interaction with HS2. Can the District do anything to facilitate this?

Soils stripped from agricultural land will be stored and returned to site post construction.

Measures to be put in place to lessen impacts on land adjacent to construction sites.

Temporary and permanent impacts on farms are set out in Tables 10 and 11 respectively. This section of the railway will require a land take of approx. 600ha of agricultural land (380ha permanently) which is considerable. HS2 has noted that this is significant.

#### **Possible actions:**

- **Can the District do anything to facilitate contact with the “missing” farms?**
- **May need further investigation because of the large amount of agricultural land needed; HS2 will be open to looking at other mitigation measures for the formal ES**
- **Of the severely affected farms, do any need individual support?**

### **Air Quality:**

This area of the route is subject to air quality issues because of the M1, airport and other major roads. Refresco has a licence for emissions to air from processing of raw vegetable materials. Near Castle Donington there are large distribution centres, and the Rail Freight Terminal under construction.

Air quality could be affected by demolition, construction traffic and construction activities.

HS2 notes that there are SSSIs and ancient woodlands in this section of the route.

#### **Possible actions:**

**No specific mitigation measures are proposed at this stage – anything we want to flag up?**

### **Community:**

The draft Construction Code of Practice includes measures for minimising effects on communities.

Temporary effects on Rough Park and Birch Coppice (approx. 95ha); temporary severance of Ivanhoe Way; temporary diversion of the Cloud Trail and NCN15;

Permanent loss of buildings through demolition is noted.

HS2 state that there are no permanent effects on community facilities in this section.

No mention of effects on Kegworth sports facilities in this section.

#### **Possible actions:**

- **No mention of effects on Kegworth’s sports facilities in this section, although realise that HS2 are in a difficult position because of the status of the development sites when the route was announced in July 2017**
- **Are the permanent losses what were expected?**
- **Investigate other community mitigation that could be requested**

## Ecology and Biodiversity:

SSSIs in the area are Lount Meadows, Breedon Cloud Wood and Quarry, and Pasture and Asplin Woods. New Lount is a Local Nature Reserve, and there are two local wildlife sites. There are also five Ancient Woodland Inventory Sites; Rough park, Lount Wood, Birch Coppice, Breedon Cloud Wood and Pasture/Asplin Woods. HS2 is continuing to survey woodland areas.

The assessment has looked at woodlands, grassland, hedgerows, water courses, water bodies, ancient and veteran trees, protected and notable species (see table 14, p103-106).

Mitigation measures include:

- Viaducts over the Boden Brook and Diseworth Brook, to help protect watercourses and allow free passage for wildlife beneath them including along the rivers and their banks
- wetland habitat creation in the floodplain of Boden Brook, Westmeadow Brook, Diseworth Brook and Long Whatton Brook
- New woodland planting (including landscape woodland planting) to help compensate for the losses of nonancient woodland between the A42 and HS2, west of Birch Coppice, in the area of Tonge Gorse and Diseworth Gorse, and to enhance connectivity between remaining woodlands.
- provision of new ponds in the Appleby Parva to Ashby-de-la-Zouch area (LA03) to the south, to help address loss of water bodies and effects on great crested newt and other species in the Coleorton to Kegworth area.
- new species-rich hedgerows and grassland habitats, including species-rich grassland and wetland habitat creation

Detailed information to mitigate loss of wildlife habitats are set out in Table 13.

### Possible actions:

- Investigate suitability of proposed mitigation measures
- Are local environmental groups able to provide any further information about the area, particularly woodland?
- Other possible gains from mitigation

## Health:

Population is less deprived than the national average.

Construction will affect populations with noise, dust, visual impacts and additional traffic. The introduction of temporary construction workers may also affect the character of the community and this effect must also be considered. Loss of properties will also have an impact.

### Possible actions:

- Likely to be a substantial number of construction workers based at Kegworth; if not local, they will need access to medical/welfare facilities. Provision?
- Health benefits from recreation noted, but again no specific reference to Kegworth
- Mitigation measures will be set out in the formal ES, so opportunities for improvement here

### Historic Environment:

There are detailed lists of sites and assets, with historic values. The LA04 section of the route has more features, probably because of the rural nature of this piece of the District.

It is noted that there will be significant temporary effects on Coleorton Hall, Hall Farmhouse, Mill Farmhouse, the Church of St Mary and St Hardulph, the medieval moated lodge north west of Breedon Lodge and Breedon Lodge Farmhouse and Cottage.

Permanent effects are noted on the following:

- Cropmark north-east of Long Mere Farm
- Possible enclosure north-west of the computer centre
- Ring ditch, Fulcrum Site Field 17
- Various features east of junction 24 (M1)
- Breedon Park
- Moated site, High Woods, Diseworth
- Coleorton wagonway
- Cloud Hill Plateway
- Post-medieval lime kilns near Lount
- Three buildings at Newbold Gate
- Smoile Farm and associated outbuildings
- Basildon Lodge
- Lodge Farm and associated outbuildings
- White House Fields Farm and associated outbuilding
- Post-medieval finds and features from Cloud Hill Quarry
- Post-medieval field boundary at Cloud Hill Quarry
- Gelscoe Lodge Farm and associated outbuilding
- Mole Hill Farm

In addition, the settings of St Mary and St Hardulph church, Breedon Lodge Moat and Breedon Lodge Farmhouse and Cottage will be permanently affected by the presence of HS2.

No mitigation measures have been set out for these effects. However, HS2 are still considering suitable measures which may include advance planting to protect the settings of some assets.

#### **Possible actions:**

- **List of affected assets is quite considerable in this section; investigate whether there are any further suitable mitigation measures**
- **Are there any local history groups which could provide input?**

### Land Quality:

Current and historical contaminative land use is set out in Tables 16, 17 and 18 on p144-148.

Permanent impacts are set out in Table 22 on p160.

HS2 have set out detailed management measures through the Code of Construction Practice, but at the moment no mitigation for any specific site has been set out.

**Possible actions:**

- **Investigate if mining/landfill information is accurate? Are there any other records available?**
- **Are there any possible gains from reuse of decontaminated land after construction?**

**Landscape and Visual:**

Construction works will be visible from many locations, and there will also be visual impacts of construction compounds and stockpiles. These are adjudged to be medium term, but a range of measures will be taken to mitigate these effects, including:

- Avoiding unnecessary removal of trees and vegetation
- Well-maintained hoardings and fencing
- Prevention of damage near to construction sites
- Thoughtful lighting design to minimise intrusion

Maps and photographs are provided between sections 11.3.8 and 11.3.9. Detailed landscape assessments are set out in section 11.5.

Long-term mitigation will be worked into the scheme design, and these will include:

- Appropriately designed earthworks
- Woodland, scrub and hedgerow planting as screening
- Hedgerow replacement and restoration
- New wetlands, ecological ponds and biodiversity wetland features/enhancement

It is likely that planting will be commenced early on during construction to give trees/vegetation time to grow.

**Possible actions:**

- **Do we agree with the viewpoints used and estimates of visual effects?**
- **Are there any other gains that can be achieved with landscaping?**

**Socio-economics:**

Mitigation measures during construction include:

- Ensuring construction site layouts minimise the possibility of nuisance to businesses
- Consulting with nearby businesses on hoardings
- Applying noise reduction measures
- Monitor and manage flood risk and other extreme weather events
- Appropriate traffic management measures
- Maintaining access to businesses

HS2 acknowledges that there may be opportunities for local employment on the scheme.



Opportunities: there will be two main construction compounds – at Top Brand and Ashby Road – and 10 satellite compounds in the Coleorton to Kegworth area. HS2 estimate that this could equate to 283 full-time jobs, which may be suitable for local people or those living slightly further afield.

Direct construction employment could also lead to opportunities for local businesses to form part of the supply chain for the project or to benefit from expenditure of construction workers.

There will be direct effects on the business of Cloud Hill Quarry; some buildings will need to be demolished and rebuilt, with an impact on workers and the business of the quarry.

**Possible actions:**

- **Target audience for local jobs?**

**Sound, Noise and Vibration:**

Noise during construction would be under the scope of the Construction Code of Practice and it would be contractors' responsibility to ensure that noise limits are not breached. There will be core working hours.

As this section of the route is in a more rural area, lower numbers of people will be directly affected by noise.

Further work is being undertaken to assess additional mitigation measures which will be needed, and these will be reported in the ES.

**Traffic and Transport:**

During construction, some mitigation measures have been identified:

- New highways (roads and PRow) to be constructed and operational prior to the permanent closure of any existing highways, as far as practicable
- The majority of roads crossing the route of HS2 to be maintained or locally diverted during construction to limit the need for diversion of traffic onto alternative routes
- Appropriate traffic management measures to limit any disruption
- Road closures restricted to overnight and weekends as far as possible
- temporary alternative routes for PRow would be provided during construction where possible
- Where reasonably practicable, site haul routes would be created adjacent to the route of the Proposed Scheme to transport construction materials and equipment to reduce heavy goods vehicle (HGV) movements on public roads with access taken via the main road network
- Route HGVs along the strategic and/or primary road network where possible
- Limit the use of the local road networks would to site set-up, access for surveys and on-going servicing (including refuse collection and general deliveries to compounds) during construction
- Reuse of excavated materials
- Junction improvements, passing places and carriageway widening to manage safe passing of construction vehicles on construction HGV routes
- On-site welfare facilities onsite for workers

Routes for construction traffic are identified as:

- M1, junction 23a and junction 24
- A42, between junction 13 of the A42 and junction 23a of the M1
- A453 Ashby Road from The Green to the M1 junction 24
- A6 Kegworth Bypass, south of Kegworth
- A6 Derby Road, south-east of the M1 junction 24 to Side Ley
- B587 Nottingham Road in Lount, between A511 Ashby Road and Melbourne Road
- B5324 Rempstone Road from A511 to Top Brand
- Melbourne Road in Coleorton
- Bull Hill in Worthington
- Manor Road in Worthington
- Main Street in Worthington
- Newbold Lane in Worthington
- Breedon Lane north of Worthington
- Stocking Lane between Top Brand and the A42
- Top Brand, south of the A42 junction 14
- Gelscoe Lane, east of the A42 junction 14
- Mill Lane (both western and eastern branches), south-east/east of the A42 junction 14
- Long Mere Lane south of Diseworth
- The Green in Diseworth

Temporary highway closures and realignments which might cause disruption are also listed:

- M1, east of Diseworth and south of M1 junction 23a which will be subject to temporary traffic management measures to maintain traffic flows
- A6 Kegworth Bypass, south-west of Kegworth
- A6 Derby Road south-east of the M1 junction 24
- Stocking Lane, between Top Brand and the A42 west of the A42 junction 14
- The Green, between Long Whatton to the east and Diseworth to the west.

Permanent highway changes are listed in section 14.5.5 but HS2 estimates that these will not cause significant delays to travellers or increases in journey times.

Engagement is ongoing.

**Possible actions:**

- **Investigate roads designated for construction traffic for effects on residents**
- **Careful checking needed, and further information on scheduling of road realignments/closures**

**Water Resources and Flood Risk:**

HS2 are erring on the side of risks to watercourses being higher than actual.

Flood plains have been identified by HS2 at Boden Brook at Breedon on the Hill, as well as Westmeadow Brook and Diseworth Brook at Long Whatton (where these watercourses merge into Long Whatton Brook). Numerous areas in this section are subject to surface flooding and these are set out in Table 34 on p234.

The design of the works in this area have sought to mitigate the affected watercourses with the following:

- Drop inlet culverts and inverted siphons have been avoided
- Culvert lengths have been reduced as far as is reasonably practicable
- Invert levels will be set below the firm bed of the watercourse to allow a natural substrate to develop along the bed of the culvert.

In addition, the construction of Gelscoe aqueduct will carry the unnamed tributary 1 of Diseworth Brook (south of Gelscoe Lane) over HS2, which will be in cutting.

A proposed haul route will cross Boden Brook on a temporary bridge.

Contractor will be working under a Code of Practice to protect water resources.

Residual effects are listed as:

- A moderate adverse temporary impact on two spring features near Long Whatton and Kegworth, resulting in moderate adverse effects, which are significant
- A moderate adverse effect related to the construction of Gelscoe aqueduct on the hydromorphology of unnamed tributary 1 of Diseworth Brook, which is significant
- Moderate adverse effects related to the construction of culverts on the hydromorphology of Boden Brook, unnamed tributary of Boden Brook, unnamed tributary 1 of Diseworth Brook, unnamed tributaries 1 and 2 of Westmeadow Brook and an unnamed tributary of the River Soar, which are significant.

**Possible actions:**

- **Obtain expert advice on suggested mitigation in this section. Are there any cautions on HS2's suggestions?**
- **Are there any possible gains via mitigation?**

**Kym Smith**

**SLC Rail, 15<sup>th</sup> November 2018 V2**

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EXTRACT of MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 19 SEPTEMBER 2018

Present: Councillor M Specht (Chairman)

Councillors R Ashman, N Clarke, T Eynon, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors J Geary, R Johnson, J Legrys, Ms K Smith and A V Smith MBE

Portfolio Holders: Councillors A V Smith MBE

Officers: Mr J Bright, Mr M Fiander, Mr G Jones, Mr M Murphy, Mr P Sanders, Mr T Shardlow and Mrs R Wallace

## **19. HS2 UPDATE**

Having declared a pecuniary interest in the item, Councillor S Sheahan left the meeting for the consideration and discussion thereon.

The Head of Economic Regeneration presented the report to Members and introduced Kym Smith, SLC Consultant. She reported that the position on electrification remained the same and there were still no plans to electrify further sections of the midlands main line although she felt the position could be reviewed at a future date. She invited Members to contact her by email if they had any questions.

A discussion was had regarding the current proposed route at Measham and the proposed 'option 4' with an explanation on the Secretary of State's pending decision on the most appropriate route for HS2.

Councillor R Ashman commented that a small number of houses within his ward was not included on the route plan. He confirmed that the owners had received written confirmation that their properties would be affected by the route. The SLC Consultant was not aware of this and would look into it further.

Councillor N Smith expressed his disappointment that there would not be a link into a station at the airport.

The Chairman was concerned that if the proposed Measham Wharf site was not developed due to HS2, then the agreed Section 106 monies would be lost. He asked if compensation would be available, as that was the advice members of Planning Committee received when approving the planning application. The Head of Economic Regeneration responded that it was currently being looked into and there was also another site in Kegworth that would be affected.

Councillor R Ashman asked if East Midlands Parkway Station would be moved to improve transport links. The SLC Consultant explained that this would be a rail services decision but the Council could ask for work to be undertaken to improve the link. She also recommended that the Council contact Highways England regarding upgrading the A42.

Councillor A C Saffell raised concerns about the traffic impact on surrounding areas, especially Castle Donington. He felt it was essential to keep as many roads open as possible during the works.

It was moved by Councillor N Smith, seconded by Councillor V Richichi and

RESOLVED THAT:

- a) Comments made by the Committee be provided to Council when considering the report.
- b) The extensive engagement that has been, and continues to be undertaken, by and on behalf of the Council, with affected communities, businesses and other organisations along the North West Leicestershire Section of the route be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.23 pm

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL****CABINET – TUESDAY, 11 DECEMBER 2018**

Title of report	<b>COUNCIL TAX CHANGES</b>
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Strategic Director of Housing and Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Finance Tel: 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	To seek Cabinet approval of revised council tax discounts and premiums.
Reason for decision	Cabinet approval is required to change the scheme
Council priorities	Value for Money
Implications:	
Financial/Staff	The net impact of the proposals should see a slight increase in council tax base and therefore council tax income for NWLDC.
Link to relevant CAT	None
Risk Management	Any risks can be managed within the existing corporate risk management framework.
Equalities Impact Screening	The application of some of the discounts are intended to assist a disadvantaged and vulnerable client group.
Human Rights	None
Transformational Government	The proposals will go some way to harmonising policies across the districts within the Revenues and Benefits Partnership which will allow for more efficient administration.

Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Policy Development Group 19 September 2018 Affected residents 29 October – 25 November General Public 22 October – 25 November
Background papers	<a href="#">Policy Development Group 19 September 2018</a>
Recommendations	<p><b>THAT CABINET:</b></p> <ol style="list-style-type: none"> <li><b>1. NOTE THE RESPONSES RECEIVED FROM POLICY DEVELOPMENT GROUP AND RESIDENTS WHO RESPONDED TO THE COUNCIL'S CONSULTATION; AND</b></li> <li><b>2. APPROVE THE PROPOSED REVISED COUNCIL TAX DISCOUNTS AND PREMIUMS AS CONTAINED WITHIN THE REPORT</b></li> </ol>

## 1.0 INTRODUCTION

1.1 The Revenues and Benefits Partnership has highlighted that its three constituent district councils currently have a variety of policies in place with regard to council tax exemptions, discounts and premiums. As a result of this and the additional discretions that the government intends to pass on to Local Authorities, NWLDC has reviewed the policies it has in place locally for implementation from April 2019.

1.2 The report is presented in the context of the following:

- The government's intention that local authorities will have discretion to increase the council tax premium for properties that have been empty for more than 2 years from 50% to 100%.
- The national priority of increasing housing supply, of which encouraging empty homes to be brought back into use forms a part.
- The principal precept authority, Leicestershire County Council has been encouraging district councils to look at how they can maximise council tax collection.
- The Revenues and Benefits Partnership applying a range of different policies across the 3 local authority members which entails additional administration.
- The Council's Medium Term Financial Strategy (MTFS) and the creation of a Self-Sufficiency Fund to address risks around future income from new homes bonus and business rates.



1.3 The current position of discounts and premiums is described in the table below:

<b>Council Tax Discounts and Premiums</b>			
	HBBC	HDC	NWLDC
Second Homes Discount	0%	0%	10%
Premium for Long Term Empty Properties	0%	50%	0%
Discount for Properties Under Major Repairs (up to 12 months)	50%	0%	50%
Discount for Empty Properties (up to 1 month)	100%	100%	100%

## **2.0 PROPOSALS (PROPERTIES)**

- 2.1 It is proposed that the 10% discount for Second Homes is withdrawn as there is no longer any justification for granting a subsidy to the owners of such properties.
- 2.2 For uninhabitable properties undergoing major structural repairs it is proposed that the 0% discount for up to 12 months remains in place. Such an approach gives new owners acquiring dilapidated properties a reasonable time to carry out remedial works and incentivises them to do so. After 12 months the full council tax rate is charged, before the proposals described in 2.3 apply.
- 2.3 For long term empty properties (i.e. after 2 years) it is proposed that a 50% premium be charged for the first 12 months, then a 100% premium to be charged thereafter. Similar to the underlying principle applied in 2.2 such an approach delivers a stepped approach, with an incentive to occupy the property, otherwise the council tax charge will incrementally increase.
- 2.4 It is proposed that the one month discount for empty properties remains in place as this is a reasonable timeframe for a landlord to relet an empty home.
- 2.5 Residents directly affected by the proposals have been contacted and invited to comment on the proposals, please see section 5 and Appendices A and B.

## **3.0 PROPOSALS (CARE LEAVERS)**

- 3.1 The council understands that the transition out of care for young people can be very problematic. Without the support of a family and being inexperienced in managing their own finances, care leavers can be more susceptible to fall into debt. Therefore, as part of a county wide initiative, and implemented through the Revenues and Benefits Partnership, it is proposed that NWLDC give financial support to these young people by giving additional relief, on top of any other reliefs that may be available, to those leaving care by reducing their net liability for council tax to zero until the age of 25.
- 3.2 Under Section 13A(1-3) of the Local Government Finance Act 1992 (as amended), the Council has the power to reduce liability for Council Tax in relation to individual cases or class(es) of cases that it may determine.
- 3.3 It is therefore proposed to create a new class of council tax charge payer known as ‘Care Leavers’ and to reduce the council tax bill for Care Leavers to zero, after any other national reliefs have been applied.

3.4 The following will be assessed when making a decision:

- Care leavers who are solely liable to pay Council Tax in their own right will have their bill reduced to nil. In addition, where a care leaver moves into a household (excluding Homes in Multiple Occupation), the Council Tax bill will also be reduced to nil.
- The care leaver relief will be given after all other eligible reliefs have been taken into account.
- The date of the day before the care leaver's 25th birthday determines the last day of the period of the award.
- Leicestershire County Council (or other Council's) Children's or Social Services or other public body or professional organisation have confirmed that the care leaver was in their care (being 'looked after').
- That NWLDC is the council tax billing authority to whom the care leaver is liable to make council tax payments.
- The Care leaver is resident in the NWLDC area, if permanent residency in the NWLDC area is discontinued relief will be stopped and require re-application upon return to the area.
- The individual must have been in care on their 16th birthday and for at least 13 weeks from the age of 14.

3.5 The Council's other council tax precepting authorities have been consulted on this proposal and are supportive – please see section 5 below.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 For North West Leicestershire, the impact of proceeding with the options below is as follows:

- If a 50% premium is applied to long term empty properties then estimated additional gross income would be up to £118,806
- If a 100% premium is applied to long term empty properties then estimated additional gross income would be up to £237,612
- If the second home discount is withdrawn estimated additional gross income would be £20,821
- The share of the above income that would come to NWLDC is 9.52% (or up to a maximum of £36,000 per annum).
- The total number of properties affected would be approximately 363.

4.2 Although the removal of the 50% discount (up to 12 months) for uninhabitable properties undergoing major structural repairs is not recommended, if implemented, estimated additional gross income would be up to £24,902.

4.3 Although the removal of the one month discount for empty properties is not recommended, if implemented, estimated additional gross income would be £20,821.

- 4.4 Although council tax policy is essentially a local matter for each local authority and total uniformity is unlikely to be achieved, adopting a more consistent policy across the three local authorities within the Partnership will lead to administrative savings, although these have yet to be quantified.
- 4.5 Implementing the proposed measures would be consistent with the Council's Medium Term Financial Strategy, support central government's agenda of encouraging empty homes back into use, and be welcomed by the precept authorities.
- 4.6 It is difficult to put a precise figure on the cost of providing the proposed discount to care leavers as applicants will need to make themselves known, the client group in question often move around and are difficult to track down, and may often also be entitled to council tax benefit in any event. We believe the best estimate for the net impact on NWLDC's income could be in the region of £10,000 per annum.

## **5.0 CONSULTATION**

- 5.1 Consultation has been undertaken on the property proposals in line with the Local Government Finance Act 1992. The consultation ran from 22 October to 25 November 2018.
- 5.2 Affected residents, who own a second property and/or own an empty property within North West Leicestershire have been written to with regards to the proposed changes and invited to make comment via a dedicated web-form. The Council's Customer Services team have also sought to obtain views from the general public. A copy of the consultation leaflet and the sensitised consultation responses can be found in Appendices A and B.
- 5.3 For the care leavers policy the council is required to consult other precept authorities. This has been done collectively with Leicestershire authorities and Leicestershire County Council, Leicestershire Fire and Rescue and the Leicestershire Police and Crime Commissioner who have all confirmed they are happy to proceed with the scheme.
- 5.4 The Policy Development Group reviewed all proposals at its meeting on 19 September 2018. An extract of the minutes of this meeting relating to this item can be found in Appendix C.

## **6.0 IMPLEMENTATION**

- 6.1 The Local Government Finance Act 1992 requires that a public notice of the intended changes is published in at least one newspaper circulating in the Council's area within 21 days of deciding to make the change. Subject to Cabinet approval of the revised discounts and premiums, the Council intends to comply with this requirement and a notice will also be published on the Council's website and affected residents advised accordingly.

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# Local council tax scheme consultation



## Have your say

Give us your views by Sunday 25 November 2018

Proposed changes:

- Removal of council tax discounts for second homes
- Increased council tax bills for long-term empty properties

[www.nwleics.gov.uk/counciltaxchanges](http://www.nwleics.gov.uk/counciltaxchanges)

## Why are we consulting?

We are consulting on proposed changes to council tax which are planned to come in effect from 1 April 2019.

Owners of properties affected by these proposed changes will be informed about the consultation which runs until 25 November 2018.

Alongside this there is the opportunity for all residents to have their say online at [www.nwleics.gov.uk/counciltaxchanges](http://www.nwleics.gov.uk/counciltaxchanges)

## What are the proposed changes?

### Second homes

Currently, second home-owners get a 10% discount on the council tax bill for their second home.

Councils are not obliged to grant any discount for second homes.

We propose removing the 10% discount for second homes as we believe there is no longer any justification for granting a subsidy to the owners of such properties

### Long term empty properties

We work hard to make sure homes do not stay empty. Demand for housing is growing - but not enough new homes are being built. Empty houses can also blight our neighbourhoods.

For long term empty properties (i.e. after two years) we propose that a 50% premium be charged for the first 12 months in addition to the standard council tax liability. This means that owners of properties that stay empty for more than two years would pay one and a half times (150%) the standard council tax charge.

After three years, we propose that this premium would increase to a 100% premium (subject to legislation being enacted). This means that owners of properties that stay empty for more than three years would pay double (200%) the council tax standard charge.

