

Meeting	CABINET
Time/Day/Date	5.00 pm on Tuesday, 5 February 2019
Location	Board Room, Council Offices, Coalville
Officer to contact	Democratic Services (01530 454512)

AGENDA

Item	Pages
1. APOLOGIES FOR ABSENCE	
2. DECLARATION OF INTERESTS	
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.	
3. PUBLIC QUESTION AND ANSWER SESSION	
4. MINUTES	
Minutes of the meeting held on 15 January 2019	5 - 10
5. GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGETS PROPOSALS FOR 2019/20	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	11 - 30
6. HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2019/20	
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7. 2019/20 - 2023/24 CAPITAL PROGRAMMES AND 2019/20 CAPITAL STRATEGY	
Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	47 - 72

8.	2019 - 2024 MEDIUM TERM FINANCIAL STRATEGY	73 - 102
	Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	
9.	TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 AND PRUDENTIAL INDICATORS 2019/20 TO 2021/22	103 - 132
	Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	
10.	INVESTMENT STRATEGY - SERVICE AND COMMERCIAL 2019/20	133 - 144
	Report of the Strategic Director of Housing and Customer Services Presented by the Corporate Portfolio Holder	
11.	NORTH WEST LEICESTERSHIRE HEALTH AND WELLBEING STRATEGY	145 - 166
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	
12.	STATEMENT OF COMMUNITY INVOLVEMENT	167 - 222
	Report of the Strategic Director of Place Presented by the Regeneration and Planning Portfolio Holder	
13.	HOUSES IN MULTIPLE OCCUPATION	223 - 250
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	
14.	ENFORCEMENT POLICY - PLANNING ENFORCEMENT	251 - 296
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	
15.	PROPOSALS TO ALLOCATE IN PRINCIPLE THE LEISURE VAT BENEFITS FROM A FORTHCOMING CLAIM TO HMRC INTO COMMUNITY LEISURE PROVISION	297 - 310
	Report of the Strategic Director of Place Presented by the Community Services Portfolio Holder	
16.	EXCLUSION OF PRESS AND PUBLIC	

The officers consider that the press and public should be excluded during consideration of the following items in accordance with Section 100(a) of the Local Government Act 1972 as publicity would be likely to result in disclosure of exempt or confidential information. Members are reminded that they must have regard to the public interest test and must consider, for each item, whether the public interest in maintaining the exemption from disclosure outweighs the public interest in making the item available.

**17. CONFIRMATION OF THE APPOINTMENT OF THE SUCCESSFUL BIDDER
FOR THE SPORT AND LEISURE PROJECT**

Report of the Strategic Director of Place
Presented by the Community Services Portfolio Holder

311 - 362

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

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MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on
TUESDAY, 15 JANUARY 2019

Present: Councillor R Blunt (Chairman)

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

In Attendance: Councillors R Adams, D Everitt, J Geary, G Hault, J Legrys, V Richichi,
S Sheahan and M Specht

Officers: Mrs C Hammond, Mr G Jones, Mr P Sanders, Mrs B Smith, Miss E Warhurst and
Miss A Wright

The Leader advised that he would take item 7 – Adoption of the List of Local Heritage
Assets after item 3 – Public Question and Answer Session.

67. APOLOGIES FOR ABSENCE

Apologies were received from Councillor T J Pendleton.

68. DECLARATION OF INTERESTS

In accordance with the Code of Conduct, Members declared the following interests:

Councillors R Blunt, T Gillard and N J Rushton declared a non-pecuniary interest in item
10 – Marlborough Square Update, as Members of Leicestershire County Council.

69. PUBLIC QUESTION AND ANSWER SESSION

QUESTION FROM MS JULIE VALLANCE TO COUNCILLOR R BLUNT

“1. Given the evidence we have put forward can you please explain why you believe this
is not extensive re-building and why it meets the local heritage criteria when there is
clearly substantial evidence of additional sq ft being added, modern materials being used,
different roof heights and shapes and modern windows particularly floor to ceiling glass
windows being added?

2. What is the purpose of the local listing. Given the local list is comprised of buildings that
don't merit a statutory grade listing and has pictures and descriptions on the NWL
website, is one of the main reasons for public interest?

3. If one of the main reasons is for public interest - this is a business site and it is
unreasonable for NWL to be promoting public interest in what are private business sites
with all the potential security, privacy and interference implications that can arise from
that. Surely as business rate payers we are entitled to be left alone as much as possible
to get on with running a successful business, and contributing to the NWL economy?”

RESPONSE FROM COUNCILLOR R BLUNT

“1. The Old Vicarage was erected c.1800 and incorporates the remains of a building
erected c.1700. Buildings that predate the reign of Queen Victoria are considered to have
qualities of age that justify their inclusion on the 'local list'. This is consistent with the
DCMS *Principles of selection for listing buildings* and our adopted *Criteria for identifying
local heritage assets*. In 2006 we permitted extensions to the building, including a two-
storey side extension (our reference 06/00269/FUL). Officers considered that the
extensions were “appropriate” in their scale and proportions. The side extensions are
faced in red brick beneath hipped slate roofs to match the principal building. The

extensions have conserved the significance of the building; on that basis officers advise that the building should be included on the list of local heritage assets. In the 1980s a large double-height stair window was installed on the building's rear elevation. In the context of the whole building this is not a "significant change" as the owner has asserted.

2. The purpose of the 'list of local heritage assets' is to recognise the architectural and historic interest of buildings in the district and to ensure that this interest is taken into account in the exercise of our planning functions.

3. The majority of buildings on the 'list of local heritage assets' and the majority of buildings on the statutory list are in private ownership. In this respect the council's actions are neither unreasonable nor unusual. In terms of the perceived risks to security and privacy, a disclaimer has been added to our website (www.nwleics.gov.uk/local-heritage) and to the introduction of each of the four lists. The disclaimer reads as follows: "Please note that the inclusion of any building on the 'local list' does not mean that the building or its grounds are open to the public. Many of the buildings on the 'local list' are private homes or businesses, so please respect the occupiers' privacy".

The Leader invited Ms J Vallance to ask a supplementary question.

Ms J Vallance stated that Although the changes made to the building had been as sympathetic as possible; the modern materials had been used and the footprint of the building had increased by 60%. Could the Leader explain why this was not considered to be a significant change?

The Strategic Director of Place advised that the point had been considered in the responses and during the planning process and careful consideration had been given to the changes to ensure acceptable in planning terms. Therefore in terms of meeting the criteria the changes including extensions and use of new materials had conserved the significance of the building.

Councillor R Blunt highlighted that many of the buildings included in the list were schools that, over the years, had been extended and changed to accommodate the usage required but the earliest part of the building still had special merit. He felt that it highlighted that the history of a building, even if it had been extended or altered over the years could justify its inclusion on the list of heritage assets.

Ms J Vallance raised concerns that inclusion on the list would encourage people to come into the grounds of the building, which would raise both security and health and safety issues, and that a disclaimer on the website would not discourage those with a keen interest from visiting.

Councillor R Blunt felt that the number of people who had the time to visit special houses was decreasing. He stated that in reality it was a special building and he was pleased that the Council was trying to protect these buildings and that it was an extension of the national listing.

70. ADOPTION OF LISTS OF LOCAL HERITAGE ASSETS

The Leader presented the report to Members.

He advised that Cabinet were being invited to adopt more than seventy buildings of local heritage and they had been arranged in to four thematic lists, adding that officers expected to present a further eight lists for adoption at a future date. He informed Members that some of the buildings in the district had special architectural and historic interest and were designated as listed building but there were also many others that although had a lesser degree of interest could be considered a local heritage asset.

He advised that local authorities were encouraged to recognise these buildings and that the lists had been subject to a six week public consultation, the responses of which were presented at appendix two.

The Leader also asked Cabinet to support an additional recommendation which would allow the Council to apply to add the war memorials at Measham and Ravenstone to the national heritage list.

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

RESOLVED THAT:

1. The four Thematic lists of Local Heritage Assets be adopted.
2. An application to add the war memorials at Measham and Ravenstone to the national heritage list be supported.

Reason for decision: Adoption of the four thematic lists of local heritage assets would support the aims of the Council Delivery Plan relating to sustainable development and growth and people feeling proud of their homes and communities.

71. MINUTES

Consideration was given to the minutes of the meeting held on 11 December 2018.

It was moved by Councillor R Blunt, seconded by Councillor N J Rushton and

RESOLVED THAT:

The minutes of the meeting held on 11 December 2018 be approved and signed by the Chairman as a correct record.

Reason for decision: To comply with the Constitution.

72. COUNCIL TAX BASE 2019/20

The Corporate Portfolio Holder presented the report to Members.

He informed Members that the authority was required to approve the calculation of the Council Tax Base for 2019/20 by 31 January 2019 and recommend to Council for approval. He advised that for the second year the growth estimates in respect of new properties had been included and that the grant scheme for town and parish councils had been reduced by 25% and that would continue to reduce until 2021/22. With respect of Business Rates, the NNDR 1 form would be completed by the Revenues and Benefits Partnership and submitted before the deadline, with approval to delegate authority to the Section 151 Officer to approve and submit the form. He was pleased to advise that the authority had been successful as part of the Leicester and Leicestershire business rate pilot bid.

It was moved by N J Rushton, seconded by Councillor R Blunt and

RESOLVED THAT:

1. The calculation of the Council Tax Base for each Parish and Special Expense area for the financial year 2019/20, as shown in appendix 2 to the report, be approved

and recommended to Council for adoption.

2. In accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 SI 2012/2914, the amount calculated by North West Leicestershire District Council as its Council Tax Base for the financial year 2019/20 shall be 33,678.
3. The amounts of Council Tax Support Grant for each Town and Parish Council detailed in appendix 3 be noted.
4. Cabinet noted the successful bid to become a Business Rate Pilot in 2019/20
5. Authority be delegated to the Section 151 officer to submit the calculations of Non Domestic rating income and other amounts required by the government by 31 January each year for the forthcoming financial year.

Reason for decision: To determine the Council Tax Base for the 2019/20 Financial Year.

73. PUBLIC SPACE PROTECTION ORDER (PSPO) IN RELATION TO THE RESTRICTION OF MOTOR VEHICLES IN AREAS OF SAWLEY, LOCKINGTON AND CAVENDISH BRIDGE

The Strategic Director of Place presented the report to Members.

He informed Members that the area of land in question was a hotspot for fly tipping and that Street Cleansing team had been visiting the site three times a week with 360 tonnes of waste being removed in November. He advised that a long term solution would be to erect a barrier to restrict vehicles access to the site but would still allow the Council access to carry out enforcement and a third party to operate the barrier.

He stated that a public consultation had been held and all feedback had been incorporated into plan.

It was moved by Councillor R Blunt, seconded by Councillor N J Rushton and

RESOLVED THAT:

The introduction of the Public Space Protection Order be approved.

Reason for decision: To put in place a restriction on unauthorised motor vehicles to reduce incidents of fly tipping and illegal encampments.

74. MINUTES OF THE COALVILLE SPECIAL EXPENSES WORKING PARTY

The Head of Community Services presented the report to Members.

He thanked the Working Party on behalf of the Cabinet for their hard work over the last calendar year. He informed Members that the Christmas event was well attended with pleasing comments noted through social media, however the group was looking to continually improve the event and therefore had agreed to engage with local businesses in how the event could be improved. He advised that it was recommended that the date for the 2019 Christmas event be 23rd November 2019.

He highlighted that work was progressing on the application for Green Flag Status for the park and that engagement would be carried out with residents to find a suitable solution for the former MUGA site at Lilliehammer Drive.

It was moved by Councillor R Blunt, seconded by Councillor R D Bayliss 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.

75. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

Reason for decision: To enable the consideration of exempt information.

76. MARLBOROUGH SQUARE REFURBISHMENT COSTS

The Leader presented the report to Members and invited Councillor J Legrys to address the meeting as ward member.

Councillor J Legrys addressed the meeting putting forward his concerns in relation to the report that was being considered.

Councillor R Blunt thanked Councillor J Legrys for addressing the meeting and detailing his concerns.

Members discussed the report in front of them.

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

RESOLVED THAT:

1. The progress made towards the redevelopment of Marlborough Square be noted.
2. The payment (as detailed in the appendix) to Leicestershire County Council for work carried out in relation to Marlborough Square be approved.

Reason for decision: Cabinet approval is needed to pay Leicestershire County Council for their costs including costs incurred by their contractor.

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.34 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 5 FEBRUARY 2019**

Title of report	GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGET PROPOSALS FOR 2019/20
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance and S151 Officer 01530 454707 tracy.bingham@nwleicestershire.gov.uk
Purpose of report	For Cabinet to agree 2019/20 General Fund and Special Expenses revenue budget proposals for recommendation to Council on 26 February 2019.
Reason for Decision	To enable the Council to set a balanced budget for 2019/20 as required by statute.
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 Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team 21 November 2018 Strategy Group 27 November 2018 Cabinet 11 December 2018 Policy Development Group, 9 January 2019 Trade Unions Federation of Small Businesses Parish and Town Councils
Background papers	None.
Recommendations	<p>THAT CABINET:</p> <p>1. NOTES THE ASSURANCE STATEMENT BY THE S151 OFFICER;</p> <p>THAT CABINET RECOMMENDS TO FULL COUNCIL THAT IT:</p> <p>2. APPROVES THE GENERAL FUND REVENUE BUDGET FOR 2019/20 AS SUMMARISED IN APPENDIX B</p> <p>3. APPROVES THE SPECIAL EXPENSES REVENUE BUDGET FOR 2019/20 AS SUMMARISED IN APPENDIX C</p> <p>4. FREEZES THE DISTRICT'S COUNCIL TAX IN 2019/20</p> <p>5. REQUIRES BUDGETED SURPLUS INCOME OVER EXPENDITURE IN 2019/20 TO BE TRANSFERRED TO THE SELF SUFFICIENCY RESERVE</p>

1.0 INTRODUCTION

- 1.1 The draft General Fund budget proposals for 2019/20 were considered and approved for consultation by Cabinet on 11 December 2018. The reports were subsequently shared with a number of groups, including the Policy Development Group on 9 January 2019. An extract of the minutes from the Policy Development Group meeting which includes comments made by members in respect of the proposals are included in Appendix D for Cabinet consideration.
- 1.2 This report summarises any changes made since the last Cabinet report and presents the responses to the budget consultation so that any final recommendations can be made to Council on 26 February 2019.

- 1.3 The Council's funding has been forecast in the context of the provisional Local Government Finance Settlement and continuation of the Governments four year settlement as announced on 13 December 2018.
- 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 facility and subsequent closure of the Hermitage centre was approved by Council on 21 November 2017. The procurement exercise to secure an operator to manage the council's existing leisure centres and to build a new facility and subsequently close the Hermitage facility has now concluded with a preferred bidder selected. The full details of the procurement process and successful bidder can be found in a separate report on the agenda for Cabinet on 5 February 2019. The budgetary forecasts in relation to the cost of the leisure centres has been based on the contracted revenue costs associated with running the leisure centres until transfer date, the ongoing costs that will 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. The council is required to make a management fee payment to the operator in the first three 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 management fee payable to the operator is included in the budget is now based on the preferred supplier.
- 1.6 As a result of Cabinet decision to apply for VAT exemption on the provision of sporting goods and services, the council is estimated to receive in the region of £1m in reclaimed VAT. The details of this reclaim and the intended use is covered in more detail in a separate report on this agenda. The final budget has been updated to include assumptions around the amount of reclaimed VAT and expenditure of this.
- 1.7 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 75% business rate retention. The successful Leicestershire bid was announced as part of the provisional Local Government Finance Settlement on 13 December. At the time of developing the bid, it was projected that Leicestershire could retain an additional £13.8m. At the time of writing this report, work is ongoing to finalise the council's own projections in respect of business rates in 2019/20 and similarly this is the same for all other Leicestershire authorities. However, it is predicted that the additional funds retained will exceed £13.8m. The budgeted position in respect of business rates for the council includes a provisional share of the additional rates pending agreement of the allocations between all District parties. Expenditure in line with the bid principles of support financial sustainability and infrastructure growth has also been included on this basis.
- 1.8 The Council's General Fund financial position is broadly made up of two elements and this report presents budgetary changes within this context:

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 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 third quarter Performance Report is due to be considered by Cabinet in April and will present outturn projections for the current year. A surplus of £1.1m 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 (£190k) and salary savings. Full details of the main variances to Quarter 2 can be found in the Quarter 2 Performance Management Report presented to Cabinet on the 11 December 2018. A full update in respect of further variances will be presented as part of the forthcoming Quarter 3 report due to be presented in April 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 9.

3.0 2019/20 NET REVENUE EXPENDITURE PROPOSALS

3.1 The Councils net revenue expenditure position is affected by three main elements which include: the revenue expenditure in relation to the provision of services 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.

3.2 For 2019/20, there has been an increase in net revenue expenditure for 2019/20 compared to 2018/19 of £1.5m, made up of budgetary pressures (increased expenditure or reduced income) and savings (increased income or reduced expenditure).

3.3 Budget proposals presented in this report have been considered and approved by the Corporate Leadership Team and are categorised as either:

3.3.1 Savings Challenge - Savings put forward as part of the organisational wide savings challenge to achieve savings of 2.5% (or £300k) in the net cost of delivering each General Fund service, including the net position of changes under the de-minimus level of £5k. In total, the budget holders put forward proposals with a combined value of £270k saving. De-minimus budget movements across the General Fund totalled a saving of £264k, taking the total reduction in the net cost of service to £534k.

3.3.2 Staffing increases – which include the cost of pay award, pension increases and incremental salary progression for 2019/20. The additional cost in 2019/20 of staffing is £396k.

3.3.3 Cost Pressure – additional budget provision to cover unavoidable cost pressures. The total of these is £353k and a breakdown is included in Appendix A.

3.3.4 Service Development – additional budget provision to cover enhancement of the service. The total value of service development proposals is £1.2m.

3.4 Since presentation of the draft budget to Cabinet in December, the following changes have been made:

Cost Pressures

3.4.1 Revenues and Benefits

Following the production of the draft budget by the Revenues and Benefits Partnership Management Board, an additional partner contribution is required of £26k by the council compared to the draft budget.

Since the draft budget, grant reductions have also been confirmed resulting in additional cost pressures:

- The Department of Work and Pensions (DWP) have confirmed the Administration Subsidy Grant for 2019/20 and there is a reduction of £24k compared to 2018/19.
- There is also an estimated reduction in the Local Council Tax Scheme (LCTS) Admin Subsidy payable by Ministry of Housing, Communities and Local Government (MHCLG) of £6k.

3.4.2 Finance – Additional Licence Fees

The software provider of the council's finance system increased the licence fees from October 2018. The draft budget only included the increase for 6 months, an additional £13k has been included in the final budget to reflect the full year increase.

3.4.3 Brexit Contingency

A £10k one-off contingency has been included within the budget to cover any additional costs to the council in the preparation of the UK's exit from the European Union.

3.4.4 **Insurance**

The draft budget for insurance provision did not reflect the annual price increase or to the transfer of the leisure centres from May 2019. The net effect is an increase of budget of £9k.

3.4.5 **Net Financing Costs**

Further analysis undertaken since the December Cabinet report has identified that the net financing costs for 2019/20 will represent an additional cost of £12k, which represents an extra £3k from the draft budget presented.

Service Developments

3.4.6 **Leicester and Leicestershire Enterprise Partnership (LLEP)**

A budget provision of £450k for the purposes of match funding up to two LLEP bids to support local town centres. For example, some of this funding could be utilised to support Kegworth in the redesign of the town centre following the bypass works.

3.4.7 **Financial Sustainability and Infrastructure**

As detailed in paragraph 1.7, the council is taking part in a 1 year pilot of 75% retention of business rates. An expenditure budget of £550k has been included within the final budget to cover costs associated with activities that meet the definitions of 'financial sustainability and infrastructure', in line with the bid principles of the Leicestershire business rate pilot bid. A corresponding increase in business rate income has also been factored in as per 4.4 below and as such this has a nil impact on the budget.

Other Changes Affecting Net Cost of Services

3.4.8 **Staffing**

Since the December budget an additional £45k of staffing costs have been identified, of which £39k relates to the change in policy that requires additional holiday pay to be paid to staff who undertake paid overtime.

3.4.9 **Leisure**

As detailed in paragraph 1.5, the council now has the details of the management fee payable to the preferred supplier. An additional £206k has been included in the final budget to reflect the actual fee payable in 2019/20. The full details of the procurement process and successful bidder can be found in a separate report on the agenda for Cabinet on 5 February 2019.

3.4.10 **VAT Reclaim**

As detailed in paragraph 1.6, the council is estimated to receive in the region of £1m in reclaimed VAT. The details of this reclaim and the intended use is covered in more detail in a separate report on this agenda. The final budget has been updated to include assumptions around the amount of reclaimed VAT and expenditure of this. This has a nil impact on the budget.

3.4.11 **De-minimus service developments**

Additional service developments and budgetary pressures of £5k and below, identified following the December Cabinet meeting, totalling £21k.

3.5 A full breakdown of proposals showing the movement from the 2018/19 budgeted position can be found in Appendix A.

4.0 2019/20 FUNDING

4.1 The provisional local government finance settlement was announced on 13 December 2018 and confirmed the level New Homes Bonus, Revenue Support Grant and the tariff and levy charges against business rates to be retained by the Council. As detailed in paragraph 1.7 the settlement also included the successful outcome of the Leicestershire-wide bid to become a Business Rate pilot. Budgetary estimates below are therefore based on the 4 year settlement and other assumptions as detailed below.

4.2 For 2019/20 there is an estimated increase in total funding of £1.4m.

4.3 The Council will receive nil Revenue Support Grant in 2019/20 as per the 4 year settlement.

4.4 Forecast Business Rates income for 2019/20 has been estimated based on the period 9 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 has now submitted its final projections of Business Rates for 2019/20 to the Government and this information has been used to determine the final budget position. As per paragraph 3.4.7 above, an indicative £550k share of the circa £13.8m additional rates to be retained in Leicestershire to cover 'Financial Sustainability and Infrastructure' demands has also been included. In addition, a marginal gain of £30k compared to original forecasts is also included. The budgeted position for Business Rates in 2019/20 therefore now stands at £6.4m.

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 £168k. 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 budgeted level of Council tax income now been assessed on the approved council tax base which includes the level of anticipated housing growth in 2019/20 and a non-collection rate of 2%. This has resulted in an additional £45k worth of council tax income in addition to the £86k projected as part of the draft budget. The total increase of £131k therefore takes the council tax budget from £5.2m for the 2018/19 year to £5.3m for the 2019/20 year.

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 2019/20 has reduced by £199k from £289k to £90k. This is a favourable change of £26k compared to the draft budget submitted to Cabinet in December 2018. 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.

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. The Government had previously 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 had been assumed as part of the council's draft budget that

the baseline will be increased to 0.6% for 2019/20. The provisional settlement confirmed that the baseline would be maintained at 0.4% and therefore there is an additional £72k in addition to the increase of £91k in New Homes Bonus funding in 2019/20 compared to 2018/19. The total budget for 2019/20 therefore stands at £3.1m compared to £2.9m in 2018/19.

5.0 2019/20 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 £161k. Subject to 2018/19 outturn this surplus position will take the Self-Sufficiency Reserve from an estimated £3.9m at 31 March 2019 (as per paragraph 2.1), to £4m 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. However, the contribution to/from reserves has changed from a contribution to reserves of £13k to a contribution from reserves of £14k, a net effect of £27k. Further information to available in the Finance Update reports to the Coalville Special Expenses Working Party.

6.2 For 2019/20, the expenditure budget has increased by £23k as a result of service management increases (£5k), grounds maintenance increases (£16k) which includes an additional site at Lillehammer drive, events (£2k), motor vehicle activated signs (£3k) and a reduction in cemetery income (£7k), partly offset by reduced general repairs and operational purchases budgets for Coalville park and recreation grounds (-£10k).

7.0 MEDIUM TERM FINANCIAL STRATEGY

7.1 The Council's Medium Term Financial Strategy 2019-2024 (MTFS) is presented to members as a separate agenda item at this meeting for approval.

7.2 The MTFS has been updated following the announcement of the provisional local government settlement for 2019/20 and the business rates pilot. The MTFS provides the potential likely impact of the outcome of the Fair Funding Review and the 75% business rates retention scheme, alongside proposals to increase the self-sufficiency by reducing reliance on government grants in the future.

7.3 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.

7.4 Given the expenditure proposals and assumptions around funding presented as part of this report, the forecast deficit between 2019-2024 is now £5.2m. As detailed in paragraph 5.1 above, the Self-Sufficiency reserve is forecast to stand at £4m as at March 2020.

7.5 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 deadline for responses to the consultation from trade unions, Town and Parish Councils and the Federation of Small Businesses is the 4 February. At the time of writing the report, no responses have been received, and any responses received by the deadline will be brought as an additional paper to the meeting.
- 8.2 The Cabinet paper of the 11 December, containing the draft budget proposals were presented to the Policy and Development Group on 9 January 2019. The comments of the Policy Development Group are included in an extract of the draft minutes attached at Appendix D.