# Consultation response form

Before you complete this form please read the information in this leaflet, which gives details of the proposed changes to the council tax liability scheme for North West Leicestershire District Council.

You can offer your views and suggestions at the end of the survey.

Please tick the box that you feel represents your views.

Alternatively you can complete the form online at

[www.nwleics.gov.uk/counciltaxchanges](http://www.nwleics.gov.uk/counciltaxchanges)

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree
1					
2					
3					

1 Do you think we should remove the 10% discount that is currently applied to **second homes** within North West Leicestershire?

2 Do you think that we should apply a 150% charge to the owner when their property has remained **empty for more than two years?**

3 Do you think that we should apply a 200% charge to the owner when their property has remained **empty for more than three years?** (subject to legislation being enacted).

4 Do you have any views or suggestions about our proposed changes to the council tax liability scheme?

Yes

No

5 If yes, what are your views on any of the changes that we are proposing?

6 Please let us know of any further suggestions that you may have that may help the council to make savings or reduce spending

**Please return this completed form by Sunday 25 November 2018 to:**  
Council Tax Liability Changes Consultation, Finance Team, North West  
Leicestershire District Council, Council Offices, Coalville, LE67 3FJ.

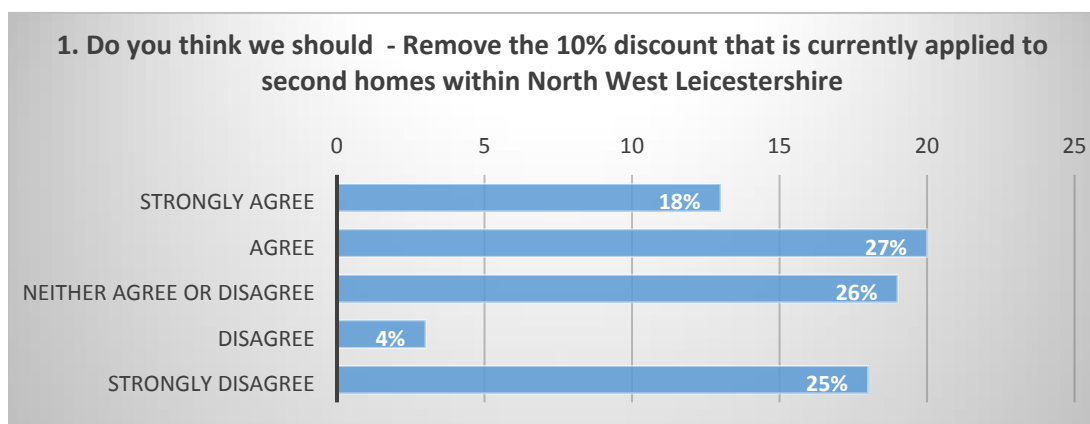


### CONSULTATION RESPONSES

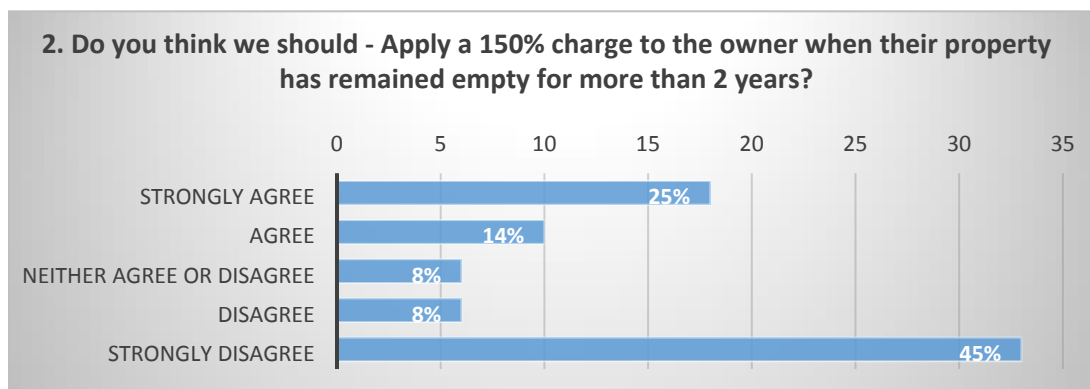
The Council conducted a 5 week consultation period with North West Leicestershire District Council residents on the proposed Council Tax changes. The consultation was made available on 22 October via paper and online survey through the Council's website and closed on Sunday 25 November.

A total of 70 completed surveys were received .

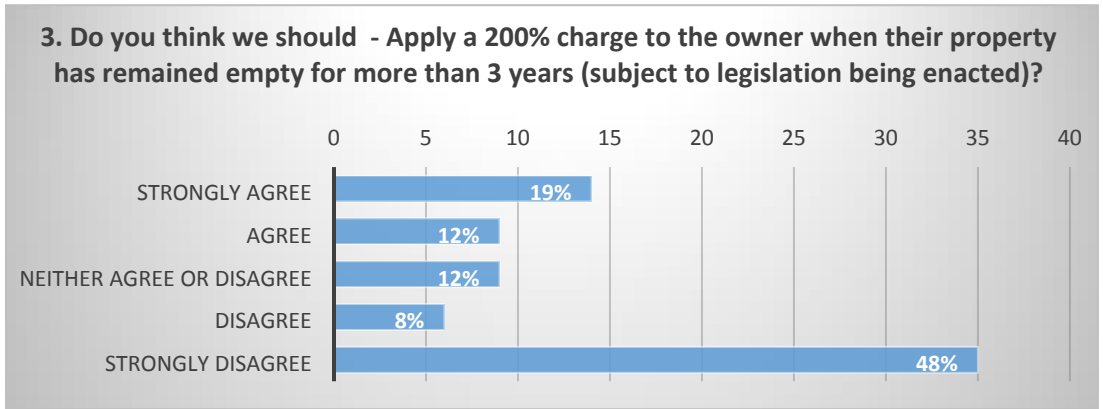
When respondents were asked whether we should remove the 10% discount currently applied to second homes within the district, over four in ten (45%) indicated that they agree with this whilst 29% do not.



The respondents were also asked if we should apply a 150% charge to the owners when their property has remained empty for more than 2 years, Just under four in ten (39%) have agreed to this and 53% do not.



Three in ten (31%) agreed that the we should apply 200% charge to the owner when the property has remained empty for more than 3 years. Nearly six in ten (56%) disagree with this change.



We have received 43 views & suggestions about the proposed changes, and a further 19 comments that may help the council make savings or reduce spending.

The Head of Finance also received a letter from a resident siting her views about this changes. A typed up version is available below.

Ref: xxxxx

Dear Ms Bingham,

I am thoroughly disgusted and disappointed Re: letter about empty properties. No. xxxxxxxx is on the market to be sold and has been for the last 3 months. My late husband purchased it with the idea that we would move to that property. Unfortunately my husband became terminally ill with Cancer and passed away in August. Because of his illness the project took longer to complete and if you check your files you will see photographs of the state of building and the amount of work that needed to be done. Paying 100% council tax on a empty property is legalized robbery as I receive nothing in return. Oh by the way my name is xxxxx not xxxxx if you think you could get that right.

Thank You.

xxxxxxxxxx

**Do you have any views or suggestions about our proposed changes to the Council Tax Liability scheme?**

first find out the reason why the property is empty, it may not be habitable, repairs are costly, as there are now no grants available, when owners are doing their own renovation it takes a lot longer to complete tasks, they should not be penalised for this.

I am a pensioner who for the last 12 months plus I have employed builders at great expense to totally renovate a property which I inherited, so that I may move into it on completion. It may be that the property is finished and I will have occupied it before your April deadline. However, extensive building work always takes longer than you expect and I fail to see why the council believes charging extra amounts of money in such cases helps with the lack of available housing in the district. This is just a money grabbing exercise by the council who are actually providing me with very poor service for what I currently pay. You have not even been capable of providing me with a replacement waste bin for my property. Council tax covers many services, but I am already paying for these in the property I do occupy. You are actually discriminating against people such as myself, when I am putting all my cash into renovation of the property whilst some properties are empty for years on end and are just left to decay and I guess you will not even be able to identify who the owners are. I hope if this does go through that it will include the many empty commercial properties such as shops, factories and hotels like the Royal hotel in Ashby. However, I guess domestic owners are a much easier target for you to rob.

I cannot see how a surcharge system could work. I occasionally have empty properties and if they were to be empty for two years it would be because there were no tenants available. In which case I would drop the rent or furnish it and avoid the surcharge..

I would be interested in knowing more about the statistics on empty property in nwlcd. Are they really being bought for capital growth. My experience is to the contrary

As an owner of a "empty" property that has been empty for almost 2 years before any increase in council tax is considered the reason for the property being empty should be taken into consideration. In my case full council tax has been paid throughout this period without the benefit of any services. The property has been openly advertised for sale for the whole duration. I would have loved a sale in week one but 2 collapsed housing chains and a third now getting close to completion takes time and has already cost a lot of money. And this is on a house where the mortgage cost would be less than the rental cost I could charge. I can afford a loss of 2 years rental but many could not and the council should consider approaching these sellers and offering to buy the property to reduce the number of private landlords and increase the number of social housing stock that they can control and correctly manage.

There must also be property inherited or owned by people who cannot afford to spend money getting a property up to a saleable condition and these should be helped to sell not further penalised.

However, there may be some just sat on an empty property just waiting for the market value to improve then in that case there may be a case to charge more

I strongly disagree with charging 150% for properties that are vacant for more than 2 years. Where is the justification for this additional cost, as it is I am barely using any local resources, but still paying 100% of the council tax reluctantly while I perform this significant renovation project which is taking much longer than I originally anticipated.

I can understand if people are just leaving empty to potentially penalise them, but I have been down there every weekend trying to push on so I can get some income from the property.

I just cant see how you can justify charging more for a property that is empty compared to someone who is actually utilising the local services, it is just another method of taxing and penalising

Agree with the above. However.... sometimes renovating a property takes longer than a year as in our case. We have really been stung with the full rate applying after a year - with the very best of intentions. The property was in a dreadful state and required a lot of work. I think that there should be an option to extend this year period e.g. applying to increase it so that you can xplain your case and have things considered.

I think it would stop people buying property and removing just the kitchen or bathroom and expecting to pay no council tax, doing other work or no work on the rest of the property. That way they never pay council tax, but then will do the work and sell before the next year council tax bill and also the value of the property as increased.

New Build properties that are still under construction, but have been deemed complete should be exempt from Council Tax for longer to give the house builder the opportunity to market and sell the newly constructed homes.

I strongly feel that owners that have a house that is currently listed with an estate agent for sale, or to rent, that keep their property maintained, and are actively taking viewings from potential buyers or tenants, are doing everything in their power to make sure the property is not left empty, and therefore should not be liable for these extra charges .

Owners who leave a property empty to fall apart with no consideration for the property, or the area should be liable for the extra charges.

I think that the 10% discount should remain to encourage house buying with regards to the penalty for the empty houses. Most of these would be empty due to investors just leaving them there and empty. i for one work a lot abroad so my house is empty quite a lot bu still reside there, but always maintain it to the highest standards.if people are paying their council tax for any services they use and are not there much, surely council tax costs for you guys are lower. the more we use the services the higher the cost is to the council? so as long as people are looking after their property, its tidy and no rubbish mounting up or letters sticking out of letter boxes and causing a general nuisance, then i don't really think any penalties should apply

In fact, i think the costs should be set on the basis of how much you use the services. i for example hardly use them at all, yet i am paying the full rate of council tax.

I feel as though it is another scheme to rob the ordinary man in the street blind again, it wouldn't be to bad if we received the services we already pay for now. I am in a position of paying the bills on two houses due to the death of my father and the refusal of family members help with the bills until the property is sold, how the hell am I supposed to find the money to pay double.

According to the guidance published on the empty home premium "The government's intention behind the decision to provide billing authorities with the power to charge a premium was not to penalise owners of property that is genuinely on the housing market for sale or rent."

Therefore, any empty property that is being advertised as available for occupation, whether for sale or rent should be exempt from the premium regardless of how long it takes to find a buyer or tenant. Adding a premium may force owners of empty property to sell below market value, thus deflating the housing market. This may well be the intention but it would be a penalty on those who are guided by estate agents, who themselves may over inflate prices to receive higher commission.

In principle I can see why a move to the above changes is necessary to free up housing stock. However, I think there need to be safeguards that can be applied in individual cases.

For example, XXXXXX being listed as a second home is deceptive as one tends to think of second homes as 'holiday retreats'. In my case this has been the family home since 1960 occupied by my parents for much of this time. My mother died last year aged 94. In her final years she was in care (funded privately from savings) but always maintained the vision of being able to come home one day. For this reason I kept the bungalow on and made use of it occasionally to stay there whilst visiting her (I live in S. London).

Since her death I have had the task of clearing out the contents of over 50 years' accumulation. I wanted to be fastidious about recycling as much as possible (which my mother would have approved of) rather than using a skips. This has taken some time as I can only visit about once a month. The bungalow was put on the market in the spring but only very recently have I had the first offer.

I feel that in circumstances like mine punitive measures to increase council tax when I am not really in a position to make much use of council services are not very fair.

Tax or Government Revenue, be it central or local or personal should always have as a core value FAIRNESS to the individuals concerned...we are ALL EQUAL but it is evident that SOME are MORE EQUAL than OTHERS.

Some residents pay NO TAX, Council or Personal...which means that those who DO PAY TAX are taxed MORE to subsidize the NONE PAYERS...IS THIS FAIR ?

Some receive a 25% reduction in council tax for single adult occupancy or age related circumstances...the criteria for these reductions are tenuous to say the least and the system is not monitored with sufficient rigor and penalties for misuse are not sufficient to deter abuse.

The definition of an empty property MUST BE....UNFURNISHED and PERMANENTLY UNOCCUPIED.....If the property is FURNISHED and OCCUPIED on OCCASIONS this is the choice of the OWNER and Councils DO NOT have the RIGHT to Financially PENALIZE FREEDOM.....Human Rights Act .....FAIRNESS and EQUALITY.

Regarding your proposed increase in council tax premiums on long term empty properties. I agree something needs to be done but a blanket increase to all is totally unacceptable, as it seems that the only way the council is to achieve this is to raise revenues.

I would suggest a structured incentive scheme is a better approach. Not everyone with an empty property is guilty of doing nothing! I can speak from my own personal situation as an example and also a close friend of mine. As a self-employed builder I am currently completely renovating a property in XXXX as your records will show. This property is being renovated to current building control regulations. I am trying to complete this along with the need to earn money from my business in order to pay for more materials and labour costs. It is a massive undertaking and now I read the council is proposing to ask for more revenue. I am sure you are aware of the plights of people renting sub-standard property, to which I am trying to address. Increased payments to yourselves only adds to slowing this process down for me as with other standing charges.

It is most definitely not in my interest to have this property empty a further day as I am not receiving any rental income only paying out. As I stated not all empty homes are the same and if you choose to implement these measures I would advise you also implement a scheme where by homes that are being renovated back to a top standard, as funds and time allows, be inspected periodically to maintain progress is being made. Property owners who have no intention of renovating should be the ones penalized.

Second home owners make significantly less use of the local services such as schools, rubbish collection, road cleaning and should be compensated by a reduction in the Council Tax they pay.

Also, second home owners cause much less wear and tear to roads and pavements and generally do not cause as much damage to the local environment or pollution as those living permanently in the area. These should be recognised in the Council Tax they pay.

(I understand that Councils can give furnished second homes a discount of up to 50%. The current discount from North West Leicestershire of 10% isn't exactly 'generous' compared to other authorities.)

However, I agree that owners of unfurnished empty homes should be charged more as the accommodation could be used for homeless families and others in dire need of accommodation.

Privately owned homes are the property / asset of the owner, what they do with it is their business. It is unlikely that homes will be left empty, deliberately, for an extended period of time. (This was a practice for a short time in London where house prices were rising very fast, this is not the case in NWL) These proposed increases on a tax that returns nothing to the payee is a miserable attempt to squeeze cash from any available source to help fill the gaps caused by improper, inefficient or inept budgeting by the local authority. I am currently paying council tax on a property I'm trying to sell, losing those funds every month has not helped me to refurbish to the standard I would have liked and has added time to the period it has been empty. Perhaps the local authority, concerned with low levels of available housing as you are should considering offering to buy them at market value.

- 1) I think the charges proposed are excessive.
- 2) I do not think it is fair to charge more than 100% council tax on properties that are part of a deceased estate which is still in administration. Executors are not in a position to spend money on properties to make them suitable for rent and not in control of the time line of administration of the estate. Therefore the clock should only start ticking at the end of the administration period.

Your proposals appear to be more geared towards social engineering from a political standpoint rather than a reflection of the proper implementation of council tax based upon income and expenditure. As second home owners we use far less of the council services and accordingly should be expected to pay less. If anything the 10% discount should be increased.

I believe that provided the council tax bill for a property is being paid on time and in full, the Council has no authority with which to demand a levy for it being classified as empty. The proposals make no consideration for the reasons why a property might be considered to be empty, which I believe to be a significant oversight.

There are many reasons why properties remain empty for long periods and I feel that it is grossly unfair to try to 'blackmail & bully' all owners into a course of action that they do not wish to take and which is not necessarily in their interests. I believe that it is an unfairly discriminatory tax that is designed to alleviate the inaction and shortcomings of Government, both national and local, in foreseeing any shortages in housing.

I personally own two very small one-bedroom adjacent cottages that have been in my family for generations and which have great sentimental value. I am in the process of long term renovating them for my occupation after my retirement and now find myself in a position of possibly being forced to sell them against my wishes. I feel that this is an erosion of my rights as a law-abiding British citizen.

This response is submitted on behalf of the Trustees of XXXXX

The existing requirement to pay full Council Tax after a short vacant period is already a discouragement for most owners. Evidence is required to show that dwellings are left empty deliberately in this area in order to provide a case for additional penalties.

Any scheme should allow for legal or other constraints which limit or prevent reletting. XXXX is a Registered Charity providing Almshouse Flats for elderly ladies of limited means. One flat out of 25 has been vacant for 2 years (although just relet) but several others have been allocated during the period. The vacant flat has been included in all marketing efforts but is evidently less attractive than others in the complex. The Charity is restricted to a limited market and organisations of this type should not be penalised.

The council tax is supposed to be a way of paying for services, an empty house doesn't use council services. Why are you proposing to use it as a punitive measure?

If you are concerned about the lack of housing.

Why doesn't the council build more affordable housing? Why doesn't the council manage its own housing stock more effectively?

I will be sending in a separate letter giving my comments and observations.

I think the proposals are fair, after all, if you can afford two homes you can afford 10% extra. And if you can afford to leave a property unoccupied you can afford the 150/200%. This might provide more incentives for greedy property owners to rent out their homes to those who need them or let the council lease them.

Against; feel that 2nd properties should not be penalised any more than they already are.



Empty houses should have council tax reductions which would encourage people to renovate themselves over a period of time (without incurring large costs for hiring professionals). In my opinion encouragement rather than punitive measures are the way forward to ensure empty properties can be renovated and housing stock increased.

I think people should be encouraged to renovate houses by giving them incentives.

I can only comment on my particular circumstances and I am sure everyone's circumstances are different so each case should be judged differently. In my particular circumstances I was trying to sell my mothers house, she had died. I put the house on the market in February 2017 and it eventually transferred to the new owner in October 2018. During that period I paid council tax on the property, a cost I had to absorb myself along with house insurance, alarm insurance, oil for the winter months, grass cutting and general maintenance. The house sold a couple of times throughout that period but the sales fell through. I can understand the need to use all available empty properties but increasing the council tax doesn't make a house sell any quicker! I did not want to go down the route of renting the property out, it needed to be sold. Increasing the council tax could force people into doing something they really don't want to do which isn't fair. As I said earlier there must be many different reasons why properties are left empty and each case needs to be looked at individually.

No surcharge should be applied to empty property where the owner is actively trying to sell the property i.e. it is actively being marketed for sale at a reasonable asking price as valued by a reputable estate agent.

I would agree that those who have multiple (more than 2) homes should not be entitled to preferential treatment and perhaps should attract an increased charge.

However, my responses above are based on my (& my husband's) personal experience.

We have a second home that we have been completely converting & refurbishing for almost 4 years. The extent of the work obviously results in considerable financial investment, which has required us both to work full time. As a consequence, we have only been able to do the necessary works at evenings, weekends, or when we can afford to bring someone in.

As I already own a separate property on which full council tax is paid, we have been living there while the work has been being done. In cases like this there should be NO penalty to the homeowner.

Additionally, we have never been advised of the 10% discount for second home - which I would have expected to be applicable as we do not have the property for rental purposes.

How can you charge more for supposed services when a property isn't receiving services? If you were providing more services then yes the charge should be applicable but when a property isn't drawing any resources from the parish council or from the county council or from the police for example then what in actual fact is this extra charge paying for??

Latitude should be allowed when the ability to let depends on structural improvements to access.

Proposals are short-sighted. Council tax is for the purpose of covering the cost of providing public services and not for imposing penalties on any particular members of the community.

The discount on second homes recognises the reduced use of local services by properties not permanently occupied. If the full rate is imposed there may be an increased expectation for the provision of services. i.e. a property occupied as a second home in NW Leics by a family member for convenience seldom if ever requires a dustbin collection due to the limited occupation. If full Council Tax was to be applied there would be the expectation for the standard times of collection which would effectively increase costs to the Council.

Council Tax Ref: XXXXXXXX

You are simply penalising people without any reasonable cause. If they are trying to sell their property and it is proving difficult because of its very high overheads your idea is the last straw that breaks the camel's back. Firstly the fact that you offer 10% council tax discount on second homes is not true because I have never received any such concession from the council. In fact you offer 25% discount for single person occupancy but yet have charges me the full rate even though I have not lived there for some time. At least you should offer 25% discount off the council tax and NOT PENALISE the owner by levying the extra 25% discount.

Your idea of the additional 50% premium after 2 years of the property being empty and 100% premium on top of the existing full council tax being charged is simply absurd and grossly unfair. Just put yourself in that position and see how you would feel.

My property is not an ordinary house but an apartment in a 2 star listed building so you cannot tar everyone with the same brush. The property because of historical covenants and lease terms is difficult to rent because of its very high overheads and not all tenants would be able to maintain its upkeep.

I understand that the "Proposed changes to Council Tax" letter you have sent me must be a part of your general mailing so please confirm if this would apply to the apartments in XXXX.

I look forward to your response.

The former family home is being repaired and modernised so that it can be let. Repairs have been carried out to the roof, guttering, chimney and fascias. If the proposed increases in council tax are imposed then there will be less money available to carry out the refitting of kitchen, bathroom, rewiring and heating etc. The time needed to carry out the works will be delayed resulting in the house not being available to let as early as it might be.

Therefore I disagree with the proposed increases to council tax. Not everyone is a skilled property developer. The council could help by providing lists of contractors who they are aware of that carry out the necessary works. This would not oblige the council to warranty the contractors work but would be of help to owners.

I'm neutral on the 10% discount to owners of second homes.

I fully support the proposal to increase the charge on empty properties as it would be a strong stimulus to people like myself to let them out.

Implementing massive increases on empty properties without knowing the full reasons on genuine individual cases is totally unjust and unfair and smacks of big brother mentality..

The proposed changes to council tax for empty properties are totally wrong and will cause a great deal of worry and hardship to the people affected. Houses may be left unoccupied for many reasons; it may be due to ill health or lack of money and not due to wealthy landlords who have multiple properties and money to burn! Each case should be taken as an individual not merely a blanket tax pushed on all to punish indiscriminately. If this proposal goes ahead I can see it pushing some of the homeowners over the edge. Money is tight and mortgage rates, insurance etc all very costly, a rise in council tax will leave a lot of people short. Everyone is an individual and sadly we don't all have perfect lives with well paid jobs, expenses paid and large pensions to look forward to; at the other end of the scale are the working men and women who wear steel toe capped boots and overalls, no pension, broken relationships and broken hearts.

This is an additional comment to my previously completed consultation reference : XXXX

The council could be proactive by agreeing deadlines for the carrying out of specific works that would be necessary to make the property habitable. During that time the increased rate of tax would not be levied. This would offer a positive incentive rather than a wholly negative approach.

changes should be consistent throughout the country not just NWLDC.

Revalue properties to current trends. Do not discount 2nd homes or empty homes - charge full.

We should encourage landlords and buy to invest to get tenants in as quick as possible.

**Please let us know of any further suggestions that you may have that may help the council to make savings or reduce spending?**

Should link in with other district councils and remove duplicated jobs. Having been employed for many years on removing waste in large companies, I can see without even trying that there is a huge amount of opportunity to improve local councils and services. You really need to start operating smarter instead of just reducing services. Get a real understanding of your WASTE.

cut red tape  
get rid of fat cat bosses at the top  
look at non value added services

Send your letters by email if people opt to receive this - reduce postage and also have an electronic trail. Better for the environment. Would be easier for my filing too.

People's hedges and trees that over hang public footpaths and damage the tarmac and making it very difficult for the council to resurface footpaths etc. Should receive a leaflet to require them to trim back to there boundaries, also shouldn't expect the council to weed the edges that join there property to the footpaths.

New build properties don't require the services, refuse, police etc

instead of making a complete month charge as a blanket. i think there should be different levels of fees those who don't use the services much and say fill loads of rubbish and those who recycle well etc? not sure how to police this but there are definitely people that abuse the system!

This is an indirect suggestion but perhaps you can pass it on to an appropriate official.

As I've said above, I live in S. London and only visit Ashby about once a month. Hence I notice changes somewhat abruptly and can make comparisons with my experiences 'down south'.

I notice from my recent visits to Ashby that much money has been spent on increasing car-parking space in North Street. Yet, as a cyclist, I have not been able to see anything in Ashby that would encourage cycling. If there is any cycle parking in Ashby it is not signposted. I end up chaining my bike behind the war memorial which is not really appropriate. There is enough wasted and unattractive tarmac outside the CO-OP, for example, to create some bike parking.

Perhaps if cycling was encouraged, expenditure on car-parking could be reduced (not to mention health-benefits, CO2 reduction, etc.). London is far ahead on this.

I also feel that as part of recent housing developments in and around Ashby the council should have driven a harder bargain for planning gain and increased the amount of green space/ recreational areas in Ashby. I hope this will be the case with the development proposed for, e.g. Smisby Road.

The above is the (possibly rambling) view of someone who was born in Ashby in XXXX and has moved away yet still wishes to see the town thrive but not at the expense of losing its charm.

Stop wasting money and resources on those who are unappreciative of the efforts and sacrifices being made for them on behalf of others in society.

Please refer to the article "100 ways to cut the Council Tax without cutting key services" at <https://www.conservativehome.com/localgovernment/2009/02/100-ways-to-cut.html>

Don't spend what you haven't got. Freeze wages especially at the top, make redundancies, ensure works are done to a high standard, basic management stuff really.

This question suggests that the proposals relate to increase in revenue rather than a problem of housing. If so this is unfortunate.

I will be sending you a letter with my comments and observations.

Stop using bailiffs to chase people who cannot afford to pay and stop making people bankrupt that cannot pay. Forcing bankruptcy on people causes families to lose their homes or be unable to rent one.

No idea.

Remove charges for taking all waste to council tips, overall this will reduce charges for council employees to retrieve unlawfully deposited waste from other locations, also this will keep many areas looking tidy and safe.

In most part our council seems to be quite efficient in its services. Refuse collection is fantastic and recycling seems to be taking a bigger part in our everyday life.

Spend on essentials only and not egotistic schemes

Without knowing how your system works and the financial spend it is difficult to make suggestions.

There are many ways that the council could sensibly save money and in everyday life we comment on these things but it is difficult to bring them to mind at present.

As this survey is for housing it may be appropriate to mention the xxxxxx, this was an old peoples' housing complex that has been empty for many years. I believe that this is owned by the council and could be turned into flats to house many people and provide income to the council. Alternatively it could be used as a council run nursing home; the cost of caring for old people is high and surely better spent contributing to council funds rather than a private care home business.

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**APPENDIX C**

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 19 SEPTEMBER 2018

Present: Councillor M Specht (Chairman)

Councillors R Ashman, N Clarke, T Eynon, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors J Geary, R Johnson, J Legrys, Ms K Smith and A V Smith MBE

Portfolio Holders: Councillors A V Smith MBE

Officers: Mr J Bright, Mr M Fiander, Mr G Jones, Mr M Murphy, Mr P Sanders, Mr T Shardlow and Mrs R Wallace

**21. COUNCIL TAX CHANGES**

The Director of Housing and Customer Services presented the report to Members. He explained that due to consultation timescales and contrary to the recommendations in the report, that a future Cabinet meeting would consider the matter, and not the meeting in November 2018.

Councillor T Eynon felt that it was difficult to grasp all of the details due to the terminology used within the report, especially around how empty properties were treated. She asked that this be addressed for the consultation.

Regarding the care leavers proposals, Councillor S Sheahan asked if it was intended for the whole County to align. The Director of Housing and Customer Services reported that each authority has a slightly different timeline but it was the intention to be aligned across the County.

It was moved by Councillor S Sheahan, seconded by Councillor R Ashman and

RESOLVED THAT:

Comments made by the Committee be provided to a future Cabinet when considering the report.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.23 pm

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**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**CABINET – TUESDAY, 11 DECEMBER 2018**

Report Title	<b>PEOPLE PLAN</b>
Key Decision	a) Financial No b) Community No
Contacts	Councillor Richard Blunt 01530 454510 <a href="mailto:richard.blunt@nwleicestershire.gov.uk">richard.blunt@nwleicestershire.gov.uk</a>  Chief Executive 01530 454500 <a href="mailto:bev.smith@nwleicestershire.gov.uk">bev.smith@nwleicestershire.gov.uk</a>  Head of Human Resources and Organisation Development 01530 454518 <a href="mailto:mike.murphy@nwleicestershire.gov.uk">mike.murphy@nwleicestershire.gov.uk</a>
Purpose of report	The report provides members of the Cabinet with information on the proposed People Plan for the Council, with an associated action plan.
Reason for Decision	To provide Cabinet with the proposed approach to the development of the workforce.
Council Priorities	The report impacts on performance against each of the Council's five priorities for 2018/19.
Implications:	
Financial/Staff	The report contains proposals for staff management. There is no additional financial impact in 2018/19. Work is underway to scope the financial impact for 2019/20 as part of developing the draft budget.
Link to relevant CAT	The report links to the work of all Corporate Action Teams.
Risk Management	No direct implications.
Human Rights	No direct implications.
Transformational Government	No direct implications
Comments of Deputy Head of Paid Service	The report is satisfactory

Comments of Section 151 Officer	The report is satisfactory
Comments of Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team, Extended Leadership Team, Equalities and Access Group, Trade Unions.
Background papers	CLT reports held in Room 135.
Recommendations	<b>THAT CABINET RECEIVES AND COMMENTS ON THE PEOPLE PLAN.</b>

## 1.0 INTRODUCTION

- 1.1 The nature and culture of Local Government is changing and evolving continuously. It is constantly being shaped and altered by the demands of our local communities and citizens, adapting to changes in legislation, and responding to changes in national and local policy and funding.
- 1.2 Our ambition is to ensure we have a sustainable, ambitious, effective and efficient workforce that reflects the local communities we serve. Building a culture of empowerment that encourages innovation and rewards excellent service will enable the Council to deliver its ambition as set out within our Corporate Plan and ensure that we are an employee of Choice providing a supportive environment for staff to grow and thrive.
- 1.3 The first phase of cultural changes commenced with the senior management restructure implemented by the Chief Executive, that focussed on building a senior leadership team that is agile and encourages a One Council approach, where leaders work across the organisation. The changes have focussed on building a council that meets and exceeds the needs of the customer, develops a commercial ethos to maximise opportunities to provide value for money services and builds a culture of empowerment where bureaucracy is reduced.
- 1.4 The development of a new set of Corporate Values over the summer involving staff across the whole Council will underpin the way we work, this will form part of a wider approach to organisational development.
- 1.5 The People Plan is a key document that encompasses the way we will develop and support staff helping them to be the best they can be and will help the Council to:-
- Understand developments in the workforce, both current and future needs and to make plans for known changes.
  - Build a flexible agile workforce that is able to adapt to changes at a national, regional and local level and that is focussed on the needs of the customer.
  - Implement good Human Resources practice to ensure the Council meets its statutory obligations.

- Provide good value for money services and improved satisfaction for our local community.
  - Improve individual, team and organisation performance.
  - Motivate and manage our staff.
- 1.6 An understanding of the context and landscape that we are working within has been vital to shaping the plan. We will need to adopt a co-ordinated focussed approach to defining and delivering a PLACE, where environmental, social and economic factors enhance and build communities. The role of local government in engaging and working with communities will require robust engagement and communication strategies and an ability to shift and reshape services based on customer demand and expectation. Building a culture where the customer sits at the heart of decision making will require the enhancement of skills across the council.
- 1.7 Our organisation needs to be able to thrive in an environment of continual change, ambiguity and complexity and as the Council's priorities change, we will need to develop the flexibility to shift resources, attention and mechanisms of delivery.
- 1.8 As funding reduces, by encouraging innovation and enterprise we will have a greater chance of maintaining services, even if they are provided in a different form or to different standards. If we are to maximise opportunities to increase income through commercial means we need to build the skills and understanding across the council to ensure we can continue to provide value for money services.
- 1.9 We will seek to build an organisation that 'develops, values and transforms', enhancing and building on a coaching culture while further developing our values, competences and behaviours. For this to be effective our managers will need to be more empowered, while ensuring robust performance management and accountability is enhanced. Through our leadership development programme we want our workforce to be ambassadors across the wider public sector, with an improved focus on joint outcomes and delivery.
- 1.10 The People Plan will be a key cornerstone to the Councils approach to organisational development. A new organisational development strategy will be presented to members in the New Year, which will include the wider aspects of performance management.
- 1.11 The engagement and involvement of staff has been essential and the People Plan has been developed with staff representatives from across the Council and has been discussed at the all staff briefing sessions the Chief Executive leads.

## **2.0 INFLUENCING FACTORS**

.The following factors and decisions are likely to have an influence of the development and delivery of this plan:-

- 2.1 The Council has committed to the build of a new Leisure Centre in Coalville to replace the ageing Hermitage Leisure Centre. As part of this arrangement the staff based at Hermitage and Hood Park Leisure Centre will TUPE transfer to a new provider in May 2019. This will significantly reduce the size of the Council Workforce, and there will be a requirement for some downsizing in the central services departments.
- 2.2 The Council has highlighted financial challenges in its Medium Term Financial Strategy on the basis of predicted income streams and changes in Local Government funding during the life of this plan.

- 2.3 The Council has experienced challenges in recruitment and retention in some professional areas.
- 2.4 The key pay grading structure will be subject to review during 2018/19 in response to the restructuring of the national pay scale forming part of the 2 year 2018/19 pay award discussions.
- 2.5 The Council will be looking to further develop a Customer First approach with improvements to the website and the digitisation of many of our existing in-house processes.
- 2.6 The Council previously set a target in the Council Delivery Plan to double the number of apprentices over the life of that plan which has been achieved.
- 2.7 We introduced a new HR/Payroll software system i-Trent during 2017. As an integrated system, now the payroll element has been completed, we are now moving to use the Applicant Tracking Recruitment and the People Development and Training modules during 2018/19. These modules will give us the opportunity to further modernise, review and improve our HR processes to become more integrated.
- 2.8 The Council has an ageing workforce, with declining proportions in the lower and mid age ranges. Employees are working longer as the normal retirement ages are later.

### **3.0 THEMES**

The plan focusses on five key thematic areas:

- Being an Employer of Choice
- Developing and supporting staff
- Leadership
- Happy and Healthy workforce
- Communicate and Listen

Within each theme we have set out the key areas of work which are integrated into the detailed action plan in Appendix 1.

#### **1. Being an Employer of Choice**

- We will modernise our recruitment process increasing the ways people can apply to join us.
- Our recruitment will focus on values and behaviours.
- We will provide opportunities for progression for internal staff developing linked grade career progression to retain staff.
- We will actively promote our benefits package.
- We will grow our apprenticeship and work placement opportunities.
- We will actively promote the variety of roles in the district council through the Children's Takeover challenge and job fairs.
- We will be accredited through Investors in People.
- We will develop opportunities for agile working and ensure our flexible working policies are modern and fit for purpose.
- We will reduce the use of agency and temporary contracts and encourage seamless transitions between temporary and permanent contracts.

## **2. Developing and Supporting**

- We will ensure staff at all levels and in all services are supported and developed through effective coaching and career planning.
- We will ensure staff are clear about what is expected of them and have the opportunity to reflect on their performance.
- We will develop a mind-set and culture of continuous improvement.
- We will design, develop and commission development programmes that meet the needs of our staff equipping them to be the best they can be
- We will reduce the gender pay gap.
- We will examine our workforce employment profile and encourage men and women into areas where they have previously been under-represented.
- We will ensure employees are developed in line with key competencies and skills to ensure we can effectively meet customer needs
- We will provide opportunities for job shadowing and mentoring both inside the Council and with our partners.
- We will celebrate diversity within the workforce recognising the contribution of all staff to the success of the council.
- We will continue to develop opportunities for E- Learning.

## **3. Leadership**

- We will ensure all leaders are clear of their responsibilities and have the capacity to fulfil them.
- We will empower leaders to innovate and deliver, developing a revised set of core skills and competencies across the organisation.
- We will collaborate and learn from others in the private and public sector to continually adapt our approach to leadership.
- We will have clear succession plans in place to be able to refresh and replenish the staffing profile.
- We will ensure leaders are ambassadors and advocates for the Council's values and behaviours and are encouraged to challenge and address issues.
- We will identify, grow and manage our internal talent.

## **4. Happy and Healthy**

- We will actively support health and well-being through the workplace health charter.
- We will help staff feel fulfilled and valued in their role through further enhancing our reward and recognition scheme.
- We will continue to support staff and promote the awareness of mental health in the workplace.
- We will support staff with life ending illness through our Dying to Work charter.
- We will actively manage sickness absence.
- We will ensure that staff have the opportunity to maintain a healthy work life balance through our policies for flexible working.
- We will provide opportunities for volunteering in the community.
- We will use our pension discretions to explore the possibility of assisting employees into partial and full retirement at the end of their working lives.

## **5. Communicate and Listen**

- All levels of communication will support a two-way dialogue between colleagues.
- Communication is everyone's responsibility – everyone must feel comfortable enough to communicate well at all levels
- Staff will be given timely updates on council decisions and project progress using appropriate communication tools (face to face, email, i-Net, letter).
- Communication methods between staff and members will be clear for everyone.
- Team meetings, 1-1 meetings and performance reviews will be an essential part of this.
- We will engage effectively with our Trade Union partners and the workforce in an open and transparent approach.

### **4.0 ACTION PLAN**

- 4.1 The Action plan attached at Appendix 1 sets out how we propose to address a number of the key themes in the People Plan during 2019. Progress against the action plan will be reported to the Policy and Development group on a six monthly basis.

### **5.0 CONSULTATION**

- 5.1 The People Plan has been circulated to the Trade Unions for consultation and if any comments are received they will be reported verbally to the Cabinet meeting.
- 5.2 The People Plan was considered by the Policy Development Group at its meeting on the 5 November 2018. A copy of the draft minutes of the group is attached at Appendix 2.

### **6.0 LINKS TO OTHER POLICIES / WORK**

- 6.1 The People Plan is part of a wider Organisation Development approach seeking to effect cultural change and performance improvement across the Council, and will impact on other strategies and policy work including the Commercial Strategy, performance improvement, Customer First and a revised and updated Equality and Diversity Policy.

## PEOPLE ACTION PLAN – OCTOBER 2018

ACTION	THEME	INTENDED OUTCOME	Key Actions - Milestone	COMPLETION DATE/ OWNER
Recruitment and Selection				
Revise R&S Policy  135	Employer of Choice	<p>More inclusive policies facilitates recruitment of people from different communities and characteristics.</p> <p>Recruitment processes are appropriate targeted and easily accessible for applicants.</p>	<p>Enable I-Trent recruitment to allow submission of Curriculum Vitae and to enable easier access for applicants with limited literacy capabilities.</p> <p>Policy Review completion date December 2018</p> <p>Consultations with ELT and then report to CLT.</p>	<p>PD/MM</p> <p>December 2018</p>
Increase awareness of Council roles and careers	Employer of Choice	Increase in applications in younger age cohorts.	<p>Attendance at local Job Fairs at schools and universities.</p> <p>Take part in Children's takeover Challenge with local schools and colleges</p> <p>Review the current use of social media to engage with schools, Colleges, careers services and when advertising to present proposals on how this can be improved.</p>	<p>EP/ASE/LC/BM</p> <p>November 2018</p> <p>December 2018</p> <p>MM/EP</p>

			Implement proposals	January 2019
Increase the number of apprenticeships.	Employer of Choice	More apprentices recruited to meet the Council delivery plan target. Improved possibilities for succession planning and increasing the number of employees in the lower age cohorts.	Current target in the CDP is to double the number of apprentices engaged by 2020. Previously 8 apprentices – currently 18.  Target is to maintain the level of apprenticeships active in the Council, during the period of this plan through identifying and designating apprenticeships from vacant posts.	MM/EP  Target met.  Continuing, but to maintain current apprentice levels through 2019 and 2020.
Increase use of supportive objective testing in recruitment and selection. (Reduce the reliance on the selection interview)  136	Employer of Choice  Developing and Supporting	Recruitment processes are robust, objective and non-discriminatory.  Gender pay gap –use of more objective information to base recruitment decisions to encourage the recruitment of women to senior roles and in areas where there is underrepresentation.	Review recruitment documentation and processes to ensure bias relating to gender and other protected characteristics is removed for all vacancies above team leader level.  Monitor gender split and progress of applicants having a protected characteristic through the recruitment and selection processes.  Draft an action plan to address any issues raised by the monitoring information for implementation in 2019/20 year.	MM/BM  During 2018/19 for all vacancies.  May 2019  June 2019
Advertising Review	Employer of Choice	Best use of resources to attract applicants via print and on-line / social media placements.	Review existing approach to recruitment advertisement – value for money and reach  Identify best practice	Report to February 2019 CLT  MM



			Amend advertisement guidelines for recruitment	
Agency workers	Employer of choice	The reliance on agency workers is reduced.	Maintain review of Agency contracts and monitor extensions. Seek to reduce spend from £1.8m in 2017/18.	Report to CLT in January 2019.
137 Equalities	Employer of Choice	Gender pay gap is reduced in future years.	Research and report on actions that may be considered to reduce the gender pay gap. This may include increasing flexible working options for the majority of job vacancies (for men and women), encouraging the uptake of shared parental leave, focussing recruitment on returners, developing networking programmes, mentoring and sponsorship programmes and setting internal targets.  Action plan to implement changes from February 2019.	Report to CLT in December 2018.
	Developing and Supporting			Gender Pay Gap to Council in February 2019.  BM/MBR
Equalities	Employer of Choice	Gender pay gap is reduced in future years.	Equalities and Diversity training undertaken by all managers, from CLT to team leader level.  Training cascaded to all staff over a 3 year period, including induction arrangements for new employees.	Training to commence in April 2019 following scheduled adoption of new Equality and Diversity Policy in March 2019  MBR
Reward and Recognition				
Review Employee Benefits Scheme	Healthy and Happy  Employer of Choice	Increased staff satisfaction.  Benefits are a recruitment and retention incentive.	Review existing reward and recognition scheme.  Continue to enhance the BEE a star award ceremony.	MM/EP  BEE Group to review in November 2018

			Consider apprenticeship recognition / celebration arrangements.  Draft report for BEE Group October 2018.	
Pay and Grading Arrangements – review to consider impact of stage 2 of the 2 year pay award and introduction of the new national pay scale in April 2019.	Employer of Choice  Healthy and Happy  Developing and Supporting  Leadership	The Council has fair pay arrangements that exceed the statutory living wage and likely future increases.  Career grading schemes are used to recruit and retain employees.  Equal pay arrangements are in place.	Report to CLT on proposed changes to grading structure.  Consultation with the Trade Unions.  Revised agreement signed.  Review existing Career grading schemes and identify difficult to recruit areas and improved approaches to “growing our own”.	MM July 2018 (Completed)  August 2018 (Completed)  November 2018  BM  December 2018
138	Workplace Health and Benefits			
Develop and implement workplace health strategy	Healthy and Happy  Employer of Choice	Reduction in sickness absence  Increase staff satisfaction	Develop strategy based on evidence from sickness monitoring, Workplace Health assessment in conjunction with LRS and best practice	Completed and agreed by members.
Work arrangements are conducive to a Healthy work-life balance.	Healthy and Happy  Employer of Choice	Working arrangements across the organisation enable employees to achieve a healthy work life balance.	This will include an analysis of the flexitime policy (including consideration of the removal of core hours, presenteeism, annual leave, excessive working hours, career breaks, and retirement options).  Report to BEE Group, then to CLT.	LC/MM  BEE Group January 2019  CLT February 2019

Occupational Health	Healthy and Happy Employer of Choice	The occupational health service provides effective support to employees and managers.	Review current external provider for value for money and quality of service. Examine procurement options for alternatives (contract renewal is April 2019) BEE Group consideration in January 2019	ASE/MM January 2019
Employee Assistance Programme	Healthy and Happy Employer of Choice	The external independent 24/7 telephone counselling service is used by employees to resolve a range of confidential matters.	Review scope of scheme for Crisis support capability for emergency incidents. Publicise the EAP facility to encourage improved take-up.	LC/MM December 2018  November 2018 onwards
Reduce Employee Absence  139	Healthy and Happy	Reduce costs of absence. Target 8.5 FTE days or less.	Review performance at CLT quarterly. Examine reasons, causes, return to work rates, patterns etc. Review Attendance policy including triggers to assess fitness for purpose. Ensure policy provides suitable support for employees. Report to ELT, then to CLT.	MM CLT Quarterly meetings and end of year reports. CLT Meeting December 2018. Commence consultation with unions January 2019
Equality Framework for Local Government				
Self- Assess as “Developing” level of the Equality framework for local Government	Developing and Supporting Leadership	Demonstrates commitment and good Equality and Diversity practice	Complete self-assessment framework and identify gaps Develop and implement equality and diversity policy Draft Equality and Diversity policy in August 2019 for CLT. Consult with Equality and	MM/MBR

			Access group members before going out to wider consultation feedback externally and internally before PDG in January and on to Cabinet in February 2019.	Self-assessment with Equalities and Access group in August 2019.  (In progress – on target)
Update and circulate workforce equality profile and information		Up to date information on workforce composition.	Assemble information for half year 2018/19, report to BEE group, then to CLT.	BEE meeting January 2019  CLT February 2019.
Learning and Development				
Develop a strategy to include all strands of L&D activity into a cohesive whole-Council approach	Developing and Supporting Leadership	Corporate and focussed use of training budgets.	Report to CLT on half year spend to date – April to September 2018. Identify corporate training priorities for 2019/20 financial year.	EP/PD/MM  Report to BEE group January 2019, then to ELT and CLT for endorsement February 2019.
Learning Pool e-development programmes	Developing and Supporting Leadership	Improved accessibility to training with less disruption to working day  Reduced cost of training.  Tracked information on completion rates of particular courses by individuals.	Continue to develop learning pool as a portal for all learning whether face to face or online.  Continue to develop and enhance sharing arrangements with other Leicestershire and Rutland partners.	EP  EP  December 2018 on-going

<p>Create a new future talent team to work on corporate projects, to provide career broadening and to facilitate career progression and succession planning opportunities</p>	<p>Leadership</p>	<p>Better engagement of departmental employees in corporate activity to achieve a one-Council, one Team culture.</p> <p>Retention of future leaders and shapers.</p> <p>Encourage future career progression and confidence for reducing the gender pay gap in the longer term.</p>	<p>Identify potentially suitable rising stars. August 2018.</p> <p>BEE group / ELT to identify suitable task and finish projects and how these might use the skills of the team - October 2018.</p> <p>Report to CLT in November 2018</p> <p>Launch January 2019.</p>	<p>MM/EP (Completed)</p> <p>CLT report November 2018</p>
<p>Succession Planning</p> <p>141</p>	<p>Leadership</p> <p>Employer of choice</p>	<p>Continuity of service provision following changes in the workforce demographics.</p>	<p>Identify potential employees suitable and likely future gaps in the workforce. Where there are skills shortages to look to grow our own.</p> <p>Collate and research data – November to December 2018.</p> <p>Consult ELT November 2018.</p>	<p>BM/MM</p> <p>CLT Report February 2019</p>
<p>Achieve Investors in People accreditation</p>	<p>Employer of choice</p> <p>Developing and supporting</p> <p>Leadership</p> <p>Healthy and Happy</p>	<p>Achieve IIP to obtain external accreditation to demonstrate our commitment to excellent people practices.</p>	<p>Conduct self-assessment against the framework</p> <p>Engage IIP UK contact to agree timetable.</p> <p>Develop action plan</p> <p>Self-assessment BEE Group September 2018</p> <p>Engage consultant to commence assessment timetable.</p>	<p>MM/EP September 2018 (Completed)</p> <p>October 2018 (Completed)</p> <p>January – March 2019</p>