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 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 £5.2m. By March 2020, the council's Self-Sufficiency reserve is forecast to stand at £4m, 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

Savings Challenge

Proposal Title	Amount	One-off / Ongoing
External Audit Fees - Annual Accounts - reduction in annual external audit fees payable, an overall saving of 23%	-£6,618	Ongoing
External Audit Fees - Annual External Grants Audit - reduction in annual external audit fees payable in relation to grant claims, an overall saving of 47%	-£7,180	Ongoing
ICT Licences - reduction in the Microsoft licences payable less increases for Skype licences and new telephony and unified communications platform	-£22,418	Ongoing
Internal Audit staffing costs - reduction of agency costs	-£6,210	One-off
Investment Income - forecast increase in the amount of interest received on investments	-£43,150	Ongoing
Legal - external legal fees - reduction in budget based on current year expenditure levels	-£5,000	One-off
Legal Practice Manager/Commercial Property Solicitor - changes to staffing structure within legal services	-£3,480	One-off
Licensing - taxi licences - additional income from increased number of driver and vehicle licences issued	-£12,000	Ongoing
Licensing Act 2003 (alcohol and entertainment) - additional income from increased number licences issued	-£10,000	Ongoing
Localisation of Council Tax Support Grant - reduction of support offered to Parish Councils as per the January 2017 Cabinet report	-£25,192	Ongoing
Planning Appeals - Legal and Technical Support - reduction in budget based on current year expenditure levels	-£20,000	Ongoing
Recycle More - additional income from the sale of materials due to a forecast increase in recycling rates	-£30,000	Ongoing
Removal of contribution to Waste Partnership - there is no longer a waste partnership to contribute to	-£10,000	Ongoing
Trade Refuse Increased Income - additional income due to the income of fees by 3.66% and forecasted increase in customer base	-£28,290	Ongoing
Democratic Services – Staffing savings - deletion of Electoral Services Assistant and Apprentice Posts and creation of new Electoral Services Support Officer	-£35,180	Ongoing
Swanning Depot - reduction in NNDR charge due to the demolition of the depot	-£5,650	Ongoing
Total	-£270,368	

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	£12,182	Ongoing
Choice Based Lettings Advertising fees	£9,300	Ongoing
Revenues and Benefits External Audit Fees	£5,130	One-off
Revenues and Benefits – Additional Contribution to the Partnership	£26,390	Ongoing
Revenues and Benefits – Reduction in Benefits Admin Subsidy Grant	£24,340	Ongoing
Revenues and Benefits – Reduction in Council Tax Admin Subsidy Grant	£5,800	Ongoing
Finance – Additional licence fees in relation to the Total system	£13,420	Ongoing
Contingency for Brexit	£10,000	One-off
Insurance – increase in premium	£9,960	Ongoing
TOTAL	£353,812	

Service Developments Proposals

Proposal Title	Amount	One-off / Ongoing
HS2 Consultancy	£100,000	3 years
CLT/ELT Training	£50,000	One-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
Financial Sustainability and Infrastructure	£550,000	One-off
LLEP Match Funding	£450,000	One-off
TOTAL	£1,222,100	

Other Changes affecting the Net Cost of Services

Savings in 2019/20 in corporate support as a result of outsourcing of leisure centres	-£98,812	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	£396,570	Ongoing
De-minimus budgetary changes (changes below £5k)	-£264,292	Ongoing
Savings Challenge (*detailed in table below)	-£270,368	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).	£181,480	Ongoing
TOTAL	-£55,422	

Funding Changes

Proposal Title	Amount	Movement	One-off / Ongoing
Reduction in Revenue Support Grant	£235,000	Funding reduction	
New Homes Bonus growth as a result of growth in homes in District	-£163,535	Increased funding	Ongoing
Reduction in forecast Collection Fund Surplus	£199,288	Funding reduction	Ongoing
Council Tax Growth as a result of growth in homes	-£130,987	Increased funding	Ongoing
Additional Business Rates funding as a result of increase in rates and anticipated business growth	-£1,522,742	Increased funding	Ongoing
TOTAL	- £1,382,976		

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL SUMMARY BUDGET 2019/20

2018/19 Budget £	2018/19 Forecast Outturn @P9 £	Service	2019/20 Budget £	2020/21 Indicative £	2021/2022 Indicative £	2022/23 Indicative £	2023/24 Indicative £
287,370	285,340	Chief Executive	285,630	292,150	299,110	306,500	313,550
527,000	536,220	Human Resources	674,330	642,120	626,900	640,650	654,560
1,309,030	1,235,090	Legal & Support Services	1,339,580	1,335,350	1,369,220	1,402,580	1,439,020
2,123,400	2,056,650	Total Chief Executive's Department	2,299,540	2,269,620	2,295,230	2,349,730	2,407,130
341,360	273,958	Strategic Director of Place	349,470	358,790	368,700	378,860	388,930
5,590,570	5,775,808	Community Services	5,984,670	5,751,380	5,851,670	5,771,690	5,685,170
434,910	224,210	Regeneration & Planning	391,160	258,780	273,690	301,730	519,260
742,630	685,680	Economic Development	1,299,470	850,970	866,560	778,300	785,280
8,080	8,080	Joint Strategic Planning	7,850	8,090	8,340	8,600	8,850
7,117,550	6,967,736	Total Director of Services	8,032,620	7,228,010	7,368,960	7,239,180	7,387,490
485,310	519,520	Strategic Housing	518,310	539,520	554,470	569,800	584,920
162,700	95,720	Property Services	170,770	122,430	130,520	139,150	147,200
2,194,870	2,180,590	Customer Services	2,431,670	2,501,690	2,584,900	2,663,280	2,742,910
875,560	892,310	Finance	922,790	943,900	967,590	992,950	1,019,930
3,718,440	3,688,140		4,043,540	4,107,540	4,237,480	4,365,180	4,494,960
296,770	117,300	Other (Director of Resources, Customer Team Manager, Performance)	0	0	0	0	0
9,580	14,920	Non Distributed - Revenue Expenditure on Surplus Assets	9,840	9,890	9,940	9,990	10,040
77,810	234,470	Non Distributed - Retirement Benefits	77,510	79,300	81,140	83,030	84,960
44,600	22,350	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	(21,610)	-91,260	-91,260	-91,260	-91,260
13,388,150	13,101,566	NET COST OF SERVICES	14,476,960	13,641,520	13,938,600	13,996,050	14,332,070
(1,273,160)	(1,434,890)	Net Recharges from General Fund	(1,320,350)	(1,347,810)	(1,377,210)	(1,407,250)	(1,436,450)
12,114,990	11,666,676	NET COST OF SERVICES AFTER RECHARGES	13,156,610	12,293,710	12,561,390	12,588,800	12,895,620
		CORPORATE ITEMS AND FINANCING					
		Corporate Income and Expenditure					
1,080,408	1,013,697	Net Financing Costs	1,092,590	1,447,475	2,182,072	2,442,822	2,449,529
(145,300)	(229,400)	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
		Financial Sustainability and Infrastructure	550,000	0	0	0	0
13,204,149	12,605,024	NET REVENUE EXPENDITURE	14,724,639	13,682,871	14,756,585	15,044,745	15,358,272
298,604	1,087,915	Contribution to/(from) Balances/Reserves	161,090	370,129	(1,029,585)	(2,087,806)	(2,612,496)
13,502,753	13,692,939	MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	14,885,729	14,053,000	13,727,000	12,956,939	12,745,776

2018/19 Budget £	2018/19 Forecast Outturn @P9 £	Service	2019/20 Budget £	2020/21 Indicative £	2021/2022 Indicative £	2022/23 Indicative £	2023/24 Indicative £
		Financed By					
235,000	235,000	Formula Grant	0	0	0	0	0
2,904,589	2,904,589	New Homes Bonus	3,068,124	2,418,000	1,887,000	891,000	0
289,160	289,160	Transfer from Collection Fund	89,872	32,000	0	0	0
5,209,670	5,209,670	Council Tax	5,340,657	5,436,000	5,554,000	5,665,000	5,784,000
4,864,334	5,054,520	National Non-Domestic Rates Baseline	6,387,076	6,167,000	6,286,000	6,396,000	6,498,000
		Assumed Transition Funding	0	0	0	4,939	463,776
13,502,753	13,692,939	TOTAL FUNDING AVAILABLE	14,885,729	14,053,000	13,727,000	12,956,939	12,745,776

SPECIAL EXPENSES BUDGET SUMMARY

SPECIAL EXPENSES	2018/19		2019/20	2020/21	2021/22	2022/23	2023/24
	Budget	Forecast Outturn @ P9	Budget	Indicative	Indicative	Indicative	Indicative
	£	£	£	£	£	£	£
COALVILLE							
Parks, Recreation Grounds & Open Spaces	283,110	286,332	284,710	291,900	298,040	304,310	310,400
Broomley's Cemetery	14,960	29,295	20,630	21,040	21,470	21,930	22,360
One Off Grants	2,000	2,000	2,000	2,000	2,000	2,000	2,000
CV Public Conveniences & Vehicle Activated Signs	550	1,137	3,510	3,580	3,650	3,720	3,790
Coalville Commemorative Scheme (WW1)	0	8,000	0	0	0	0	0
Coalville Events	58,960	61,000	61,370	61,830	62,270	62,730	63,190
	359,580	387,764	372,220	380,350	387,430	394,690	401,740
WHITWICK							
Cemetery	13,580	11,709	14,370	14,670	14,990	15,300	15,620
Grass Verge Cutting	640	636	660	670	680	690	700
	14,220	12,345	15,030	15,340	15,670	15,990	16,320
HUGGLESCOTE							
Cemetery	17,660	18,762	21,460	21,910	22,360	22,830	23,290
	17,660	18,762	21,460	21,910	22,360	22,830	23,290
PLAY AREAS/CLOSED CHURCHYARDS							
GROUND MAINTENANCE:							
OSGATHORPE	370	364	380	390	400	410	420
COLEORTON	3,390	3,387	3,490	3,560	3,640	3,720	3,800
RAVENSTONE	370	364	380	390	400	410	420
MEASHAM	1,930	1,930	1,990	2,030	2,070	2,110	2,150
LOCKINGTON-CUM-HEMINGTON	1,900	1,898	1,960	2,000	2,040	2,080	2,120
OAKTHORPE & DONISTHORPE	3,940	3,934	4,050	4,130	4,220	4,310	4,400
STRETTON	1,380	1,382	1,420	1,450	1,480	1,510	1,540
APPLEBY MAGNA	1,660	1,662	1,710	1,740	1,780	1,820	1,860
OTHER SPECIAL EXPENSES	14,940	14,921	15,380	15,690	16,030	16,370	16,710
SPECIAL EXPENSES (NET COST OF SERVICE)	406,400	433,792	424,090	433,290	441,490	449,880	458,060
Service Management recharges	106,270	106,270	111,540	113,780	116,150	118,560	120,930
NET COST OF SERVICES AFTER RECHARGES	512,670	540,062	535,630	547,070	557,640	568,440	578,990
Contribution to/(from) Balances/Reserves	13,930	(13,462)	4,074	1,206	(638)	(2,556)	(4,063)
MET FROM GOVT GRANT & COUNCIL TAX (Budget Requirement)	526,600	526,600	539,704	548,276	557,002	565,884	574,927
FUNDED BY:							
Precept	463,097	463,097	476,201	484,773	493,499	502,381	511,424
Localisation of Council Tax Support Grant	63,503	63,503	63,503	63,503	63,503	63,503	63,503
	526,600	526,600	539,704	548,276	557,002	565,884	574,927

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EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Houlst, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

40. DRAFT 2019/20 GENERAL FUND AND SPECIAL EXPENSES REVENUE BUDGETS

The Head of Finance presented the report to Members.

Councillor N Smith congratulated the Portfolio Holder and the Finance Team for another strong budget with no increase in council tax, as well as the planned investment in recycling.

The Chairman thanked the Portfolio Holder and the Leader of the Council for attending the meeting.

In response to a question from Councillor S Sheahan, the Head of Finance stated that the additional £5,000 contribution for Citizens Advice was put forward by the Team Manager following discussions with the Citizens Advice Bureaux. It was agreed for the Finance Team Manager to provide further information to Councillor S Sheahan outside of the meeting. The Strategic Director of Housing and Customer Services commented that the HRA Budget Proposals contained an additional investment to fund a support worker to work with residents experiencing financial hardship.

Regarding the budget proposal for no increase in council tax, Councillor S Sheahan commented that there was no indication as to the amount of money that could be received if there was an increase. The Head of Finance explained that in line with legislation, the most the Council tax could be increased by (without a local referendum) is 2.99 percent and referred to paragraph 4.5 of the report where the impact of not increasing council tax is outlined.

Councillor A C Saffell asked why there had been an increase in staff numbers when the issue regarding the use of agency staff and the rising staffing costs had been raised in the last financial year. The Head of Finance explained that the figures detailed in the report were all committed costs for yearly progression through salary bands, pensions and cost of living increases. It was agreed for the Finance Team Manager to provide Councillor A C Saffell with further details regarding the committed staffing costs and an update on permanent / agency staff numbers. The Strategic Director of Housing and Customer Services commented that staff numbers may increase in areas such as Housing Repairs where planned maintenance programmes have been taken back in-house.

Councillor T Eynon raised concerns that there had been no expenditure against the self-sufficiency fund since it was set up. The Portfolio Holder explained that as there was so much financial risk, it was prudent to save the funds for when it was needed. The Head of Finance added that a future deficit had been predicted and therefore she was reluctant to

utilise the fund until that time. The Strategic Director of Housing and Customer Services commented that the Commercial Strategy had been approved by Cabinet in October 2018, and income generating proposals may come forward in the coming months which could be financed from this fund.

Councillor T Eynon expressed surprise that the Council was required to make a management fee payment to the leisure service provider in the early years of the project and was concerned about whether the predicted £100,000 saving with the project could be made. The Head of Finance explained that the saving was in relation to the corporate overheads and the management fee payments were something that had become known during the bidding process.

Councillor S Sheahan asked that the points raised by Councillor T Eynon regarding the leisure project be addressed and made clear to Members at the upcoming leisure project briefing. The Strategic Director of Place agreed.

Councillor R Ashman felt it was a good clear report and was pleased alternative ways were being sought to generate income.

It was moved by Councillor R Ashman, seconded by Councillor G Hault and

RESOLVED THAT:

Comments made by the Policy Development Group be provided to Cabinet when it meets on 5 February to consider the Draft 2019/20 General Fund and Special Expenses Revenue Budgets.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY 5 FEBRUARY 2019**

Title of report	HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS FOR 2019/20
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Councillor Roger Bayliss 01530 411055 roger.bayliss@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance and Section 151 Officer 01530 454707 tracy.bingham@nwleicestershire.gov.uk
Purpose of report	To seek approval of the 2019/20 Housing Revenue Account (HRA) Budget.
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 Deputy Monitoring Officer	Report is satisfactory
Consultees	Corporate Leadership Team (CLT). Policy Development Group - 7 January 2019
Background papers	Housing Revenue Account (HRA) Budget Proposals for 2019/20
Recommendations	<p>THAT CABINET:</p> <p>A. NOTE THE ASSURANCE STATEMENT BY THE S151 OFFICER; AND</p> <p>B. RECOMMEND THE COUNCIL APPROVE THE FOLLOWING CHANGES TO RENTS AND CHARGES FOR 2019/20:</p> <ul style="list-style-type: none"> a. DECREASE COUNCIL HOUSE RENTS BY 1%; b. INCREASE SERVICE CHARGES BY AN AVERAGE OF 7.96%; c. MAINTAINING CENTRAL HEATING CHARGES AT THEIR CURRENT LEVELS; d. INCREASE GARAGE RENT BY 3.3%, IN LINE WITH RETAIL PRICE INDEX (RPI) INFLATION; e. INCREASE APPLEBY MAGNA CARAVAN PARK GROUND RENT BY 3.3% ON THE ANNIVERSARY OF EACH INDIVIDUAL RENT AGREEMENT, IN LINE WITH RPI; f. INCREASE LIFELINE CHARGES FOR EAST MIDLANDS HOUSING AND PRIVATE CUSTOMERS BY 3.3%, IN LINE WITH RPI; AND g. INCREASE SHOP LEASES BY AN AVERAGE OF 14% TO GRADUALLY MOVE THEM TO MARKET LEVELS.

	<p>C. RECOMMEND THE COUNCIL APPROVE THAT SUFFICIENT SURPLUS HOUSING REVENUE IS PAID INTO THE LOAN REDEMPTION RESERVE IN ORDER TO REPAY THE 2022 LOAN COMMITMENTS.</p> <p>D. THAT CABINET RECOMMENDS COUNCIL TO NOTE THE REVISED TREASURY MANAGEMENT APPROACH SET OUT IN SECTION 2.</p> <p>E. THAT CABINET AUTHOURISES THE DIRECTOR OF HOUSING AND CUSTOMER SERVICES, IN CONSULTATION WITH THE PORTFOLIO HOLDER FOR HOUSING, TO MAKE ANY MINOR AMENDMENTS NEEDED TO THE 2019/20 HRA BUDGET TO ALIGN WITH ANY GOVERNMENT GUIDANCE ON THE MATTER DESCRIBED IN PARAGRAPH 4.5 ISSUED AFTER BUDGET APPROVAL.</p>
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1.0 INTRODUCTION

- 1.1 The Housing Revenue Account (HRA) budget for 2019/20 is set out in Appendix A. The Cabinet approved the draft budget for consultation on 11 December 2018. The consultation has been completed with details of the outcome in section 7 of this report. This included review by the Policy Development Group and the minute can be found in Appendix E. It resulted in no change to the 2019/20 budget. We have updated the 2018/19 position with the latest available figures in this report.
- 1.2 The budget has 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 2020/21 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 9 shows a surplus of £3.308m resulting in an increase to the forecast surplus of £362,000. 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 £12.7m. 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, until the loan repayment reserve has sufficient capacity to meet the repayments.

- 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 was presented to members formally as part of the Treasury Management Strategy Statement for 2019/20 at Cabinet in December 2018 and will be presented to Council alongside this paper.

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, and are broken down in Appendix B.
- 3.4 For 2019/20, the level of revenue contribution to capital outlay (RCCO) will be £1.7m.
- 3.5 We have updated our 2018/19 forecast figures with our latest estimate of outturn since we first presented the budget to Cabinet on 11 December. This has increased our forecast surplus in 2018/19 by £92k. We have also reflected this in the 2019/20 budget by reducing estimated expenditure by £28k.
- 3.6 As a result, the draft budget for 2019/20 is estimated to produce an operating surplus of £0.1m, after making a contribution of £1.3m to the debt repayment reserve, which will take total estimated HRA balances at 31 March 2020 to £14.1m. The HRA working balance will be £1.1m 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 (the Act) required annual 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 Rent is due weekly on a Monday and an additional Monday falls in the 2019/20 financial year compared to normal. This has raised questions within Local Government on whether the additional rent payment breaches the 1% annual rent reduction required by the Act and whether tenants receiving Universal Credit will be covered by the additional payment. We are continuing to monitor the ongoing discussions between the Ministry of Housing, Communities and Local Government, the Department for Work and Pensions and the Local Government Association regarding this. We have not updated the budget given the uncertainty around this issue but we do not expect a material change in the budget as a result. We are therefore seeking delegated authority for the Strategic Director of Housing and Customer Services, in consultation with the Portfolio holder for Housing, to make any minor amendments to the budget in the event of Government guidance on the matter being issued post budget approval.
- 4.6 Earlier this year the Government announced a new 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.
- 4.7 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, and reflects improved performance on re-letting empty homes.
- 4.8 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 forecast to be £20k less than budgeted for in 2018/19.
- 4.9 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 loan 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 will be required to fund new development for affordable rent (and no Homes England 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 currently forecast 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 planning agreements, 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 OUTCOME OF CONSULTATION PROCESS

- 7.1 The draft HRA budget has been shared with tenants in the following ways:
- published on the Council's website. One comment was received from a tenant via Facebook commenting that their service charge was increasing when the number of washing machines at their site had decreased.
 - presented to the Policy Development Group on 9 January 2019. Minutes are attached in Appendix E.
 - presented to the Performance and Finance Working Group (the Council's Resident Involvement technical finance working group) on 10 January 2019. They were happy to support the budget proposals.
- 7.3 As no material comments were made, the budget remains the same as reported to Cabinet in December 2018.
- 7.4 The draft budget is due to be considered by the Tenant and Leaseholders Consultation Forum on 28 January 2019. We will report any material concerns orally.

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		2019/2020
		Budget £	Forecast (p9) £	Estimate £
	HOUSING REVENUE ACCOUNT			
1.	TOTAL REPAIRS & MAINTENANCE	5,505,420	5,342,470	5,365,350
	SUPERVISION & MANAGEMENT			
2.	General	2,156,750	2,001,790	2,134,230
3.	Special / Supporting People	530,830	602,770	559,550
4.		2,687,580	2,604,560	2,693,780
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	11,187,430	11,301,070
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	20,120
16.	TOTAL INCOME	17,634,340	17,702,070	17,648,860
17.	NET COST OF SERVICES	-6,200,940	-6,514,640	-6,347,790
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	-132,590	-108,550
21.	PREMATURE LOAN REDEMPTION PREMIUMS	7,060	7,060	7,060
22.		3,305,530	3,257,560	3,280,680
23.	NET OPERATING EXPENDITURE	-2,895,410	-3,257,560	-3,067,110
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	-1,749,270
27.	NET (SURPLUS) / DEFICIT	-2,946,140	-3,308,290	-1,417,840
	HRA BALANCES			
28.	Balance Brought Forward	-1,000,000	-1,000,000	-1,000,000
29.	(Surplus)/Deficit for Year	-2,946,140	-3,308,290	-1,417,840
30.	Transfer to Loan Repayment Reserve	2,946,140	3,308,290	1,307,228
31.	HRA General Balance as at year end	-1,000,000	-1,000,000	-1,110,612
32.	Loan Repayment Reserve balance	-11,196,204	-11,692,772	-13,000,000
33.	Total HRA Balance	-12,196,204	-12,692,772	-14,110,612

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
Total			-£1,012,109	

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Investments / Reduction in Income

Ref	Team	HRA Investments Bid Title	Value	RAG
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
Total			£854,827	

APPENDIX C

COMPARISON OF 2018/19 AND 2019/20 HOUSING CHARGES							
	2018/19		2019/20				
Chargeable Service	Actual Income 2018/19	Charge	Income Estimates 2019/20	Increase/ (Decrease)	Percentage Change	Charge	Basis of Increase
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: £7.75 p.w., 1 Bed: £9.34 p.w., 2 Bed: £10.72 p.w., 3 Bed: £12.32 p.w.	£84,550	£0	0.00%	0 Bed: £7.75 p.w. 1 Bed: £9.34 p.w. 2 Bed: £10.72 p.w. 3 Bed: £12.32 p.w.	Based on market assessment of predicted increases in utility costs during 2018/19 and 2019/20.
Garage & Garage Site Rent	£79,484	Garage: £6.68 p.w. Site: £4.28 p.w.	£72,761	£6,723	-8.46%	Garage: £6.91 p.w. Site: £3.43 p.w.	September 2018 RPI increase in line with previous years
Appleby Magna Caravan Site Rent	£16,527	Site: £33.23 p.w.	£13,756	-\$2,771	-16.77%%	Site: £34.39 p.w.	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 £7.41 p.w.	£51,961	£0	0.00%	Premiums from £0.36 to £7.41 p.w.	No increase, but assumes IPT will be unchanged.
Lifelines for private customers	£119,310	£3.95 p.w. basic, £5.95 p.w. enhanced	£123,247	£3,937	3.30%	£4.08 p.w. basic, £6.15 p.w. 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 p.w.	£41,829	£1,336	3.30%	Various depending on scheme but average increase from £2.99 to £3.09 p.w.	September 2018 RPI increase in line with previous years
Total Services	£920,774		£960,283	£39,509	4.29%		

NWLDC Housing Revenue Account Loan Schedule

NWLDC - HRA Self Financing loans taken up 26/03/12
PAYMENT PROFILE - PRINCIPAL AND INTEREST

Loan Type	Principal	Loan Period (Years)	Interest Rate
Maturity (2042)	10,000,000	30	3.5
Annuity (2032)	10,000,000	20	2.57
Maturity (2022)	10,000,000	10	2.4
Maturity (2022)	3,000,000	10	2.4
Annuity (2027)	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
	76,785,000		

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

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EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hoult, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

41. 2019/20 HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS

The Head of Finance presented the report to Members.

In response to a question from Councillor J Geary, the Strategic Director of Housing Customer Services explained that the laundry room service charges had been increased, as they had been very low for some time and previously did not recover the costs being incurred. He added that new equipment had been installed and a consultation carried out with the users indicated that they were willing to pay the increase in charges for improved facilities. Councillor T Eynon believed that there was an acceptance from residents in sheltered schemes as they were happy to pay more for better facilities.

Councillor J Geary did not agree with the increase in shop leases at a time when the Council should be encouraging small businesses to remain open. The Portfolio Holder stated that the increase was to gradually bring the charges in line with the market rate. The Strategic Director of Housing and Customer Services added that the leases had been frozen at the previous rate for decades and was not near the market rate. There had been no objection from the business owners to the increases, which have been phased in since 2015.

Councillor S Sheahan was disappointed with the decision to increase the shop leases. He understood that the Council was a business but felt that these small shops should be supported as much as possible, especially as some of these businesses were the only local shops available to residents in some areas.