Leadership Development				
CLT Assessment and Development	Leadership Developing and Supporting Employer of Choice	Develop common leadership approaches and style.	<p>Complete Myers Briggs assessment of individuals</p> <p>Identify Gaps and exploit strengths of team. To meet future challenges.</p> <p>Identify team strengths</p> <p>Consider use of scenario based management testing</p> <p>Team building programme developed</p> <p>Career graded post programmes developed</p> <p>Individual development plans incorporated into reflections process – to incorporate CDP</p> <p>Ensure access to national leadership bodies as appropriate – Solace for CX / Directors</p>	<p>BS/MM/CLT (Completed)</p> <p>Programme Dates to be arranged.</p>
142				
ELT	Leadership Developing and Supporting Employer of Choice	Cross Council Working, Develop leadership capacity.	<p>Encourage wider involvement of the Team to input to aspects of the People Plan development and other corporate projects or work</p> <p>Review L&amp;D requirement for the Extended leadership team</p> <p>Develop programme of externally facilitated 'action learning' sessions on key priority areas e.g. working collaboratively across public/private sector; commercialisation etc.</p>	<p>BS/MM/ELT</p> <p>December 2019</p>

			<p>Review benefits of secondment and work shadowing opportunities with public/private sector family to enhance core skills and competencies and encourage innovation.</p> <p>Develop annual leadership conference</p>	
Member development programme	Leadership	<p>Effective governance.</p> <p>Effective working between members and officers and professional behaviours.</p>	<p>Review member development programme for new members May 2019.</p> <p>Consider Member Development Charter</p> <p>Develop and implement member training programme for Planning peer review.</p>	<p>BS/ML/MM</p> <p>May/June 2019</p>
Coaching and Mentoring				
Develop coaching approaches and styles across the Council.	Developing and Supporting Leadership	<p>Effective coaching framework with supervision and external development opportunities.</p> <p>Coaching is embedded in the organisation as the preferred management style.</p>	<p>Link established to East Midlands Coaching Network (EMCN). 2/3 Trained coaches from Fields of Learning now accredited. First cohort of ILM coaches complete in 2018, with second cohort underway.</p>	<p>MM/EP</p> <p>Coaching supervision arrangements to be established with EMC – February 2019.</p> <p>Develop internal coaching network of trained coaches by December 2018.</p> <p>Coaching access and booking process to be established by April 2019.</p>

Embed Coaching at NWLDC	Developing and Supporting Leadership		Develop links with EM coaching Network to provide coaching development, resources and supervision opportunities. Develop internal coaching network and process.	MM/EP/BEE group
Engage in East Midlands Local authority Challenge	Leadership Developing and Supporting	Building a One-Council approach and cross team working.  Engaging with other Councils to build networks.	Local Challenge day held in June 2018.  NWLDC team will enter regional inter-local authority challenge in March 2019.	BS/MM/BEE Group

Values, Behaviours and Skills.				
Revisit and reassess Council values 44	Developing and Supporting Leadership	A revised set of values that all members and officers can understand and bring to life in everyday interactions with customers.	Workshops with employees across the Council, including remote sites/workers to collate a consensus on revised values.  Update report to CLT 15 <sup>th</sup> August 2018  Report to BEE Group in September 2018.  Report to CLT in October 2018.  Report to Cabinet January 2019.	EP/BEE Group       December 2018
Implement an updated Behaviours and skills (B&S) Framework	Developing and Supporting Leadership  Healthy and Happy	Employees demonstrate consistent and effective behaviours in their interaction with customers, members and colleagues.	Develop a framework that reflects drive for culture change and principles of 21 <sup>st</sup> Century Public servant.  Report to BEE group in February 2019  Report to ELT in March 2019	EP/MM/BS



			Report to CLT in April 2019 Amend Job Descriptions and person specifications – May 2019 onwards	April 2019
Integrate B&S into Recruitment and Selection and HR processes	Developing and Supporting Leadership Healthy and Happy	Update JDs and specs in line with revised B&S framework	Competencies based on job family group will be used for recruitment, induction, individual training plans, learning pool dashboards, corporate training planning.  Report to BEE Group March 2019	MM/EP April 2019
Develop and Implement a 360 o process  145	Developing and Supporting Leadership Healthy and Happy	Focused development for CLT and ELT.  Emotionally aware Leaders.  Improved team working in the senior management structures,	Identify a 360 Feedback process (external provider for objectivity). Undertake procurement process.  Integrate 360 Feedback into existing Reflection / Appraisal processes.  Commence 360 process in March 2019.	MM/BS January 2019  Report to CLT in March 2019.
Review Reflection (appraisal) scheme	Developing and Supporting	Effective links between Performance and organisation objectives/outputs.	Review and propose changes. BEE group report – January 2019. ELT discussion – February 2019.  Implement new scheme April 2019 onwards	MM/BS/EP  Implement new scheme from April 2019.

## **ACRONYMS**

CLT – Corporate Leadership Team

ELT – Extended Leadership Team (All team managers)

BEE Group – Best Employee Experience Group

CDP – Council Delivery Plan

EMC – East Midlands Council

ILM – Institute of Leadership and Management

BS – Bev Smith , Chief executive

MM – Mike Murphy Head of HR and OD

EP- Emma Peachey Senior HR Advisor

146 ASE – Amanda Shakespeare-Ensor Senior HR Advisor

BM – Bernadette Mullen Senior HR Advisor

MBR – Miriam Bentley-Rose, Equalities Officer

LC – Libby Carter – Senior HR Advisor

PD – Pawan Dhillon – HR Analyst

ML – Mel Long, Democratic Services team Manager

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on MONDAY, 5 NOVEMBER 2018

Present: Councillor M Specht (Chairman)

Councillors R Ashman, N Clarke, T Eynon, G Houlst, V Richichi, S Sheahan and N Smith

Officers: Mr J Arnold, Mr G Jones, Mrs M Meredith, Mr M Murphy, Ms C Preston, Ms C Proudfoot and Mr P Sanders

## **28. PEOPLE PLAN**

The Head of Human Resources and Organisation Development presented the report to members, outlining the purpose of the People Plan which was part of the wider programme of cultural change in the Council. He highlighted the work which had been undertaken across the organisation in the early development of the plan and the development of a new set of core values. He highlighted the five key themes in the plan as set out in the report and the detailed action plan at Appendix 1. He advised that Policy Development Group would receive further reports to update members on progress made against the actions.

In response to a question from Councillor M Specht, the Head of Human Resources and Organisation Development advised that positive discussions had taken place with Trade Unions, however no formal responses had yet been received.

In response to a question from Councillor M Specht, the Head of Human Resources and Organisation Development advised that good progress had been made across all departments in the recruitment of apprenticeships, and there were currently 18 apprentices in post against a target of 17.5. He added that this target would need to be revised when the leisure TUPE transfer took place in May 2019.

Councillor T Eynon welcomed the document and was pleased to see the consultation with Trade Unions and the comments in respect of diversity and increasing the methods of applying for jobs, however she was not clear how that might work and how that might help the council to achieve equality. She welcomed the intention to grow our own in skills shortage areas. She also welcomed the focus on gender but felt that this should not be the only equalities focus. She commented on the difficulties experienced by people on the autistic spectrum in respect of getting into work due to the format of job interviews in particular. She referred to the additional funding available from the government for apprenticeships in areas where there were skills shortages, such as IT. She referred to the open recruitment event taking place and sought confirmation whether Stephenson College were aware of the new ways of providing apprenticeships or whether other apprenticeship partners should be considered.

The Head of Human Resources and Organisation Development advised that work placements were being utilised much more and the Council had recently agreed to work with Stephenson College with pilot schemes on T levels. He agreed to consider the concerns raised by Councillor T Eynon.

In response to concerns raised by Councillor V Richichi, the Head of Human Resources and Organisation Development advised that the proposed changes to the flexible working arrangements at the Council would need very careful consideration and business need would be taken into account. He added that it may be necessary to restrict the availability of flexible working arrangements for some staff. He assured members that the arrangements would be carefully considered for each team to ensure that efficiency and service availability was not affected. He added that there may be additional benefits to the customer associated with different working hours.

In response to a question from Councillor N Smith, the Head of Human Resources and Organisation Development confirmed that certificates would be issued on completion of apprenticeships.

Councillor S Sheahan commented that he was surprised that there was no specific mention of the employment of people with disabilities in the People Plan.

In response to a question from Councillor S Sheahan, the Head of Human Resources and Organisation Development advised that the gender pay gap at the Council was currently 6%, which was in line with the average for the East Midlands. He added that a report would be brought to the group to consider how this could be reduced in future years, however he advised that the report provided to Council contained the data from the previous year so it had not been possible to influence this figure.

Councillor R Ashman commented that age discrimination had not been covered and he felt that, in addition to apprenticeships and job fairs, the Council should consider looking at other ways of attracting people who had something to offer in terms of previous work / life experience.

The Head of Human Resources and Organisation Development explained that there was not an intention to ignore the other key protected characteristics in the report, however the emphasis was on targeting the recruitment and retention of younger workers as it was recognised that the Council had an ageing workforce profile. He added that some policies on protected characteristics were built into the Council's existing HR procedures.

In response to questions from Councillor M Specht, the Head of Human Resources and Organisation Development explained that the council had experienced some difficulties with recruiting to those areas with national skills shortages, such as planning, legal and housing maintenance. He added that in most other employment areas the council saw a good response to recruitment, and good retention rates.

Councillor N Clarke referred to the development of linked grade structures to improve career progression. He commented that whilst this could sometimes lead to people taking on additional duties in order to advance, it could also lead to people being paid at the same level for doing more.

The Head of Human Resources and Organisation Development explained that a number of career-graded schemes were in place and clear attainment markers were set. He added that the advantage of career-graded schemes was that they could help with the retention of staff who might not otherwise develop further within the organisation.

In response to questions from Councillor N Clarke, the Head of Human Resources and Organisation Development advised that the council did contribute to the apprenticeship levy and was making good use of that by having a high number of apprentices.

**RESOLVED THAT:**

The proposed action plan be noted.

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## CABINET – 11 DECEMBER 2018

Report Title	<b>2018/19 QUARTER 2 PERFORMANCE MANAGEMENT REPORT</b>
Key Decision	a) Financial No b) Community No
Contacts	<p>Councillor Richard Blunt 01530 454510 <a href="mailto:richard.blunt@nwleicestershire.gov.uk">richard.blunt@nwleicestershire.gov.uk</a></p> <p>Chief Executive 01530 454500 <a href="mailto:bev.smith@nwleicestershire.gov.uk">bev.smith@nwleicestershire.gov.uk</a></p> <p>Strategic Director of Place 01530 454555 <a href="mailto:james.arnold@nwleicestershire.gov.uk">james.arnold@nwleicestershire.gov.uk</a></p> <p>Strategic of Director of Housing and Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a></p> <p>Head of Human Resources and Organisation Development 01530 454518 <a href="mailto:mike.murphy@nwleicestershire.gov.uk">mike.murphy@nwleicestershire.gov.uk</a></p>
Purpose of report	The report provides members of the Cabinet with information on the performance and progress made against the Council Delivery Plan actions and performance indicators for Quarter 2 (Q2) (July-September 2018).
Reason for Decision	The report is provided for members to effectively monitor the performance of the organisation.
Council Priorities	The report addresses performance against each of the Council's five priorities for 2018/19.
Implications	
Financial/Staff	The report contains summary performance data on staff management and financial information.
Link to relevant CAT	The report links to the work of all Corporate Action Teams.
Risk Management	Risk management is applicable to all areas of the Council's statutory duties and service provision. Any relevant risks relating to actions set out in the Council Delivery Plan are managed through the Corporate Risk Register.
Human Rights	No direct implications.

Transformational Government	No direct implications
Comments of Head of Paid Service	The report is satisfactory.
Comments of Section 151 Officer	The report is satisfactory.
Comments of Monitoring Officer	The report is satisfactory.
Consultees	Corporate Leadership Team, Policy and Development Group.
Background papers	<a href="#">Council Delivery Plan 2018-2019</a>
Recommendation	<b>THAT CABINET RECEIVES AND COMMENTS ON THE QUARTER 2 PERFORMANCE REPORT (JULY – SEPTEMBER 2018).</b>

## PERFORMANCE SUMMARY FOR QUARTER 2

### 1 INTRODUCTION

- 1.1 The Planning and Performance Management framework helps the Council-
- Clearly articulate our priorities and desired outcomes
  - Prioritise what gets done within the resources available
  - Provides and demonstrates value for money
  - Provide good services and satisfaction for our local community
  - Improves organisational performance
  - Motivate and manage our staff
- 1.2 Its purpose is to deliver the best outcomes and service in relation to our priorities and statutory responsibilities within available resources, and to create an 'early warning system where this is not the case. To do this we need to be intelligence focused and take action in response to actual performance to make outcomes better than they would otherwise be.
- 1.3 Performance is managed at a strategic, service, operational and individual level, with each informing the other.
- 1.4 At a strategic level, Members and the Corporate Leadership Team need to ensure that services are provided meeting the needs of the community, both now and in the future. Members and the leadership team also need to ensure that there are appropriate and meaningful measures underpinning our vision and objectives so that they can be assured that we are making good progress towards our vision, priorities and objectives published in our Council Delivery Plan.

- 1.5 At a service level, Heads of Service need to monitor performance against service plans. These include all tasks, projects, measures and risks relating to their own service objectives and from any other source e.g. external inspectorate recommendations such as the planning peer review and internal audit recommendations.
- 1.6 At an operational level, individual work plans may be in place to monitor and report on team and individual performance to feed up into the service plans. This then informs individual performance appraisals.
- 1.7 Performance is monitored against our five Corporate priorities
- Value For Money
  - Home and Communities
  - Building Confidence in Coalville
  - Business and Jobs
  - Green Footprints
- 1.8 The quarterly performance reports will seek to recognise good performance, share best practice across the organisation and also to identify 'performance gaps' highlighting if and where action is required to meet targets. Once these gaps are identified, time bound intervention plans will be created or adapted to improve performance towards the target. This will be part of a continual cycle of review and action.

### **Summary of Performance Quarter 2**

- 1.9 This report sets out the performance and progress against the Council Delivery Plan priority actions, performance indicators, and finance and sickness absence management.
- 1.10 An overall summary of the report in Quarter 2 across all areas shows that twenty-three (89%) of the twenty six actions related to the Council Delivery Plan are on track or green, one is under control (amber), and two are below target.
- 1.11 An overall summary of the performance indicators for Quarter 2 shows twenty-five of the thirty-eight are on track or green (66%), two are under control (amber), and eleven are below target requiring interventions. It is relevant to note that three customer services indicators have been revised in this quarter's report for the first time, which has impacted on the overall results.
- 1.12 A high level exception report of the Council's performance for Q2 is included in Appendix 1.

## **2. COUNCIL PRIORITIES**

### **2.1 VALUE FOR MONEY**

- 2.1.1 Five of the six actions are on track or within tolerance to achieve the milestones set with some good progress in financial management and the delivery of the leisure services project. One action has fallen below target, that of customer satisfaction levels. The recognition of the need to improve the approach the council takes to its customers was reflected in the corporate restructure and the creation of a new Head of Customer Services post, with progress detailed below.

- 2.1.2 The performance indicators show out of nineteen indicators, thirteen are on target or within tolerance, and six are falling below target, one related to Leisure income and five related to Customer Services.
- 2.1.3 Intervention plans for the Customer Service and Leisure Income targets are attached as Appendices A and B.
- 2.1.4 Work is continuing on the 'Customer First Programme', an initial priority being to produce a Customer Experience Strategy that will outline the Council's approach to customer service over 2018-2021.
- 2.1.5 A Customer Experience Strategy has been drafted that will support the organisation in placing the customer at the heart of what we do, and in doing so changing our culture and approach to providing good customer service. It covers key themes such as accommodation, digitalisation, the Customer Service Centre and the wider organisational customer service. This will be submitted to Cabinet in November 2018 and if approved will be mobilised shortly after.
- 2.1.6 The Head of Customer Services was appointed in Q1 2018/19 and though much work has been done to improve performance, this requires time to lay foundations, embed and result in performance changes. The expectation is that the increase in performance in Q2 will be progressive, with further advances in Q3.
- 2.1.7 The Leisure project remains on target, three contractors have been shortlisted through to the next stage and competitive dialogue has recommenced with them prior to final bids being submitted in November 2018.
- 2.1.8 Work continues on a draft asset management strategy for our corporate property assets which will dovetail with the recently adopted Commercial Strategy. A value for money review of our existing property portfolio is being commissioned for completion in Q3. The strategy will also outline proposals for the Council offices, which require investment in both the core external fabric and internally, with a detailed project plan for delivery of these improvements to be developed in Q4.

## **2.2 HOMES AND COMMUNITIES**

- 2.2.1 All actions are showing good progress against the milestones, the performance indicators show out of nine indicators, eight are on target or within tolerance and one is falling below target.
- 2.2.2 Work has begun on the North West Leicestershire Health and Wellbeing Strategy, the draft strategy has now been revised in line with officer comments and will go back out to stakeholder consultation in October 2018, prior to the final strategy being produced in December 2018.
- 2.2.3 The Chief Executive, with the help of a consultant from SLC Rail and other officers are liaising with stakeholders, particularly parish councils, to identify negative impacts of the proposals for HS2 and ask HS2 to mitigate them. Liaison with HS2 Ltd is continuing for the same purpose. This work has recently increased as a result of the publication by HS2 Ltd of their working draft of the Environmental Statement which provides more details of the anticipated temporary and permanent impacts of the route. It will be important to respond to this consultation effectively in order to enable HS2 to find ways of minimising the impacts.



- 2.2.4 Partnership working with the members of the East Midlands HS2 Strategic Board is also underway and looking at opportunities to maximise the economic and infrastructure benefits of HS2 for North West Leicestershire.
- 2.2.5 An initial outline of the Economic Growth Plan has been produced and the final document will include a non-technical overview, a technical and statistical summary and highlight key areas of economic potential. It is being aligned with the "Local Industrial Strategy" for Leicester and Leicestershire and will provide an action plan for working with partners to achieve improvements in relation to key aspects including skills, access to employment, infrastructure and business growth investment. This document will form a key part of the Place Marketing Strategy.
- 2.2.6 As part of a wider operation, the Community Safety and Housing Management teams supported by our in house Legal Services team worked closely with the Police to obtain and serve three Closure Orders on Council tenants' homes which were being used for illegal purposes, causing significant anti-social behaviour issues for neighbours. Four notices were also served on private properties in the district during the quarter.
- 2.2.7 In September 2018, a total of 22 new homes were completed and let to new tenants from our housing register. 11 of these (10 houses and one bungalow) were built by the Council at Pine Tree Close in Coalville, on the site of the former Greenacres Sheltered Housing Scheme. We also received 11 properties as gifted units from David Wilson Homes on Moleyns Close, Ashby de la Zouch. All 10 of the one bedroom houses and the 2 bedroom flat on this development were also successfully let. The completion of our remaining Council new build properties in Ashby De la Zouch will now take place in Q3.
- 2.2.8 The redevelopment of the former Police Station site in Coalville continued in Q2 with groundworks to the 24 new homes completed up to foundation level. The developer, Westleigh Homes have been bought by Countryside Properties, and Q3 will see construction work on the actual properties commence, with completion of the first new homes projected to be May 2019.
- 2.2.9 Preparations for the next phase of our new build programme continued in Q2, with initial detailed design work commissioned for the Cocked Hat site in Greenhill, and further feasibility investigations into a number of other Housing Revenue Account sites across the district being progressed. More detailed financial viability assessments will be undertaken prior to commissioning designs.
- 2.2.10 Our overall performance regarding the delivery of new homes exceeded target in Q2 after being slightly below target in Q1 due to the delayed completion of some houses from Q1 into Q2.
- 2.2.11 Rent arrears collection performance again exceeded target in Q2, and were 2.19% of the rent due, against a target of 2.51%. This represents an over recovery of £56,000. This is particularly positive given that Universal Credit is now applicable for all new claimants across the district. Performance has been maintained by early and appropriate intervention by Housing Officers, backed up by detailed benefits and money advice from our resident support service, which is currently part funded by Department of Work and Pensions.
- 2.2.12 Performance in repairing and re-letting empty Council homes continued to be strong during Q2, with overall average performance improving from 29 days in Q1 to 25 days in Q2. This included the performance for September alone being just 20 days. This

reduction further improved our rent loss performance, which moved from 0.9% in Q1 to 0.73% in Q2. Letting empty homes more quickly means we gain extra rental income, and also new tenants can benefit from their new home more promptly.

2.2.13 A major staffing restructure of the former Asset Management Team was approved in August. The new arrangements include corporate property service staff and entail two new teams of Commercial Services, and Assets and Property. The Commercial Services team are responsible for taking repair reports from tenants and carrying out the work. They will also be delivering the home improvement programme (HIP) from 2018/19. The Assets and Property team will manage our stock condition information and other capital and planned improvements to the housing stock and corporate buildings. A clear focus for them will be our compliance responsibilities, including gas, fire and electrical safety inspections. Following the approval of the restructure, a total of 35 posts across the two new teams will be recruited to. Many of these have been covered on a temporary basis by agency staff, so the number of agency employees will be reducing significantly by the end of Q3. As part of this recruitment process a total of 16 new Trade Operatives joined the service in August, and have been through a detailed induction programme.

2.2.14 The number of properties empty and unavailable for letting exceeded target in Q2, due to delays in completing the transfer of two empty former sheltered schemes to developers. Negotiations over the Woulds Court, Moira and Queensway House, Measham sites are progressing, although not yet to a point of completion. To minimise the ongoing 'holding' costs, we are now considering demolishing both buildings by the end of Q4. An Intervention Plan is attached at Appendix C.

2.2.15 The number of new subscribers to our assistive technology service did not achieve target during Q2 with 43 new customers joining and 46 leaving the service. Following the withdrawal of supporting people funding, we have been working towards the support service being fully self-funding through increased subscription income from new service users. A detailed marketing plan has been developed and whilst we have seen an increase in overall income, the number of new subscribers has been below the target levels set. This service will be reviewed to reassess the value for money it offers during Q3 and an intervention plan developed in response to the outcome of this review.

2.2.16 Initial designs for the next phase of our off street parking improvement programme were completed in Q2, covering the Ridgeway Road area of Ashby de la Zouch. These plans will be shared with local residents and detailed proposals developed to be implemented in Q4.

2.2.17 The Housing ICT system procurement project was completed on time and on budget, with formal contract award to Aareon made in September. The new system, known as Aareon QL, will replace our existing housing management, repairs, allocations, and stock condition systems with one combined database. This will include additional self-service options for customers, and a comprehensive document management facility to remove the need for paper based filing systems. Implementation will commence in Q3 and will take up to 18 months.

## **2.3 BUILDING CONFIDENCE IN COALVILLE**

2.3.1 All five actions are on target or within tolerance to deliver against the milestones set, however one of the three performance indicators relating to businesses engaged in the shop grant scheme has fallen short of the Q2 target.

- 2.3.2 An intervention plan for this indicator has been developed and is set out in Appendix F.
- 2.3.3 The Enterprising Town Centres grant programme is currently closed to new applications, however to date the scheme has awarded approximately £80,000 in grant funding to fifteen town centre business from across the District. The investment by the Council has generated over £350,000 of private investment in our towns.
- 2.3.4 Plans are still being discussed to create a closed Facebook group for business stakeholders for the Marlborough Square project. The group will allow businesses to collaborate and have instant communication with each other and with the Council via a digital platform.
- 2.3.5 Improvement works to the Memorial Clock Tower have been largely completed in Q2, including the refurbishment of the clock faces and hands, chemical cleaning of the stone and brickwork, and internal strengthening and maintenance, as well as repairs to the roof and access point. Scaffold will be removed in preparation for the armistice commemorations, and the contractor will return to site in late November to complete works to the base of the tower.

## **2.4 BUSINESS AND JOBS**

- 2.4.1 All five actions are on target or within tolerance to deliver against the milestones, however two of the four performance indicators relating to number of business enquiries and the impact of enterprising town centres has fallen short of the Q2 target.
- 2.4.2 An intervention plan for these indicators has been developed and is set out in Appendices D and E.
- 2.4.3 With continued development work on our apprenticeship programme we now have 18 apprentices internally on the programme, exceeding our government target of 17.5. Externally, funding has been secured through Section 106 planning agreements as part of infrastructure development to help address issues along the A511 corridor and discussions are ongoing with the county council and other partners to secure additional funds.
- 2.4.4 After the success of our 2017 Disability Confident Event, Business Focus have continued to work with Job Centre Plus and Stephenson College to support those furthest from the workplace into employment. Following on from the successful Coalville Jobs Fair delivered in Q2 we are now gearing up to deliver an Open Recruitment and Disability Confident event on Thursday 8 November 2018. The event will be held at Stephenson College and we will invite local employers to listen to speakers talk about how open recruitment and upskilling can benefit local businesses.
- 2.4.5 With low levels of unemployment in North West Leicestershire and with so many new job opportunities coming through, many companies are struggling to recruit staff. It is hoped that by seeing the advantages of both employing a wider workforce from

disadvantaged groups and becoming a Disability Confident Employer, many more opportunities could be accessed.

- 2.4.6 Business Focus continue to meet with the first four occupiers of SEGRO Business Park. The four end users will begin occupation of the site in April 2019 through until March 2020. Business Focus are continuing to offer our full support to help the companies recruit staff and help showcase the career opportunities locally.
- 2.4.7 In July and August 2018 the East Midlands Gateway (EMEG) Access to Work Partnership have facilitated meetings with public transport providers with the intention of commissioning a pilot project to connect key residential areas to the EMEG, primarily for employment purposes. The outcome of these meetings are being compiled into a report which was presented to the EMEG partnership sub group in September 2018.
- 2.4.8 Business Focus continue to work with the Leicester and Leicestershire Enterprise Partnership (LLEP) and other partners to look at how best to work with schools and bring logistics companies together. Business Focus, using contacts within local logistics companies have supported the LLEP in producing a 'Bursting the Myth' film for parents and schools that explores the diverse nature of employment opportunities within the logistics sector and encouraging people to explore career pathways within logistics.

## **2.5 GREEN FOOTPRINTS**

- 2.5.1 Five of the six actions are on track or within tolerance to achieve the milestones set. One action that has fallen below target is the replacement of solid fuel heating systems in council owned homes with Air Source Heat Pumps (ASHP).
- 2.5.2 The performance indicators show out of three indicators, two are on target or within tolerance and one falls below target.
- 2.5.3 An Intervention Plan for the failing action and target is attached as Appendix G.
- 2.5.4 Electric charging points will be installed as a pilot in the new car park in Ashby. Work is underway to review preferred providers and options for the installation of the charging points. The next stage is to go through the procurement process during November and December 2018.
- 2.5.5 The development work with businesses on litter hotspots saw the successful launch of roadside litter campaign "Love the Lorry" week on 19 September at A511 Bardon layby. This was attended by Bardon Aggregates, Street Environment Officers and Enforcement Officers from North West Leicestershire Council.
- 2.5.6 Haulage companies, Marks and Spencer, McVities and KP have agreed to support the "Keep Your Cab Fab" campaign after December 2018.
- 2.5.7 The Green Grant scheme - this grant scheme supports and encourages a range of community activities, initiatives and events that meet the needs of residents. Green Grants of £500 are available for environmentally-focused projects relating to climate change, energy efficiency, community orchards, litter picking equipment or general environmental improvements. Applications are welcome from groups and organisations, including parish councils.

- 2.5.8 The first international forest festival 'Timber' event was delivered on 6 July 2018. The event is confirmed to return in 2019 on 5/6/7 July. The Timber safety advisory group meeting took place on 5 September 2018 with no major concerns raised by us or partners. The district council is currently looking to support the initiative in 2019.
- 2.5.9 Good media and social media coverage from the fly-tipping education event held at Donington Services on 15 August 2018 by the Environmental Protection team was a success.

### **3. FINANCIAL MANAGEMENT UPDATE**

- 3.1 At the end of the second quarter of the financial year the General Fund and Housing Revenue Account and Capital Programme budgets are being managed effectively.
- 3.2 The General Fund forecast surplus outturn is £608k compared to a budget of £299k. This is due to a number of positive movements, with the net position being a forecast £309k additional surplus. As part of the setting of the annual budget on 27 February 2018, the council committed to transferring the surplus income over expenditure in 2018/19 to the Self-Sufficiency reserve. The Self-Sufficiency Reserve remains at £2.77m and there has been no expenditure against the reserve since it was created. As part of the Journey to Self-Sufficiency Programme and development of the council's Commercial Strategy, members will be presented with proposals to utilise this fund for investing in income generating opportunities or delivering savings.
- 3.3 Income in respect of Business Rates is forecast to be £4.96m compared to a budget of £4.86m. There has been no change from the end of quarter 1, and this movement on business rates was as a result of accounting differences, compared to the budgeted level stated in the council's NNDR1 return. The council continues to retain a separate earmarked reserve of £614k as an additional provision against the financial risk of future losses arising on appeals against the 2017 rating list which remain unknown. The Head of Finance continues to monitor the need to utilise this reserve, however the reserve has not been used up to Quarter 2.
- 3.4 There is forecast to be £504k (of which £396k reported at Q1) of salary underspends across the General Fund. Of this amount, £115k relates to the phase 1 Senior Management restructure that was approved and implemented in February 2018 and £33k in relation to the Phase 2 restructure which affected a number of corporate support services. Other favourable movements (in addition to those reported in Q1) include additional planning fee income of £100k and ICT licence savings of £55k.
- 3.5 In addition to the adverse movements reported in Q1, there is a continued increase in the forecast Leisure Centre deficit to £132k (£68k as at Q1), additional expenditure of £34k for CCTV equipment and relocation, additional NDR payable on car parks of £15k, reduction of car parking income of £38k, and a reduction in trade refuse income of £14k.
- 3.6 Coalville Special Expenses forecast outturn remains at £527k net expenditure as per the approved budget.
- 3.7 The HRA surplus is £3.084m, compared to a budget of £2.946m. This is due to a number of positive movements within Quarter 2, with the net position being a forecast £138k additional surplus. The favourable movements include additional rental

income of £108k, salary savings of £69k, additional interest on HRA balances of £14k, reduction in council tax in relation to void properties of £30k and budget savings of £16k in relation to Energy Performance certificates. On the adverse side, there is reduced service charge income of £35k and reduced lifeline income of £14k.

- 3.8 The General Fund Capital Programme is forecast to be £6.764m. Movements during the period include identified underspend of £322k as a result of works to Linden Way depot now not proceeding, and projects approved in year of £1.884m, including the provision for Marlborough Square works and utilisation of grant funding for Memorial Tower.
- 3.9 The HRA Capital Programme is forecast to be £10.865m. Movements to Quarter 2 include a forecast underspend of £950k in respect of the Housing Improvement Programme.
- 3.10 Details for the major variances for all revenue accounts and the Capital Programme as at Quarter 2 can be found in Section 6 of this report.

#### **4. SICKNESS ABSENCE MANAGEMENT UPDATE**

- 4.1 In Q2 (2018/19) there were 1043 FTE days lost due to sickness - the equivalent of 2.24 days per full time equivalent (FTE). This is 0.25 FTE/day higher in comparison with the same period last year, but there has been a reduction (improvement) on the Q1 rate of 2.39 days per FTE. If the rate continues at this level, projecting ahead, the annual absence rate will be 9.26 days lost per FTE against a corporate target of 8.5 days.
- 4.2 Legal & Support Services (2.92 days/FTE), Community Services (2.90 days/FTE) and Customer Services (2.46 days/FTE) were the work areas with the highest levels of sickness in this Quarter.
- 4.3 Musculoskeletal accounted for over 36% of all sickness, and almost two thirds of it was in the waste services team. This was followed by operation/post-operative recovery (15% of sickness) and non-work related stress (14.36% of all sickness), the latter being highest in the Customer Services and Environmental Protection teams. The work related stress absences were a small number of employees across different services, and all of the affected employees are now back in work.

4.4 The table below illustrates total sickness as a percentage by reason:

<b>Sickness reason</b>	<b>Percentage of sickness by reason</b>
Asthma - bronchitis – respiratory	3.85%
Back pain - sprain - strain - musculo-skeletal	36.45%
Blood conditions	0.96%
Cold and Flu	3.57%
Debility – fatigue	0.19%
Ear nose & throat – dental	1.17%
Eye – ophthalmic	0.40%
Genito-urinary	4.00%
Gynaecological - obstetric	0.67%
Headache - migraine - neurological	1.31%
Infectious diseases	0.10%
Operation / Post Op	15.15%
Stomach - bowel - gastric – intestinal	9.61%
Stress - depression - anxiety - psychological (non-work related)	14.36%
Stress - depression - anxiety - psychological (work related)	8.21%

4.5 73% of all sickness was long term sickness (10 days or more) and 27% was short term ad-hoc sickness. This is comparable with the previous quarter.

4.6 During this quarter 27 employees returned from long term sickness, this includes 10 employees returning after an absence of a month or more. There are currently 10 employees still on long term sickness. The Senior HR Advisors are working with team managers and Occupational Health to manage these employees back to work.

4.7 The completion rates of return to work interview forms across the Council was 76%, which is a 9% increase on the previous quarter. The return to work interviews are known to be a critical first process in managing sickness, so we have emphasised the need for managers to complete and return these during the past quarter. We will be seeking to further increase the return rate in Q3.

## **5.0 COMMENTS FROM POLICY DEVELOPMENT GROUP**

This performance report was considered by the Policy Development Group of the Council at its meeting on 5 November 2018. The comments of the group are attached as draft minutes at Appendix 3.

### **Priority Dashboards - Appendix 1**


Appendix 1 sets out the following items:

- Detailed statistics of CDP actions and performance indicators
- Details of actions plans where indicators are red
- Finance
- Management of Absence




- Customer Service Call Centre Statistics

Status definitions used in Appendix 1

 Performance on track (milestones) or performance on or above target

(PI's)

 Performance under control (milestones)

 Performance failing (milestones) or performance below target (PIs)

### **Corporate Risk Register - Appendix 2**



After consideration by the Audit and Governance Committee on 10 October 2018 two new corporate risks have been added to the Risk Register around local government organisation and the UK's exit from the European Union (please see risks no.12 and 13 of the Risk Register attached).






















# 1 PERFORMANCE DASHBOARD – VALUE FOR MONEY

Progress against CDP milestones			Progress against CDP Performance Indicators														
5		Green	0		Amber	1		Red	12		Green	1		Amber	6		Red

Action	Update	Status
Delivery of the Leisure Project. Procure a new contractual partnership with an external leisure provider to build a new leisure centre in Coalville and make improvements to Ashby Leisure Centre.	Detailed solutions were submitted by the four contractors and these were assessed throughout August. Three contractors have been shortlisted through to the next stage of the Leisure Project and competitive dialogue has recommenced with them prior to final bids being submitted in November 2018.	
The Council's financial resources are aligned with its priorities and the council achieves self-sufficiency.	The earmarked reserves review is currently in progress with budget holders. Finance business partnering budget holder sessions have now been completed with a Head of Services session scheduled for mid-October 2018. Workshops have also been delivered to the senior and extended leadership team.	
Placing customers at the heart of the organisation.	Work towards achieving this has begun with the drafting of the Customer Experience Strategy. The strategy defines how we will interact with our customers going forwards, placing them at the heart of our organisation. This was submitted to PDG in September 2018 and will reach Cabinet in November 2018. Equally the Customer Service team has benefitted from attention, with the introduction of performance targets, supported by technology changes and improved team management. Though these pieces of work have shown limited output in Q2 they are important foundation pieces that will enable progression in Q3 and beyond.	
Start our Customer First Programme to improve our customer service.	This has been started, with the production of the Customer Experience Strategy.	

<p>Level of satisfaction with Customer Services – the % of customers that are satisfied or above with the services.</p>	<p>This target has been revised, as previously there was no measure of customer satisfaction, so it is difficult to show % increase. The consistency of measure is addressed as a theme within the Customer Experience Strategy. However a sample has been taken of Customer Service customers which shows the following levels of satisfaction: Face to face 88%, Telephone 84%, Online 71%. This sample will be repeated in Q3, pending a more consistent organisational view.</p>	
<p>To promote the chargeable service offered by Waste Services.</p>	<p>A commercial plan has been discussed with Head of Service as part of the Commercial strategy dialogue. 16 commercial ideas for Waste Services have been suggested. Three have been started, five are planned to start shortly and others will require resources, planning and approval.</p>	





Performance Indicators	Q2 Target	Q2 Actual	Status
Combined benefits performance - time taken to process new claims and changes in circumstances in average days	10.9	8.3	
Processing of new claims – time between application and confirmation of award in average days	15.9	16.1	
Processing of change of circumstances - the time it takes from receiving a notification of changes to the date of a revised award in average days	10.2	7.4	
Council Tax in year collection rate	56%	56%	
Non-domestic rates in year collection rate	56%	56%	
Housing Benefits overpayments collection rate – the percentage of outstanding overpayments collected as a percentage of the total amount outstanding	20%	19%	
Percentage of customers very satisfied or satisfied with the Planning Service	90%	91%	
Percentage of major planning applications determined within 13 weeks or a timetable agreed with the applicant	85%	93%	
Percentage of minor planning applications processed within 8 weeks or a timetable agreed with the applicant	85%	88%	
Percentage of other planning applications determined within 8 weeks or a timetable agreed with the applicant	85%	92%	
Leisure Centre Membership income	£494,958	£414,177	
Leisure Facility Usage Levels (cumulative)	467,500	511,246	
Start our Customer First Programme to improve our customer service	Started	Started. Customer Strategy to Cabinet in Nov 2018	
Give customers the ability to access at least 50 transactions online 24/7	50	50+	
Level of satisfaction with Customer Service – the % of customers that are satisfied or above with the service  (A consistent measure will be established through the Customer Experience Strategy. As an interim, this data is from a sample of 100 Customer Services customers taken in August 2018).	90% satisfied	Face to face 88%  Telephone 84%  Online 71%	










Rate of abandonment – the % of customer phone calls that hang up before they can be answered.	<10%*	21%	
Call wait time service level – the % of customer calls that are answered within a given time.	70% in 30 seconds* 90% in 60 seconds*	49% within 30 seconds 49% within 60 seconds	 
Average queue time – the length of time on average that a visitor has to wait before they are seen.	10 minutes*	00:10:30	

**\*New targets set from Q2 by Head of Customer Services.**

## 2 PERFORMANCE DASHBOARD – HOMES AND COMMUNITIES



Progress against CDP milestones			Progress against CDP Performance Indicators		
3  Green	1  Amber	0  Red	7  Green	1  Amber	1  Red




Action	Update	Status
Develop a Health and Wellbeing Strategy - the wellbeing of people in North West Leicestershire is improved.	A draft NWL Health and Wellbeing Strategy has been developed and refined following engagement with officers. This will now go out to further consultation before the final strategy is produced in December 2018.	
Refurbish the CCTV system – Modernise Coalville CCTV to tackle anti-social behaviour.	The tender process is now complete to provide an upgraded CCTV control room which is relocated to the council offices. The new control room will be located next to the existing 24 hour council control room. The work is due to be completed early 2019.	
To devise and publish and implement a statement of licensing policy to reduce crime and improve public safety.	Existing policy reviewed and revised draft devised. Consultation process closed at end of August. Scheduled for Licensing Committee in November 2018.	
Develop new Homelessness Review and Strategy as part of our new duties under the Homelessness Reduction Act to make sure people threatened with homelessness in the district receive the support they need.	Implementation of the new Homes Reduction Act in Q1 proved more resource intensive than was originally projected, and our new Home Connections Choice Based Lettings system is not yet able to reliably produce the statistics needed to inform the development of an updated Homelessness Strategy. As a result, the timetable to produce a draft strategy for consultation with stakeholders has been revised to December 2018, with the final approval to be in Q4.	

Performance Indicators	Q2 Target	Q2 Actual	Status
Percentage rent arrears of current tenants	2.51%	2.19%	
Percentage of rent loss	1.1%	0.73%	
Percentage of tenants satisfied with the allocation and lettings process	95%	92%	
Average re-let times (days)	28	25	
Number of properties empty and unavailable	0.75% (32 properties)	0.98% (42 properties)	
Percentage of customers satisfied with the repairs service (% of completed jobs)	98%	99.2%	
Percentage of all repairs completed within target	87%	97%	
Average length of time taken to repair empty homes to achieve the lettable standard	25 days	14 days	
Number of new affordable homes delivered (Annual target 100)	25	57	



### 3 PERFORMANCE DASHBOARD – BUILDING CONFIDENCE IN COALVILLE

Progress against CDP milestones			Progress against CDP Performance Indicators		
5  Green	0  Amber	0  Red	2  Green	0  Amber	1  Red







Action	Update	Status
To deliver programmes that enhance the district's unique town centres and make the town attractive to residents and developers.	<p>The restoration work to the Grade II listed clock tower began in June 2018, funded in part by National Lottery players through the Heritage Lottery Fund and War Memorials Trust.</p> <p>A supporting brochure has been produced as part of the Memorial Clock Tower Project. The brochure provides an overview of world war one memorials across villages and communities within North West Leicestershire.</p> <p>Business Focus have finalised the mid-point evaluation of the Coalville Frontages scheme. The evaluation provided a statistical overview of the programme to date and also identifies ways the scheme delivery can be improved and encourage further applications.</p> <p>As a result of the evaluation, administrative changes will be made to how the Coalville Frontages scheme will be delivered. It is intended the scheme will temporarily close to applicants and re-open again in January 2019 once the recommended changes to the scheme have been made.</p>	
Establish and maintain an events programme in our public spaces, including the redesigned Marlborough Square.	<p>The Marlborough Square work has been put on hold to ensure that the price for the work reflects value for money. The project, which is being managed by Leicestershire County Council (LCC) on our behalf, was due to start at the beginning of October. However, the cost received from LCC's contractors was over the estimate and the allocated budget, which was unexpected.</p> <p>Officers are now discussing with LCC and their contractors how we can bring the cost of the scheme down. We are hopeful that work will start later this year or in early 2019.</p> <p>While the work is paused, the temporary fencing has been removed, making the one hour free car parking spaces in the square available to shoppers and short stay visitors. The 24 replacement free spaces that have been split between James Street Car Park and Margaret Street will also continue to be free.</p>	




	<p>Work continues on the events initiative in conjunction with the Marlborough Square improvements team. Work on the schedule of events for 2019/20 has commenced with contact with potential attractions and businesses. An internal task and finish group will be set up in quarter three to develop the detail to ensure a varied programme of events is scheduled.</p>	
<p>Develop a Tourism Strategy that promotes, encourages and enhances the visitor experience.</p>	<p>A draft Tourism Strategy will be ready for consultation at the start of quarter four. Alongside the development of the Tourism Strategy work is underway on an Accommodation Demand Study for the district, with a draft report ready for the end of quarter three.</p>	
<p>Increase numbers of people attending events in our district year on year.</p>	<p>There has been active social media activity to promote many North West Leicestershire events in this quarter. High priority has been given to district council organised and supported events, notably Timber, Coalville by the Sea, Hello Heritage and Coalville Colour Run 2018.</p>	
<p>To deliver programmes that support SME businesses and entrepreneurial activity in our towns.</p>	<p>Due to high levels of initial demand and applications to the Enterprising Town Centres fund, the grant scheme closed early. Therefore the scheme has not been actively promoted. Enquiries for funding are still being managed by the Business Focus team and funding enquiries are being directed to alternative funders and also to the LLEP business Gateway for support.</p> <p>Whilst the funding has closed to new applicants, the business support element of the initiative is still being delivered. Town Centre Businesses are receiving specialist 1 to 1 advice and a series of workshops are being delivered across NWL Market towns.</p> <p>In Q2, Business Focus met with a series of key commercial agents representing town centre properties in Coalville to help small businesses to move onto High Street properties. The team have also meet with developers and agents representing key sites and premises on industrial estates in the Coalville area. All commercial agents were written to in Q2 to ensure that the portfolio is up-to-date and that Business Focus have the current and relevant point of contact within each agency.</p> <p>The Business Focus team continue to review the commercial property market and have updated the latest records available to the commercial property portfolio.</p>	





Performance Indicators	Q2 Target	Q2 Actual	Status
Impact of Coalville shop fronts - Number of businesses engaged (Annual target 40) - Number of grant awards (Annual target 8)	10	0	
Active promotion of at least seven tourism and culture events (annual target 7)	2	4	





## 4 PERFORMANCE DASHBOARD – BUSINESS AND JOBS

Progress against CDP milestones			Progress against CDP Performance Indicators		
5  Green	0  Amber	0  Red	2  Green	0  Amber	2  Red

Action	Update	Status
Develop a Tourism Strategy that promotes, encourages and enhances the visitor experience.	A draft Tourism Strategy will be ready for consultation at the start of Quarter 4. Alongside the development of the Tourism Strategy work is underway on an Accommodation Demand Study for the district, with a draft report ready for the end of Quarter 3.	
Increase numbers of people attending events in our district year on year.	There has been active social media activity to promote many North West Leicestershire events in this quarter. High priority has been given to district council organised and supported events, notably Timber, Coalville by the Sea, Hello Heritage and the Coalville Colour Run 2018	
To facilitate and deliver programmes that support businesses to grow.	<p>The Business Champions and Green Footprints have been reviewed to ensure they are still active as businesses and are disseminating messages on through their own business networks. A number of new Champions have been added to the Champions list to help expand the Council's engagement with local businesses and wider business networks.</p> <p>Business Focus continue to meet with local business networks to meet local businesses and to promote the availability of support from the Council.</p> <p>In Q2 the team met with the Coalville Market Traders group and the Mill House Managed workspace businesses, the Castle Donington retailers group, the East Midlands Chamber of Commerce and the NWL Parish Fair.</p> <p>The Portfolio Holder has been invited to meet a series of businesses as part of the Business Focus construction skills workshop. The workshop is being delivered jointly between Business Focus, counterparts at Hinckley &amp; Bosworth Borough Council and the Construction Industry Training Board (CITB). The event will provide the businesses with details of shared apprenticeships opportunities, grant funding and advice on how to increase their business exposure to emerging construction contracts across the region.</p>	






To deliver regulatory services in a way that supports business growth.	A pipeline of businesses showing indications of growth is in place. Joint visits were made to Zamani restaurant and No22, a business expanding from a market stall to the high street. Training is to be delivered to selected food businesses on behalf of Business Focus and Environmental Health at a food and drink workshop in October 2018.	
Develop an options appraisal for the future development of the Moira Furnace site.	An option to work with the National Forest Company (NFC) as part of their legacy work on the Black to Green (Heritage Lottery Funded initiative) is currently being considered. The Moira Furnace Options Appraisal work could be progressed as a partnership 'Resilient Heritage' Initiative with NFC, which could broaden the scope of the project and attract funding from Heritage Lottery Fund (HLF) and Architectural Heritage Fund. Commencing the project in this way could result in opportunities to apply to HLF for one of their major funding schemes. If the project progresses in this way, it is likely that the Options Appraisal would be started at the end of 2018/19 and completed in 2019/20.	


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Performance Indicators	Q2 Target	Q2 Actual	Status
Number of business enquiries received and supported (Establish baseline and method of reporting)	40	34	
Level of inward investment in NWL (Establish baseline and method of reporting) - Number of businesses (Annual target 12)	3	13	
Impact of Enterprising Town Centres - Number of businesses engaged (80) - Number of businesses supported (60)	20	0	
	15	20	

## 5 PERFORMANCE DASHBOARD – GREEN FOOTPRINTS

Progress against CDP milestones			Progress against CDP Performance Indicators		
5  Green	0  Amber	1  Red	2  Green	0  Amber	1  Red

Action	Update	Status
Work with Highways England on their network in our district to reduce fly tipping.	Partnership working has taken place with a fly tipping education event at Donington Services on 15th August 2018. Media and social media coverage was successful.	
Carry out a feasibility study for introducing electric vehicle charging points in Council owned Car Parks.	It has been agreed that electric charging points will be installed as a pilot in the new car park in Ashby. We are currently investigating preferred providers and options for the installation of the charging points. The next stage will be a procurement process during November and December 2018.	
Be a key stakeholder in the All Party Parliamentary Group litter strategy for North West Leicestershire – through engagement with haulage companies and snack wagons to raise awareness of roadside litter and aim to reduce it.	Successful launch of roadside litter campaign during "Love the Lorry" week on 19 September 2018 at A511 Bardon layby, attended by Bardon Aggregates, Street Environment Officers and Enforcement Officers from the Council. Haulage companies, Marks and Spencer, McVities and KP have agreed to support "Keep Your Cab Fab" campaign after December 2018 due to lead up to Christmas.	
Replace solid fuel heating systems in council owned homes with Air Source Heat Pumps (ASHP).	Due to an increase in customer enquiries around new systems installed, it was discovered that there was an issue which prevented the unit from providing hot water to the heating system. The units which were causing issues were fitted by a different team of fitters, who are no longer being used. As a precaution new installations were stopped and visits were made to every property where the fitters had carried out the installation. All issues were resolved and new installations have resumed.	
Work to enhance our partnership with the National Forest and celebrate our 10th anniversary of the Free Tree Scheme.	The Free Tree Scheme was launched on Monday 1 October and in the first few days in excess of 20,000 trees have been ordered. To celebrate the 10th anniversary of the scheme a special commemorative Wild Service Tree is also available to order for residents living within the National Forest only, in addition to four other varieties.	