It was moved by Councillor P Purver, seconded by Council G Hoult and

RESOLVED THAT:

Comments made by the Policy Development Group be provided to Cabinet when it meets on 5 February to consider the 2019/20 Housing Revenue Account (HRA) Budget Proposals.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 5 FEBRUARY 2019

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

Transformational Government	The programmes attached are integral to delivering better services
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team and budget holders; Cabinet 11 December 2018 and Policy Development Group 9 January 2019
Background papers	<p>Delegation and Collaboration Agreement in relation to the Lightbulb Programme – Cabinet 16 January 2018</p> <p>Provision of Funding to Upgrade Fire Alarm and Door Entry Systems to the Council Office Building – Cabinet 11 December 2018</p>
Recommendations	<ol style="list-style-type: none"> 1. THAT THE ESTIMATED GENERAL FUND, COALVILLE SPECIAL EXPENSES AND H.R.A. CAPITAL OUTTURN FOR 2018/19 AND PLANNED FINANCING BE NOTED AT APPENDICES A, B AND C 2. THAT COUNCIL BE RECOMMENDED TO APPROVE THE CAPITAL PROGRAMMES IN 2019/20 DETAILED IN: <ul style="list-style-type: none"> • APPENDIX A - GENERAL FUND CAPITAL SCHEMES • APPENDIX B – SPECIAL EXPENSES CAPITAL SCHEMES • APPENDIX C - H.R.A. CAPITAL SCHEMES <p>AND IN 2020/21, THESE SCHEMES ONLY:</p> <ul style="list-style-type: none"> • £1,150,000 FOR THE VEHICLE REPLACEMENT PROGRAMME, AS DETAILED IN PARAGRAPHS 3.6.1 TO 3.6.6 3. 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

	<p style="text-align: center;">PLACE IN CONSULTATION WITH THE PORTFOLIO HOLDER, SUBJECT TO FINAL APPROVAL OF THE CAPITAL PROGRAMMES IN FEBRUARY 2019.</p> <p>4. THAT MEMBERS APPROVE THE 2019/20 CAPITAL STRATEGY INCLUDED IN APPENDIX E, IN LINE WITH THE PRUDENTIAL CODE.</p>
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1.0 INTRODUCTION

- 1.1 Cabinet considered the draft capital programmes report on 11 December 2018. This was followed by a report to the Policy Development Group on 9 January 2019. The minutes of the meeting are included as Appendix D for Cabinet consideration.
- 1.2 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 are presented to members at the same meeting as this report.
- 1.3 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.
- 1.4 Appendix "A" shows the General Fund estimated outturn for 2018/19 and the proposed Capital Programme for 2019/20 to 2023/24.
- 1.5 Appendix "B" shows the Special Expenses estimated outturn for 2018/19.
- 1.6 Appendix "C" shows the H.R.A. estimated outturn for 2018/19 and the proposed Capital Programme for 2019/20 to 2023/24.
- 1.7 There have been two adjustments to the Capital Programme since the previous report presented to Cabinet on 11 December 2018 and PDG on January 9 2019. These changes have been incorporated to present the most current reported position.
- Amalgamation and acceleration of the 'fire alarm' and 'replacement COTAG system' from 2019/20 to 2018/19 (£108,000) reported to Cabinet in the 'Provision of Funding to Upgrade Fire Alarm and Door Entry Systems to the Council Office Building' on 11 December 2018; and
 - The Leisure Project was included within the draft capital programme at £19.475m. This has now been separated into two projects to enable officers to monitor it as distinct schemes and updated to reflect the financial information within the final tender bid. - being the new Coalville leisure centre (£23.172m) and Hood park Leisure Centre, Ashby (£1.199m). Further information is available within the 'Confirmation of the Appointment of the Successful Bidder of the Sports and Leisure Project' report on the same agenda

as this report. The General Fund Revenue Budget has also been updated to reflect the revenue implications and there is a separate item on the agenda.

- 1.8 In line with the Prudential Code 2017 there is a requirement for members to approve a Capital Strategy alongside the Capital Programme for the forthcoming year. The Strategy sets out the Council priorities and approach to capital investment and financing decisions can be aligned with the Council's capital investment and financing decisions can be aligned with the Council's corporate priorities over a medium term (five year) planning timeframe. The draft Capital Strategy can be found in Appendix E.

2.0 GENERAL FUND - ESTIMATED OUTTURN 2018/19

- 2.1 The projected outturn for 2018/19 on General Fund schemes totals £6,406,789. This is a managed increase of £3,269,536 on the original budget for the year of £3,137,253.

- 2.2 This managed increase is caused by the following:

Schemes carried forward from 2017/18	£	£
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	
Total		2,071,182
Additional Approved Schemes and Virements 2018/19		
Car Park - Ashby Health Cultural Quarter	(87,020)	
HPLC Ashby - Wall improvements and statue	100,000	
Disabled Facilities Grant – Slippage into 2018/19	(52,849)	
Fleet Programme (Net overspend agreed)	11,502	
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)	(12,980)	
Memorial Clock Tower	40,000	
New Market Provision	600,000	
Linden Way Depot – Welfare Facilities	46,000	
Linden Way Depot – Workshop Extension	(46,000)	
Council Offices – Fire Alarm and COTAG Door Entry Systems	78,000	
Total		1,948,920

Planned Slippage in 2018/19 carried forward to 2019/20		
Wellbeing Centre at HPLC	(399,250)	
Total		(399,250)
Underspend - not required - Identified in 2018/19		
Hood Park LC Car Park Ashby - Resurfacing (section of)	(2,020)	
Linden Way Depot Workshop Extension (For 8 wheelers)	(44,000)	
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)	
Total		(351,316)
Total Managed Increase		3,269,536
Total Managed Increase Funded by: (Net Position)		
Revenue	23,000	
Reserves	2,922,974	
Grant	81,252	
Internal Borrowing (USB)	242,310	
Total		3,269,536

- 2.3 The total planned financing of the General Fund expenditure totalling £6,406,789 in 2018/19 is:

	£
Disabled Facilities Grant	572,989
Revenue Contributions to Capital	128,000
Capital Receipts	30,000
Reserves	3,069,418
Grants	81,252
Unsupported Borrowing – Internal	2,525,130
Total	6,406,789

- 2.4 There were sufficient funds identified prior to this capital spend being committed.

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 (£712,450)

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 – Replace obsolete parts to consumer units (£75,000)

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

3.4.4 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.

3.4.5 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.

3.4.6 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.

3.4.7 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.

3.4.8 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.

- 3.4.9 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.
- 3.4.10 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 (£11,295,140)**
- 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 Centres Project (£10,195,000)

- i. Hood Park Leisure Centre Ashby (£1,199,000) and
- ii. New Leisure Centre Coalville Year 1 (£8,996,000) both elements as per the scheme report 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:

Vehicles / Plant & Equipment	Original Budget £	Revised Budget £
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
TOTAL	600,000	701,000

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

Vehicles / Plant & Equipment	Budget £
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
Total	1,150,000

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:

Funding Stream	£
Disabled Facilities Grants	621,200
Revenue Contribution	28,440
Reserves	52,500
Capital Receipts	11,000
S106 Contributions	772,000
Unsupported Borrowing	11,223,450
Total	12,708,590

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 most of the programme will be completed by the end of the current financial year. Therefore the capital programme has been realigned and an additional £950k 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 £33,517,960 and is as follows:

	£
2019/20	12,708,590
2020/21	12,149,640
2021/22	6,364,950
2022/23	1,139,250
2023/24	1,155,530
Total	33,517,960

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 Section 106 contributions of £772,000 have been identified for the Leisure Centre Project.

6.2.3 Funding from reserves have been identified for: LAN switches replacement (£15,500); Wi-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.

6.2.5 The remaining schemes for 2019/20 (£11,223,450) 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:

	£
Usable Balances	6,462,062
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
Total Resources	14,284,312
Less Budgeted Expenditure	13,109,559
Surplus to be carried forward to 2020/21	1,174,753

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 Programmes were presented to the Policy Development Group at its meeting on 9 January 2019. The minutes of the Policy Development Group are included in the minutes attached at Appendix D.

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

SCHEME	BUDGET HOLDER	CURRENT				FUTURE					FUNDING				
		2018/19 ORIGINAL BUDGET	2018/19 REVISED BUDGET	2018/19 Actual @ Period 9	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
		£	£	£	£	£	£	£	£	£	£	£	£	£	£
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					
Server and storage additional capacity	Sam Outama	68,000	68,000	67,952	68,000	0	0	0	0	68,000					
IDOX Platform	Sam Outama	30,000	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	
Website Intranet and Internet	Sam Outama	0	0	0	0	0	50,000	0	0	0					
LAN Switches replacement	Sam Outama	0	0	0	0	15,500	0	0	0	90,000				15,500	
WAN and DC Renewal	Sam Outama	0	0	0	0	0	518,000	0	0	0					
Wi-Fi Replacement	Sam Outama	0	0	0	0	0	0	0	0	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					
Laptop Replacements	Sam Outama	0	0	0	0	0	0	0	25,000	0					
Telephony Unified Communication	Sam Outama	0	0	0	0	130,000	0	0	0	0					
Professional Services for Windows 2008 to Windows 216 Migration	Sam Outama	0	0	0	0	45,000	0	0	0	0					
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
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		
Market Vehicles/Cars	Claire Preston	0	0	0	0	0	24,000	32,000	0	0					
Vans - Small	Claire Preston	0	0	0	0	16,000	16,000	32,000	17,000	36,000					
Vans - Medium	Claire Preston	210,000	259,900	257,194	257,194	180,000	180,000	100,000	100,000	-					
Vans - Pickup	Claire Preston	35,000	35,000	39,482	39,482	0	0	100,000	30,000	80,000					
Vans - Box Lorry	Claire Preston	40,000	58,102	60,920	60,920	65,000	130,000	0	0	0				18,418	
Sweeper	Claire Preston	50,000	50,000	63,565	63,565	0	130,000	130,000	0	0					
Digger/Misc Plant	Claire Preston	50,000	50,000	43,964	43,964	0	0	35,000	0	0					
Mowing	Claire Preston	60,000	60,000	61,770	61,770	65,000	10,000	50,000	0	0					
Swannington depot - Demolition	Claire Preston	0	34,500	19,740	34,500	0	0	0	0	0					
North Service Road Car Park coalville - Improvements	Clare Proudfoot	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					
Linden Way Depot - Workshop Extension	Karen Cannon	90,000	0	0	0	0	0	0	0	0					
Coalville Depot Coalville Park - Concreting Grounds	Jason Knight	0	0	0	0	40,000	0	0	0	0					
District Car Parks - LED Lighting Replacement	Clare Proudfoot	25,000	25,000	0	25,000	0	0	0	0	0					
Coalville Market Upgrade (Phase2)	Paul Sanders	0	11,371	0	11,371	0	0	0	0	0				11,371	
Leisure Project - Hood Park Leisure Centre Ashby	Paul Sanders	0	0	0	0	1,199,000	0	0	0	0	591,000				
Leisure Project - New Leisure Centre Coalville	Paul Sanders	0	0	0	0	8,996,000	9,278,000	4,898,000	0	0	197,000	3,000,000			
HPLC Ashby - Wall Improvements and Statue	Paul Sanders	0	100,000	61,920	100,000	0	0	0	0	0				100,000	
Coalville Park-Reconfigure Depot, replace building	Jason Knight	0	103,552	102,235	103,552	0	0	0	0	0				8,552	
Hood Park LC-Replace outdoor learner pool boiler and pipework	Jason Knight	10,000	10,000	0	10,000	0	0	0	0	0					
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					
Hermitage LC-Replace gym air con	Jason Knight	14,000	14,000	0	14,000	0	0	0	0	0					
Car Park - Ashby Cultural Quarter	Karen Cannon	0	525,516	525,516	525,516	0	0	0	0	0				512,800	
Memorial Clock Tower	Karen Cannon	0	160,000	128,843	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	
Linden Way Depot - Welfare Facilities	Karen Cannon	50,000	96,000	0	96,000	0	0	0	0	0					
Moira Furnace - Masonry & Drainage	Karen Cannon	170,000	170,000	0	170,000	40,000	0	0	0	0					
Moira Furnace - Upgrades to furnace and Bridge & further remedial works	Karen Cannon	0	0	0	0	85,000	0	0	0	0					
Council Office - Replacement fire alarm & Cotag system	Karen Cannon	30,000	108,000	0	108,000	0	0	0	0	0					78,000
Council Offices - Replace obsolete parts to consumer units following M&E survey	Karen Cannon	0	0	0	0	75,000	0	0	0	0					
Council Offices - Replacement LED Lighting throughout (Stenson House & Main Building)	Karen Cannon	0	0	0	0	35,000	0	0	0	0					
Council Offices - Insulate roof space to building	Karen Cannon	0	0	0	0	30,000	0	0	0	0					
Council Offices - Install solar power	Karen Cannon	0	0	0	0	0	40,000	0	0	0					
Council Office - Main Building Lift works	Karen Cannon	30,000	30,000	0	30,000	100,000	0	0	0	0					
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					
Council Offices - Main Building - Replacement windows generally	Karen Cannon	0	0	0	0	0	250,000	0	0	0					
Council Offices - (Stenson House) Replacement windows Lightwells and External works	Karen Cannon	0	0	0	0	35,450	0	0	0	0					
Council Offices - (Stenson House) External works to roadway outside registry office	Karen Cannon	0	0	0	0	50,000	0	0	0	0					
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	158,671	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					
Appleby Magna Caravan Site - redevelopment		0	0	0	0	175,000	175,000	0	0	0					
TOTAL GENERAL FUND		3,137,253	6,406,789	3,400,964	6,406,789	12,708,590	12,149,640	6,364,950	1,139,250	1,155,530	869,252	3,678,989	3,041,000	3,161,918	262,010

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

SCHEME	BUDGET HOLDER	FUNDING															
		2018/19 ORIGINAL	2018/19 REVISED	2018/19 Actual @	2018/19 FORECAST	2019/20	2020/21	2021/22	2022/23	2023/24	GRANTS/	GRANTS	Capital	VfM	OTHER	REVENUE	LEASING
		BUDGET	BUDGET	Period 9	(Inc c/f & slippage)	Indicative	Indicative	Indicative	Indicative	Indicative	£106 CONTS	Receipts	Reserve	RESERVES	REVENUE	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	
TOTAL GENERAL FUND		50,000	50,895	50,895	50,895	0	0	0	0	0	50,895	0	0	0	0	0	

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	F'cast 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
2019 - 2024 Home Improvement Programme:						
Home Improvement Programme	1,281,341	4,236,106	2,800,195	2,642,184	2,910,872	2,165,383
Non Decency Improvements	-	-	-	-	-	-
2019 - 2024 Home Improvement Programme Total	1,281,341	4,236,106	2,800,195	2,642,184	2,910,872	2,165,383
New Build:						
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	-	-	-	-
New Build Total	2,990,840	4,983,909	1,572,700	46,050	-	-
Estate Improvements:						
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
Estate Improvements Total	-	778,796	605,000	892,553	1,036,551	1,071,837
Compliance:						
Fire Risk Assessment Remedial Works	87,000	162,000	125,000	100,000	87,000	87,000
Compliance Total	87,000	162,000	125,000	100,000	87,000	87,000
Major Aids & Adaptations	275,000	295,000	250,000	200,000	200,000	200,000
Renewable/Replacement Energy Installations Programme	2,263,000	654,780	-	-	-	-
Supported Housing Improvements:						
Speech Module	-	100,000	-	-	-	-
Sheltered Housing Improvements	-	200,000	250,000	300,000	200,000	200,000
Supported Housing Improvements Total	-	300,000	250,000	300,000	200,000	200,000
Active Asset Management:						
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
Active Asset Management Total	217,500	622,400	420,000	420,000	468,000	420,000
Other Capital Spend:						
New Housing Systems	362,751	597,458	23,170	-	-	-
PNC8 Software Upgrade - Central Control	-	45,400	-	-	-	-
Capital Works - Other	-	-	-	-	-	-
Unallocated/Contingency	-	-	-	-	-	-
Other Capital Spend Total	362,751	642,858	23,170	-	-	-
Capital Salaries	440,389	433,710	433,710	433,710	433,710	433,710
Total Programme Costs	7,917,821	13,109,559	6,479,775	5,034,497	5,336,133	4,577,930
Funding						
Usable balances held @ 31/03/18	0	6,462,062	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
	14,379,883	14,284,312	6,561,314	5,035,076	5,336,712	4,727,568
Cumulative over/(under) resource	6,462,062	1,174,753	81,539	579	579	149,638

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EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hault, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

37. 2019/20 CAPITAL STRATEGY

The Head of Finance presented the report to Members.

In response to a question regarding the ownership of the Leisure Centres from Councillor T Eynon, the Head of Finance reported that the service provider would be responsible for the lifecycle costs of the facilities. If the service provider wanted to extend the buildings or make any large-scale changes to the facilities, they would need the Council's permission, and may involve the Council making a financial contribution, as they remain Council owned assets.

Councillor J Geary raised concerns that once the land at Cropston Drive had been sold to fund the leisure project there would be no remaining council owned land to fall back on if funds were required elsewhere in the future. He was also disappointed that the land was not being used for much needed council housing. The Portfolio Holder believed it was better to maximise the value of the land by selling it and funding capital projects. He added that there could be options to buy more land in the future as well as other ways to invest money to raise funds. Regarding the development of the Cropston Drive site, the Portfolio Holder stated that the development of the site would include social housing, plans of which would be seen by Planning Committee in due course. He added that other council sites such as disused garages were being utilised for development for social housing.

It was moved by Councillor N Smith, seconded by Councillor R Ashman and

RESOLVED THAT:

Comments made by the Policy Development Group be provided to Cabinet when it meets on 5 February to consider the Capital Strategy 2019/20.

42. 2019/20 - 2023/24 DRAFT CAPITAL PROGRAMMES

The Head of Finance presented the report to Members. Further to the report, she informed Members that due to the recent failure in the door security system of the Council Offices, Cabinet made the decision at its December meeting to replace the system in this financial year rather than the next financial year as originally budgeted for. The changes would be included in the final budget report.

Councillor S Sheahan expressed interest in the compartmentalisation recycling bin pilot, as any improvements to the current provision would be beneficial. He asked how quickly

it would be rolled out across the district and when financial benefits would be seen. The Strategic Director of Place stated it was difficult to say what improvements to recycling rates or financial benefits would be at this stage.

Councillor A C Saffell referred to the recent announcements that the Government were looking at standardising the method of collecting waste across the country and asked if this would be considered when conducting the pilot. The Strategic Director of Place confirmed that this would be included in the Waste Strategy.

In response to a question from Councillor J Geary, the Head of Finance agreed to provide further information regarding the cost of Owen Street football floodlights and how it was to be funded. It was moved by Councillor M Specht, seconded by Councillor J Geary and

RESOLVED THAT:

Comments made by the Policy Development Group be provided to Cabinet when it meets on 5 February to consider the 2019/20 - 2023/24 Draft Capital Programmes.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

Capital Strategy 2019/20

1. Introduction

- 1.1 This Capital Strategy sets out the Council's priorities and approach to capital investment. It provides a mechanism by which the Council's capital investment and financing decisions can be aligned with the Council's corporate priorities over a medium term (five year) planning timeframe.
- 1.2 The Strategy sets the corporate framework within which capital investment is planned, procured, prioritised, managed and funded. The Strategy has direct links to the Council's Asset Management Strategy and forms an integral part of the Council's Medium Term Financial Strategy.
- 1.3 The aim of this Capital Strategy is to provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the Council's priorities.
- 1.4 Capital projects will focus on the delivery of long term economic growth and or financial return benefits to the District in the form of:-
 - Spend to save
 - Spend to earn income or other financial returns
 - Attracting significant third party or private resources to the District
 - Addressing major infrastructure investment
- 1.5 The Strategy sets out how the Council identifies, programmes and prioritises capital requirements and proposals arising from business plans, the Planned Preventative Maintenance (PPM) Schedule and other related strategies.
- 1.6 The Strategy also considers options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment and to identify the resources available for capital investment over the MTFS planning period.
- 1.7 The Strategy establishes effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of Value for Money.

2. CAPITAL PROGRAMME NEEDS AND PRIORITIES

- 2.1 Capital expenditure involves the acquisition, creation or enhancement of fixed assets with a long term value to the Council.
- 2.2 Fixed assets shape the way services are delivered in the long term and create financial commitments for the future, including capital financing and ongoing revenue costs. The classification of assets are as follows:

Category	Asset Type
Intangible Assets	ICT Software
Property, Plant and Equipment (PPE)	Land and Buildings
	Vehicles, Plant and Equipment
	Infrastructure Assets (eg. housing paths)
	Community Assets (eg. country parks or historic buildings)
	Surplus Assets
	Assets Under Construction
Investment Assets	Investment Properties - ie. held for income earning or capital appreciation
Assets Held for Sale	Assets actively marketed for Disposal
Heritage Assets	Assets held that contribute to the knowledge and history of the area

- 2.3 The Council applies a de-minimus level of £10,000 for individual items to be charged as capital expenditure. Items below this limit are charged to revenue in the year that it is incurred.
- 2.4 Financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for capital investment has reduced significantly over recent years, and the Council now recognises that it must rely more on internal resources and seek ways in which investment decisions can be either self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.
- 2.5 The 5 year 2019/20 – 2023/24 General Fund capital programme totals £33,517,960. The programme is funded by a combination of Section 106 developer contributions, Government grants, capital receipts, revenue, reserves and internal and external borrowing.
- 2.6 The Council's PPM identifies the total capital investment need in relation to the Council's asset portfolio. The PPM includes significant backlog maintenance issues across the Councils property portfolio.
- 2.7 The approach to developing the capital programme is based upon the following:
- 2.7.1 **Economic Investment** – The Council will continue to seek investments that generate longer term growth in projects that yield a combination of revenue generation (business rates, rent or interest), jobs and capital infrastructure investment. Based on sound business cases the Council will assist in acquiring strategic sites for the delivery of major investment projects.
- 2.7.2 **Self-Sufficiency** – The Council will seek to invest in assets that support self-sufficiency for the Council.
- 2.7.3 **Corporate Property** – To reduce its backlog maintenance liability the Council will rationalise its asset base. This is either in the form of the sales of surplus assets or the outsourcing of management arrangements. These will contribute to ongoing revenue savings and / or capital receipts respectively.
- 2.7.4 **Decent Homes** – The Council will continue to invest in its council housing to maintain the Government's Decent Homes standard.
- 2.7.5 **Car Parks** – The Council owns and manages 28 car parks within the District.

The Council will continue to minimise the ongoing delivery costs, whilst seeking to maximise income. More details with regards to car parks can be found in the Council's Car Parking Strategy.

2.7.6 **Culture & Tourism** – The Council owns two scheduled monument assets: Moira Furnace, a tourist museum operated by an external third party; and the War Memorial Tower, a listed war memorial in the centre of Coalville.

2.7.7 **ICT** – The Council will undertake appropriate investment into ICT hardware and software on a case by case basis. The primary focus is to improve technologies on a spend to save basis.

2.7.8 **Leisure** – The Council currently owns 2 leisure centres, Hood Park Leisure Centre in Ashby and Hermitage Leisure Centre in Whitwick, Coalville. In November 2017, the Council decided to outsource the provision of its leisure centres, to include the closure of the Hermitage site and the building of a new replacement facility in Coalville (funded by the Council), as well as the ongoing enhancement and maintenance of Hood Park. At the time of writing this Strategy, a procurement exercise is underway to secure an operator. The Council will retain ownership of both the existing and new assets, however from inception of the contract (anticipated May 2019), the new operator will be responsible for all capital improvement works.

2.8 The following material investments will be undertaken between the period of 2019 and 2024:

2.8.1 **Leisure Project - New Leisure Centre Coalville** – As detailed in 2.7.8 above, a new facility will be delivered through the outsourcing of the Council's Leisure Centre services. The indicative budget for the new facility is £23.172m and will be funded through a mixture of internal and external borrowing, S106 and external contributions and capital receipts arising on the disposal of a Cropston Drive, one of the Council's remaining significant land holdings. The final value of the new facility is subject to the conclusion of the procurement process in February 2019.

2.8.2 **Leisure Project** – Hood Park Leisure Centre Ashby – As detailed in 2.7.8 above, Hood Park Leisure Centre through the outsourcing of the council's Leisure Centre services will undergo a programme of enhancement works. The indicative budget for which is £1.199m and will be funded from S106 contributions and borrowing. This is subject to the conclusion of the procurement process in February 2019.

3. RESOURCING

3.1 The Capital Programme is resourced as follows:

3.1.1 **Central government** – Grants are allocated in relation to specific programmes or projects. An example of a Government Grant in the current programme is the Disabled Facilities Grant.

3.1.2 **Third Party funding** - Capital grants represent project specific funding for capital projects, in addition to that from Central Government, which is more usually received from quasi-government sources or other national organisations. In developing capital proposals the Council will always seek to maximise such external contributions, subject to any related grant conditions being consistent with the Council's policy aims and targeted outcomes. Frequently such funding, which enhances the Council's investment capacity,

will also be linked to match funding arrangements.

- 3.1.3 **Developer contributions** – these represent contributions from developers towards the provision of public assets or facilities. Sometimes these are to mitigate the impact of their development on communities and often referred to as Section 106 contributions. These contributions are usually earmarked for specific purposes in planning agreements and often related to infrastructure projects.
- 3.1.4 **Unsupported borrowing** – under the Prudential Code the Council has discretion to self-finance the capital programme by undertaking borrowing to fund capital projects with the full cost of that borrowing being funded from within Council resources, as identified in the MTFS and annual budgets. This discretion is subject to complying with the Code’s regulatory framework which essentially requires any such borrowing to be prudent, affordable and sustainable. Unsupported borrowing does provide an option for funding additional capital development but one which has to be funded each year from within the revenue budget or from generating additional ongoing longer term income streams.
- 3.1.5 **Capital receipts from property asset disposal** – the Council has a substantial property estate, mainly for operational service requirements and administrative buildings. This estate is managed through the PPM which identifies property requirements and, where appropriate, properties which are surplus to requirements and which may be disposed.
- 3.1.6 **Capital Receipts from Vehicle, Plant and Equipment disposal** – the Council has reduced its leasing commitments on vehicles and plant over a number of years and currently all Vehicle, Plant and Equipment is owned by the Authority. The rolling programme of fleet replacement generates capital receipts which are then utilised against future purchases of fleet equipment.
- 3.1.7 **Revenue and Reserves** – Capital expenditure may be funded directly from an in-year revenue contribution (RCCO – Revenue Contribution to Capital Outlay) or by specific revenue funds previously set aside, such as repairs and renewal funds. However, the general pressures on the Council’s revenue budget and Council Tax levels limit the extent to which this may be exercised as a source of capital funding.
- 3.1.8 How the Capital Programme is financed over 2019/20 to 2023/24

	Gov’t Grant	Developer Cont’s	Third Party Funding	Borrowing	Capital Receipts	Revenue or Reserves	Total
2019/20	621,200	772,000	0	11,223,450	11,000	80,940	12,708,950
2020/21	621,200	0	16,000	11,445,000	0	67,440	12,149,640
2021/22	621,200	0	0	2,717,000	3,000,000	26,750	6,364,950
2022/23	621,200	0	0	492,000	0	26,050	1,139,250
2023/24	621,200	0	0	509,000	0	25,330	1,155,530
Total	3,106,000	772,000	16,000	26,386,450	3,011,000	226,510	33,517,960

- 3.2 Utilising unsupported borrowing impacts on the revenue budget from ongoing costs to finance the debt. This is both the interest cost of the borrowing and the Minimum Revenue Provision that is set aside to repay the debt. Given the pressure on the Council’s revenue budget in future years, investment will be limited to cases where there was a clear financial benefit, such as “invest to save”, “spend to earn” or major regeneration schemes which provide a net return over and above the borrowing cost.