Develop a recycling strategy that encourages more households to recycle using the kerbside collection service.	Recycle more was presented to the Policy Development Group (PDG) on 19 September 2018 for consultation purposes. Residents' consultation will be via a web link to our website on the back of the annual waste collection calendars, which will be delivered during November 2018.	
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 Performance Indicators	Q2 Target	Q2 Actual	Status
Percentage of household waste recycled	46.50	50.08	
Kgs of household waste sent to landfill per household (Annual target 510)*	255	236	
Number of homes where Air Source Heat Pumps (ASHPs) installed (Annual target 312)	78	55	

A household waste figure, which does not result in an increase in waste to landfill, is considered good performance. NWLDC's waste to landfill is the highest in Leicestershire and is attributed in part to the higher number of households still on solid fuel heating (higher weight in ash waste). However, NWLDC recycles more waste per household than Melton BC, Charnwood, and Oadby & Wigston. NWLDC collects the second highest tonnage of total household waste behind Harborough DC.

## 6 FINANCE UPDATE

This section sets out the projected financial position of the Council for the period ending 3 September 2018. The Council set its General Fund Revenue Budget at £13,502,753 and the Housing Revenue Account budgeted surplus of £2,946,140 on 27 February 2018.

General Fund – Summary of Net Expenditure	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
AMOUNT TO BE MET FROM GOVERNMENT GRANT AND COUNCIL TAX (Budget Requirement).	13,503	13,482	(20)

Special Expenses – Summary of Net Expenditure	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
AMOUNT TO BE MET FROM GOVERNMENT GRANT AND COUNCIL TAX (Budget Requirement).	527	527	0

HRA SUMMARY	ORIGINAL BUDGET NET £ 000	FORECAST OUTTURN NET £ 000	FORECAST VARIANCE NET £ 000
Net cost of service (Total rent income less total expenditure)	(2,946)	(3,084)	(138)

Capital Expenditure	General Fund £ 000	Special Expenses £	HRA £ 000	Total
Approved Budget for the Year	3,137	50	10,085	13,272
C/F from 2017/18	2,071	0	1,730	3,801
Approved projects in year	1,878	6	0	971
Slippage Identified in Year	0	0	0	0
<b>Total budget for 2018/19</b>	<b>7,086</b>	<b>56</b>	<b>11,815</b>	<b>18,957</b>
<b>Likely outturn for 2018/19 (provisional)</b>	<b>6,764</b>	<b>54</b>	<b>10,865</b>	<b>17,683</b>
<b>Variance</b>	<b>(322)</b>	<b>(2)</b>	<b>(950)</b>	<b>(1,274)</b>

### **Comments on General Fund Variances**

- £309k net increase in the contribution to General Fund balance as a result of:
  - £115k salary savings across the General Fund as a result of implementation of Phase 1 restructure and £33k in relation to Phase 2.
  - £356k of other salary savings across the organisation
  - Additional planning income of £100k
  - Additional rental income of £22k and a reduction in NDR rates of £19k associated with the council's commercial property
  - Additional taxi licencing income of £30k
  - Increased annual cost of finance system licences £13k
  - Increase in the projected net deficit of the Leisure Centres of £132k
  - Increased costs due to Sports Action Plans £26k
  - Increased NDR payable on car parks £15k and reduced car parking income £19k
  - Reduced trade refuse income of £14k
  - Increase in refuse and recycling in respect of salaries of £20k and fuel £17k offset by an increase in recycling income of £48k
  - ICT licence savings of £55k offset by additional costs of the roadmap £15k, digital storefront £11k and reduced print room income of £7k
  - Additional funding of £28k for CCTV equipment and relocation
  - £96k favourable movement in anticipated Business Rate income as a result of accounting differences in the way that business rates are distributed to preceptors and central Government.

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### **Comments on Special Expenses Variances**

- None

### **Comments on HRA Variances**

- £138k net increase in the contribution to HRA balance as a result of:
  - Increased dwelling rent of £108k
  - Reduced service charge income of £35k
  - Salary savings of £69k
  - Additional interest of £14k
  - Reduction on council tax on void properties £30k
  - DWP grant reduction of £27k
  - Lifeline charges reduced income of £14k
  - Budget of £16k in relation to Energy Performance certificates no longer required

## Comments on Capital Budget

- All carry forward amounts have been incorporated into the General Fund (£2.07m) and HRA Capital Programmes (£1.1m)
- The approved projects in year net figure of £1.884m and other movements include:
  - Inclusion of the Marlborough Square scheme into the capital programme ( + £1.7m funded by EMR)
  - A review of the Fleet replacement programme has identified a net overspend (+ £22k funded from the Transport Account)
  - Expenditure in 2017/18 of a revenue element of the DFG scheme reduced the carry forward reported in the capital programme (-£53k EMR)
  - Hood Park LC car park Ashby – resurfacing: Scheme identified as no longer required and reflected in underspends (-£15k Unsupported Borrowing)
  - Linden Way Depot Workshop Extension (for 8 wheelers): Scheme identified as no longer required and reflected in underspends (-£90k Unsupported Borrowing)
  - Further works identified on Memorial Tower (+£40k Ear Marked Reserve)



## 7 MANAGEMENT OF ABSENCE

Quarter 1	Chief Exec	Community Services	Customer Services	Economic Development	Finance	Housing Services	HR&OD	Legal & Support Services	Reg & Planning	All Directorates
Sickness days lost	0 long 0 short	538.28 long 114.85 short	164.07 long 39.3 short	0 long 16 short	0 long 10.14 short	25.31 long 58.52 short	0 long 4 short	57.5 long 32.41 short	0 long 19.25 short	786.17 long 294.37 short
Total days lost in qtr	0	653.13	203.37	16	10.14	83.83	4	89.91	19.25	1079.63
Number of FTEs	12.65	212.25	48.09	11.29	10.00	85.76	6.19	42.57	22.71	451.59
Average no of days lost per FTE	0	3.08	4.23	1.42	1.01	0.98	0.65	2.11	0.85	2.39

Quarter 2	Chief Exec	Community Services	Customer Services	Economic Development	Finance	Housing Services	HR&OD	Legal & Support Services	Reg & Planning	All Directorates
Sickness days lost	0 days 0 days	501.79 long 126.35 short	86.31 long 51.20 short	0 long 0 short	0 long 0 short	101.35 long 70.26 short	22 long 0 short	33 long 24 short	23 long 4.03 short	658.14 long 220.61 short
Total days lost in qtr	0	628.14	137.51	0	0	171.61	22	57	27.03	1043.29
Number of FTEs	12.65	212.34	48.09	11.29	10.00	85.76	6.19	42.56	22.71	451.59
Average no of days lost per FTE	0	2.90	2.46	0	0	1.68	2.16	2.92	1.14	2.24

## 8 CUSTOMER SERVICE CALL CENTRE STATISTICS – QUARTER 2

	July 17/18	July 18/19	+/-	Aug 17/18	Aug 18/19	+/-	Sept 17/18	Sept 18/19	+/-	Total 17/18	Total 18/19	+/-
<b>Received*</b>	9040	10338	1298	9532	8951	-581	8658	7779	-879	27230	27068	-162
<b>Answered</b>	6843	6877	34	6691	7179	488	6687	6535	-152	20221	20591	370
<b>Answered in 30 secs</b>	2663	2045	-618	1700	4035	2335	2663	3937	1274	7026	10017	2991
<b>Answered in 60 secs</b>	3014	2379	-635	2011	4444	2433	2960	3319	359	7985	10142	2157
<b>Abandoned**</b>	2072	3231	1159	2748	1326	-1422	1876	1241	-635	6696	5798	-898
<b>Rejected***</b>	118	230	112	93	18	-75	92	0	-92	303	248	-55

There are 30 dual way phone lines council wide

- \* Calls received are direct to the call centre and do not include council wide or other direct calls to individual extensions.
- \*\* Calls on the holding line in the queuing system where the caller has hung up.
- \*\*\* Calls that are not able to access the holding line where the system has rejected the call due to no free lines.

Performance has improved in Q2 2018/19 compared to Q2 2017/18, with a fall in % abandoned calls from 25% to 21%, wait times have also improved from 35% of calls answered in 30 seconds in 2017/18, to 49% in 2018/19. However the level of performance still represents a poor customer experience overall, with longer than desirable call wait times and a still high level of call abandonment.

The Head of Customer Services was appointed in Q1 2018/19 and though much work has been done to improve performance, this requires time to lay foundations, embed and result in performance changes. The expectation is that the increase in performance in Q2 will be progressive, with further advances in Q3.

**APPENDIX A**

**INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS**

Reference No.	<b>CS02</b>	Description	<b>Value for Money - Customer Service</b>									
Lead Officer	<b>Tom Shardlow</b>	<b>Customer Service</b>	Date Plan Completed	<b>15/10/2018</b>								
Performance Out-turn	<b>Performance Indicators</b>		<b>Q1 Target</b>	<b>Q1 Actual</b>	<b>Q2 Target</b>	<b>Q4 Actual</b>	<b>Status</b>					
179	Start our Customer First Programme to improve our customer service.		Started	Initial work	Started	Started	☐					
	Give customers the ability to access at least 50 transactions online 24/7.		50 transactions online	50+	50+	Met- but requires improvement	☺					
	Level of satisfaction with Customer Services – the % of customers that are satisfied or above with the service.		Not set	Not measured	90% Satisfied	F2F – 88% Phone 84% Online 71%	☹					
<b>CUSTOMER SERVICE CALL CENTRE STATISTICS – QUARTER 2</b>												
		<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>					
		<b>Qtr 2 Month 1</b>	<b>Qtr 2 Month 1</b>	<b>+/-</b>	<b>Qtr 2 Month 2</b>	<b>Qtr 2 Month 2</b>	<b>+/-</b>	<b>Qtr 2 Month 3</b>	<b>Qtr 2 Month 3</b>	<b>+/-</b>	<b>Total Year 1</b>	<b>Total Year 2</b>
	<b>Received*</b>	9040	10338	1298	9532	8951	-581	8658	7779	-879	27230	27068
	<b>Answered</b>	6843	6877	34	6691	7179	488	6687	6535	-152	20221	20591
	<b>Answered in 30 secs</b>	2663	2045	-618	1700	4035	2335	2663	3937	1274	7026	10017
	<b>Answered in 60 secs</b>	3014	2379	-635	2011	4444	2433	2960	3319	359	7985	10142
	<b>Abandoned</b>	2072	3231	1159	2748	1326	-1422	1876	1241	-635	6696	5798
	<b>Rejected</b>	118	230	112	93	18	-75	92	0	-92	303	248

<p><b>Explanation of Current Performance</b></p> <p>180</p>	<p><b>Customer Service Team Performance</b></p> <p>Performance has improved in Q2 2018/19 compared to Q2 2017/18, with a fall in % abandoned calls from 25% to 21%. Wait times have also improved from 35% of calls answered in 30 seconds in 2017/19, to 49% in 2018/19. However, the level of performance still represents a poor customer experience overall, with longer than desirable call wait times and a still high level of call abandonment.</p> <p>The Head of Customer Services was appointed in Q2 2018/19 and though much work has been done to improve performance, this requires time to lay foundations, imbed and result in performance changes. The expectation is that the increase in performance in Q2 will be progressive, with further advances in Q3.</p> <p><b>Digital Transformation</b></p> <p>Though the number of transactions online meets target, the general customer experience is poor, with a limited and incomplete range of services available online. This team was appointed to on a substantive basis in Q2, with the appropriate structure and governance required to support successful delivery. This has taken time, and it's important that any issues present with previous work is resolved before the project moves forward.</p>
<p><b>Interventions in the last 3 months and evaluation of impact</b></p>	<p><b>Customer Services</b></p> <p><u>Customer Experience Strategy</u></p> <p>A Customer Experience Strategy has been drafted that will support the organisation in placing the customer at the heart of what we do, and in doing so changing our culture and approach to providing good customer service. It covers key themes such as accommodation, digitalisation, the Customer Service Dept. and wider organisational customer service. This is submitted to Cabinet in November 2018 and if approved will be mobilised shortly after.</p> <p><u>Performance management</u></p> <p>Work has been done to reintroduce performance goals for the service. The team have been given targets, linked to customer experience, such as reducing the wait time and abandonment rates. Equally all staff are now receiving a regular supervision meeting from their manager, with appropriate goal and target setting to move the team forward. This is already showing benefit.</p>

### Recruitment

Despite some difficulty recruiting historically, all team vacancies have now been appointed to, with staff joining over the coming weeks. A new Supervisor started in this quarter, which has further supported the service.

### ACD technology

New technology has been introduced, which enables certain call types to be given to officers with the appropriate skill set. This gives the service increased agility in managing resources.

### **Digital Transformation**

Progress has been made in the Digital Transformation area, with new controls and governance mechanisms put into place. Equally a project plan, road map and communications strategy has been produced to give the project a delivery plan.

Time is being spent, revising some previous work as well as planning the end outputs, to ensure that the product delivered is fit for purpose. This is resulting in some delay in new transactions being available online, but will have long term benefit.

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

	<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
1	<p>Quick win's within Customer Services have been identified and are in progress.</p> <p align="center"><b>Completed</b></p> <p>182</p>	In progress – Started July 2018 – Delivery End Sept 2018	Tom Shardlow, CSMT	This consumes management time.	Management resource and also supplier resource availability.	This work is planned and tracked through a regular cadence of management team meetings. Where items slip they are to be re-planned.	This work is planned and tracked through a regular cadence of management team meetings.	This work will have an immediate impact on customer experience and should lead to a notable improvement in call centre performance.
2	<p>Further improvements within Customer Service to manage; change, relationships and resource.</p> <p align="center"><b>Ongoing</b></p>	In progress – Started Aug 2018 – Delivery End Sept 2018	Tom Shardlow, CSMT	This consumes management time.	Management resource and also supplier resource availability.	This work is planned and tracked through a regular cadence of management team meetings. Where items slip they are to be re-planned.	This work is planned and tracked through a regular cadence of management team meetings.	This work will have an immediate impact on customer experience and should lead to a notable improvement in call centre performance.

3	<p>Digital Transformation programme re planned with structure and controls introduced.</p> <p><b>Ongoing</b></p>	<p>In progress - Started Aug 2018 – ongoing.</p>	<p>Tom Shardlow</p>	<p>This is a significant draw on HoS time.</p>	<p>There is a skills gap within the organisation to manage this.</p>	<p>HoS taking a leading role and DT team supported in growing capabilities. Supplier relationship also managed vigorously.</p>	<p>Ongoing, conference call with supplier, regular dialogue with DT. Project office function established.</p>	<p>This will lead to a plan that can be followed in a sequential manner, with improved quality of outputs and better use of resource.</p>
4	<p>Customer Experience Strategy</p> <p><b>Completed – Submitted to Cabinet Nov 18</b></p> <p>188</p>	<p>In draft. View to taking to PDG Sept 2019, Cabinet thereafter.</p>	<p>Tom Shardlow</p>	<p>This is a big piece of work and is balanced with competing priorities of HoS.</p>	<p>Slippage due to key information not being available.</p>	<p>Time is planned and work underway for key information sources.</p>	<p>Progress reported into Director of Housing and Customer Services</p>	<p>This product will give a blue print for Customer Experience going forwards. This will lead to a significant change programme across the Council.</p>
5	<p>Customer Satisfaction mechanisms.</p> <p><b>In progress</b></p>	<p>To follow Customer Experience Strategy. However short term measures are in progress to measure satisfaction with specific areas.</p>	<p>Tom Shardlow</p>	<p>Various – across the authority.</p>	<p>Customer Experience strategy sign off.</p>			<p>This will give a consistent view of satisfaction across NWDLC, enabling benchmarking and comparison of services.</p>

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## Appendix B

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS - Leisure Centre Income

Reference No.		Description	Leisure Centre Membership income (Cumulative)			
Lead Officer		<b>Jason Knight</b>	Date Plan Completed	<b>17/10/18</b>		
Performance Out-turn	2018/19					
		Q1	Q2	Q3	Q4	Full Year
Overall Measure	Target	£249,212	£494,958			
	Actual	£204,236	£414,177			
<b>Explanation of Current Performance</b>	<p>Despite a large number of interventions being put in place, membership income is still falling short of target although the decline in income has reduced and the predicted year end outturn has improved.</p> <p>Attrition rates remain low at approximately 4% against a national average of 7%, and the amount of members per station is 30 at HPLC and 36 at HLC against a national average of 30. At the recent Quest assessment at HPLC, the management of health and fitness scored 'Excellent', as it also did at last year's Quest assessment at HLC.</p> <p>The gyms at both centres and associated studios are suffering in competition with high quality nearby gyms in the area. The Council's current dialogue process with leisure bidders will clearly address in mid to late 2019 with Hood Park Improvements specifically and the new Coalville Leisure Centre in late 2020.</p>					
<b>Interventions in the last 3 months and evaluation of impact</b>	<p>Actions delivered in Q2 to redress the issue include the delivery of sales training for key staff, mystery visitors assessing the sales process, the issuing of discount booklets to members that can be used at outlets across NWL, a focus on junior membership sales which has seen an increase in this area, increased sales in September due to an additional promotional offer being delivered, the rebranding of the fitness class programme supplemented with videos, improved social media engagement, having a presence at a number of external festivals and events over summer, a marketing campaign targeting housing estates, companies, and school teachers, and promotion on Gov Radio within the leisure centres. In addition, permission has just been sought to allow for sponsored adverts to be placed on Facebook and Instagram</p> <p>The net result of this is that the decline in membership income has slowed. At the end of Q1 membership income was £45,000 down against target whereas at Q2 income was £80,000 down, and the year end outturn is predicted to be £112,000 down against target. Membership income increased from August to September by £300 as compared to a reduction in 2017/18 of £6,000 for the same period. Despite membership income being on average £7,800 down per month from April as compared to 2017/18, in September, the income was only down by £500. Consequently, the predicted year end outturn has increased from £817,260 in P4 to £829,739 at P6.</p>					

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>New Fitness Memberships</b> - We launched new and more flexible packages and rebranded all packages to align with our main 'Active Fitness'. This was launched in April 2018. (E.g. Active Gym, Active 60+ etc.)</p> <p align="center">186</p>	April 2018	Emma Knight	Officer time £1000 rebrand material	Migration of those on Active Memberships moving across to lower cost memberships	Class only lower cost membership saves VAT therefore minor loss if migrate over. Longer term gains of fitness members should outweigh the loss of migration.	Reporting procedures in place – daily sales reports, monthly monitoring of attrition, number of members and income.	Increase in total number of fitness members.
<p><b>Launched Join At Home</b> – this gives a customer the ability to join our membership packages online, opening a new and more flexible approach to joining members.</p>	May 2018	Emma Knight / Mark Bates	Officer time One off cost of £7454 £2500 pa £1500 training	Return on investment not being achieved  12 memberships per year to realise annual return.  35 to meet one off cost.	Selling more than 10 fitness memberships online will see a return on investment, this is a target that will be met very quickly.	Daily reporting on number that join online.	Increase in sales. Transfer over to digital for the user. Reduced staff contact therefore allowing review of staffing levels in certain sections.

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Join at Home available in the leisure centres –</b> Join at Home is currently being tested ‘on site’ by our Customer Advisor team. Once we are comfortable with the process our in house tablets will be secured in the reception area so that customers can access the system themselves and join onsite. This also allows customer advisors to bypass reception at busy times speeding up the process and giving a slicker professional feel to the member’s journey.</p> <p><b>This has now been fully introduced</b></p>	September 2018	Emma Knight	Officer time – Training staff  £1250 for tablets	Customer ability to use the system, staff reliance on the system.	Training for staff, review of process.	Monitor sales through Join at Home	Increased digital sales
<p><b>Recruitment</b> - We have just recruited a new Customer Advisor meaning we now have a full complement. We have just recruited fitness class instructors and are going back out again to further recruitment We have recruited to contracted Health and Fitness Instructors taking on some high quality staff. We are in the process of recruiting to cover Health and Fitness Instructors.</p> <p><b>(This has now been completed)</b></p>	Summer 2018	Emma Knight	Officer time – Training time for new starters	New staff do not perform	Probation period	Induction/ probation	Good quality staff on duty increasing customer retention levels

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Equipment</b> - We added some new equipment to both Fitness Suites. Due to 3 cycles coming to the end of their life we have introduced 2 uprights to directly replace them and an Airdyne assault bike to add more variety to training at Hermitage. Also an accessible rower at each site. Not only has this helped many customers access they rower that would not otherwise have been able to, the fact that it is new and therefore very smooth and nice to use has made this a hit with most of our members.</p> <p>We have on order new dumbbells and kettlebells for classes as a result of customer feedback</p> <p><b>(Dumbbells and kettlebells are now in use)</b></p>	April 2018	Emma Knight	£6200 equipment cost	No return on investment	NA	Customer Feedback through feedback mechanisms	Better retention and customer satisfaction in classes.
<p><b>Reporting</b> - We have implemented some new reporting processes to help monitor memberships better</p>	June 2018	Emma Knight	Officer time	NA	NA	Reports printed and submitted monthly	Improved retention / sales
<p><b>Studios</b> – We have had a real focus on the studios at each site with regards cleanliness. We have new cleaning processes in place and are due to paint in the spinning studio</p> <p>New equipment ordered as mentioned above.</p>	Ongoing	Emma Knight / Adam Knight	Officer time  £2500 equipment cost	Processes are not followed	Processes reinforced	Check the checker	Improved customer satisfaction and retention levels

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Rebranding</b> – fitness classes have been rebranded, new classes added to the timetable, the Health and Fitness brochure has been amended for a fresh and slick look with better descriptions grouped into class types with imagery. The fitness class web page has also had a similar, yet more radical makeover. With some high quality imagery, grouped classes, new descriptions and videos of our classes and some branded releases so the prospective customer can get a real feel of what we offer.  <a href="https://www.nwleics.gov.uk/pages/fitness_classes">https://www.nwleics.gov.uk/pages/fitness_classes</a>                      We have had professional footage shot of our classes being used both on the web and via social media.</p> <p><b>(This has now been completed)</b></p>	Summer 2018	Emma Knight	Officer Time  £150 per video for professional footage	NA	NA	Check quarterly and amend info to remain up to date	More exciting and enticing look and feel. Sell more memberships, encourage repeat visits to other classes.

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Social media</b> – A big push on our social media accounts continues in an attempt to generate leads. We have launched Instagram. We did some research showing that the majority of member’s leaving us were 18-30 years old. We noticed we had no real communication tools with this age group and launched Instagram which is the most popular platform they use. Since launching in May Hood has 249 followers and Hermitage 142. However Hermitages follower to follower ratio is much better. (hermitage only following 100 whereas Hood following over 400) Facebook was showing monthly engagements of around 1000 per month. This has continued to grow seeing Hermitage peak at over 8000 engagements and Hood peaked at over 19000 in July. This is a whole new way of communicating with our customers, and they are communicating back.</p>	ongoing	<p>Emma Knight is the lead</p> <p><b>Andy Clayfield</b></p>	<p>£500 for training</p> <p>Officer time to attend training</p> <p>Officer time to grow social media interactions</p>	That content is correct to grow the right market.	Review and amend content where applicable	Lead officer to monitor quality and report on engagement monthly/quar-terly	Increased fitness membership leads and sales, digital transfer, more awareness of our centres publically, re-engage 18-30 year market.
<p><b>Marketing streams</b> – leafletting targeted both using demographic or new estates, promos out to schools and teachers, continues contact with companies and reciprocal marketing, Social media, monthly offers and flash sales, aggressive marketing e.g. only gym to have an outdoor pool etc. In house marketing, web page rebrand membership page redesigned, Gov radio in house promoting the memberships, appeared on TV/news for pool, contacting all previous customers (in line with GDPR) for new offers, contacting all those that have left us to re-join with offers.</p>	Ongoing	<p>Emma Knight and Business Development Manager</p> <p><b>Andy Clayfield</b></p>	<p>Officer time</p> <p>£200 in leaflets</p>	That we do not reach the desired market to generate the leads required.	Further analysis and marketing	Business Development Manager and Health and Fitness Manager to monitor sales and income directly related to the marketing.	Increased lead generation and sales.

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Discount Booklet –</b> We have liaised with a company named Concept Publishing. We are using this company to offer discounts to our fitness members to access goods/services by reputable companies. This booklet will be NWL branded and is used by other reputable organisations such as Bannatynes and Halo Leisure.</p> <p><b>This has now been introduced</b></p>	Autumn 2018	Emma Knight	Small amount of officer time, the e-booklet is free.	Not utilised by members	NA we would not renew the contract if unsuccessful	Report from Concept Publishing on who has utilised the codes.	More customer satisfaction and increased levels of retention
<p><b>Fitness Membership Welcome / Discount Booklet –</b> In house printing of a welcome booklet with all the information required for joining the membership, welcome note from the advisors and contact details, Boditrax booking card, bring a buddy, free swim etc.</p> <p><b>This has now been introduced</b></p>	September 2018	Emma Knight / Customer Advisors/ Business Development Manager	Ongoing printing cost and offer time to create	Staff do not utilise the tool properly.	Reinforce procedure	Monitor through new starter feedback questionnaires	Improved customer satisfaction and retention.
<p><b>Digital User Survey's – Fitness class survey first</b> A more in depth Fitness Class Questionnaire with all aspects of the member's journey. This will be sent out via the app to, a pilot produced a good return rate.</p>	September 2018	Emma knight <b>Andy Clayfield</b>	Officer time	Uptake is poor	In house questionnaire	Reports created	Actions from feedback result in a better service, increased user satisfaction, and improved levels of retention

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Mystery Visit and Benchmarking</b> We have commissioned a number of mystery visits at both sites to concentrate specifically on the sales procedure.</p> <p>As part of these visits we have access to national benchmarking of the sales process, where others perform particularly well or poorly.</p>	Ongoing – quarterly	Emma Knight  <b>Andy Clayfield</b>	£125 per visit – total of £500 for 2018/19	No improvement seen from previous visit	Further training	Reporting on the feedback from the visits.	Improvement in sales processes and procedures. Issues highlighted so they can be addressed.
<p><b>Benchmarking –</b> Customer advisor team to mystery visit and benchmark against 1 private operator, 1 trust and 1 local authority for sales process to pick up on best practice and ‘what not to do’</p>	Bi-annually	Customer Advisor Team / Emma Knight  <b>Andy Clayfield</b>	Officer Time	NA	NA	Reporting on the feedback from the visits.	Improvement to sales processes.
<p><b>Sales Re-training for all staff.</b> Sales training for all front line staff will be delivered in September and October</p> <p><b>(This has now been delivered)</b></p>	Annually	Emma Knight	Officer and training time	Staff are not receptive to training and do not put the training into practice.	Monitoring and further training	Mystery visits	Improved sales service and increased sales.



**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

Key Interventions in Place to Achieve Performance	By When	By Who	Resource Implications	Most Significant Risk to Achievement of Intervention	Contingency Intervention for Most Significant Risk	Monitoring Process	Outcomes expected from intervention
<p><b>Sponsored Posts on Social Media</b>                      Explore again the possibility of using sponsored posts on social media. This is the ability to put out targeted paid for advertising campaigns on social media streams gaining us exposure far beyond our follower base. We can set metrics such as – this post will be shown to anyone in a 10mile radius who is female and between the ages of 18-30 allowing us to really target the market.</p> <p>It is a tool we have piloted in the past seeing positive uptake of memberships as a result. However we have been unable to implement it long term due to financial security implications.</p> <p>This is a stream of advertising that our competitors are using and capitalising on in our absence in this advertising market.</p> <p><b>Permission has just been sought to allow for sponsored adverts to be placed on Facebook and Instagram</b></p>	<p>October 2018</p>	<p>Emma Knight</p> <p><b>Andy Clayfield</b></p>	<p>Cost per campaign is circa £30 per site.</p>	<p>Return on investment is not achieved.</p>	<p>Just one joining from a campaign would cover the cost of over 6 campaigns.</p>	<p>Reporting on uptake directly from campaigns.</p>	<p>Increased sales and net gain of fitness memberships.</p>
<p>In order to offset the financial impact of reduced membership income, a number of other interventions are being put in place-:</p>							

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
<p><b>Duty Manager Rotas</b> Following a reduction in the number of DM's, the rotas are being reviewed with a view to reducing the number of FTE's. This process cannot be completed until the Business Development Manager and Operations Manager posts have been recruited to</p> <p><b>These posts are currently out to advert with a commencement date of 12 November 2018</b></p>	November 2018	Duncan Gibb	<p>Estimated in year saving is £6,000</p> <p><b>£7,800</b></p>	None	NA	NA	Reduced levels of staffing expenditure
<p><b>Business Development Manager Role</b> A delay in recruiting to this post has led to a saving</p> <p><b>This post has been recruited to, but with a reduction to a 0.5 FTE position</b></p>	September 2018	Duncan Gibb	<p>Estimated in year saving is £4,500</p> <p><b>£6,500</b></p>	None	NA	NA	Reduced levels of staffing expenditure
<p><b>Swim Academy Price Increase</b> An increase to Swim Academy prices</p> <p><b>This will now be implemented on 1 January 2019</b></p>	November 2018	Duncan Gibb	<p>Estimated in year increase in income of £6,000</p> <p><b>£6,500</b></p>	Officer time to implement – notification of customers, amendments to Gladstone MRM	Children leave the scheme	Justify the price increase to customers	Increased income
<p>Swim Academy Joining Fee A joining fee of £10 will now be applied to all new joiners of the scheme to cover the associated admin costs</p>	<b>October 2018</b>	<b>Duncan Gibb</b>	<p><b>Estimated in year increase in income of £4,000</b></p>	<b>Reduced number of joiners</b>	<b>None</b>	<b>Weekly Reports</b>	<b>Increased income</b>
<p><b>Receptionist Role</b> Following the retirement of a receptionist who will leave in November 2018, consideration is being given as to how many of the shifts can be covered by Admin staff as part of their normal duties</p>	November 2018	Duncan Gibb	<p>Estimated in year saving is £3,000</p>	Failure to deliver key admin tasks	Payment of overtime if required for additional hours to be worked	N/A	Reduced levels of staffing expenditure



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## APPENDIX C

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS – Number of properties empty and unavailable

Reference No.		Description	Number of properties empty and unavailable within the Council's housing stock																
Lead Officer		Glyn Jones		Date Plan Completed		22 October 2018													
Performance Out-turn		2018/19					2019/20					2020/21							
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year			
Overall Measure	Target	43	32																
	Actual	43	42																
<b>Explanation of Current Performance</b>		<p>The number of long term empty properties and not available to let within the council's housing stock has been declining steadily over the last two years – there were 86 such properties in June 2016. Of the remaining 42 properties, the vast majority of these are at Woulds Court, Moira and Queensway House, Measham, both of which are de-commissioned sheltered housing blocks which await redevelopment. Other decommissioned sheltered blocks at Greenacres, Coalville and Westgate House, Ibstock have been redeveloped respectively by the Council (11 new houses completed) and east midlands homes (13 new homes currently being constructed).</p> <p>A previous soft market testing exercise to gauge interest in developing the remaining two sites showed little interest from the private and housing association sectors. Nevertheless, discussions are ongoing with two developers to progress these sites and the preferred partner for Woulds Court has completed design and viability work, with a legal agreement with the Council agreed in principle. Discussions at Queensway House have taken place with the developer who owns the adjacent site (for which there is planning permission) as a combined site would produce a better overall outcome, but progress has been slow.</p> <p>Whilst a New Build Project Officer (part time) is in place, all of their energies have been concentrated on the Council's new build programme (first phase), the site currently under construction at Ashby Road, Coalville and the Cocked Hat site, Greenhill. Although the Director of Housing and Customer Services has also been personally contributing to asset management and new supply work, the number of ongoing sites and initiatives means that an additional resource is now required to ensure that all work streams are progressed in a timely fashion.</p>																	
197																			

<b>Interventions in the last 3 months and evaluation of impact</b>	<p>As both buildings will need to come down to allow any new development to proceed, the decision has been taken for the Council to demolish them now and not wait on any developer agreement being signed. A specification to demolish both Woulds Court and Queensway House has been developed, and we are seeking to appoint a demolition contractor after receiving prices from interested parties through an existing framework agreement. This work is currently in progress.</p> <p>A new post of New Build Support Officer (part time) has been created and approved in the Asset Management staffing structure, and it is now planned to advertise this role.</p>
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<b>INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS</b>							
<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
1 Complete procurement process for demolition contractor, and demolish both buildings	Appointing contractor by end of quarter 3. Demolition of buildings by end of quarter 4.	Asset Management Team	Indicative figures of £150k plus	Lack of available budget.	Examine budget availability within new build programme. Examine availability of using s106 housing monies.	Asset Management Team Manager and New Build Group to monitor progress.	Cleared and secured sites.

2	Establish a new post of New Build Support Officer	Advertise role by end of quarter 3.	Asset Management Team Manager	Approx £25k per annum	Not given sufficient priority amidst wider recruitment across the Asset Management team.	Head of Housing to ensure this post is prioritised for recruitment.	Head of Housing and New Build Group to monitor progress.	Post recruited to and start date confirmed.
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## APPENDIX D

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS

Reference No.		Description	<b>Business and Jobs – Enterprising Town Centres businesses engaged</b>													
Lead Officer		<b>Barrie Walford</b>	Date Plan Completed	<b>18.10.18</b>												
Performance Out-turn		2018/19					2019/20					2020/21				
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Overall Measure	Target	20	20													
	Actual	0	0													
<b>Explanation of Current Performance</b>	201	<p>Zero businesses have been engaged through Enterprising Town Centres. Due to high levels of initial demand and applications to the fund, the grant scheme closed early. Therefore the scheme has not been actively promoted. Enquiries for funding are still being managed by the Business Focus team and funding enquiries are being directed to alternative funders and also to the LLEP business Gateway for support.</p> <p>Whilst the funding has closed to new applicants, the business support element of the initiative is still being delivered. Town Centre Businesses are receiving specialist 1: to: 1 advice and a series of 1: to: many workshops are being delivered across NWL Market towns.</p>														
<b>Interventions in the last 3 months and evaluation of impact</b>		Scheme halted due to the high levels of demand for the fund and allocation of grant funding.														

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

	<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
1  202	A new Enterprising scheme will be launched in Spring 2019	Spring 2019	Business Focus	Business Focus capacity and funding allocated to Business Focus reserves	Lack of staff resource	Work has been scheduled as part of the Business Focus 19/20 Team Plan	Business Focus work plan updates to Head of Service	Relaunch of a new grant scheme and eligible business assisted to grow

## APPENDIX E

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS

Reference No.		Description	<b>Business and Jobs – Businesses enquiries supported</b>														
Lead Officer		<b>Barrie Walford</b>	Date Plan Completed	<b>18.10.18</b>													
Performance Out-turn		2018/19					2019/20					2020/21					
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Overall Measure	Target	40	40														
	Actual	41	34														
<b>Explanation of Current Performance</b>		<p>For Q2, the Business Focus team provided direct support to 34 new businesses. Due to project work the teams programme of work our engagement activity for Q2 has been less proactive and more responsive to existing enquiries and reactive to new enquiries.</p> <p>In addition to the 34 new business enquiries, 19 business were supported through the Enterprising 1: to: 1 support and a further 5 business were supported through the Enterprising Markets programme.</p>															
<b>Interventions in the last 3 months and evaluation of impact</b>		<p>It is likely that the number of business enquiries supported will average out across the year. In particular due to the programme and planning that has occurred in Q2 to deliver new engagement activity in Q3.</p>															

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

	<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
1	Continued reactive engagement and three new engagement programmes (Starting a new business event, Food & Drink retailer support and a Disability Confident event) will be delivered in November 2018	Quarter 3	Business Focus	Business Focus capacity and funding allocated to Business Focus reserves	Lack of staff resource	Work has been scheduled as part of the Business Focus Team Plan	Business Focus work plan updates to Head of Service	Business support numbers to increase

## APPENDIX F

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS

Reference No.		Description	<b>Building confidence in Coalville – shop front grants (businesses engaged)</b>														
Lead Officer		<b>Barrie Walford</b>	Date Plan Completed	<b>18.10.18</b>													
Performance Out-turn		2018/19					2019/20					2020/21					
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	
Overall Measure	Target	10	10														
	Actual	8	0														
<b>Explanation of Current Performance</b>	205	<p>Zero companies against a target of 10 have been engaged in Q2 in relation to shop front grants. This is because the scheme has not been actively promoted to enable a review of processes to take place.</p> <p>The lead project officer in consultation with the Business Focus Manger, the Head of Economic Development and the Director of Place agreed to pause the delivery of the Coalville Shopfronts programme to allow for a mid-point review to be completed.</p> <p>The review highlighted a number of recommendations to improve the efficiency in managing, administering and delivering the scheme.</p> <p>Project officers are now preparing a paper to strategy group to present the mid-point review and seek approval to amend the scheme. Subject to strategy group approval it is intended the Coalville frontages scheme will be reopened to applications in early 2019.</p>															
<b>Interventions in the last 3 months and evaluation of impact</b>		Scheme halted to enable review.															

**INTERVENTION PLAN TO ACHIEVE PERFORMANCE TARGETS**

	<b>Key Interventions in Place to Achieve Performance</b>	<b>By When</b>	<b>By Who</b>	<b>Resource Implications</b>	<b>Most Significant Risk to Achievement of Intervention</b>	<b>Contingency Intervention for Most Significant Risk</b>	<b>Monitoring Process</b>	<b>Outcomes expected from intervention</b>
1	Complete changes to scheme processes	Dec. '18	Business Focus	Internal staff resource	Lack of staff resource	Prioritise work	Business Focus work plan updates to Head of Service	Scheme improved to reflect findings of mid-point evaluation
206								
2	Relaunch scheme	Jan. '19	Business Focus	Internal staff resource	Strategy Group approval	Consult members before finalising scheme	Member approval followed by quarterly reports	Scheme relaunched in 2019 and eligible shop fronts improved

## APPENDIX G

### INTERVENTIONS USED TO ACHIEVE PERFORMANCE TARGETS – Air Source Heat Pump project.

Reference No.		Description	<b>Replacement of solid fuel central heating systems in tenants homes with electric air source heat pumps and focal point fires</b>														
Lead Officer	<b>Karen Cannon</b>		Date Plan Completed	<b>12 October 2018</b>													
Performance Out-turn	2018/19					2019/20					2020/21						
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year		
Overall Measure	Target	78															
	Actual	55															
<b>Explanation of Current Performance</b>	<p>207</p> <p>After a positive start in Q1, the contractor's performance in Q2 fell below target. Through prompt and proportionate intervention by the contract supervision team, the programme was briefly paused to address the quality control concerns. Having restarted installations, progress has now returned to acceptable levels, and the shortfall in installations will be made up by the end of Q3.</p>																
<b>Interventions in the last 3 months and evaluation of impact</b>	<p>Following an increase in customer negative customer feedback regarding some of the new systems installed it was discovered that there was an issue which prevented the heat pump units from providing hot water to the heating system. It was established that the units which were causing issues were fitted by one specific installation team. As a precaution new installations were paused and visits were made to every property where the previous fitters had carried out the installation. All issues were resolved and new installations have now resumed.</p>																





APPENDIX 2

Corporate Risk Register													
Ref No.	Risk Description	Consequence	Cause	Inherent Risk			Responsibility of	Responsible to	Control Measures	Residual Risk			Movement of Risk
				Impact	Likelihood	Rating				Impact	Likelihood	Rating	
1	<b>SOCIAL/ POLITICAL/ LEGAL Death / serious harm to a vulnerable person receiving a council service</b>	A serious case review arising from death/serious harm to a vulnerable person. Reputational damage to council. Loss of confidence in ability of council to deliver services.	Lack of response to a safeguarding report. Service failure.	4	4	16	Community Safety Manager	Head of Communities	The organisation has the following structures in place; An identified Corporate Lead (Head of Service) with a Portfolio Holder lead An identified Team responsible for Safeguarding (Safer & Stronger) with responsibility embedded into Team Leader role and an officer (Child & Adults at risk Officer)  An agreed Safeguarding Policy refreshed as required with delegation to Director of Housing and Customer Services for updates An identified group of Designated Safeguarding Officers (DSO's) in most service areas A programme of regular DSO meetings which consider training, best practice and case issues An annual training programme to ensure new DSO's are well informed and trained  A quarterly senior management review of all cases to check progress/close cases  A quarterly briefing with the Chief Executive, a 6 monthly report to CLT and an annual report to Cabinet Annual report reviews previous year and endorses an action plan for the year ahead.	4	2	8	Stable

2	<b>FINANCIAL/ COMMERCIAL/ REPUTATIONAL</b>  <b>Mismanagement of council finances</b>	Central Government intervention/special measures. Adverse publicity. Possible litigation. Withdrawal of services.	Mis-interpreting of or not responding appropriately to a change in fiscal policy.  Poor budget planning / management.  Internal financial systems and regulations not being properly applied.	4	4	16	Head of Finance	Strategic Director of Housing and Customer Services	Monthly management reviews monitor actual spend against budgets and forecast to the end of the year. Monthly reporting and challenging at CLT, and reported to Cabinet quarterly Sound policies and procedures are in place.  Financial planning processes have been documented and are reviewed regularly. Internal and External audit of systems and accounts. Membership of CIPFA and engagement of Arling Close gives access to specialist advice, analysis and expertise.	4	1	4	Stable
3	<b>REPUTATIONAL/ LEGAL COMMERCIAL</b> <b>Insufficient resources due to unplanned / unforeseen absences / vacancies</b>	Council unable to perform its statutory duties. Use of external resources at significantly higher cost.	Failure to horizon scan and interpret future needs in  Inability to recruit to vacancies / retain staff.	4	2	8	Head of HR and OD	Chief Executive	Advance planning will mitigate this risk; Ability to divert resources from other services, bringing in additional resources from other sources (e.g. Agencies, Consultants, Voluntary/ Community sector etc.) would be activated. Market conditions are tested through recruitment processes.  The Council can offer a package of additional benefits to enhance the recruitment offer.  The Council has developed innovative partnering relationships with other sectors including the private sector to make posts uniquely attractive.  Best Employee Experience is a programme to attract and develop the right skills, and promoting existing staff talent through secondments and tailored development programmes. Apprenticeships allow the Council to 'grow our own'.	3	2	6	Stable

4	<b>LEGAL / FINANCIAL</b> Contracts are not properly procured and managed	Council liable to incur additional costs, contract overrun, litigation and potential health & safety issues as well as service disruptions.	<p>Failure to monitor contractors appropriately.</p> <p>Legal and procurement teams not consulted when contractors are engaged.</p> <p>Loss of key staff or supplier.</p> <p>Procurement procedures are not followed.</p>	3	4	12	Finance Team Manager. All Team Managers.	All Heads of Service	<p>Corporate procurement officer and legal team to support where necessary on contract management.</p> <p>Policies and procedures are in place. Reserve contractor in place where appropriate.</p> <p>A Senior Procurement Officer oversees a procurement planning process.</p> <p>Training programme in place for staff.</p>	3	2	6	<b>Increasing</b> <b>*Change due to departure of previous Procurement Manager.</b>
5	<b>LEGAL / TECHNOLOGICAL</b> Loss or unlawful use of personal data constituting breach of data protection legislation	Monetary penalties from ICO, adverse publicity, private litigation and personal criminal liability of officers.	<p>Systems not in place to protect sensitive data.</p> <p>Staff are not properly trained in managing information, and do not follow internal procedures.</p>	3	3	9	Legal Services Team Manager	Head of Legal & Support Services	<p>Policies and procedures are in place although not yet rolled out and fully embedded.</p> <p>Corporate Governance training is undertaken annually and includes information governance as appropriate to reflect changes in legislation.</p> <p>The Council has a dedicated SIRO.</p> <p>Corporate Governance Groups are in place to scrutinise impacts/issues arising.</p>	3	2	6	<b>Stable</b>
6	<b>LEGAL / REPUTATIONAL / COMMERCIAL</b> Failure to respond to an emergency in an appropriate manner	<p>General public at risk of harm or unable to access relevant services (e.g. emergency accommodation or rest centre).</p> <p>Adverse publicity. "Business as usual" not possible without appropriate business continuity plan in place.</p> <p>Breakdown in relationship with other responders.</p>	<p>Lack of planning, training and exercising of Emergency plans</p> <p>Inadequate Corporate Business Continuity Management.</p> <p>Lack of procedural understanding</p>	4	3	12	Head of Human Resources and Organisation Development	Chief Executive	<p>Business continuity plans have been documented, policies and procedures are in place.</p> <p>The LRF partnership arrangement with all Leicestershire and Rutland authorities provide resilience during civil emergency situations.</p> <p>Business Continuity exercises show the readiness of the Council to deal with emergencies. System of ICO / FLM duty rotas is in place.</p>	4	1	4	<b>Stable</b>

7	<b>LEGAL/ TECHNOLOGICAL/ COMMERCIAL</b> Infiltration of ICT systems	"Business as usual" would not be possible. Cost of repelling cyber threat and enhancing security features.	Systems not in place or kept current to deflect any foreseeable cyber attack.  Limited staff awareness of possible threats.	4	4	16	ICT Manager	Head of Customer Services	Fully resilient environment in place with no single points of failure for core systems, other critical systems use cold standby equipment. New business services are run in remote fully resilient data centres and existing systems are being progressively migrated to these cloud computing centres.  Improved business recovery arrangements have been implemented to minimise recovery time. Accreditation to Cyber Essentials Plus and the Public Services Network.	3	2	6	Increasing
8	<b>COMMERCIAL / POLITICAL / FINANCIAL</b> Projects are poorly managed	Failure of proposed projects could result in failure to achieve overall objectives. Inefficient use / waste of resources.	Failure to implement project management techniques. Poor corporate oversight of projects.  Inadequate or poorly performing Project Management Office function.	3	4	12	Head of Human Resources and Organisation Development	Head of Legal & Support Services	Properly convened project teams with PID and project plan in place, including project risk registers. Progress on corporate projects scrutinised by CLT.  Use of external resources is also being used to support the Coalville and Leisure projects.	3	3	9	Stable
9	<b>LEGAL / POLITICAL / REPUTATIONAL</b> Council makes ultra vires (beyond the council's powers and functions) decisions	Potential litigation against the Council, resulting in increased costs / compensation. Reputational damage.	Staff / Members proceeding outwith established governance arrangements. Failure to consult with Legal / Monitoring Officer. Lack of understanding of the implications of dealing with a particular matter.	4	3	12	Legal Services Team Manager	Head of Legal & Support Services	Policies & procedures in place, governance processes are documented and in operation, ongoing assessments and reviews are performed. Completion of the Annual Governance statement.	4	1	4	Stable

10	<b>FINANCIAL / LEGAL / REPUTATIONAL</b> <b>Council is subject to fraud, corruption or theft</b>	Financial, reputational and political damage to Council.	Lack of checks and balances within financial regulations.  Poor budget / contract management.  Poor monitoring of / adherence to financial systems	4	3	12	Head of Finance. All Team Managers & Heads of Service.	Directors	A policy framework that includes Anti-Fraud and Corruption Policy, Confidential Reporting (Whistleblowing) Policy and Anti-Money Laundering Policy.  The Internal Audit annual planning process takes into account high risk areas, which considers fraud risks. Fraud risks are considered as part of specific audits with testing designed to detect fraud where possible. The Council is also subject to External Audit.  Internal control and governance arrangements such as segregation of duties, schemes of delegation, bank reconciliations of fund movements, and verification processes.  Information on how to report fraud is on the website including relevant links. Participation in National Fraud Initiative (mandatory) and Leicestershire Fraud Intelligence Hub (voluntary).  Leicestershire Revenues and Benefits Partnership have two trained officers working solely on Council Tax Reduction Scheme Fraud and act as Single Point of Contact for DWP referrals.	3	2	6	Stable
11	<b>FINANCIAL / COMMERCIAL / ECONOMIC</b> <b>The Council is subject to a reduction in income</b>	Services are unable to be delivered. Potential staff redundancies. Funding of external groups is withdrawn. Potential breach of statutory duties.	Reduction in government grant. Changes to the local authority financial settlement. Economic downturn / recession. Commercial opportunities not progressed. Changing rent policies.	3	4	12	Head of Finance. All Heads of Service.	Directors. Chief Executive.	Medium Term Financial Strategy in place, including Self Sufficiency initiative. Economic Development Team promotes business offer. Participation in Business Rates Pilots. Accessing external funding where appropriate. Income collection procedures in Revs & Bens Service and Housing.	3	3	9	Increasing

12	<b>POLITICAL / ORGANISATIONAL</b> The Council is affected by Local Government Reorganisation	a) Change to Local Government structure in Leicestershire/East Midlands, including potential merger of district councils/county council could lead to: - Change in location for service delivery/staff - Reduction of control over local matters - Change in financial situation - Staff redundancies - Alternative political structure and governance arrangements - Changes in services to be provided and organisation culture - Deterioration in staff morale and negative effect on staff recruitment and retention - Ineffective engagement with staff, Members and residents in considering, and responding to, proposals. - Diversion of senior staff resources to respond to proposals.	Political direction to consolidate local government tiers to potentially seek greater efficiency and co-ordination	4	3	12	Chief Executive and Head of Legal and Support Services.	Chief Executive	Active engagement with political leaders and Chief Executives across the County so NWL's needs are taken into account in the proposals. Open and transparent communication of NWL position to all stakeholders. Senior management and politicians stay close to project and monitor progress. Internal and external communication plans in place, including for key decision points. External resources to be utilised in assessing any proposals.	3	3	9	Stable
13	<b>POLITICAL / ORGANISATIONAL</b> The Council is affected by the UK's departure from the EU, including a potential 'no deal' Brexit	The UK's departure from the EU, including an inability to agree the terms of the exit by 31 March 2019 could lead to: - increase in checks on goods by Environmental Officers at East Midlands Airport meaning increase in resources / costs. - uncertainty and subsequent regime around tariffs, access to markets, migrant labour and transport of goods in / out of EU could impact on businesses in district / region leading to decline in business rates and employment levels. - potential need for increased storage facilities at entry / exit points and associated increases in freight traffic, putting pressure on local infrastructure - potential withdrawal of access to EU wide IT systems (e.g. relating to imported foodstuffs) - diversion of staff resources into contingency planning.	UK departure from EU, including inability of the EU and UK govt to agree terms by 31 March 2019 of the UK's exit.	4	3	12	Chief Executive and Head of Economic Regeneration	Director of Place / Chief Executive	Engage with National Local Authority steering groups for border control at strategic & operational levels. Implement communication strategy for local businesses so technical notices are shared, with appropriate signposting. Work with LLEP and Chamber of Commerce to provide business advice and support to address changes to legislation & certification. Monitor political developments on EU withdrawal closely. Establish contingency plans after scenario based assessment of resources required for increase in checks and controls, & access to alternative IT systems. Conduct localised assessment of potential impact around East Midlands Airport. Multi-agency Leicestershire Resilience Forum risk assessment and mitigation plan to be prepared.	3	3	9	Stable

## Scoring for Likelihood and Impact

### Assessing the likelihood of a risk:

<b>1 Low</b>	Likely to occur once in every ten years or more
<b>2 Medium</b>	Likely to occur once in every two to three years
<b>3 High</b>	Likely to occur once a year
<b>4 Very high</b>	Likely to occur at least twice in a year

### Assessing the impact of a risk:

<b>1 Low</b>	<p>Loss of a service for up to one day,                      Objectives of individuals are not met                      No injuries                      Financial loss below £10,000                      No media attention                      No breaches in council working practices                      No complaints / litigation</p>
<b>2 Medium</b>	<p>Loss of a service for up to one week with limited impact                      Service objectives of a service unit are not met                      Injury to an employee or member of the public requiring                      Financial loss over £10,000                      Adverse regional or local media attention – televised or                      Potential for a complaint litigation possible                      Breaches of regulations / standards</p>
<b>3 High</b>	<p>Loss of a critical service for one week or more with                      Service objectives of the directorate of a critical nature are not met                      Non- statutory duties are not achieved                      Permanent injury to an employee or member of the public                      Financial loss over £100,000                      Adverse national or regional media attention – national newspaper report                      Litigation to be expected                      Breaches of law punishable by fine</p>
<b>4 Very high</b>	<p>An incident so severe in its effects that a critical service or project will be unavailable                      Strategic priorities of a critical nature are not met                      Statutory duties are not achieved                      Death of an employee or member of the public                      Financial loss over £1m.                      Adverse national media attention – national televised news report                      Litigation almost certain and difficult to defend                      Breaches of law punishable by imprisonment</p>

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## POLICY AND DEVELOPMENT GROUP – 5 NOVEMBER 2018

### ADDITIONAL PAPER FOR THE QUARTER 2 PERFORMANCE REPORT

#### HEALTH AND SAFETY INFORMATION – QUARTER 2 2018/19

##### Background / Context

We have a formal Health and Safety Policy in place which is reviewed annually by the Corporate Leadership Team (CLT). Health and Safety information and data is discussed quarterly at CLT and in regular joint meetings with the trade unions to seek to embed a culture where our work environments are as safe as they can be for our employees, contractors and visitors. We are currently developing targets for health and safety in the authority and these will be incorporated into the quarterly performance reports in the future. We record and monitor accidents and near misses to ensure we challenge and change procedures and working methods to reduce the likelihood of future reoccurrences. This report provides an initial update for members on the Health and Safety activities in 2018/19 and developments during quarter 2.