Such schemes will focus on the Council's priorities and generate revenue benefits in future financial years in the form of income such interest on loans, rents, council tax or business rate yield will be favoured.

- 3.3 The Council will continue to consider on a cautious and prudent basis the extent to which prudential borrowing may be undertaken to fund new capital investment, which generates returns over and above the revenue costs of the debt.
- 3.4 Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment as and when received.

4. GOVERNANCE AND MONITORING OF THE CAPITAL PROGRAMME

- 4.1 The Council reviews its capital requirements and determines its Capital Programme within the framework of the MTFs and as part of the annual budget process. Resource constraints mean that the Council continually needs to prioritise expenditure in the light of its aims and priorities and consider alternative solutions.
- 4.2 The Council's capital investment falls within, and needs to comply with, the "Prudential Code for Capital Finance in Local Authorities" (The Code). Under the Code local authorities have greater discretion over the funding of capital expenditure to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.
- 4.3 To ensure that available resources are allocated optimally, capital programme planning is determined in parallel with the service and revenue budget planning process within the framework of the MTFs.
- 4.4 The main forum for reviewing financial, risk and governance aspects of the capital programme is the Asset Management Group. This group reviews the strategic direction of the programme, ensures outcomes are aligned with the Council's priorities, significant projects have a viable Business Case and that Value for Money is delivered for the Council. It also monitors the expenditure and funding requirements of the capital programme and subsequent revenue impacts.
- 4.5 The Council has various mechanisms in place which seek to ensure that there is an integrated approach to addressing cross-cutting issues and developing and improving service delivery through its capital investment in pursuance of the Council's over-arching aims. These include:
 - 4.5.1 Democratic decision-making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the capital programme. These processes include:
 - The Council which is ultimately responsible for approving investment and the Capital Programme;
 - The Cabinet which is responsible for setting the corporate framework and political priorities to be reflected in the Capital Programme; The Cabinet will continue to receive quarterly monitoring reports.
 - The Audit and Governance Committee which is responsible for scrutiny of the Council's statement of accounts and can make recommendations to Cabinet and full Council.
 - 4.5.2 Officer Groups which bring together a range of service interests and

professional expertise. These include:

- Departmental Senior Management Teams (SMT's), responsible for development of investments;
- The Asset Management Group, responsible for overseeing and approving reports for investments prior to Cabinet approval;
- The Corporate Leadership Team which has overall responsibility for the strategic development, management and monitoring of the capital programme;

4.5.3 An integrated service and financial planning process where all proposals for capital investment are required to demonstrate how they contribute to the achievement of the Council's aims and priorities.

4.6 Quarterly reports will continue to be submitted to Cabinet that identify changes to this programme to reflect;

- New resource allocations
- Slippage in programme delivery
- Programmes reduced or removed
- Virements between schemes and programmes to maximise delivery.
- Revisions to spend profile and funding to ensure ongoing revenue costs are minimised.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 5 FEBRUARY 2019**

Title of report	2019 – 2024 MEDIUM TERM FINANCIAL STRATEGY
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance and S151 Officer 01530 454707 tracy.bingham@nwleicestershire.gov.uk
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 Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	As report author, the report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	Corporate Leadership Team 21 November 2018 Strategy Group 27 November 2018 Cabinet 11 December 2018 Policy Development Group 9 January 2019
Background papers	Medium Term Financial Strategy Cabinet 6 Feb Medium Term Financial Council 27 Feb Provisional Outturn Cabinet 12 June
Recommendations	IT IS RECOMMENDED THAT CABINET APPROVE THE MEDIUM TERM FINANCIAL STRATEGY

1.0 BACKGROUND

- 1.1 In December 2018, members were presented with a report that outlined the current financial issues facing the council to be addressed through the development of a revised Medium Term Financial Strategy (MTFS). This paper was then subsequently presented to the Policy and Development Group on 9 January. An extract from the draft minutes of the PDG can be found in Appendix H.
- 1.2 The Medium Term Financial Strategy 2019-2023, included in Appendix A, 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.
- 1.3 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.
- 1.4 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.

- 1.5 This report details the revised financial projections for the Council based on the forecast outturn for the 2018/19 financial year, the budgeted position for 2019/20, the Budget statement (announced by the Chancellor of the Exchequer on 29 October), the provisional finance settlement as announced on the 13 December 2018 and other known factors around the Fair Funding Review and Business Rates System as outlined in 1.4 above.

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 £1.1m, compared to a budgeted surplus of £299k. A number of favourable movements have contributed to this position including an increase in the anticipated level of business rates (£190k) and salary savings. Full details of the main variances to Quarter 2 can be found in the Quarter 2 Performance Management Report presented to Cabinet on the 11 December 2018. A full update in respect of further variances will be presented as part of the forthcoming Quarter 3 report due to be presented in April 2019.
- 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:

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

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 provisional local government finance settlement was announced on 13 December 2018 and confirmed the level of New Homes Bonus, Revenue Support Grant and the tariff and levy charges against business rates to be retained by the Council. The settlement also included the successful outcome of the Leicestershire-wide bid to become a Business Rate pilot in 2019/20.
- 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 poses a risk to the Council's Business Rate income, officers have been unable to quantify this risk. Additional budgetary provision of £10k has been set aside in the final General Fund budget for 2019/20 as a contingency for the Council in managing the impact of the UK's exist from the European Union.

2019/20 Budget

- 2.10 The Net Cost of Service for 2019/20 has been based on the General Fund Revenue budget and inflated for future years. Details in respect of the budgetary proposals for 2019/20 can be found in the 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 £160k. Subject to 2018/19 outturn, this surplus position will take the Self-Sufficiency Reserve from an estimated £3.9m at 31 March 2019 to £4m at 31 March 2020.

Leisure

- 2.12 Members will be aware that the decision to outsource the Council's Hermitage and Hood Park leisure centre facilities and creation of a new facility and subsequent closure of the Hermitage centre was approved by Council on 21 November 2017. The procurement exercise to secure an operator to manage the council's existing leisure centres and to build a new facility and subsequently close the Hermitage facility has now concluded with a preferred bidder selected. The full details of the procurement process and successful bidder can be found in a separate report on the agenda for Cabinet on 5 February 2019. The budgetary forecasts in relation to the cost of the leisure centres has been based on the contracted revenue costs associated with running the leisure centres until transfer date, the ongoing costs that will 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. The council is required to make a management fee payment to the operator in the first three 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 management fee payable to the operator is included in the budget is now based on the preferred supplier.

Business Rates

- 2.13 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.
- 2.14 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.
- 2.15 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.
- 2.16 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.
- 2.17 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

- 2.18 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.
- 2.19 The Government had previously 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. The provisional settlement confirmed that the baseline would be maintained at 0.4%.

- 2.20 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).
- 2.21 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

- 2.22 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.
- 2.23 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 £168k.
- 2.24 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.
- 2.25 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.
- 2.26 The impact of assuming a council tax precept freeze to 2024 is in the region of £1.8m, of foregone council tax income (given the current forecasts around growth as per below).
- 2.27 Growth projections in respect of the Council Tax Base remain consistent at 600 homes per annum.
- 2.28 A scenario to model the impact of deflated growth in the council tax base is included in Appendix G.

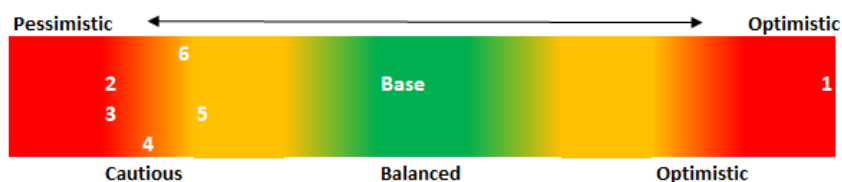
Transitional Measures

- 2.29 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.
- 2.30 Transitional funding (often referred to as 'damping') is likely to occur when a council suffers a loss of total resources above a certain level.

- 2.31 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.
- 2.32 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

- 2.33 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	0.4% 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 0.4% 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	

- 2.34 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

2.35 The projected deficit arising between 2019/20 and 2023/24 has now been assessed to be £5.2m 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)	161	370	-1029	-2088	-2613	- 5,199*

* Subject to rounding

2.36 Whilst the forecast deficit over the period is £5.2m, the anticipated balance of the Self-Sufficiency reserve as at March 2020 is £4m. 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.

2.37 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

3.1 The forecast outturn position for the Housing Revenue Account for 2018/19 is a surplus of £3,308k being £362k higher than the approved budgeted surplus of £2,946k.

3.2 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.

3.3 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.

3.4 A copy of the five year extract of the HRA business plan cash flow can be found in Appendix D.

2019/20 Budget

3.5 The budget for 2019/20 is estimated to produce an operating surplus of £0.1m, after making a contribution of £1.3m 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 £14.1m. The HRA working balance will be £1.1m and the remaining £13.0m will be held in the debt repayment reserve to repay the debt that matures in 2021/22.

- 3.6 See HRA Revenue Budget proposals for further details, which is a separate report on this agenda.

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

- 3.7 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.
- 3.8 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

- 3.9 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.
- 3.10 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.

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

HRA 30 Year Business Plan Cash Flow – Revised Projections

- 3.12 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.
- 3.13 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 was presented to members formally

as part of the Treasury Management Strategy Statement for 2019/20 at Cabinet in December and will be presented to Council in February 2019.

- 3.14 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 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 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 £633k 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 £2.1m from £13.2m in 2018/19 to £14.7m 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

	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Budget	Budget	Budget	Budget
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)					
Total Budget before Savings/Surplus	13,204	12,954	13,587	14,327	14,848
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	298	366	(1,301)	(1,662)	(2,278)
Total Final Expenditure Budget	13,503	13,320	12,286	12,665	12,570
Funding					
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					
Total Funding	13,503	13,320	12,286	12,665	12,570

GENERAL FUND REVENUE PROJECTIONS
KEY ASSUMPTIONS

	MTFS 2018 – 2023 Original Assumptions (February 2018)	MTFS 2018 – 2023 Revised Assumptions (June 2018)	MTFS 2019 – 2024 Assumptions (January 2019)
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	<p>2. Stabilisation of planning fees from 2018/19 at £1.2 million per annum</p> <p>3. Stable car parking charges and income</p> <p>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</p> <p>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</p> <p>6. Pensions and national insurance costs inflated at anticipated levels to 2023.</p> <p>7. Non pay costs inflated from 2018/19 levels at 2.8% (CPI @ Sept 2017) to 2023</p> <p>8. Collection fund surplus reduced from £289,000 in 2018/19 with incremental decreases year on year until 2022/23 where an assumption of £50,000 surplus is assumed.</p> <p>9. Return on investments at</p>	<p>2. No change</p> <p>3. No change</p> <p>4. No change</p> <p>5. No change, pending review of the council's pay grading structure</p> <p>6. No change</p> <p>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%</p> <p>8. No change</p> <p>9. No change at present, but we are looking at reviewing the Treasury Management Strategy Statement with a view to increase the return we receive on investments.</p> <p>10. No change</p> <p>11. No change</p>	<p>2. No change</p> <p>3. No change</p> <p>4. No change</p> <p>5. Pay Award based on 2020/21 2%, 2021/22 – 2022-23 2.1%, 2023/24 2%</p> <p>6. No change</p> <p>7. 2020/21 2%, 2021/22 – 2022-23 2.1%, 2023/24 2%</p> <p>8. No change</p> <p>9. No change</p> <p>10. No change</p> <p>11. That the council saves £100k in corporate overheads in 2019/20 and £200k from 2020/21 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>

	<p>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</p> <p>10. Apprenticeship levy of 0.5%</p> <p>11. 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	12. RSG is phased out in 2018/19	<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"> • 2019/20: nil • 2020/21: -£210k • 2021/22: -£270k • 2022/23: -£320k 	12. No change
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</p>	<p>13. No change</p> <p>14. No change</p> <p>15. 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>

	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.		
New Homes Bonus	16. 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.
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 was presented to Cabinet in December which amended 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 have now been built into the calculations.
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. £90k 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 projected in section 7) will be paid	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>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>

GENERAL FUND MEDIUM TERM FINANCIAL PLAN – REVISED PROJECTIONS*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 @ P9	Budget	Budget	Budget	Budget	Budget
	£000	£000	£000	£000	£000	£000
Base Budget Indicative Base Budget (based on services assessment)	12,605	14,725	13,683	14,757	15,045	15,358
Total Budget before Savings/Surplus	12,605	14,725	13,683	14,757	15,045	15,358
Transfer to reserves (Savings Required)/Surplus to Self-Sufficiency Reserve	1,088	161	370	(1,029)	(2,088)	(2,613)
Total Final Expenditure Budget	13,693	14,886	14,053	13,727	12,957	12,746
Funding						
Revenue Support Grant	235	0	0	0	0	0
Business Rates	5,055	6,387	6,167	6,286	6,396	6,498
New Homes Bonus	2,905	3,068	2,418	1,887	891	0
Council Tax	5,210	5,341	5,436	5,554	5,665	5,784
Council Tax Surplus	289	90	32	0	0	0
Other grants						
Damping			0	0	5	464
Total Funding *	13,693	14,886	14,053	13,727	12,957	12,746

* Subject to rounding

HRA BUSINESS PLAN MODEL PROJECTIONS – JULY 2018

Year	2018.19	2019.20	2020.21	2021.22	2022.23
£ Thousands	1	2	3	4	5
INCOME:					
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
Total income	17,918	17,704	17,879	18,084	18,314
EXPENDITURE:					
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)
Total revenue expenditure	(8,604)	(8,810)	(9,018)	(9,231)	(9,457)
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)
Net operating income	4,009	3,628	3,762	3,763	4,039
APPROPRIATIONS:					
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)
Total appropriations	(4,009)	(3,628)	(3,762)	2,086	(3,763)
ANNUAL CASHFLOW	0	(0)	0	5,849	275
Opening balance	1,000	1,000	1,000	1,000	6,849
Closing balance	1,000	1,000	1,000	6,849	7,125
Other HRA reserve balance	0	0	0	0	0
HRA debt repayment reserve	11,158	13,658	16,266	0	0
HRA new build reserve	0	0	0	0	0

HOUSING REVENUE ACCOUNT PROJECTIONS
KEY ASSUMPTIONS

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

Other	<ul style="list-style-type: none"> 6. Surplus balances on the HRA to be transferred to the loan redemption reserve to repay maturity loans 7. HRA Capital Programme is fully funded 	<ul style="list-style-type: none"> 6. £13m requirement for repayment of loans in 2022 reached 7. No change 	<ul style="list-style-type: none"> 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. 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 8. The 30 year capital programme cost projections for the HRA have been revised from £177m to £186m.
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HRA BUSINESS PLAN MODEL PROJECTIONS – REVISED

Year	2019.20	2020.21	2021.22	2022.23	2023.24
£'000	1	2	3	4	5
INCOME:					
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
Total Income	17,925	18,386	18,848	19,266	19,697
EXPENDITURE:					
General Management	-2,261	-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	-5,315	-5,446	-5,627	-5,814	-6,030
Total Revenue Expenditure	-8,386	-8,604	-8,896	-9,197	-9,529
Interest Paid	-2,252	-2,227	-2,198	-1,862	-1,835
Finance Administration	-10	-8	-9	-9	-9
Interest Received	109	186	228	193	253
Depreciation	-3,139	-3,173	-3,179	-3,185	-3,195
Net Operating Income	4,247	4,559	4,795	5,207	5,383
APPROPRIATIONS:					
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
Total Appropriations	-4,136	-1,154	-1,290	-1,823	-1,234
ANNUAL CASHFLOW	111	3,406	3,505	3,384	4,149
Opening Balance	1,000	1,111	4,517	8,022	11,406
Closing Balance	1,111	4,517	8,022	11,406	15,555
Other HRA Reserve Balance	0	0	0	0	0
HRA Debt Repayment Reserve	13,000	13,000	0	0	0
HRA New Build Reserve	0	0	0	0	0

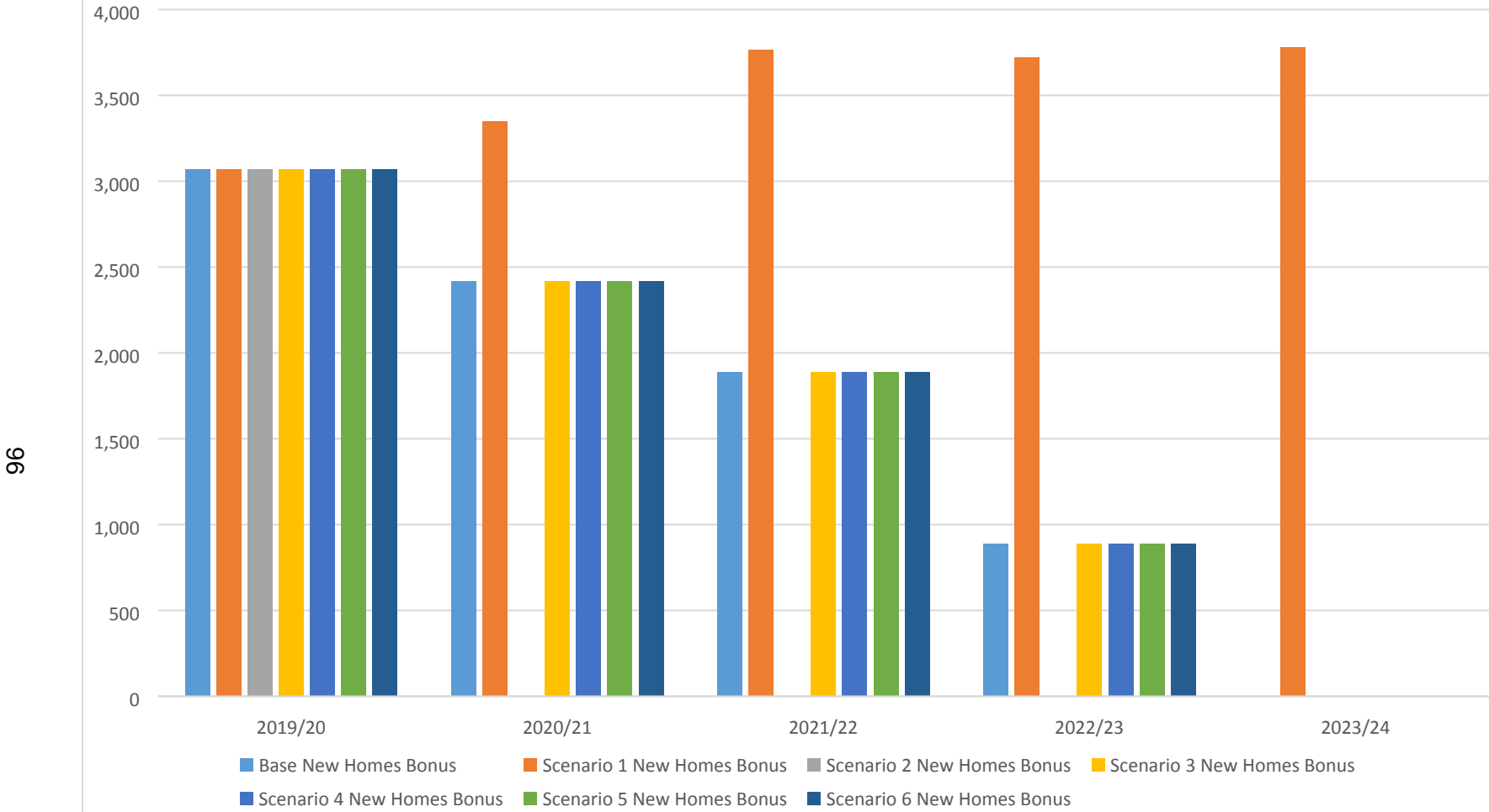
GENERAL FUND MEDIUM TERM FINANCIAL PLAN 2019 – 2024
FUNDING SCENARIO ANALYSIS

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

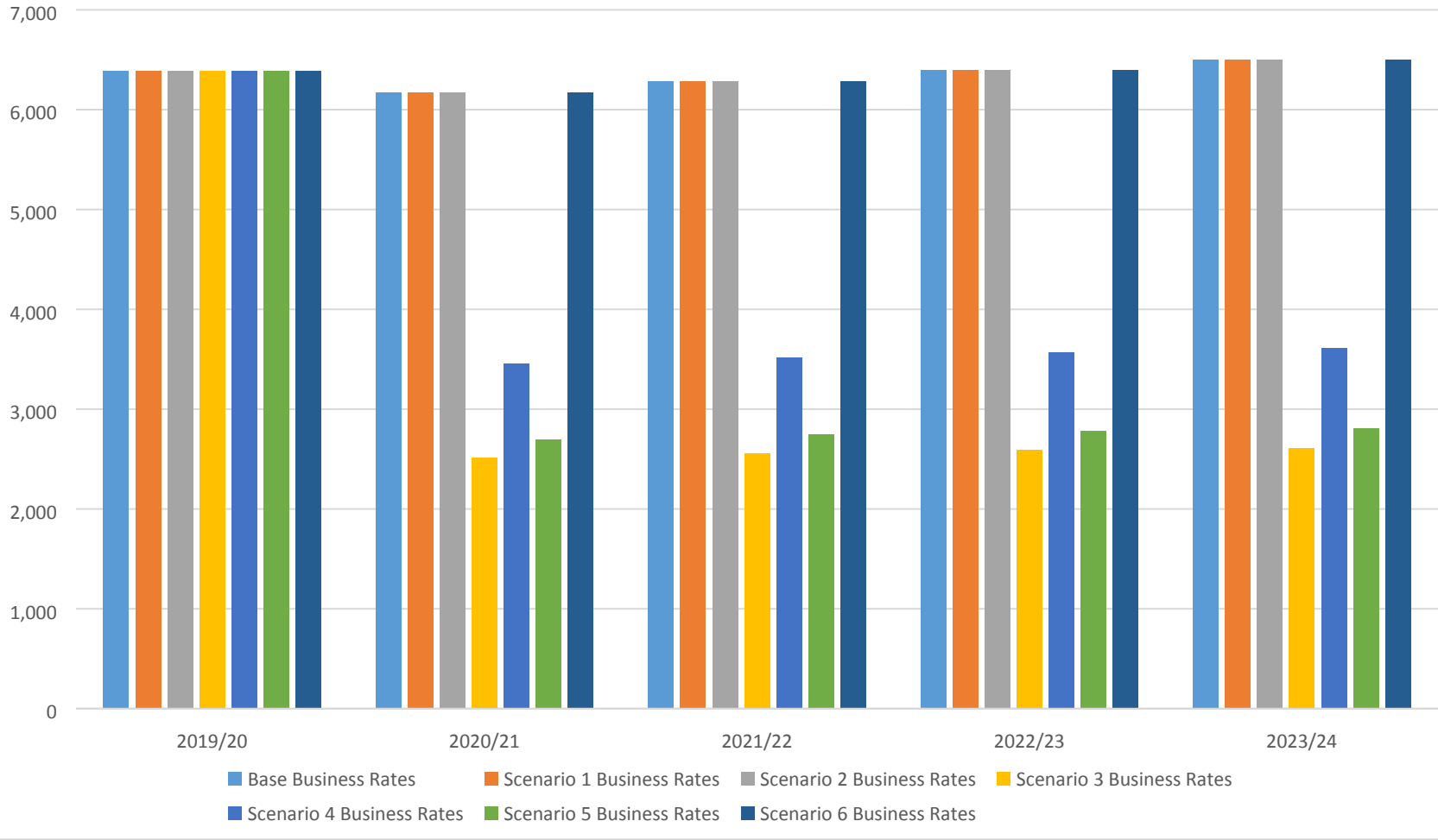
<u>Ref</u>	<u>NHB</u>	<u>Business Rates</u>	<u>Council Tax</u>	<u>Transition</u>
Base	0.4% Baseline; Legacy payments from 2020	Partial Baseline Reset in 2020 @ 2018/19 rates level	0% precept to 2024, growth 600 homes p.a	Yes, assumed when funding reduces by more than 5%
1	Baseline remains at 0.4% and scheme continues as is	as per Base	as per Base	
2	Baseline increased to 0.4% 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 p.a.	

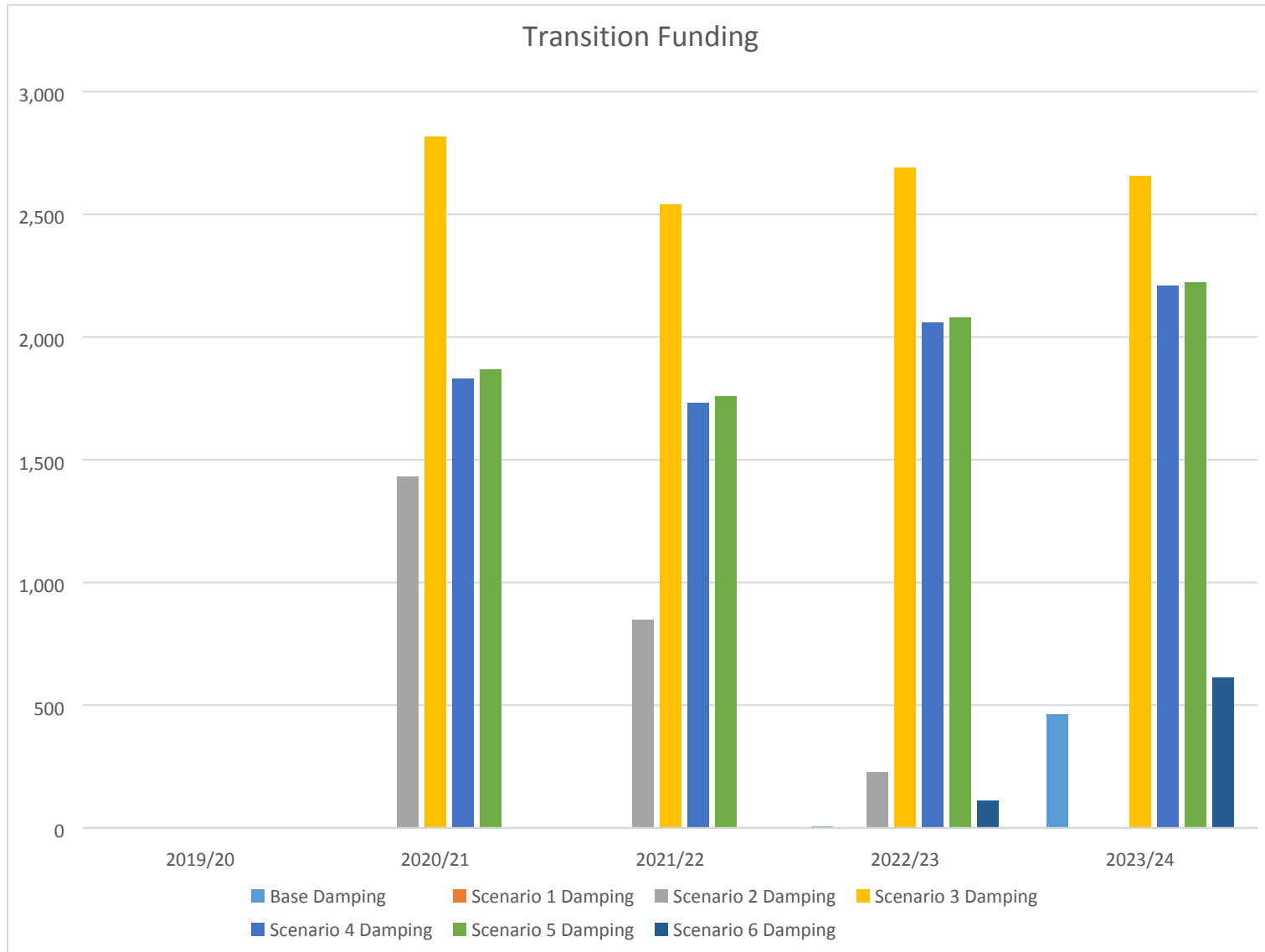
New Homes Bonus



Business Rates

97



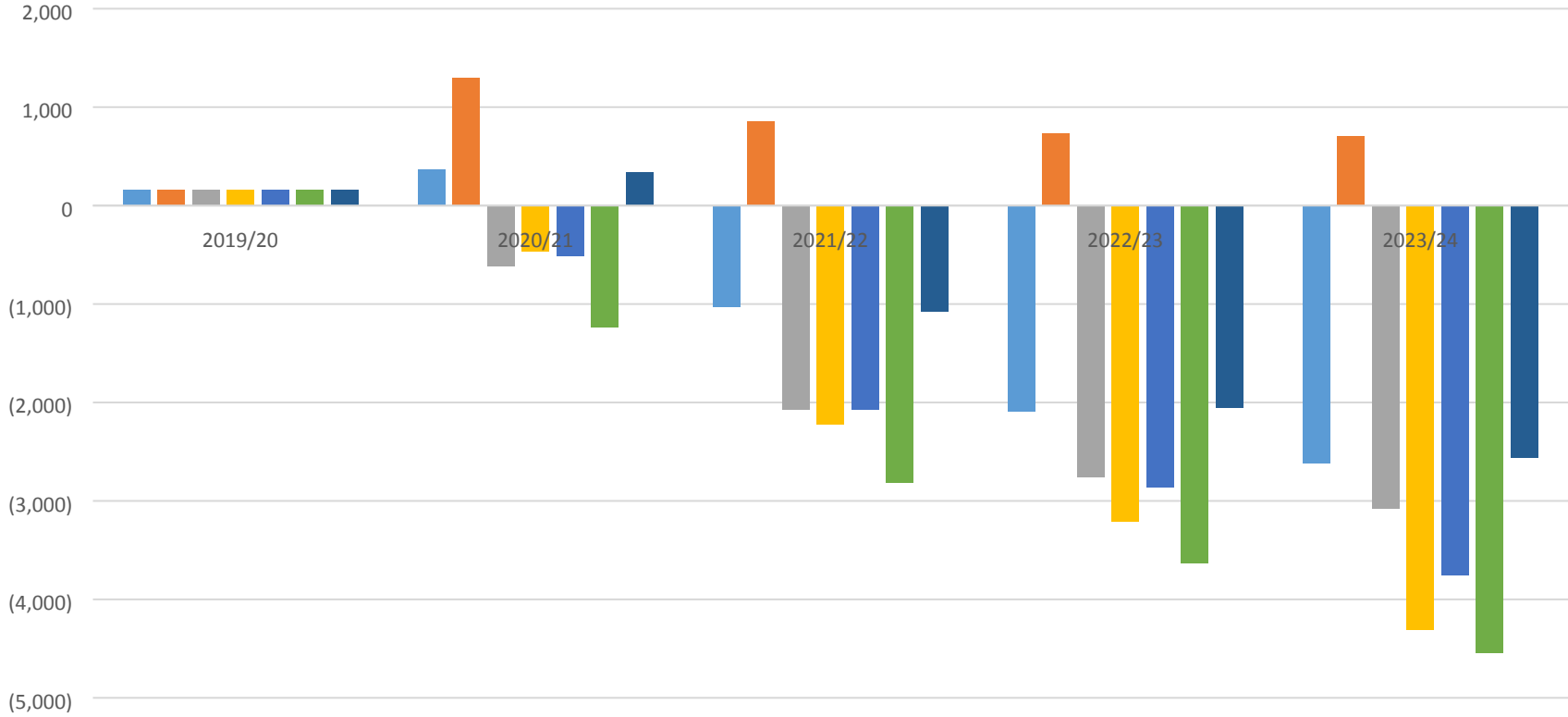


	2019/20	2020/21	2021/22	2022/23	2023/24	Total *
Surplus/(Deficit)	161	370	- 1,029	- 2,088	- 2,613	- 5,199
Scenario 1	161	1,301	851	737	703	3,753
Scenario 2	161	- 618	- 2,069	- 2,756	- 3,076	- 8,359
Scenario 3	161	- 469	- 2,223	- 3,213	- 4,308	- 10,052
Scenario 4	161	- 514	- 2,071	- 2,865	- 3,758	- 9,047
Scenario 5	161	- 1,234	- 2,814	- 3,630	- 4,545	- 12,062
Scenario 6	161	338	- 1,078	- 2,058	- 2,562	- 5,199

* Subject to Rounding

Surplus / (Deficit)

100



- 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

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hoult, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

43. 2019 - 2024 MEDIUM TERM FINANCIAL STRATEGY

The Head of Finance presented the report to Members.

At the request of Councillor T Eynon, the Head of Finance explained the four key work streams identified as part of the self-sufficiency programme, as detailed at paragraph 4.4 of appendix 1.

The Strategic Director of Housing and Customer Services explained that there was a flexible approach to the use of the self-sufficiency funds. If the opportunity arose, it could be invested or we could continue to add to the reserve until it was required.

It was moved by Councillor A C Saffell, seconded by Councillor P Purver and

RESOLVED THAT:

The report be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET - TUESDAY, 5 FEBRUARY 2019

Report Title	TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 AND PRUDENTIAL INDICATORS 2019/20 TO 2021/22
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services Tel: 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance and Deputy S151 Officer Tel: 01530 454707 tracy.bingham@nwleicestershire.gov.uk
Purpose of report	This report outlines the expected treasury operations for the forthcoming financial year and sets out the Authority's treasury management indicators for 2019/20 to 2021/22. It fulfils key requirements of the Local Government Act 2003: <ul style="list-style-type: none"> • The Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice for Treasury Management in the Public Services ; • The Treasury Management Investment Strategy in accordance with the MHCLG Investment Guidance; • The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities. • The Policy for the Annual Minimum Revenue Provision.
Reason for Decision	These are statutory requirements
Council priorities	Value for Money
Implications:	
Financial/Staff	Interest earned on balances and interest paid on external debt, impact on the resources available to the Authority.
Link to relevant CAT	Could impact on all CAT's.

Risk Management	Borrowing and investment both carry an element of risk. This risk is moderated through the adoption of the Treasury and Investment Strategies, compliance with the CIPFA code of Treasury Management and the retention of Treasury Management Advisors (Arlingclose) to offer expert advice.
Equalities Impact Screening	Not Applicable
Human Rights	Not Applicable
Transformational Government	Not applicable
Comments of Head of Paid Service	The report is satisfactory
Comments of Section 151 Officer	The report is satisfactory
Comments of Deputy Monitoring Officer	The report is satisfactory
Consultees	The Authority's Treasury Advisor; Corporate Leadership Team; Policy Development Group
Background papers	Housing Revenue Account (HRA) Business Plan - Cabinet 13 March 2012 Investment Strategy – Service and Commercial - PDG 9 January 2019 2019/20 to 2024/24 Draft Capital Programmes - Cabinet 11 December 2018 Leisure Services Project - Council 21 November 2017
Recommendations	<p>CABINET IS RECOMMENDED TO:</p> <ol style="list-style-type: none"> 1. RECOMMEND THE TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20, TREASURY MANAGEMENT PRUDENTIAL INDICATORS - REVISED 2018/19 AND 2019/20 TO 2021/22 AND THE ANNUAL MINIMUM REVENUE PROVISION STATEMENT FOR APPROVAL BY FULL COUNCIL. 2. RECOMMEND THE PROPOSED CHANGE IN APPROACH TO REDEMPTION OF HRA LOANS (PARAGRAPH 1.8) FOR APPROVAL BY FULL COUNCIL

1.0 INTRODUCTION

- 1.1 Local Authorities are required to approve a treasury management strategy (TMSS) and an investment strategy before the start of each financial year, in line with the Chartered

Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services Code of Practice 2017 Edition (the CIPFA Code).

- 1.2 CIPFA have responsibility for the Treasury Management Code of Practice and Prudential Code. The Ministry for Housing, Communities and Local Government (MHCLG) is responsible for preparing the guidance on Local Authority Investments and the guidance on Minimum Revenue Provision.
- 1.3 Investments held for service purposes or for commercial profit are considered in the Investment Strategy Report which is a separate item on the agenda for Cabinet on 5 February 2019.
- 1.4 In accordance with MHCLG Guidance, Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this statement is based, change significantly.
- 1.5 CIPFA has defined Treasury Management as: "the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 1.6 This report fulfils the council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code AND MHCLG Investment guidance. All treasury activity will comply with relevant statute, guidance and accounting standards.

The TMSS (Appendix 1) sets out:

- a. Organisational roles and responsibilities (section 2).
 - b. The role of the Authority's treasury advisor (section 3).
 - c. Reporting and monitoring of treasury management activity (section 4).
 - d. Background information used to determine borrowing and investment requirements (sections 5 and 6).
 - e. Borrowing (Appendix A) and debt rescheduling (Appendix B) strategies. Total Authority's interest payments on existing debt are estimated at £2,714,857 in 2019/20.
 - f. Treasury Management Investment Strategy (Appendix C). Security of capital is the first and most important investment policy objective.
 - g. Apportionment of Interest Strategy (Appendix D). Total investment income is estimated at £297,000 in 2019/20 (General Fund - £188,450, HRA - £108,550).
 - h. Treasury Management and Prudential Indicators for 2019/20 to 2023/24 (Appendix E). These are designed to monitor borrowing limits, debt levels and investment returns.
 - i. Annual Minimum Revenue Provision Statement for 2019/20 (Appendix F). General Fund MRP is estimated at £631,709.
- 1.7 The Policy Development Group considered the draft TMSS on 9 January 2019. The minutes of the meeting are included as Appendix 2 for Cabinet consideration. Members should note that the strategy is aligned to the Capital Programmes 2019/20 – 2023/24 and has been revised in line with changes in the capital programme since being presented to Policy Development Group. In particular, the assumptions regarding the value and timing of capital expenditure and the related proposed financing of the council's new leisure facility has been revised in line with the current projections.
 - 1.8 Finally, it is recommended that the council will no longer automatically set aside its budgeted HRA surpluses for the repayment of maturity loans that fall due from 2037. The self-financing of the HRA was presented to Cabinet on 13th March 2012 in the "Housing Revenue Account (HRA) Business Plan" and included the council taking on £76.785m of debt to buy itself out of the former national Housing Revenue Account Subsidy system.

Since that date, surpluses budgeted on the HRA have been set aside in a Loan Redemption Reserve for the purposes of repayment of two maturity loans when they mature. These two maturities are to be repaid in 2021/22 and are £10m and £3m. 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, the next of which is repayable 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 continue to be repaid as required.

TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20

- 1.0 The purpose of this Treasury Management Strategy Statement is to set out for approval
- The Borrowing Strategy 2019/20 (APPENDIX A)
 - The Debt Rescheduling Strategy 2019/20 (APPENDIX B)
 - The Annual Treasury Management Investment Strategy 2019/20 (APPENDIX C)
 - The Apportionment of Interest Strategy 2019/20 (APPENDIX D)
 - The Treasury Management and Prudential Indicators 2019/20 to 2021/22 (APPENDIX E)
 - The Annual Minimum Revenue Provision (APPENDIX F)
- 1.1 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification; monitoring and control of risk are important and integral elements of treasury management activities. The main risks to the Council's treasury activities are:
- Credit and Counterparty Risk (security of investments)
 - Liquidity Risk (inadequate cash resources)
 - Market or Interest Rate Risk (fluctuations in interest rate levels)
 - Inflation Risk (exposure to inflation)
 - Refinancing Risk (impact of refinancing on suitable terms)
 - Legal & Regulatory Risk (failure to act in accordance with powers or regulatory requirements)
- 2.0 Organisational Roles and Responsibilities**
- 2.1 In accordance with CIPFA guidance, the roles and responsibilities of the Council's Treasury Management function are divided between several responsible officers and are summarised below:
- Section 151 Officer – overall responsibility for the treasury management function to include:
Ensuring the organisation of the treasury management function is adequate to meet current requirements:
- Investment, borrowing and debt rescheduling decisions.
 - Monitoring adherence to approved Treasury Management Strategy Statement.
 - Regular reporting to Members on treasury management activity.
- Finance Team Manager (Deputy Section 151 Officer) – ensuring that day to day treasury activities comply with the approved Treasury Management Strategy Statement by reviewing and authorising the investment opportunities identified.
- Technical Accountant – identification of investment opportunities and borrowing requirements and acts as the Council's interface with brokers and counterparties.
- 2.2 The needs of the Council's treasury management staff for training in investment management, are assessed through the 'BEE Valued' staff appraisal process and additionally when the responsibilities of individual members of staff change.

- 2.3 Training courses, seminars and conferences provided by the Council's treasury advisor or CIPFA, are regularly attended to refresh and enhance the knowledge of treasury management staff.

3.0 The Role of the Council's Treasury Advisor

- 3.1 The Council currently employs Arlingclose Ltd as treasury advisor to provide the following services; strategic treasury management advice, advice relating to Housing & Capital finance, leasing advice, economic advice and interest rate forecasting, debt restructuring and portfolio review (structure and volatility), counterparty credit ratings and other creditworthiness indicators and training, particularly investment training, for Members and officers.
- 3.2 Arlingclose Ltd is authorised and regulated by the Financial Conduct Authority (FCA). It provides the Council with timely, clear and regular information about the financial sector to enable the Council to take pro-active decisions which in turn, helps to minimise risk.
- 3.3 The quality of this service is monitored by officers on a regular basis, focusing on the supply of relevant, accurate and timely information across the services provided.

4.0 Reporting and Monitoring of Treasury Management Activity

- 4.1 The Treasury Management Stewardship Report for 2018/19 will be presented to the Audit and Governance Committee for scrutiny and then Cabinet as soon as possible after the end of the financial year. As in previous years, the Treasury Management Strategy Statement will be supplemented by in-year reporting of treasury management activity and monitoring of prudential indicators, to the Audit and Governance Committee during 2019/20.
- 4.2 This report, together with all other reports to Council, Cabinet and the Audit and Governance Committee are a public record and can be viewed on the Council's website. This demonstrates compliance with MHCLG Guidance on local government investments, which recommends that the initial strategy, and any revised strategy, should, when approved, be made available to the public free of charge, in print or online.

5.0 External Factors

- 5.1 The information below is provided by the Council's Treasury Advisors, Arlingclose Ltd and is intended to provide context of the current UK economic climate.

Economic background: The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20.

UK Consumer Price Inflation (CPI) for October was up 2.4% year/year, slightly below the consensus forecast and broadly in line with the Bank of England's November Inflation Report. The most recent labour market data for October 2018 showed the unemployment rate edged up slightly to 4.1% while the employment rate of 75.7% was the joint highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.3% as wages continue to rise steadily and provide some pull on general inflation. Adjusted for inflation, real wages grew by 1.0%, a level still likely to have little effect on consumer spending.

The rise in quarterly GDP growth to 0.6% in Q3 from 0.4% in the previous quarter was due to weather-related factors boosting overall household consumption and construction activity over the summer following the weather-related weakness in Q1. At 1.5%, annual GDP growth continues to remain below

trend. Looking ahead, the BoE, in its November Inflation Report, expects GDP growth to average around 1.75% over the forecast horizon, providing the UK's exit from the EU is relatively smooth. Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no changes to monetary policy has been made since. However, the Bank expects that should the economy continue to evolve in line with its November forecast, further increases in Bank Rate will be required to return inflation to the 2% target. The Monetary Policy Committee continues to reiterate that any further increases will be at a gradual pace and limited in extent.

While US growth has slowed over 2018, the economy continues to perform robustly. The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the current 2%-2.25% in September. Markets continue to expect one more rate rise in December, but expectations are fading that the further hikes previously expected in 2019 will materialise as concerns over trade wars drag on economic activity.

Credit outlook: The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under ringfencing legislation. Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

Interest rate forecast: Following the increase in Bank Rate to 0.75% in August 2018, the Authority's treasury management adviser Arlingclose is forecasting two more 0.25% hikes during 2019 to take official UK interest rates to 1.25%. The Bank of England's MPC has maintained expectations for slow and steady rate rises over the forecast horizon. The MPC continues to have a bias towards tighter monetary policy but is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that higher Bank Rate will be a more effective policy weapon should downside Brexit risks crystallise when rate cuts will be required.

The UK economic environment remains relatively soft, despite seemingly strong labour market data. Arlingclose's view is that the economy still faces a challenging outlook as it exits the European Union and Eurozone growth softens. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity (*at the time of writing this commentary in mid-December*). As such, the risks to the interest rate forecast are considered firmly to the downside.

Gilt yields and hence long-term borrowing rates have remained at low levels but some upward movement from current levels is expected based on Arlingclose's interest rate projections, due to the strength of the US economy and the ECB's forward guidance on higher rates. 10-year and 20-year gilt yields are forecast to remain around 1.7% and 2.2% respectively over the interest rate forecast horizon, however volatility arising from both economic and political events are likely to continue to offer borrowing opportunities.

6.0 Outlook for UK Interest Rates:

6.1 The Council's treasury advisor's current central case forecast for the UK Bank Rate is set out below.

Bank Rate %	Dec. 2018	March 2019	June 2019	Sept. 2019	Dec 2019	March 2020	June 2020	Sept 2020
Upside Risk	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.75	1.00	1.00	1.25	1.25	1.25	1.25	1.25
Downside Risk	0.00	0.50	0.50	0.75	0.75	0.75	0.75	0.75

6.2 The Council's treasury advisor has forecast the Bank Rate to remain at 1.25% over the medium term.

7.0 Implications for Treasury Activity

7.1 The economic outlook, the financial health of sovereign states, major banks and investment counterparties, still provide major challenges and risk for treasury activity, particularly investment activity, during the financial year.

7.2 The principles in the proposed suite of treasury policies remain broadly unchanged from previous years - borrowing will be prudent, minimize borrowing costs and maintain the stability of the debt maturity portfolio. Debt rescheduling should achieve interest savings, carry minimal risk and maintain the stability of the debt maturity portfolio. Investments will be prioritised and based upon the principles of security, liquidity and yield.

8.0 Markets in Financial Instruments Directive (MiFID)

8.1 As reported in the Treasury Management Strategy 2018/19, MiFID regulations gave the council the option to retain Retail status or to 'opt-up' to Professional status when dealing with advisers, brokers, banks and fund managers. The council 'opted-up' to Professional status and given the size and range of the council's treasury management activities, the Head of Finance (S151 Officer) believes this to be the most appropriate status.

8.2 To enable the council to maintain 'Professional' status, it is required under the MiFID regulations to maintain an investment level of at least £10m.

8.3 It is the intention of the council to maintain balances at this level for investment, to allow it to continue to access the full range of investment options that it currently has access to and this position will be monitored on an ongoing basis. Should the council drop below the £10m investment limit, it would no longer be able to access investments including but not limited to: shares, bonds, debentures, units in collective investment schemes and money market funds.

8.4 The cash flow is monitored weekly for significant movements in expenditure and income. The current cash flow position indicates that the £10m investment limit will be maintained in 2019/20.

9.0 FUTURE SIGNIFICANT EVENTS

9.1 In November 2017, the Council decided to outsource the provision of its two leisure centres, Hood Park Leisure Centre in Ashby and Hermitage Leisure Centre in Whitwick. The council also agreed to close the Hermitage site and build a new replacement facility in Coalville. The new facility will be funded by the Council. At the time of writing this

Strategy, the council is carrying out its final evaluation exercise as part of the procurement exercise to secure an operator. The Council will retain ownership of both the existing and new assets, however from inception of the contract (anticipated May 2019), the new operator will be responsible for all capital improvement works. The capital value of the new facility will be funded through a mixture of internal and external borrowing and capital receipts arising on the disposal of land at Cropston Drive, one of the Council's remaining significant land holdings.

- 9.2 From time to time the council will consider other service delivery models (for example shared service) and these will potentially affect the council's balance sheet and treasury position. Should alternative delivery models be agreed and implemented, a new TMSS will be presented to Members and this strategy should be updated should the assumptions on which this statement is based alter significantly.
- 9.3 The self-financing of the HRA was presented to Cabinet on 13th March 2012 in the "Housing Revenue Account (HRA) Business Plan" and included the council taking on £76.785m of debt to buy itself out of the former national Housing Revenue Account Subsidy system. Since that date, surpluses budgeted on the HRA have been set aside in a Loan Redemption Reserve for the purposes of repayment of two maturity loans when they mature. These two maturities are to be repaid in 2021/22 and are £10m and £3m. After 2022, the council will not automatically use any surpluses to pay into a loan redemption reserve for the repayment of maturity loans, the next of which is repayable 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 continue to be repaid as required.

10.0 THE COUNCIL'S CURRENT BALANCE SHEET AND TREASURY POSITION

- 10.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). Usable reserves and working capital are the underlying resources available for investment. The CFR, balances and reserves are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are set out below:

	31.03.18 Actual £m	31.03.19 Estimate £m	31.03.20 Forecast £m	31.03.21 Forecast £m	31.03.22 Forecast £m
General Fund CFR	14.4	16.4	27.0	37.4	38.7
HRA CFR	74.0	72.9	71.8	70.6	56.4
Total CFR	88.4	89.3	98.8	108.0	95.1
Less: External Borrowing	82.3	81.2	80.1	79.0	64.8
Internal Borrowing	6.1	8.1	18.7	29.0	30.3
Less: Usable Reserves	34.6	31.6	26.2	26.9	13.7
Less: Working Capital Estimate	(14.2)	(12.7)	(11.2)	(9.7)	(8.2)
Investments or (New Borrowing)	42.7	36.2	18.7	7.6	(8.4)

- 10.2 The Council has an increasing General Fund CFR due to the use of borrowing to fund the Capital Programme, which includes the Leisure Services Project which was agreed at Council 21 November 2017.

- 10.3 The Leisure Project is scheduled for 2019/20 to 2021/22. For 2019/20 and 2020/21, the Council will be utilising internal borrowing. The effect of this is that there is less cash available for investment by 31 March 2021. By 31 March 2022, there is no availability for investment but there will be a requirement for borrowing of £8.4m.
- 10.4 The Council's level of physical debt and investments is linked to the components of the Balance Sheet. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council's short term strategy is to maintain borrowing and investments below their underlying levels (internal borrowing).

The following table shows the Investment and debt portfolio position:

	Portfolio as at 31 March 2018 £m	Portfolio as at 17 Jan 2019 £m	Average Rate as at 17 Jan 2019 %
External Borrowing:			
PWLB	73.9	73.4	3.34
Local Authorities	1.0	1.0	6.875
Banking Sector	3.9	3.9	4.74
LOBO Loans	3.5	3.5	4.8
<i>Total External Borrowing</i>	<i>82.3</i>	<i>81.8</i>	
Other Long Term Liabilities	0.1	0.1	3.14
TOTAL GROSS EXTERNAL DEBT	82.4	81.9	
Investments:			
Short Term - Managed in-house	29.3	40.7	0.68
Long Term - Managed in-house	12.0	5.5	0.87
Fund Managers–Managed Externally	0.0	0.0	
Pooled Funds-Managed Externally	2.6	18.7	0.57
<i>Total Investments</i>	<i>43.9</i>	<i>64.9</i>	
NET DEBT	38.5	17.0	

- 10.5 CIPFA's 'Prudential Code for Capital Finance in Local Authorities' recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2019/20.

11.0 THE COUNCIL'S APPROACH TO BEING COMMERCIAL

- 11.1 A new and separate strategy has been produced to provide the strategic framework under which the Service and Commercial Investments are undertaken. This document is presented to members alongside the Treasury Management Strategy Statement.
- 11.2 The Investment Strategy included in this document (Treasury Management Strategy Statement) at Appendix C, provides the strategic framework in which its Treasury Management investment activity is undertaken.