- **Accidents** - there were six accidents in the quarter including one which was reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), making a total of eleven accidents for the year to date compared with twenty-three last year and twenty-six and twenty-eight in previous years. We also had one near miss reported. As the majority of accidents historically have occurred in the Refuse and Recycling service, a concerted effort has been made recently to educate the team in safety while trying to reduce the absence figures.

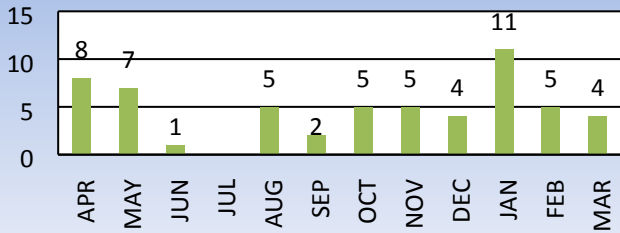
The majority of accidents (six) were due to slips trips and falls the second highest accident rate was manual handling accidents and contact with fixed objects with a single other injury being a dog bite. There have been sixty-eight visitor accidents in 2018/19, twenty-nine of these were due to slip accidents which mainly occurred in August during the highest footfall at Hood Park Lido in memory.

- **Training** – So far this year seventy-five employees have attended internal Health and safety training courses, with thirty-five attending basic safety and induction training. Corporate Leadership Team have recently attended the accredited Institute of Occupational Health and Safety (IOSH) “Leading Safely” programme. Council offices fire warden training was conducted earlier this month when twenty-one employees attended. The programme of training continues.
- **Annual on line Display Screen Equipment Assessments (DSE)** - a programme of on-line DSE assessments commenced in October. Last year were completed by over 87% of those questioned – we are aiming for a higher take up rate this year.
- **Joint Union / Management Safety Committees** The Safety Officer has attended safety meetings with the Leisure and Refuse & Recycling services, and is working closely with the Housing repairs team helping raise their standards. These three work areas are the highest risk areas for the Council due to the nature, size, and complexity of the operations and equipment involved.
- **Legionella** Stringent procedures continue to provide positive results in the first half of the year, with no reports of any bacterial ingress. Regular testing takes place, the regime includes the main Council Offices, Leisure Centres, sheltered housing schemes and sports pavilions throughout the district.
- **Interview rooms and reception area** – the security of reception and interview room has been reviewed following incidents earlier this year. During training for the reception team the alarms were activated to find the emergency procedures were satisfactory. A programme of improvements are now being reviewed.
- **Portable appliance testing** – This year all portable appliances held within the Authority will be tested during December.

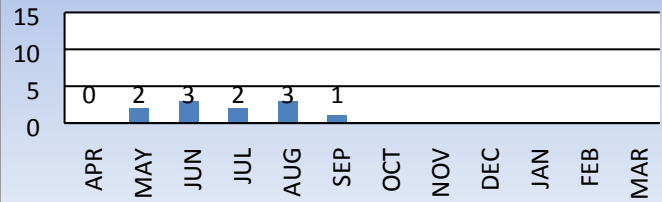
- **Fire** A fire evacuation practice took place at the Council Offices in October and was completed smoothly with no issues. Tests and evacuations regularly take place in other council-controlled buildings.
- **Risk assessments** - To ensure full legal compliance, management must ensure we have suitable and sufficient risk assessments for any task they expect their staff to perform and to communicate safe systems of work to those who are at risk. Over the years a suite of 4960 risk assessments have been completed for work activities across the organisation. The key risk assessments are reviewed annually. To ensure consistency we use an on line template supplied by Solution Host, a specialist Health and Safety software provider.

## Incidents during the first half of 2018/9

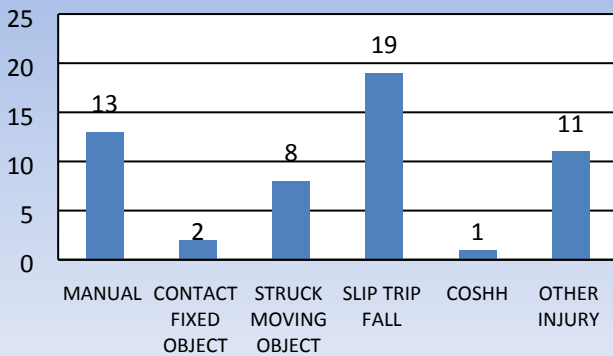
### Employee accidents by Month 2017/18



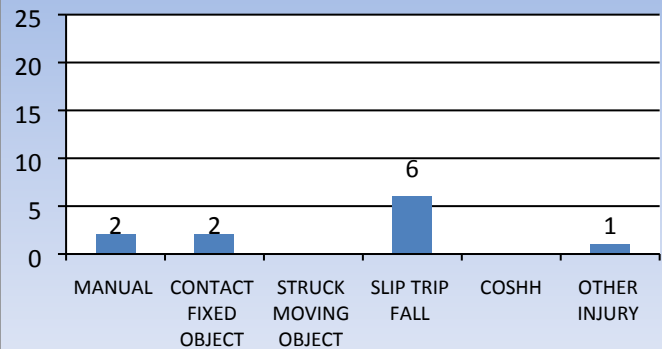
### Employee accidents by Month 2018/19



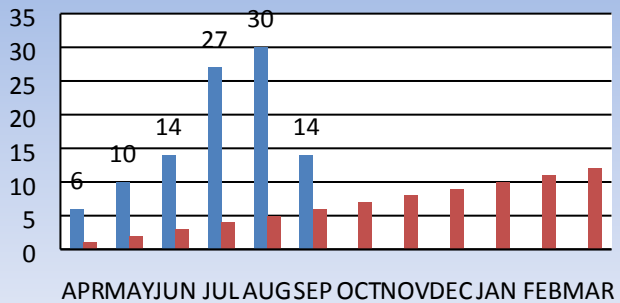
### Total Employee accidents by type 2017-18



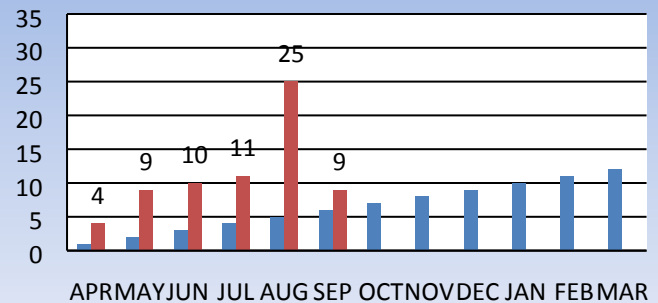
### Employee accidents to date by type 2018/19



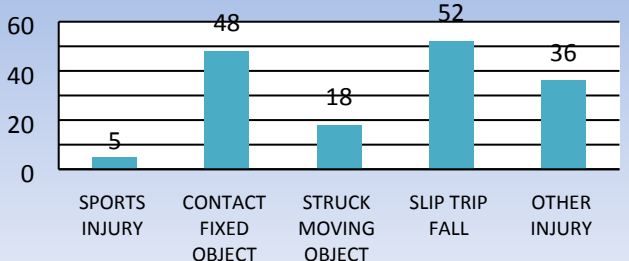
### Visitor Accidents by Month 2017/18



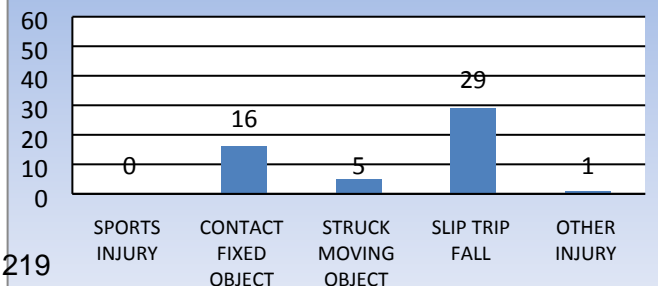
### Visitor Accidents by Month 2018/19



### Total Visitor accidents by type 2017-18



### Visitor Accidents by type by Q2 2018/19





EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on MONDAY, 5 NOVEMBER 2018

Present: Councillor M Specht (Chairman)

Councillors R Ashman, N Clarke, T Eynon, G Houlst, V Richichi, S Sheahan and N Smith

Officers: Mr J Arnold, Mr G Jones, Mrs M Meredith, Mr M Murphy, Ms C Preston, Ms C Proudfoot and Mr P Sanders

**30. 2018/19 QUARTER 2 PERFORMANCE MANAGEMENT REPORT**

The Strategic Director of Place presented the report to members, drawing their attention to the performance summary set out in the report and the exception report at Appendix 1.

In response to questions from Councillor S Sheahan, the Strategic Director of Housing and Customer Services advised that the allocation of newly built homes could only be restricted to a particular town or village if the new development was classified as a rural exception site. Otherwise the property would be let to anyone on the housing register, and it was necessary to prove a connection to North West Leicestershire in order to join the housing register.

Councillor S Sheahan expressed concerns regarding Queensway House in Measham, in particular regarding negotiations with the adjacent site and the risk of the site becoming derelict. He requested that prompt action be taken.

The Strategic Director of Housing and Customer Services agreed to provide an update with more detail to Councillor S Sheahan.

In response to questions from Councillor S Sheahan, the Strategic Director of Housing and Customer Services advised that an architect had been employed to look at the design of the next phase of the off street parking improvement programme at Ridgeway Road, Ashby. It was not yet known how many parking spaces would be created.

In response to a question from Councillor S Sheahan, the Strategic Director of Housing and Customer Services advised that the overall delivery of affordable housing and the housing need for the district was set out in the Local Plan. He reminded members that the housing need was being reviewed as part of the review of the Local Plan.

Councillor S Sheahan commented on the high level of sicknesses relating to back pain and asked how much of this was preventable. The Head of Human Resources and Organisation Development advised that it was not currently known what percentage of illnesses involving back pain were work related. He agreed to provide this information in future reports. He added that manual handling training was provided for employees where relevant.

In response to a question from Councillor S Sheahan, the Strategic Director of Place advised that the work at Moira Furnace was focussed on the furnace itself and considering the use of the wider site to support the furnace. He added that this project was at a very early stage.

In response to questions from Councillor V Richichi, the Strategic Director of Place advised that a mid-point review had been completed regarding the shop front improvements scheme which would be considered by Cabinet. He explained that confidence in Coalville was measured through feedback from residents and traders, the partnerships in place and the success of events, including the communications and press releases issued.

Councillor T Eynon welcomed the level of data in the report. She commended the Head of Customer Services and felt it was clear that things were moving in the right direction. She commented that according to Leicestershire County Council's data, there was a need to boost specialist / affordable housing delivery across the market area.

Councillor N Clarke thanked officers for providing the Health and Safety data he had requested. He felt it would be useful to compare this with historical data to see if the trends were in the right direction. He added that it would be useful to put this into context regarding the percentage of staff affected and to attach costs to some of the avoidable incidents.

In response to a question from Councillor M Specht, the Strategic Director of Housing and Customer Services outlined some of the criteria in the housing allocations policy, in particular the need to demonstrate a local connection to North West Leicestershire, and advised that numbers on the housing register had remained stable and so he was confident this was not being abused.

RESOLVED THAT:

The Quarter 2 Performance Management Report be noted.

## NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

## CABINET – TUESDAY, 11 DECEMBER 2018

Title of report	<b>FORMER TENANT RENT ARREARS, CURRENT TENANT RENT ARREARS, COUNCIL TAX, NON DOMESTIC RATES AND SUNDRY DEBTOR WRITE OFFS</b>
Key Decision	a) Financial No b) Community No
Contacts	Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a>  Strategic Director of Housing & Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a>  Head of Customer Services 01530 454753 <a href="mailto:tom.shardlow@nwleicestershire.gov.uk">tom.shardlow@nwleicestershire.gov.uk</a>  Head of Finance 01530 454707 <a href="mailto:tracy.bingham@nwleicestershire.gov.uk">tracy.bingham@nwleicestershire.gov.uk</a>
Purpose of report	To agree write-offs over £10,000 and receive details of debts written off under delegated powers.
Reason for decision	To comply with proper accounting practices.
Council priorities	Value for Money
Implications:	
Financial/Staff	There is no additional financial effect as all the debts are met from the Authority's bad debt provision for previous years arrears or from in year income if the debts relate to the current financial year.
Link to relevant CAT	None.
Risk Management	Regular reviews of debts for write off mitigates the risk that the Council's accounts do not reflect the true level of recoverable income. It is also part of an effective arrears management strategy.
Equalities Impact Screening	Not applicable.

Human Rights	None discernible.
Transformational Government	Not applicable.
Comments of Deputy Head of Paid Service	Report is satisfactory
Comments of Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	None.
Background papers	All papers used in compiling the report contain exempt information under paragraph 3 of Part 1 to Schedule 12A Local Government Act 1972
Recommendations	<b>THAT CABINET APPROVES THE NON DOMESTIC RATES AND SUNDRY DEBT WRITE OFFS THAT ARE OVER £10,000 AND NOTES THE AMOUNTS WRITTEN OFF UNDER DELEGATED POWERS.</b>

## 1.0 WRITE OFFS

### 1.1 Write offs relating to prior years against Bad Debt Provision:

	<b>Provision as at 1 April 2018</b>	<b>Write offs to date (under delegated powers)</b>	<b>Amounts written off over £10,000 approved by Members</b>	<b>Balance Available</b>
Council Tax	<b>£2,171,722.74</b>	<b>£66,975.56</b>	<b>£0.00</b>	<b>£2,104,747.18</b>
Non Domestic Rates	<b>£273,111.56</b>	<b>£15,802.65</b>	<b>£17,274</b>	<b>-£240,034.91</b>
Housing Rents	<b>£582,403.98</b>	<b>£22,650.38</b>	<b>£0.00</b>	<b>£559,753.60</b>



Sundry Debtors/Housing Benefit Overpayments	<b>£1,638,123.39</b>	<b>£17,098.45</b>	<b>£0.00</b>	<b>£1,621,024.94</b>
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## 1.2 Write offs relating to 2018/19

	<b>Write offs to date (under delegated powers)</b>	<b>Amounts written off over £10,000 approved by Members</b>
Council Tax	£947.79	£0.00
Non Domestic Rates	£1,371.75	£302,623.50
Housing Rents	£1,102.50	£0.00
Sundry Debtors/Housing Benefit Overpayments	£464.31	£0.00

## 2.0 FORMER TENANT RENT ARREARS

- 2.1 The amounts written off under delegated powers, in accordance with the policy, are as follows: five cases under £1,000 which amount to £1,274.70. Of these 1 case is deceased with no estate (£90.84) and four are uneconomical to pursue (£1,183.86). There are two cases between £1,000 and £10,000 amounting to £4,055.63. Of these, one is deceased with no estate (£2,863.86), one is uneconomical to pursue (£1,191.77).
- 2.2 There are no former tenancy arrears write-offs over £10,000 for which we seek approval.

## 3.0 CURRENT TENANT RENT ARREARS

- 3.1 There are three current tenant rent arrears amounting to £17.65 which are uneconomical to pursue.

## 4.0 COUNCIL TAX

- 4.1 There are currently no council tax debts over £10,000 for which Cabinet's approval for write off is sought.
- 4.2 The amounts written off under delegated powers, in accordance with the thresholds outlined in the write off policy, are as follows: Four cases under £100 which amount to £204.09. Of these, two cases have absconded (£105.04) and two cases that are uneconomical to collect (£99.05). There are eight cases between £100 and £1,000, which amount to £2,478.43. Of these, three have absconded (£1,116.19), four cases are insolvent (£1,197.72) and one is uneconomical to collect (£164.52). There are five cases between £1,000 and £10,000 which amount to £9,593.85. Of these, four cases are insolvent (£7,803.61) and one is statute barred (£1,790.24).
- 4.3 The full list of reasons for writing off debt includes:

- Bankruptcy or a Debt Relief Order is in place
- Deceased – No assets in the estate.
- Debtor Absconded / No Trace
- Company in liquidation/dissolved or ceased trading with no assets
- Severe Hardship and/or Serious health Issues
- Statute barred i.e. we cannot legally pursue the debt as there has been six years since the debt fell due and no action has been taken to collect the debt.
- Uneconomical to collect i.e. it is not financially viable to take further action for recovery e.g. due to the low level of the debt, they have gone abroad etc.

4.4 Writing off debts is only considered where all appropriate recovery and enforcement measures have been taken, or where the council is legally prohibited from pursuing the debt.

4.5 Each year the council produces a recovery timetable which details the dates on which the Statutory Reminders, Final Notices and Summonses are to be despatched. The letters issued are designed to maximise collection by prompting tax payers to pay their missed instalments in a timely manner, thereby avoiding further enforcement action taking place. Information is provided on the website to explain what happens next should payment not be made.

4.6 For all outstanding debt, the council takes the recovery action outlined in the bullet points below:

- If payment is not received by the instalment due date shown on the bill, a reminder notice is issued.
- If payment is received within seven days the tax payer may continue with their original instalment plan. If they default again within the year, then one further reminder notice is issued. If they do not pay, the following steps are taken.
- If payment is not received by the date on the reminder notice, a Court Summons is issued. The Summons advises them of the date and time that the Council will attend a Magistrates Court hearing to apply for the award of a Liability Order against them.
- Once a Liability Order is obtained, the Council has a number of enforcement options open to them in order to secure payment of the debt.

4.7 Liability Order Action

Once a Liability Order has been obtained each debt is looked at and a decision is made as to the most appropriate course of action to take from the list of available options below. It is only after all of these have been considered and/or pursued that the debt is put forward for write off.

1. Apply to the debtor's employer for an Attachment of Earnings.
2. Apply to the DWP for a deduction from the debtor's benefits.
3. Instruct an external enforcement company (bailiffs) to collect the debt on the council's behalf.
4. If the enforcement company are unsuccessful, the Council could commence committal proceedings against the debtor.
5. If the debtor owns their own home a Charging Order could be made against the property.

6. If the debt is over £5,000, bankruptcy proceedings could be commenced against the debtor.

When considering the final three options on the above list, the Council must always be mindful of the individual circumstances of the debtor and the financial impact on the Council of pursuing each option. Additional costs will be incurred when utilising any of these options.

## **5.0 NON DOMESTIC RATES (NNDR)**

- 5.1 There are no Non Domestic Rate debt over £10,000 for which Cabinet approval is sought.

- 5.2 The amounts written off under delegated powers in accordance with the policy thresholds are as follows: There are three cases between £1,000 and £10,000 amounting to £7,126.85. Of these, two cases are insolvent (£5,559.49) and one case has absconded (£1,567.36). There are three cases under £100 amounting to £110.09. Of these, two cases are uneconomical to collect (£96.44) and one is insolvent (£13.65).

- 5.3 As with the recovery of Council Tax, for Business Rates, writing off debt is only ever considered as a last resort. Often companies, sole traders or partnerships become insolvent and the Council is prohibited from taking any further action as all of their outstanding debts are included within the Administration, Liquidation or personal bankruptcy.

- 5.4 The Council follows the same recovery process for Business Rates as for Council Tax. However, once the Council has obtained a Liability Order there are only a limited number of enforcement actions that can legally be pursued. In most cases, where a payment arrangement or contact cannot be made, the Council refers the case to external Enforcement Agents. If they are unsuccessful, the Council then has three further options to consider before putting the debt for write off. These options are:

- Committal (For sole traders and partnerships only).
- Security for Unpaid Rate (this is the equivalent of a Charging Order on a property but this can only be done with the ratepayers agreement).
- Insolvency Proceedings.

## **6.0 SUNDRY DEBTORS (INCLUDES NON CURRENT HOUSING BENEFIT OVERPAYMENTS PRE 2011)**

- 6.1 There are no sundry debtor cases over £10,000 for which Cabinet's approval for write off is sought.

- 6.2 There were no cases that have been written off under the Deputy S151 Officer delegated powers.

- 6.3 The recovery process varies dependant on the type of debt. Generally the debtor will receive a minimum of two reminder letters the final stating that recovery through the county court will take place in the event of non payment. Once judgement is obtained the normal recovery methods are available such as attachment of earnings / benefit etc.

## **7.0 CURRENT HOUSING BENEFIT OVERPAYMENTS**

- 7.1 There are currently no housing benefit cases over £10,000 for which Cabinet's approval for write off is sought.
- 7.2 The amounts written off under delegated powers, in accordance with the thresholds outlined in the write off policy, are as follows: There is one case under £100 amounting to £91.37 which is uneconomical to collect. There is one case between £100 and £1000 amounting to £541.36 where the debtor has absconded. There are no cases under £10,000.
- 7.3 For all outstanding benefit overpayment debt, the council takes the recovery action outlined in the bullet points below:
- An invoice is issued giving 14 days to make payment, or to contact the council.
  - If payment is not received a first Reminder is issued, followed by a second reminder two to three weeks later.
  - If payment is not received a 'CIS' (DWP database) check is carried out to assess if a deduction from benefit or an attachment of earnings is appropriate. If neither of these options is suitable the account is sent to an external collection team with no cost to the Council. However, they have no powers to enforce the debt at this stage only to collect it.
  - If the cases are returned, each case is checked and a decision is made as to whether it is appropriate to start legal proceedings in the County Court.
  - If judgement is obtained in the County Court, the following enforcement options are available to consider:
    1. Warrants of Control (the use of County Court Bailiff, or High Court Sheriff)
    2. Third Party Debt Orders (Utilises the customer's bank account to extract payment)
    3. Charging Order (the debt is secured on the customer's house)
    4. Insolvency (petition for bankruptcy)