BORROWING STRATEGY 2019/20

At the 31st March 2019, the Council will hold loans totalling £81.3m (£72.9m HRA and £8.4m General Fund). This is a decrease of £1m on the previous year (£73.9m HRA and £8.4m General Fund) and is part of the Council's strategy for funding previous years' Capital Programmes and for the self-financing of the HRA, which was presented to Cabinet on 13th March 2012 in the "Housing Revenue Account (HRA) Business Plan".

The balance sheet forecast in paragraph 10.1 shows that the council does not expect to need to borrow in 2019/20. Borrowing will be required by 2021/22 and this strategy sets out the methodology and approach that will be taken into consideration at that time.

The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to re-negotiate loans, should the Council's long term plans change, is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources or to borrow short term loans instead.

By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal / short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Internal Borrowing
- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Local Government Pension Scheme administered by Leicestershire County Council)
- Capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local council bond issues

Capital finance may also be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing

- hire purchase
- Private Finance Initiative
- sale and leaseback

The Council has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local council loans and bank loans that may be available at more favourable rates.

UK Municipal Bonds Agency Plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the Capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the Agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

The Council holds one LOBO (Lender's Option Borrower's Option) loan of £3.5m as part of its current total borrowing of £82.3m, where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. This LOBO has options during 2019/20 and although the Council understands that the lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the opportunity to repay LOBO loans at no cost if it has the opportunity to do so.

The total amount borrowed will not exceed the 2019/20 authorised borrowing limit of £133 million.

Borrowing activity will be reported in the annual Treasury Management Stewardship Report and supplemented with in-year Treasury Activity Reports to the Audit and Governance Committee.

DEBT RESCHEDULING STRATEGY 2019/20

The Council will continue to maintain a flexible policy for debt rescheduling.

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. However, the lower interest rate environment has adversely affected the scope to undertake meaningful debt restructuring although occasional opportunities arise.

The rationale for rescheduling will be one or more of the following:

- Savings in interest costs with minimal risk.
- Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio.
- Amending the profile of maturing debt to reduce any inherent refinancing risks.

Any rescheduling activity will be undertaken within the Council's Treasury Management Policy and Strategy. The Council will agree in advance with its treasury advisor, the strategy and framework within which debt will be repaid / rescheduled, should opportunities arise. Thereafter, the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by the Council's treasury advisor and discussed with the Council's officers.

All rescheduling activity will comply with accounting and regulatory requirements and will be reported in the annual Treasury Management Stewardship Report and supplemented with in-year Treasury Activity Reports to the Audit and Governance Committee.

ANNUAL TREASURY MANAGEMENT INVESTMENT STRATEGY 2019/20

The Council invests its money for three broad purposes:

1. Because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments)
2. To support local public services by lending to or buying shares in other organisations (service investments), and
3. To earn investment income (known as commercial investments where this is the main purpose)

This strategy focuses on the first of these three purposes.

A separate report 'Investment Strategy – Service and Commercial' presented to Cabinet alongside the Treasury Management Strategy Statement, focuses on the second and third of the three purposes above.

The Council holds invested funds which represent income received in advance of expenditure plus balances and reserves held as reflected in the balance sheet forecast in paragraph 10.1.

From 2019/20 onwards, investment levels are likely to decrease due to the use of reserves and internal borrowing to fund the capital programme, repayment of debt in 2021/22 and 2022/23 and movements in reserves in the revenue budget. However, investment balances will be maintained above £10m to comply with MiFID requirements highlighted in section 4 of this report.

Investment Policy

The CIPFA Code requires the council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield. The council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

The Council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- An optimum yield which is commensurate with security and liquidity.

If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero. This would be likely to feed through to negative interest rates on all low risk, short term investment options. This situation already exists in many other European Countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Investment Strategy

Given the increasing risk and very low returns from short-term unsecured bank investments, the Council aims to continue to invest in more secure asset classes during 2019/20. This is especially the case for the estimated £5m that is available for longer-term investment. The council's surplus cash is currently invested in; short-term unsecured bank or building society deposits, money market funds and short and long term investments with other Local Authorities.

The Council's investments are made with reference to the Council's cash flow, the outlook for the UK Bank Rate, money market rates, the economic outlook and advice from the Council's treasury adviser.

The Council compiles its cash flow forecast on a pessimistic basis, with receipts underestimated and payments over-estimated to minimise the risk of the Council having to borrow on unfavourable terms. Limits on investments are set with reference to the Council's Medium Term Financial Plan and cash flow forecast. This also determines the maximum period for which funds may prudently be committed.

The Section 151 Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators.

Under the new IFRS 9 standard, the accounting for certain investments depends on the council's 'business model' for managing them. The council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and so these investments will continue to be accounted for at amortised cost.

The MHCLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Head of Finance, having consulted the Corporate Portfolio holder, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness.

All Investment activity will be reported in the annual Treasury Management Stewardship Report and supplemented with in-year Treasury Activity Reports to the Audit and Governance Committee.

Approved Counterparties

The Council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash and time limits shown:

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 Years	n/a	n/a
AAA	£2m 5 years	£5m 20 years	£5m 50 years	£2m 20 years	£3m 20 years
AA+	£2m 5 years	£5m 10 years	£5m 25 years	£2m 10 years	£3m 10 years
AA	£2m 4 years	£5m 5 years	£5m 15 years	£2m 5 years	£3m 10 years
AA-	£2m 3 years	£5m 4 years	£5m 10 years	£2m 4 years	£3m 10 years
A+	£2m 2 years	£5m 3 years	£5m 5 years	£2m 3 years	£3m 5 years
A	£2m 13 months	£5m 2 years	£5m 5 years	£2m 2 years	£3m 5 years
A-	£2m 6 months	£5m 13 months	£5m 5 years	£2m 13 months	£3m 5 years
None	£1m 6 months	n/a	£5m 25 years	£1m 5 years	£1m 5 years
Banking Provider - Lloyds	£3m 13 months		n/a	n/a	n/a
Pooled Funds and real estate investment trusts	£6m per fund				

This table must be read in conjunction with the notes below:

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings and all other relevant factors, including external advice, will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in, should the regulator determine that the bank is failing or likely to fail.

Operational Bank Accounts: The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank. These are not classed as investments but are still subject to the risk of a bank bail-in. The Bank of England has stated that in the event of a failure, banks with assets greater than £25 billion are more likely to be bailed-in rather than be made insolvent, increasing the chance of the Council maintaining operational continuity.

Banks Secured: Covered Bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency and means that they are exempt from bail-in. Where there is no investment specific credit rating but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank, will not exceed the cash limit for secured investments.

Government: Loans, Bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment or as part of a diversified pool in order to spread the risk more widely.

Registered Providers: Loans or bonds issued by, guaranteed by or secured on the assets of the Registered Providers of Social Housing and registered social landlords, formerly known as Housing Associations. These bodies are tightly regulated by the Regulator of Social Housing. As providers of public services, they retain the likelihood of receiving Government support if needed.

Pooled Funds: Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term money market funds that offer same day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period, will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short-term. These allow the Council to diversify into asset classes, other than cash, without the need to own and manage the underlying investments. Because these funds have no defined maturity date but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real Estate Investment Trusts: Shares in companies that invest mainly in real estate and pay the majority of their rental incomes to investors in a similar manner to pooled property funds. As with property funds, REIT's offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made
- any existing investments that can be recalled or sold at no cost will be, and
- Full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

The council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press and analysis and advice from the council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

To minimise the risk of investment losses in the case of a default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers' nominee accounts (*e.g. King & Shaxson*), foreign countries and industry sectors as below:

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	Unlimited
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£10m per manager
Negotiable instruments held in a broker's nominee account	£10m per broker
Foreign countries	£5m per country
Registered Providers and registered social landlords	£5m in total
Unsecured Investments with Building Societies	£5m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£20m in total (max £6m per fund)
Real Estate Investment Trusts	£10m in total

Supplementary due diligence: Following discussions with members, the following additional steps are to be implemented

- Investments with counterparties with a credit rating below A- are to be discussed and agreed with the Portfolio Holder for Finance before the transaction has taken place.
- Checks on Local Authority investments are to be undertaken by the S151 / Deputy S151 officer prior to lending. The checks undertaken will be in the form of information in the public domain. This could include any CIPFA (or other) resilience score, balance sheet review of the local authority and any media releases available.

Policy on use of Financial Derivatives

Local Authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs of increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011, removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty limit and the relevant foreign country limit.

APPORTIONMENT OF INTEREST STRATEGY 2019/20

The Localism Act 2011 required Local Authorities to allocate existing and future borrowing costs between the Housing Revenue Account and the General Fund.

Accordingly, on 1st April 2012, the council notionally split its existing debt into General Fund and Housing Revenue Account as detailed in the 'Borrowing Strategy'. Any future borrowing will be assigned in its entirety to the appropriate revenue account.

Interest payable and any other costs arising from long-term loans (for example, premiums and discounts on early redemption) will be charged to the appropriate revenue account.

Interest received on investment income is budgeted to be apportioned between General Fund and the Housing Revenue Account based on an estimated cash flow position and balance sheet forecast. For 2019/20, the budgeted investment income is £297,000 and is apportioned as follows: £188,450 General Fund and £108,550 Housing Revenue Account. Any over or under achievement of investment income is apportioned on this basis, at the end of the financial year.

PRUDENTIAL INDICATORS

1 Background

The Local Government Act 2003 requires the Council to have regard to the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code for Capital Finance in Local Authorities (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

CAPITAL INDICATORS

2. Estimates of Capital Expenditure

The Council's planned capital expenditure and financing is summarised in the table below. Further detail is provided in the Capital Programmes report taken to Cabinet on 11 December 2018.

Capital Expenditure	2018/19 Approved £m	2018/19 Revised £m	2019/20 Est £m	2020/21 Est £m	2021/22 Est £m
Non-HRA	3.187	6.458	12.708	12.149	6.365
HRA	10.085	7.918	13.110	6.480	5.034
Total	13.272	14.376	25.818	18.629	11.399

Capital expenditure will be financed or funded as follows:

Capital Financing	2018/19 Approved £m	2018/19 Revised £m	2019/20 Est £m	2020/21 Est £m	2021/22 Est £m
Capital receipts	1.684	1.850	1.658	1.523	4.461
Government Grants	0.573	0.573	0.621	0.621	0.621
Major Repairs Allowance	3.127	3.139	3.139	3.173	3.179
Reserves	5.548	3.796	6.261	1.597	0.094
Other Contribution-S106	0	2.284	0.988	0.043	0
Grants - Other	0	0.081	0.200	0.200	0.200
Revenue contributions	0.050	0.128	1.728	0.027	0.127
Total Financing	10.982	11.851	14.595	7.184	8.682
Unsupported borrowing	2.290	2.525	11.223	11.445	2.717
Total Funding	2.290	2.525	11.223	11.445	2.717
Total Financing and Funding	13.272	14.376	25.818	18.629	11.399

3. Capital Financing Requirement

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose.

Capital Financing Requirement	2017/18 Actual £m	2018/19 Estimate £m	2018/19 Revised £m	2019/20 Est £m	2020/21 Est £m	2021/22 Est £m
Non-HRA	13.820	17.765	16.399	26.991	37.449	38.715
HRA	73.994	72.890	72.890	71.762	70.608	56.429
Total CFR	87.814	90.655	89.289	98.753	108.057	95.144

The General Fund CFR is forecast to rise over the medium term. This is in line with the Capital programme schemes that are financed by debt. The detail of these schemes can be found in the capital report presented to Cabinet at the same meeting as this strategy.

4. Gross Debt and the Capital Financing Requirement

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that the debt does not (except in the short term) exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

Debt – as at 31 st March	2018 Actual £m	2019 Est £m	2020 Est £m	2021 Est £m	2022 Est £m
Borrowing	82.348	81.245	80.117	78.963	64.783
Transferred Debt	0.104	0.097	0.090	0.082	0.075
Total Debt	82.452	81.342	80.207	79.045	64.858

Total debt is expected to remain below the CFR during the forecast period.

5. Authorised Limit and Operational Boundary for External Debt

The **Operational Boundary** is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements and is a key management tool for in-year monitoring. Other long-term liabilities may comprise of finance leases, Private Finance Initiative and other liabilities that are not borrowing but form part of the Council's debt.

The Section 151 Officer has delegated council, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Council.

Operational Boundary for External Debt	2018/19 Approved £m	2018/19 Revised £m	2019/20 Est £m	2020/21 Est £m	2021/22 Est £m
Borrowing	112.255	111.124	130.414	141.094	133.632
Other Long-term Liabilities	0.500	0.500	0.500	0.500	0.500

Total	112.755	111.624	130.914	141.594	134.132
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The **Authorised Limit** sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Council. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

The Authorised Limit is the affordable borrowing limit determined in compliance under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). It is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the operational boundary to allow for unusual cash movements

Authorised Limit for External Debt	2018/19 Approved £m	2018/19 Revised £m	2019/20 Est £m	2020/21 Est £m	2021/22 Est £m
Borrowing	114.255	113.124	132.414	143.094	135.632
Other Long-term Liabilities	0.700	0.700	0.700	0.700	0.700
Total	114.955	113.824	133.114	143.794	136.332

The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

6. Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2017/18 Actual %	2018/19 Approved %	2018/19 Revised %	2019/20 Est %	2020/21 Est %	2021/22 Est %
Non-HRA	6.24	6.97	5.77	6.07	9.49	15.53
HRA	12.51	12.45	12.21	12.16	11.90	11.60
Total (Average)	9.73	10.08	9.41	9.37	10.85	13.26

The Council has an increasing ratio of Non-HRA financing costs due to forecast increases of interest on loans and MRP contributions and reducing revenue income streams.

7. Incremental Impact of Capital Investment Decisions

This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is the difference between the total revenue budget requirement of the current approved capital programme and the revenue budget requirement arising from the capital programme proposed.

Incremental Impact of Capital Investment Decisions	2018/19 Approved £	2018/19 Revised £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
Increase in Band D Council Tax	3.36	2.49	4.49	7.60	9.88
Increase/(Decrease) in Average Weekly Housing Rents *	(0.82)	(0.82)	(0.81)	2.41	2.48

* Government Policy requires an actual decrease in Housing Rents of 1% per year until 2019/20. This is reflected in the estimates above.

Whilst this is a notional indicator as Band D Council Tax has not been increased, it represents the impact of the increased costs from capital decisions on the Band D Council Tax. The increasing impact is in line with the Estimates of Capital Expenditure as shown in table 2.

TREASURY MANAGEMENT INDICATORS

8. Upper Limits for Fixed and Variable Interest Rate Exposure

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculates these limits on net principal outstanding sums (i.e. fixed rate debt net of fixed rate investments).

The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

	Existing (Benchmark) level 31/03/18 %	2018/19 Approved %	2018/19 Revised %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
Upper Limit - Fixed Interest Rate Exposure	100	100	100	100	100	100
Upper Limit - Variable Interest Rate Exposure	50	50	50	50	50	50

The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the transaction year or the transaction date if later. All other instruments are classed as variable rate.

9. Maturity Structure of Fixed Rate borrowing

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Lower Limit for 2019/20 %	Upper Limit for 2019/20 %
under 12 months	0	70
12 months and within 24 months	0	40
24 months and within 5 years	0	50
5 years and within 10 years	0	40
10 years and within 20 years	0	40
20 years and within 30 years	0	70
30 years and within 40 years	0	40

10. Upper Limit for total principal sums invested over 364 days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

	2018/19 Approved £m	2018/19 Revised £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Upper Limit	12	12	5	5	5

The reduction of the Upper Limit from 2019/20 onwards is in line with the capital expenditure expected on the leisure project and to ensure liquidity is maintained.

ANNUAL MINIMUM REVENUE PROVISION STATEMENT

Background

Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). Although there has been no statutory minimum since 2008, the Local Government Act 2003 requires the Council to have regard to the Ministry for Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the Guidance), which has been updated and re-issued in February 2018. The effective date of the latest guidance applies for accounting periods starting on or after 1 April 2019.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year. The broad aim of the MHCLG guidance is to ensure that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

MRP is not required to be charged to the Housing Revenue Account and where a local council's overall CFR is £nil or a negative amount there is no requirement to charge MRP.

Following the payment made to exit the Housing Revenue Account subsidy system for the new self-financing arrangements from April 2012, MRP will be determined as being equal to the principal amount repaid on the loans borrowed to finance that payment. The structure of the debt that was incurred to fund the self-financing was based on the principal being repaid over the life of the HRA business plan, which also takes into account the 'old' HRA debt. For 2019/20, as in previous years, the MRP for HRA is determined by the amounts of principal repaid on the loans that were taken out on an annuity basis.

The Section 151 Officer has undertaken a review of its MRP in 2018/19, to assess the council's current policy against the MHCLG Guidance and appropriateness for the needs of the organisation. In previous years, the council's policy in respect of MRP is to charge an amount equal to 4% of the non-housing CFR at the end of the preceding financial year, based on Option 2.

Going forward, the Section 151 Officer has revised this policy for 2019/20 onwards to asset life method, based on Option 3, whereby MRP is determined by reference to the useful life of the asset. It is considered more prudent to take the asset life method approach in line with MHCLG guidance.

MRP Options:

Four options for prudent MRP are set out in the MHCLG Guidance. Details of each are set out below:

Option 1 – Regulatory Method.

For Capital expenditure incurred before 1st April 2008, MRP under this option, is the amount determined in accordance with the 2003 regulations. In effect, this is 4% of the total Capital Financing Requirement (CFR) excluding HRA borrowing and Adjustment A. Adjustment A is an accounting adjustment to ensure consistency with previous capital regulations. Once calculated this figure is fixed. For this Council, Adjustment A is fixed at £606,250.49.

Option 2 – CFR Method.

MRP under this option is the same as option 1 but ignores Adjustment A. In effect, this is 4% of the CFR less HRA borrowing.

Option 3 – Asset Life Method.

Where capital expenditure on an asset is financed either wholly or in part by borrowing or credit arrangements, MRP is determined by the life of the asset. For example, if the asset life is 5 years, then the MRP for that asset will be based on 20% of the capital expenditure (unsupported borrowing), per year for 5 years.

Option 4 - Depreciation Method.

Under this option, MRP would be based on the provision required under depreciation accounting. It would also take into account any residual value at the end of the life of the asset. For example, if the asset life was 5 years and the residual value was anticipated to be 10% of the asset value, then the MRP for that asset would be based on 20% of the capital expenditure (unsupported borrowing) less 10% residual value per year for 5 years.

Under Regulation 28 of the Local Authorities (*Capital Finance and Accounting*) (*England*) *Regulations 2003*, the council is also given flexibility in how they calculate MRP, providing the calculation is prudent.

MRP Policy for 2019/20:

- The council will apply Option 1 in respect of supported capital expenditure.
- The council will apply a prudent provision based on 'option 2' for unsupported borrowing incurred up to and including 31 March 2019.
- The council will apply an asset life method based on Option 3, in respect of new unsupported capital expenditure incurred from 1 April 2019 onwards.

Based on the council's latest estimate of its Capital Financing Requirement on 31st March 2019, the 2019/20 budget for General Fund MRP will be £631,709. The HRA Subsidy Reform payment for 2019/20 is £1,128,190.

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EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hoult, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

38. TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 AND PRUDENTIAL INDICATORS 2019/20 TO 2021/22

The Head of Finance presented the report to Members.

In response to a question from Councillor S Sheahan, the Portfolio Holder explained that the additional steps implemented for investments and Local Authority lending was introduced to avoid any reputational embarrassment. The Head of Finance stated that she had previously given assurances to Members regarding inter local authority borrowing and that any such investments were safe. However, the issue was around the timing of claiming money back in the event that an invested local authority encountered financial difficulties and it was important to safeguard our finances.

Councillor T Eynon raised concerns regarding the decision to not automatically set aside the budgeted HRA surpluses for the repayment of loans due in 2037. She asked for assurance that this would not leave the future generation in a difficult financial situation. The Portfolio Holder assured Members that the Council was prudent and it was the intent to pay off the loans due in 2022. However, having more flexibility post 2022 would allow the Council to consider investing in new supply and/or stock improvement to improve and widen the asset base and realise future income streams. Councillor T Eynon asked what strategies were in place to deal with any required improvements to the housing stock at the time the loan repayments were due from 2037. The Portfolio Holder explained that money from rent payments were put aside into planned programmes for any maintenance work required to the housing stock. The Strategic Director of Housing and Customer Services confirmed the arrangements; stating that annuity loans would continue to be repaid, that of the £77m self-financing loans taken out in 2012, a considerable chunk (£33m) would be paid off by 2032 and the option to refinance would always be available. He very much doubted that most local authorities would be in such a good financial position.

It was moved by Councillor V Richichi, seconded by Councillor R Ashman and

RESOLVED THAT:

Comments made by the Policy Development Group meeting be provided to Council when considering the Treasury Management Strategy Statement 2019/20, Treasury Management Indicators – Revised 2018/19 and 2019/20 to 2021/22, and the Annual Minimum Revenue Provision Statement.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET - TUESDAY, 5 FEBRUARY 2019

Report Title	INVESTMENT STRATEGY - SERVICE AND COMMERCIAL 2019/20
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Nick Rushton 01530 412059 nicholas.rushton@nwleicestershire.gov.uk Strategic Director of Housing and Customer Services 01530 454819 glyn.jones@nwleicestershire.gov.uk Head of Finance and Section 151 Officer 01530 454707 tracy.bingham@nwleicestershire.gov.uk
Purpose of report	To seek approval of the Investment Strategy – Service and Commercial and to meet statutory requirements.
Reason for Decision	To meet statutory requirements.
Council priorities	Value for Money
Implications:	
Financial/Staff	This strategy lays out how the Council will support local public services through investments and invest commercially. Investment activities may impact on the resources available to the council through utilisation of reserves and through interest earned.
Link to relevant CAT	Could impact on all CAT's
Risk Management	Investment and reliance on income from commercial activity carry elements of risk. These risks are moderated through compliance with the CIPFA code of Treasury Management, the retention of Treasury Management advisors (Arlingclose) to offer expert advice, the adoption of the Treasury and Investment Strategies and sound financial management through the Medium Term Financial Strategy, budget setting and monitoring processes implemented by the council.
Equalities Impact Screening	Not applicable
Human Rights	Not applicable

Transformational Government	Not applicable
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	The Council's treasury Advisors; Corporate Leadership Team; and Policy Development Group 9 January 2019
Background papers	2019-2024 Medium Term Financial Strategy – Cabinet 11 December 2018 Statutory Guidance on Local Government Investments – GOV.UK
Recommendations	THAT CABINET RECOMMEND THE INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2019/20 FOR APPROVAL BY COUNCIL ON 26 FEBRUARY 2019

1.0 INTRODUCTION

1.1 The council invests its money for three broad purposes:

- i. Because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments);
- ii. To support local public services by lending to or buying shares in other organisations, including loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party (service investments); and
- iii. To earn investment income (known as commercial investments where this is the main purpose).

1.2 The investment strategy attached as Appendix A is a new report for 2019/20 which was presented at Policy Development Group 9 January 2019. The minutes of the meeting are included as Appendix B for Cabinet consideration. It meets the requirements of statutory guidance issued by the government under in January 2018 under section 15(1)(a) of the Local Government Act 2003.

1.3 The Investment Strategy – Service and Commercial, focuses solely on service investments and commercial investments (as outlined in 1.1 ii. and iii. above). Treasury management activities (as per paragraph 1.1 i. above) are detailed within the council's separate Treasury Management Strategy.

1.4 When considering security and liquidity of loans, local authorities should set limits for their total exposure. The proposed limits in relation to Service Investments: Loans and Shares are presented in the strategy for approval.

- 1.5 This strategy supports the Council's wider strategic framework, including the council's Commercial Strategy and considers financial implications and risks of any investments for a service or commercial purpose.

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INVESTMENT STRATEGY – SERVICE AND COMMERCIAL 2019/20

- 1.0 This strategy focusses on two purposes:
- i. To support local public services by lending to or buying shares in other organisations (service investments in sections 3 and 4), and
 - ii. To earn investment income (known as commercial investments where this is the main purpose in section 5).

2.0 TREASURY MANAGEMENT INVESTMENTS

- 2.1 The council may invest its money because it has surplus cash as a result of its day to day activities and are known as treasury management investments.
- 2.2 The council typically receives its income in cash (eg from council tax, business rates and grants) before it pays for its expenditure in cash (eg. Through payroll and invoices). It also holds reserves for future expenditure.
- 2.3 These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from CIPFA. The balance of treasury management investments is expected to fluctuate throughout the year.
- 2.4 The contribution that these investments make to the objectives of the council is to support effective treasury management activities.
- 2.5 Full details of the council’s policies and plans for 2019/20 for treasury management investments are covered in the ‘Treasury Management Strategy Statement 2019/20’ and is presented to cabinet alongside this strategy.

3.0 SERVICE INVESTMENTS: LOANS

- 3.1 The council does not currently but may in the future, lend money to various organisations including: subsidiaries or trading companies; suppliers; local businesses; local charities and housing associations for example, to support local public services and stimulate local economic growth.
- 3.2 The main risk for the council when making a service loan, is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this future risk and ensure that total exposure to service loans remains proportionate to the size of the council, upper limits on the outstanding loans to each category of borrower has been set. These upper limits have been established on the basis of minimising risk without prohibiting the Council in lending.

Category of borrower	2019/20 Approved Limit
Subsidiaries	£10,000,000
Trading Company	£500,000
Suppliers	£100,000
Local Businesses	£2,000,000
Local Charities	£100,000
Housing Associations	£3,000,000
TOTAL	£14,700,000

3.3 To ensure that the council's interests are protected, the risk of entering into a service loan is assessed on a case by case basis by:

- Requesting a business case to support the service loan and reviewing the business case for validity and robustness.
- Completing a financial appraisal of the business case
- Seeking external advice where necessary to ensure compliance with for example, state aid regulations and creditworthiness of the counterparty seeking a service loan
- Monitoring and maintaining regular reviews of counterparties for credit risk

3.4 Accounting standards require the council to set aside a loss allowance for loans reflecting the likelihood of non-payment – i.e. a bad debt provision. The figures for loans in the council's statement of accounts from 2018/19 onwards will be shown net of this provision. However, the council will make every reasonable effort to collect the full sum owing and has appropriate credit control arrangements in place to recover any overdue repayments.

4.0 SERVICE INVESTMENTS: SHARES

4.1 The council does not currently but may in the future invest in the shares of various organisations including: subsidiaries or trading companies; suppliers; local businesses; local charities and housing associations for example, to support local public services and stimulate local economic growth.

4.2 One of the risks of investing in shares is that they fall in value, meaning that the initial outlay may not be recovered. These upper limits have been established on the basis of minimising risk without prohibiting the Council in investing commercially. In order to limit this risk, upper limits on the sum invested in each category of shares have been set. These upper limits have been established on the basis of minimising risk without prohibiting the Council in lending.

Category of Company	2019/20 Approved Limit
Subsidiaries	£5,000,000
Trading Company	£1,000,000
Suppliers	NIL
Local Businesses	NIL
TOTAL	£6,000,000

4.3 The council assesses the risk of loss, on a case by case basis, before entering into and whilst holding shares by:

- Requesting a business case to support the investment and reviewing the business case for validity and robustness;
- Completing a financial appraisal of the investment;
- Seeking external advice where necessary to ensure the creditworthiness of the counterparty; and
- Monitoring and maintain regular review of counterparties for credit risk.

4.4 To maintain liquidity, the council determines the maximum period for which funds may be prudently committed through financial planning in the Medium Term Financial Strategy and the Treasury Management Strategy Statement. The council's cash flow is monitored and reviewed to inform these strategies.

4.5 Shares are the only investment type that the council has identified that meets the definition of a non-specified investment in the Government guidance. The limits on share investments are therefore also the council's upper limits on non-specified investments. The council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5.0 COMMERCIAL INVESTMENTS: PROPERTY

5.1 MHCLG defines property to be a non-financial investment which is held primarily or partially to generate a profit. The council currently holds commercial property with the intention of making a profit that will be spent on local public services.

5.2 The main property investments currently include various industrial units in the district which were acquired in the region of 20 years ago, a market hall and land.

5.3 The following table details property currently held for investment purposes

Property or Type	Value at 31 Mar 2018 £m	Net Budgeted Surplus / (Deficit) for 2018/19 £'000	Net Forecast Surplus / (Deficit) for 2018/19 £'000	Reason Held
Industrial Units	£4.8	£291	£318	Profits supplement council expenditure
Market Hall	£1.5	(£54)	(£65)	Any profit supplements council expenditure
Whitwick Business Centre	£1.7	£32	(£11)	Self-supporting – supports the local economy
Land	£4.6	£0	£0	Future economic benefit
	£12.6	£269	£242	

5.4 The council may in the future invest in commercial properties to earn income to further supplement spending. Non-financial investments normally have a physical asset that can be realised to recoup the capital invested but is considered on a longer term basis.

5.5 The council assesses the risk of loss before entering into and whilst holding property investments including:

- Assessment of the business case on a case by case basis, reviewing for validity and robustness;
- Financial appraisal of the business case;
- Seeking external expertise and advice where necessary; and
- Assessing the market competition including: barriers to entry or exit; market needs; nature and level of competition; ongoing investments required.

5.6 In accordance with government guidance, the council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. An assessment of the council's investment property portfolio is undertaken each year in the Statement of Accounts year end process.

- Where value in accounts is at or above purchase cost: the property investment is deemed to be secure as the property could be sold to cover the purchase cost.
- Where value in accounts is below purchase cost: the investment property portfolio is no longer sufficient to provide security against loss.

6.0 PROPORTIONALITY

- 6.1 The council plans to become less reliant upon Government grant through its journey to self-sufficiency presented in the Medium Term Financial Strategy (Cabinet 11 December 2018) and by generating profit from investment activity to achieve a balanced revenue budget. The table below shows the extent to which the council's expenditure is dependent on achieving the expected net profit from investments over the lifecycle of the MTFS.

	2018/19 Forecast £'000	2019/20 Budget £'000	2020/21 Estimate £'000	2021/22 Estimate £'000	2022/23 Estimate £'000	2023/24 Estimate £'000
Net Revenue Expenditure	12,878	13,399	13,736	14,427	14,565	14,982
Investment income	242	244	268	267	264	263
Proportion	1.88%	1.82%	1.95%	1.85%	1.81%	1.75%

- 6.2 Currently the investment income generated from commercial investments is minimal and therefore has a very small impact on the net position.

7.0 BORROWING IN ADVANCE OF NEED

- 7.1 Government guidance is that local authorities must not borrow more than or in advance of their needs, purely in order to profit from the investment of the extra sums borrowed. The council has no plans to borrow in advance of need for 2019/20.

8.0 CAPACITY, SKILLS AND CULTURE

- 8.1 Organisational Roles and Responsibilities

In accordance with CIPFA guidance, the roles and responsibilities of the council's Treasury Management function are divided between several responsible officers and are summarised below:

Section 151 Officer – overall responsibility for the treasury management function to include:

Ensuring the organisation of the treasury management function is adequate to meet current requirements:

- Investment, borrowing and debt rescheduling decisions.
- Monitoring adherence to approved Treasury Management Strategy Statement.
- Regular reporting to Members on treasury management activity.

Finance Team Manager (Deputy Section 151 Officer) – ensuring that day to day treasury activities comply with the approved Treasury Management Strategy Statement.

Technical Accountant – identification of investment opportunities and borrowing requirements and acts as the council's interface with brokers and counterparties.

The needs of the council's treasury management staff for training in investment management, are assessed through the 'BEE Valued' staff appraisal process and additionally when the responsibilities of individual members of staff change.

Training courses, seminars and conferences provided by the council's treasury advisor or CIPFA, are regularly attended to refresh and enhance the knowledge of treasury management staff.

8.2 The Role of the Council's Treasury Advisor

The council currently employs Arlingclose Ltd as treasury advisor to provide the following services; strategic treasury management advice, advice relating to Housing and Capital finance, leasing advice, economic advice and interest rate forecasting, debt restructuring and portfolio review (structure and volatility), counterparty credit ratings and other creditworthiness indicators and training, particularly investment training, for Members and officers.

Arlingclose Ltd is authorised and regulated by the Financial Conduct Authority (FCA). Arlingclose Ltd is to provide the council with timely, clear and regular information about the financial sector to enable the council to take pro-active decisions which in turn, helps to minimise risk.

The quality of this service is monitored by officers on a regular basis, focusing on the supply of relevant, accurate and timely information across the services provided.

9.0 INVESTMENT INDICATORS

9.1 Government guidance prescribes three specific indicators to allow elected members and the public to assess the council's total risk exposure as a result of its investment decisions.

9.2 **Total Risk Exposure** – This indicator shows the council's total exposure to potential investment losses. This includes amounts that the council is contractually committed to lend that have not yet been drawn down, and guarantees that the council has issued over third party loans:

Total Investment Exposure	31/3/18 Actual £'000	31/3/19 Estimate £'000	31/3/20 Estimate £'000	31/3/21 Estimate £'000
Treasury Management investments*	3,000	3,000	0	0
Service Investments: Loans	0	0	0	0
Service Investments: Shares	0	0	0	0
Commercial Investments: Property	12,600	12,600	12,600	12,600
TOTAL INVESTMENTS	15,600	15,600	12,600	12,600
Commitments to lend	0	0	0	0
Guarantees issued on loans	0	0	0	0
TOTAL EXPOSURE	15,600	15,600	12,600	12,600

*Treasury Management Investments longer than 12months

9.3 **How investments are funded** – Since the council does not normally associate particular assets with particular liabilities and coupled with the fact that the current assets (investment properties) have been held for more than 20 years, this indicator is difficult to comply with. However, the investments could be described as being funded by borrowing and therefore this is the assumption made in this table. The remainder of the council's investments are funded by usable reserves and income received in

advance of expenditure. Going forward, this measure will be monitored to reflect any future investments more accurately.

Investments funded by Borrowing	31/3/18 Actual £'000	31/3/19 Estimate £'000	31/3/20 Estimate £'000	31/3/21 Estimate £'000
Treasury Management investments	0	0	0	0
Service Investments: Loans	0	0	0	0
Service Investments: Shares	0	0	0	0
Commercial Investments: Property	10,900	10,900	10,900	10,900
TOTAL FUNDED BY BORROWING	10,900	10,900	10,900	10,900

9.4 **Rate of return received** – This indicator shows the net investment income received, as a proportion of the value of the property.

Investments net rate of return	31/3/18 Actual	31/3/19 Estimate	31/3/20 Estimate	31/3/21 Estimate
Treasury Management investments	0.99%	0.99%	0%	0%
Service Investments: Loans	0%	0%	0%	0%
Service Investments: Shares	0%	0%	0%	0%
Commercial Investments: Property	2.68%	1.92%	1.94%	2.13%

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hoult, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

39. DRAFT INVESTMENT STRATEGY - SERVICE AND COMMERCIAL 2019/20

The Head of Finance presented the report to Members.

Councillor G Hoult thanked the finance team for a very comprehensive report.

It was moved by Councillor M Specht, seconded by Councillor G Hoult and

RESOLVED THAT:

The report be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 5 FEBRUARY 2019**

Title of report	NORTH WEST LEICESTERSHIRE HEALTH AND WELLBEING STRATEGY
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Alison Smith MBE Tel: 01530 835668 alison.smith@nwleicestershire.gov.uk Strategic Director of Place Tel: 01530 454555 james.arnold@nwleicestershire.gov.uk Head of Community Services Tel: 01530 454832 paul.sanders@nwleicestershire.gov.uk
Purpose of report	To provide Cabinet with an overview of the NWL Health and Wellbeing Strategy and the proposals regarding its implementation.
Reason for decision	To seek the adoption of the strategy
Council priorities	Homes and Communities
Implications:	
Financial/Staff	To be funded from existing budgets and budgets of partner organisations
Link to relevant CAT	To be established
Risk Management	None
Equalities Impact Screening	None
Human Rights	None
Transformational Government	None
Comments of Head of Paid	Report is satisfactory

Service	
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Leisure Services Team Manager, NWLDC Policy Development Group, NWLDC Members, NWLDC Extended Leadership Team, Health Improvement Officer, Leicester-Shire and Rutland Sport, Parish and Town Councils, NWL School Sports Partnership, Schools, National Forest, NWL Staying Healthy Partnership
Background papers	Health and Wellbeing Strategy Consultation Feedback NWL Health and Wellbeing Strategy Overview NWL Health and Wellbeing Strategy NWL Health and Wellbeing Strategy Executive Summary NWLDC Cabinet Report - Health and Wellbeing Strategy, March 2018
Recommendations	THAT CABINET APPROVES THE FORMAL ADOPTION OF THE NWL HEALTH AND WELLBEING STRATEGY

1.0 CONTEXT

- 1.1 On 6 March 2018 a report went to Cabinet outlining the process and timescales for the development of a Health and Wellbeing Strategy for North West Leicestershire
- 1.2 Following extensive consultation, the strategy has now been completed, taking into account various comments received, and can be seen as a **Background Paper**.

2.0 CONSULTATION

- 2.1 Initial consultation to shape the document took place with a range of internal and external stakeholders, including the Policy Development Group and members of the council's Extended Leadership Team.
- 2.2 Following production of the draft strategy, further consultation took place online with stakeholders and the general public. The feedback from this consultation was used to refine the final strategy and an overview of the feedback can be found as **Appendix 1**

3.0 STRATEGY OVERVIEW

3.1 The overall vision of the strategy is **'To measurably improve the health and wellbeing of all people in NWL.'**

3.2 To achieve the vision, 6 outcomes have been identified:-

- **Outcome A: Corporate leadership and coordination**
To be in a position where health and wellbeing ambitions are stated, explicit, fully understood, embedded, championed and led by NWLDC.
- **Outcome B: Economic development**
To gear economic development to ensuring that all NWL people, including vulnerable residents, benefit from 'good growth' which brings health and wellbeing benefits to the district.
- **Outcome C: Regeneration and planning**
To gear regeneration and planning policy to ensuring that all NWL residents, including the most vulnerable, benefit from development which brings health and wellbeing benefits to the district.
- **Outcome D: Housing and property**
To utilise its investment, influence and communications capacity in respect of housing and property to enhance and support delivery of health and wellbeing outcomes.
- **Outcome E: Community services**
To deliver and coordinate facilities, opportunities, partnerships and proactive development work that drive both overall and physical activity based health and wellbeing outcomes.
- **Outcome F: Performance measurement and evaluation**
To effectively measure, analyse, evaluate, learn from and improve Strategy implementation including elements delivered by NWLDC, in tandem with partners and by other agencies independently.

3.3 These headline strategic outcomes translate into a series of key objectives and actions. These can be seen in a simplified 'Strategy Overview' and 'Executive Summary' documents that will be available for public, partners, and stakeholders (**Appendices 2 and 3**).

3.4 The strategy links directly to the sport and leisure project with regards to a number of key actions. These include;

- Ensure that the specification for the new Coalville Leisure Centre (and other managed/available facilities) reflect NWLDC's health and wellbeing ambitions and desired outcomes
- Ensure that the leisure operator contract for Coalville and Ashby as well as the work of NWLDC's in-house team truly reflects the aims and objectives of the H&WB Strategy by driving up physical activity from harder to reach groups whilst ensuring financial sustainability and asset viability.

- Evaluate the significance of the factors which affect club access to appropriate facilities in NWL considering, for example, cost, times available, usage interruptions, facility location, facility condition, adjacency of other users etc.
- Coordinate the development, operation, programming and management of facilities in conjunction with key partners.

3.5 As part of their final bid submissions, the shortlisted leisure project contractors were given a copy of the draft Health and Wellbeing Strategy and were asked to evidence how they would deliver against it. As well as identifying a raft of potential initiatives and interventions, the preferred contractor also gave a larger number of excellent examples that evidenced they have delivered such interventions successfully across a number of their existing contracts.

3.6 The strategy also links directly to the current and emerging refreshed Local Plan and will be cross referenced within that document

4.0 STRATEGY DELIVERY

4.1 In order to successfully deliver against the strategy there needs to be an internal and external focus:-

4.2 Internal

It is proposed a Health and Wellbeing Corporate Action Team (HWB CAT) is established. This will be co-ordinated by the Leisure Services Team but will be cross-cutting across all council services that have an impact on health and wellbeing. It is envisaged that attendance in the first instance will be at Team Manager level and there will be representation from (although not restricted to);

- Leisure Services
- Cultural Services
- Safer and Stronger Communities
- Environmental Health
- Environmental Protection
- Planning Policy
- Planning and Development
- Housing Management
- Strategic Housing
- Business Focus
- Communications Team

4.3 The role of the HWB CAT will be 3-fold:

1. Through delivery of the actions, to influence internal NWLDC policy and process in order to embed the principles of the strategy.
2. To influence external partners and stakeholders to deliver against the strategy actions
3. To monitor and evaluate the success of the delivery of the strategy through delivery of the actions and against the Council and Leisure Services Business Plan.

4.4 **External**

The strategy is a North West Leicestershire strategy and not one solely for NWLDC to deliver. Consequently it relies on support and engagement from partners and stakeholders such as parish and town councils, community groups and organisations, residents, and other service providers, such as LCC, Voluntary Action Leicestershire, RCC (Leicestershire and Rutland), schools, and the National Forest Company to name a few. Whilst officers attending the HWB CAT will have responsibility for developing relationships with key stakeholders and delivering actions which will be monitored by the HWB CAT, it is envisaged that the already established **Staying Healthy Partnership (SHP)** will be the main conduit for engaging external stakeholders and partners in the delivery of the strategy actions.

4.5 The SHP is a partnership co-ordinated by NWLDC and is the group that is responsible for delivering health and wellbeing improvement within NWL. It is chaired by a Public Health Consultant and membership of the group includes, amongst others, NWLDC, the Clinical Commissioning Group, LCC Public Health, commissioned health service providers, the voluntary sector, the National Forest, and lay representation.

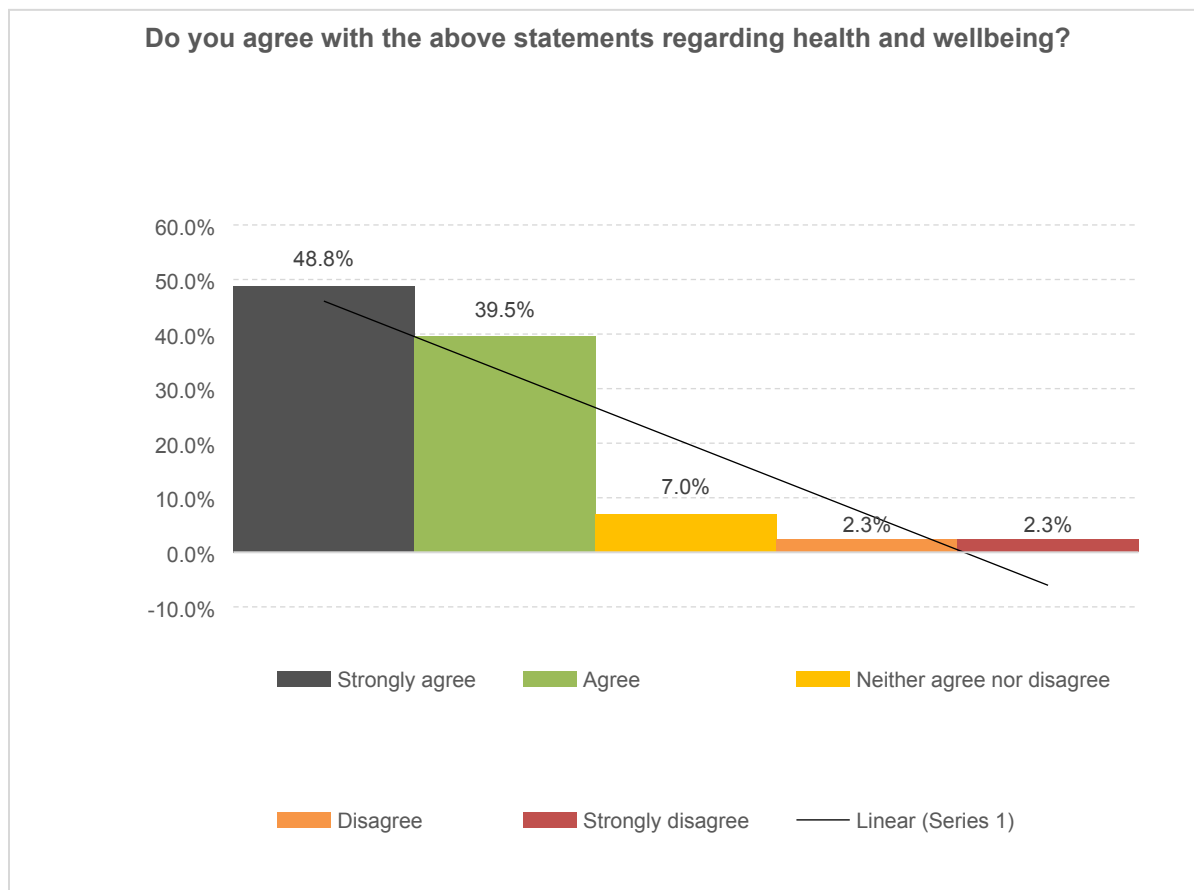
Appendix 1 - North West Leicestershire survey summary 2018

Introduction

A public survey on the draft health and wellbeing strategy for NWL was undertaken between 14 November and 9 December 2018. This is an anonymised survey which resulted in 44 returns in total; nine were male and 32 female and three did not indicate gender. Of those who responded 25% indicated that they had a long-term illness. The survey has been available on the NWL website and on a range of social media platforms, including Facebook and Twitter, allowing for generalised feedback. The findings of the survey are as follows:

Question 5. Nearly nine in ten (88.3%) respondents from 43 participants indicated that they either agreed or strongly agreed with the key drivers for the strategy; the key drivers being:

- ▶ People will live longer and have healthier lives.
- ▶ Every child will have the best possible start in life.
- ▶ People will 'age well' and have a healthy older life.



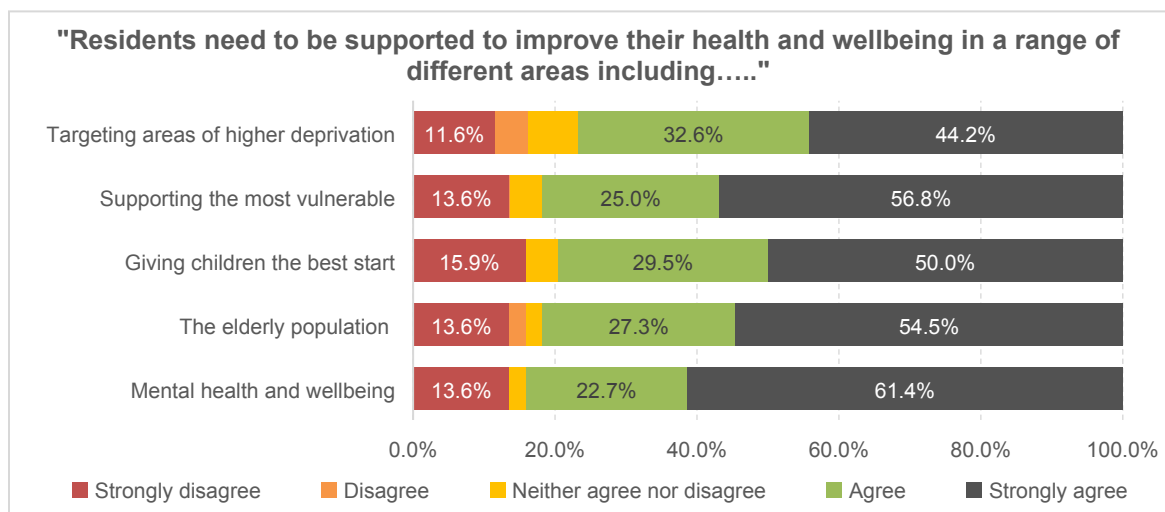
Question 6. There is a strong feeling (over 85% agreed or agreed strongly) that partner agencies are equally responsible for supporting residents to improve their health and wellbeing. A written response to this question indicated that the lead agency should be clear but that there needs to be strong collaborative working towards the same agenda.

Question 7. Just under 70% of respondents indicated that they take own health seriously, whilst nearly a quarter of respondents (23.3%) did not.

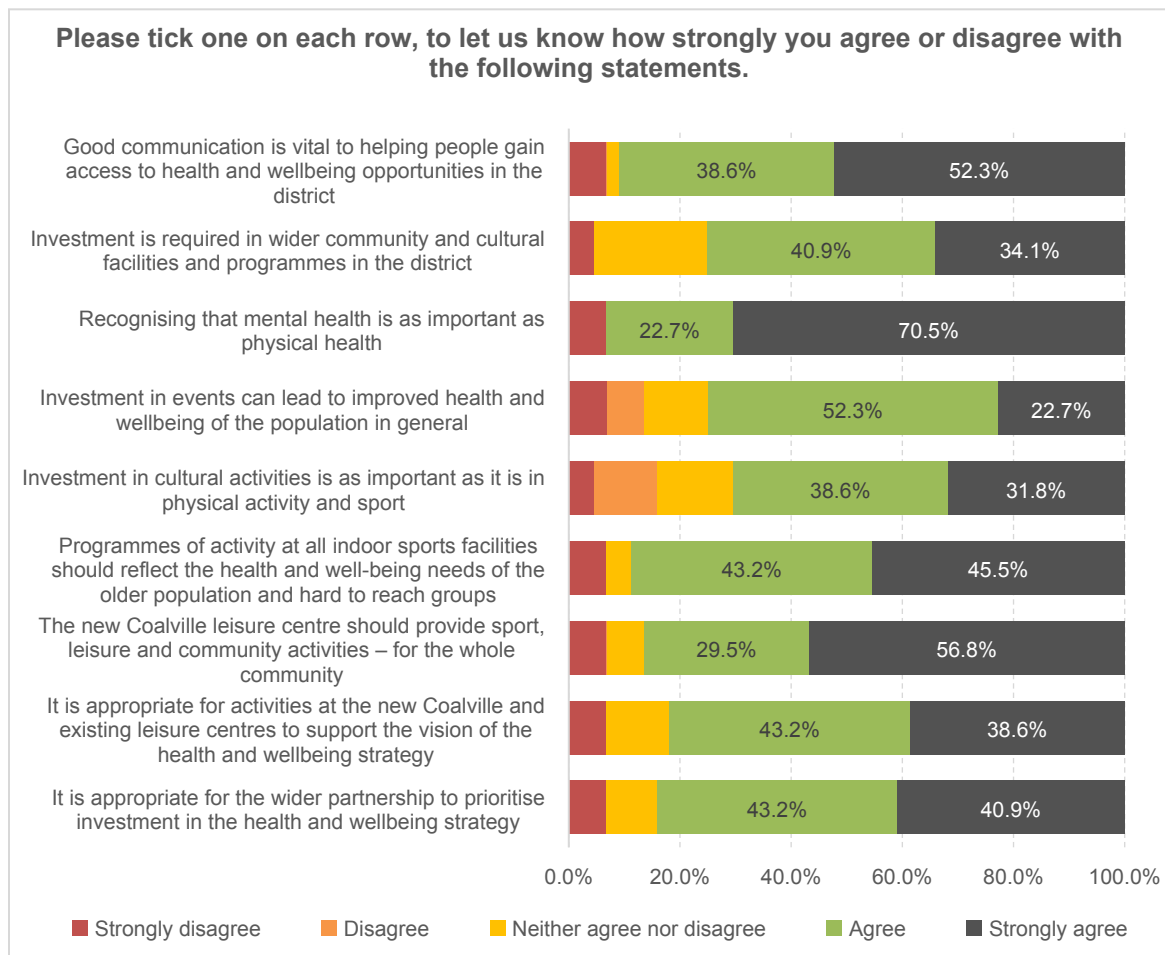
Question 8. In trying to understand the importance of sports or community facilities in supporting the physical activity across the authority, over 55% of respondents indicated that they used the facilities, suggesting, of course, that the remainder do not.

Question 9. There is a general acceptance that cultural activities can also have a positive impact on health and wellbeing. There appears to be a lower percentage of people who visit libraries, museums art galleries or similar (48.8%) than visit leisure centres or community facilities (over 55%).

Question 10. Strong support is given to the five different suggestions of where to target support to help residents to improve their health and wellbeing. Of the 44 people who responded the highest area where support is needed (agree or agree strongly) is mental health and wellbeing (84.1%), supporting the most vulnerable and the elderly population (both at 81.8%). There is slightly less strength of support for targeting areas of higher deprivation at 76.8% (although this had the least number of people who strongly disagreed with this as a priority) and giving children the best start (79.9%).



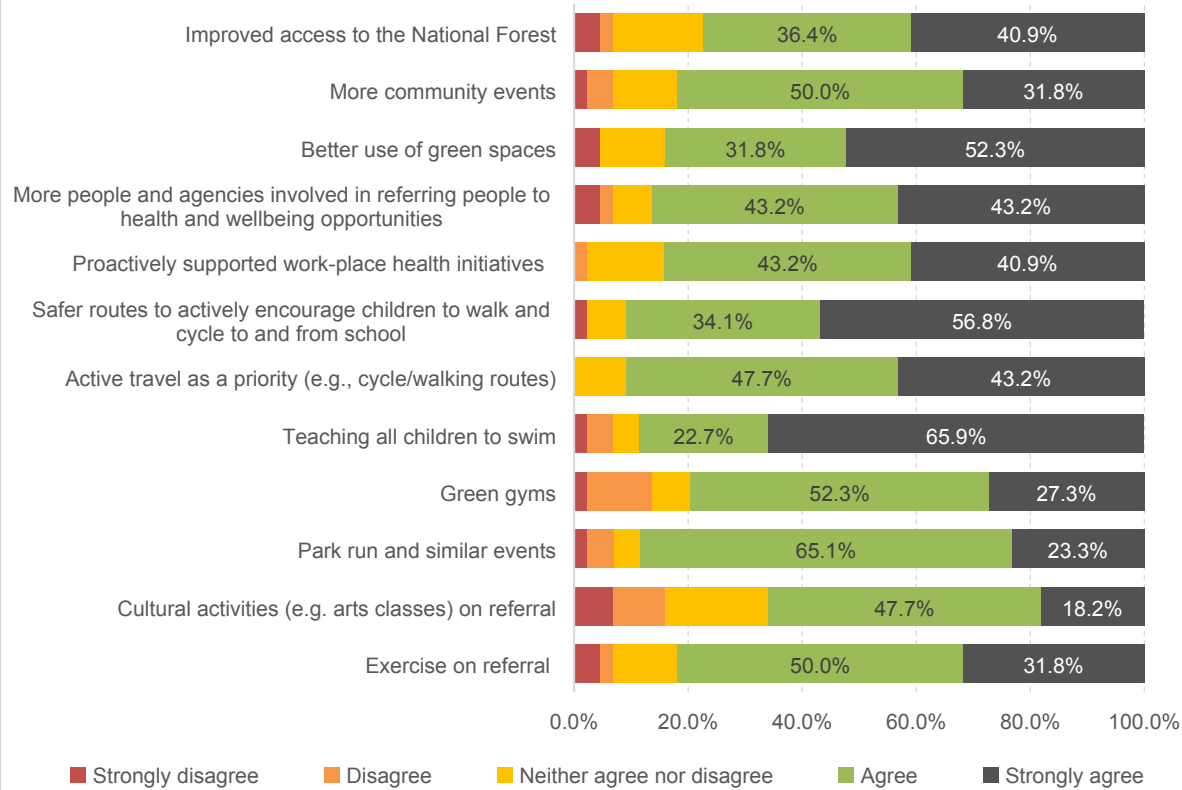
Question 11. When considering the statements below, the three that most stand out (Strongly agree) are that it is important to recognise mental health is as important as physical health; good communication is vital in gaining access to appropriate opportunities; and the new leisure centre needs to provide for the whole community. That is not to say that other statements are not supported.



When considering the Strongly agree and agree findings the other area of importance which are identified as the strongest are that programmes of activity at all indoor sports facilities should reflect the health and well-being needs of the older population and hard to reach groups (88.7%).

Question 12. The types of activities which are identified as the most important (agree and agree strongly) are safer routes to actively encourage children to walk and cycle to and from school; active travel as a priority; and park runs and similar events, this is very closely followed by teaching all children to swim. The three areas with the least support (but which are still important) are cultural activities on referral; improved access to the National Forest; and green gyms.

Please tick one on each row to let us know how strongly you agree or disagree with the idea that the following types of activities will support health and wellbeing for as many residents as possible across North West Leicestershire



Additional comments

Comments were received within the survey and some received separately. A synopsis of the feedback is below. It is recognised that some of suggestions/comments are outwith the jurisdiction/scope of the NWL health and wellbeing strategy. Where possible, comments have been incorporated into the Strategy. Comments include:

Comment	Response
<p>Health and well-being incorporated in pre-planning phase of developments as a priority will prevent a lot of future health problems. Cycling and walking being most important.</p>	<p>Strategy identifies the need for working together, planning for the future and the importance of walking and cycling routes</p>
<p>The document makes it clear that it is not helpful to blame the individual and that the role of government is to make it easier for people to make good choices. This needs to be re-iterated throughout the document to ensure it is not ambiguous.</p>	<p>Agreed.</p>
<p>Investment to expand Coalville Hospital must be a priority to accommodate outpatient services and recuperative beds to relieve 'acute hospital' pressures (with more parking spaces).</p>	<p>Outwith the scope of this Strategy but should be noted by the developing partnership approach.</p>

<ul style="list-style-type: none"> ◀ The needs of the elderly and disabled residents are not adequately addressed within the planning process (personal experience). 	Outwith the scope of this Strategy but should be noted by the developing partnership approach.
<ul style="list-style-type: none"> ◀ Travel remains an issue in accessing facilities. 	Planning policy and developments are a high priority moving forward. It will require a collaborative and integrated approach to address this issue (recognising that all travel issues cannot be dealt with via this strategy)
<ul style="list-style-type: none"> ◀ Communication via paper as well as websites is also important. 	Agreed- should be picked up within the communication objective of the Strategy.
<ul style="list-style-type: none"> ◀ The role of the "third sector" should be expanded and explained. A considerable boost is needed to "social care" spending to: <ul style="list-style-type: none"> ◆ Reduce unnecessary GP appointments; ◆ Adequately pay care homes for those entitled to LA funding. ◆ Lack of mental health support has been severely criticised. 	Agreed- the development of the partnership group will be better able to determine the role of different organisations within the Authority.
<ul style="list-style-type: none"> ◀ We need to address social isolation and getting people to communicate in both small and large support groups. 	Agreed- part of the determining the year one actions
<ul style="list-style-type: none"> ◀ Residents want to participate in activities within their own communities where possible so schools, colleges, community centres and local halls should be encouraged to open up their facilities and, given investment opportunities, to enable them to provide good quality services. 	Agreed- needs partners and stakeholders to make this happen.
<ul style="list-style-type: none"> ◀ There needs to be restrictions on number of takeaways that are granted planning in the future, without an agreement to offer healthy choices or display calorie counts on menus 	Planning Policy- Health and well being to be considered when determining whether new premises wish to open.
<ul style="list-style-type: none"> ◀ There is a massive need for investment to make road cycling and running much safer. 	Improved cycling and walking routes are key to development of strategy objectives
<ul style="list-style-type: none"> ◀ The biggest problem is costs limiting access. Gym memberships are expensive and put people off. I would like to see better staff options - for example making the NWLDC staff fitness classes free 	Agreed- consideration of programming and pricing is key to increasing physical activity in these facilities by the wider community.
<ul style="list-style-type: none"> ◀ There is a huge gap in provision for mental health services in the area 	The Strategy identifies the importance of mental health and welling alongside physical.
<ul style="list-style-type: none"> ◀ Think some of it is full of jargon and looks as if it has been padded out, not designed for everyday people, it does not relate to the common man. If designed for high level business areas probably okay, but still think the vocabulary used needs to be simplified and more to the point. 	We have tried to make the document readable for everyone. Whilst accepting that this is difficult for some, we do have to use language appropriate to the subject matter. An 'Overview' document has also been produced to help simplify the strategy.
<ul style="list-style-type: none"> ◀ Suggest adding 'address / reduce health inequalities' to the ambition statements. 	Completed
<ul style="list-style-type: none"> ◀ The lead local agency should be clear and there needs to be strong collaborative working towards 	Agreed, and this will come through detailed action planning with

same agenda.	stakeholders
◀ Where are the areas of greatest need?	That is for the wider partnership to determine moving forward as it starts to implement elements of the Strategy
◀ Is there an evidential link from participating in cultural activities and health and wellbeing? Is this clear?	This is referenced within the document, including links to the National Forest
◀ Mass participant events can be a strong catalyst for behaviour change.	Agreed
◀ How will the outcomes of the strategy be measured	The wider partnership will need to determine specific measurements
◀ 'Make every contact count...' has principle on the end, is this needed?	Amended
◀ Suggest replacing 'performance measurement' with 'performance improvement'	A base line is needed to be able to improve from, so in the first instance a measurement will need to be taken before you can address improvement.
◀ Within the action plan there is no mention of Active Streets or Active Parks.	Agreed – these are covered through Active Travel, Open Spaces Planning/Provision, and links to the National Forest and natural greenspace.
◀ We would like to see reference to the National Forest	Completed
◀ Regional and local strategies – these are very heavily focussed towards sport, physical activity, active recreation and facilities. There is little reference to community strategies, volunteering strategies and mental health strategies which play an important role in creating healthy communities	More included
◀ There seems to be no reference to natural greenspace and woodlands as an important part of Green Infrastructure. Whilst formal parks, sports pitches and open space play their part, the wealth of accessible natural greenspace and woodlands across a large percentage of the District is a huge asset which is currently not referred to. We would like to see this being given a higher significance, given the location of the District within the National Forest.	Now included
◀ I appreciate the intention to look at the 'causes of....poor lifestyle choices'. Your document makes it clear that it is not helpful to blame the individual and that the role of government is to make it easier for people to make good choices. Unfortunately, NWLDC, by removing 'and' when it copied over the sentence on page 27, is treating 'poor lifestyle choices' as the primary cause, allowing it to continue with 'encouragement' and 'education' and avoid tackling structural inequality	Replaced 'and' in relevant sentences to ensure consistency

Appendix 2 – NWL Health and Wellbeing Strategy Overview



North West Leicestershire: Health and Wellbeing Strategy 2018 – 2028

Overview

Good health and wellbeing helps people to live active and fulfilled lives and play a full role in their communities.

In North West Leicestershire we believe that all residents have an equal right to enjoy good health and wellbeing.

Our vision is:

'To measurably improve the health and wellbeing of everyone in North West Leicestershire.'

Our ambitions

North West Leicestershire District Council (NWLDC) works with many organisations across the district to achieve our ambitions for local people:

- ▶ People will live longer and have healthier lives.
- ▶ Every child will have the best possible start in life.
- ▶ People will 'age well' and have a healthy older life.

NORTH WEST LEICESTERSHIRE HEALTH AND WELLBEING STRATEGY

EXECUTIVE SUMMARY: DECEMBER 2018

Introduction

Good health and wellbeing is fundamental to enable people to live active, fulfilled lives and play a full role in their communities. The core belief of North West Leicestershire District Council (NWLDC) is that all residents have an equal right to enjoy good health and wellbeing (H&WB). Its vision and this strategy illustrate how it will, working with a range of partners, provide the direction, support and opportunities to enable this to happen.

The aims and objectives set out in this Strategy are consistent with Government and national, regional and county agency and stakeholder strategies with regard to social engagement and inclusion, sport, physical activity, health and wellbeing.

The number of people living in the district will rise by 10% by 2028 and by 17% by 2041. While in most age groups there is, predictably a degree of fluctuation the most telling statistic is that, by 2041, there will be a 61% rise in the number of people aged 65+ living in the Authority; they will, by then, account for 27% of the local population.

Overall, NWL has a good level of general health compared with many other areas of the country. However, people on low incomes tend to be inactive and/or in the worst health and there is a 10-year difference in life expectancy between the best off and worst-off areas in the district. Despite recent improvements, adult obesity is higher than the national average while, at present, just under one third of young people are classified as overweight or obese at the point when they leave primary school.

This H&WB Strategy dovetails with NWLDC's corporate vision that North West Leicestershire is a place where people and businesses feel they belong and are proud to call home. It is the first step in a series of processes that will, in the longer term (10-20 years) fundamentally affect the quality of life of people in the district. It reflects the following stated overarching NWLDC ambitions that:

- ◀ People will live longer, and have healthier lives
- ◀ Every child will have the best possible start in life
- ◀ People will 'age well' and have a healthy older life

These inform the clear principles on which the strategy is based:

- ◀ *Promoting self-care* – educating and empowering individuals to take more responsibility for changing their own behaviour (all ages).

- ◀ *Targeting inequalities* – providing key services for all residents but targeting resources and interventions at those most in need.
- ◀ *Prevention and early intervention* – prevent and tackle the wider causes of ill health and poor lifestyle choices and health conditions.
- ◀ *Improve mental health and wellbeing* – ensure that mental health is regarded across all streams of work.
- ◀ *Partnership working and cooperation* – statutory, voluntary and community organisations working with each other to improve health and wellbeing across the district.
- ◀ *Interventions* - need to take place where they can have the most impact

The Strategy

The core 10-year vision is simply **to measurably improve the health and wellbeing of all people in NWL**. It is underpinned by specific objectives that apply to the five-year period; 2018-2023. Strategy outcome delivery is dependent upon the input of a range of partners. The following organisations will, working with NWLDC, be key to the Strategy delivery:

- | | |
|-----------------------------------------|---------------------------------------------------------|
| ◀ Leicestershire County Council (LCC) | ◀ North West Leicestershire Chamber of Commerce (NWLCC) |
| ◀ Leicester-shire & Rutland Sport (LRS) | ◀ Schools in NWL. |
| ◀ Leicestershire Public Health (LPH) | ◀ Community and interest groups (CIGs) |

NWLDC will both lead strategy implementation and be responsible for gathering/coordinating information and intelligence that will inform all about progress being made. To do this it will need to work collaboratively with other agencies as well as:

- ◀ Invest in performance measurement to improve cost effectiveness and demonstrate the return the District (and partners) get from investment in sport and active recreation.
- ◀ Establish benchmarks for current provision and participation levels.
- ◀ Embed systems to share data/intelligence to enable all partners to measure impact based upon specific targeted outcomes.
- ◀ Require Council, contractual, grant-based and other agencies to supply the requisite performance information in specified, agreed formats.
- ◀ Develop more sophisticated performance mechanisms to gauge the economic, participation and social return on investment gained from events.

It incorporates specific objectives that apply to the five-year period up to 2023 and is the primary driver of health and wellbeing planning and activity in the Authority. It is, thus, essential that work continues with regard to:

- ◀ Reviewing the health and wellbeing situation in NWL.
- ◀ Taking full account of the demographics of the district, the impact of housing growth and, for example, of the specific demands created by a less active population living longer.
- ◀ Working with and through partners ensuring buy in by key partners/stakeholders.
- ◀ Achieving a satisfactory level of all-party consensus.
- ◀ Taking full account of the financial climate and austerity measures that affect public sector partners in the CCG/Health, Education, Regeneration and Sports/Leisure sectors.
- ◀ Understanding the specific and changing needs and aspirations of national governing bodies of sport (NGBs), schools, colleges and sports clubs across the area.
- ◀ Reflecting new Government and Sport England strategies, Leicestershire and Rutland Sport perspectives and how Sport England gears funding programmes to drive delivery.

Overall, people in North West Leicestershire will benefit from coordinated processes, structures and systems that enhance quality of life; at home, at school, in the workplace and in the wider environment. They will live in better homes, be 'better connected' and be encouraged and supported to enjoy and the benefits of an active lifestyle. Building on existing local strengths, the community, NWLDC and key partners will collectively promote a 'good neighbour' culture where people look out for and look after each other. All work will be underpinned by the driving principle to 'make every contact count'. Key impact areas will, for example, include the following:

- ◀ A universal, targeted resident communication offer and a progressive increase in the number of people 'on' the NWL H&WB Network system.
- ◀ The clarity of signposting between services and activities (linked to MECC) will improve.
- ◀ More people will be physically active.
- ◀ Leisure facilities will deliver programmes designed specifically to improve the H&WB of residents and reduce social isolation and will engage/ include all people in NWL; underpinned by communication systems which reflect 'smart health' principles.
- ◀ Social prescribing will be the norm incorporating specific measures to target populations and effective referral/recommendation processes
- ◀ The adverse lifestyle impacts of cardiovascular disease, stroke and diabetes in the district (and in specific neighbourhoods) will be tackled via higher take up of public health driven programmes.
- ◀ The number of obese and overweight young people will reduce – particularly in areas of higher deprivation and among vulnerable groups

The key outcomes action plans and partner agencies to be involved are shown below:

Outcome A: To ensure that local H&WB ambitions are stated, explicit, understood, embedded, championed and led by NWLDC.

Objective	Actions - to	Deadline	Partners
Adopt the Strategy and confirm NWLDC as the lead strategic and coordination agency (among the range of organisations that will drive strategy implementation in the District),	Ensure elected member and officer 'buy-in' to this strategy to ensure that it has a real and lasting impact on NWL residents.	03.19	LCC, LRS Public Health
	Identify a senior officer champion to take the Strategy forward ensuring that all departments within NWLDC are committed to driving its implementation.	03.19	
	Establish a strategic group to support implementation of the Strategy; to check/challenge/share good practice.	03.19	LCC, LRS LPH, CIGs
	Adopt the MECC approach to behaviour change for staff, partner organisations and individuals	TBA	LCC, LRS, LPH, Schools
Inform/organise NWLDC operational departments, structures/processes to wholly reflect these commitments and agreements.	Identify a champion (with authority) in each department to keep health and wellbeing at the top of the agenda.	05.19	
	Each department needs to commit to taking a full and active part in the health and wellbeing strategic group.	05.19	
Objective	Actions - to	Deadline	Partners
Inform/confirm the role of partners, grant-based/other support bodies to wholly reflect commitments and agreements - and clarify how they are to deliver against itemised objectives.	Identify key partners with whom NWL can work with to best implement the principles and specific actions of this strategy.	Ongoing	LCC, LRS, LPH, CIGs, Schools
	Ensure that contractual partners are fully committed to the health and wellbeing of NWL residents as well as their own employees.	Ongoing	LCC, LRS, LPH, CIGs, Schools
	Set specific objectives for contractual partners which are specifically linked to the health and wellbeing agenda and monitor outcomes accordingly.	03.20	LCC, LRS, LPH, CIGs, Schools
The Strategic Health and Wellbeing Group to drive the Strategy, check and challenge delivery and communicate effectively in respect of H&WB activity.	Develop a communications plan for the H&WB Strategy which will inform partners and key stakeholders about Strategy vision, ambition and intentions.	06.19	
	Work across departments to adopt the MECC approach to behaviour change for staff, partner organisations and individuals.	06.19	
	NWLDC to commit appropriate resources to ensure that Strategy principles are adhered to/championed	03.19	

Outcome B: To gear economic development to ensure that all NWL people, including vulnerable residents, benefit from 'good growth' which brings H&WB benefits to the district.

Objective	Actions - to	Deadline	Partners
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Overall: Incorporate strategic health and wellbeing outcomes as dictated by this Strategy in all relevant facets of economic development work.	Apply a health and wellbeing opportunity evaluation to all service plans developed and commit appropriate resources to ensure that H&WB strategy principles are adhered to and championed.	03.20	
	Develop a communications plan related to the H&WB Strategy to inform partners and key stakeholders about the vision, ambition and desired outcomes.	06.19	
	Adopt the MECC approach to behaviour change for staff, partner organisations and individuals across NWLDC	09.20	
Businesses: Create/sustain resilient businesses ensuring good, fulfilling and long-term employment opportunity	Encourage sustainable business practices, e.g. cut waste and enhance air and water quality	Ongoing	NWLCC
	Specifically support and promote healthy, safe, diverse workforces and workplaces.	Ongoing	LRS, LPH, NWLCC & Schools
	Actively support the introduction of workplace health initiatives, leading by example.	09.19	LRS, LPH, NWLCC
	Champion work life balance initiatives with a view to monitoring attendance (attendance matters). Identify good practice with a view to sharing with other business and colleagues.	03.20	LRS, LPH, NWLCC
Objective	Actions - to	Deadline	Partners
Jobs and skills: Develop skills that aid employability, career progression and life chances, thereby enhancing health and wellbeing and reducing inequalities	Encourage NWL based businesses to gain the Youth Friendly Employer Award kitemark to drive and embed a youth friendly employment culture and create a motivated future workforce.	Ongoing	NWLCC
	Assess the viability of NWL leading implementation of a single shared apprenticeship account whereby employers pool funds to enable/support Apprentice Levy-paying employers to transfer funds to other employers, through the apprenticeship service.	09.19	NWLCC
	Work with and through the existing strong schools' networks in NWL to look at how, working collectively, better advice, guidance and employer-linked/led support can be offered to assist young people likely to move directly into work, or work-related training in NWL to make informed choices.	03.20	NWLCC, Schools, LCC

Outcome C: Through regeneration and planning policy ensure that all residents, including the most vulnerable, benefit from development which brings H&WB benefits to the district.

Objective	Actions - to	Deadline	Partners
Overall: Ensure that H&WB is fully considered in all planning decision making.	Ensure that H&WB impact and outcomes is a key influence on, and at the forefront of, all planning policy development.	03.19	LCC, LRS
	Encourage neighbourhood plans to include H&WB elements within their development.	09.19	LCC

<p>Local Plan: Produce development proposals which take account of NWL health and wellbeing strategy objectives, other relevant health improvement strategies and consider the healthcare infrastructure implications of any relevant proposed local development.</p>	<p>Ensure health and wellbeing is at the forefront of strategy development when considering the Local Plan.</p>	Ongoing	LCC
	<p>Ensure staff are fully trained and cognisant of latest health and wellbeing practises and considerations such as:</p> <ul style="list-style-type: none"> ✓ promoting active travel ✓ promoting physical activity and sport ✓ enabling access to healthier food ✓ enabling access to high quality open spaces, green infrastructure and opportunities for play, sport and recreation 	03.20	LRS
	<p>Enabling access to high quality open spaces, green infrastructure and opportunities for play, sport and recreation:</p>	Ongoing	
	<p>Consider developing a process for the application of HIAs where relevant within the Local Plan review</p>	03.20	

Objective	Actions - to	Deadline	Partners
Open spaces provision Produce an open spaces needs assessment and strategy to ensure that data about the quality and value of open space, green infrastructure (including natural resources and woodland) and play facilities in the district is detailed and up to date and its potential contribution to H&WB in the district can be fully exploited	Increase use of public open spaces by the resident population. This will entail developing understanding of current opportunity, identifying deficiencies and how best to access such facilities. (To include full gamut of open spaces i.e., allotments, natural resources, green corridors, woodlands, play spaces, cemeteries etc.).	Ongoing	LRS, Schools
	Utilise the recently completed Playing Pitch Strategy to drive improvement to the quality of pitch facilities, which should lead to increases in physical activity.	Ongoing	LRS, LCC, Schools
	Assess the feasibility of rolling out investment in 'green gyms' making them accessible to residents located in the District's towns and villages.		LCC, NF, NWLCC
	Optimise use of open spaces when looking at how to develop active travel routes; use this to encourage greater use of open spaces both for travelling to and from work and for use in people's leisure time.	Ongoing	LCC
Active travel Use planning policy and actions to actively promote and drive active travel	Develop a District active travel policy which takes account of existing infrastructure but seeks to influence new developments.	09.20	LCC, LPH
	Apply planning policy/actions to permissions to new businesses which actively promote active travel.	09.20	LCC
	Link to the National Forest developments and consider how the Forest can be made more accessible to people in towns and villages.		LCC, NF, LSR
	Encourage more schools to invest in Bike Ability opportunities.	09.19	LCC, Schools
Environmental Health Use planning policy and Council influence to actively promote and drive positive environmental health outcomes at work in schools and in the home.	Ensure that licenses are up to date and valid in areas of national import.		
	Develop an internal working group (Planners/Regeneration etc.) to look at and understand better where fast food outlets are or can be located – develop an internal policy which considers how many and how close, a specific number might be to other infrastructure (e.g. schools).	06.19	LCC
	Develop/publicise workplace, school and home environment guidance in respect of (e.g.): ✓ Air quality: ✓ Water sources, use and consumption. ✓ Food sources, quality & eco-credentials attached to packaging, transport, use of pesticides etc. ✓ Electromagnetic fields and related devices ✓ Sound and visual pollution: from blaring music to loud cars to barking dogs.	09.19	LCC

Outcome D: To utilise investment, influence and communications capacity in respect of housing/property to drive delivery of H&WB outcomes.

Objective	Actions - to	Deadline	Partners
Overall: To play the part of a 'good neighbour'; ensure that residents live as independently as possible for as long as possible.	Fully adopt MECC to ensure that NWLDC services and influence are optimally proactive and impactful on quality of life, health and wellbeing and the tackling of factors such as loneliness and social isolation.	09.19	LPH
	Ensure that NWL has a quality residential and neighbourhood offer impacting on overall quality of life and attracting people and businesses to locate in the district.	Ongoing	LCC, NWLCC
Housing: A good quality housing and high energy/efficiency standards supporting affordable warmth, good health and reduce living cost	Ensure that residents (of Council, housing association stock & the public) are aware of potential energy saving and other positive adaptations to properties and eligibility criteria for them to access.	Ongoing	LCC
	Via all mechanisms at its disposal & adopting MECC, provide appropriate guidance/support in respect of housing and neighbourhood improvement related issues - to all residents.	Ongoing	LCC
	Ensure that residents (of housing association stock and the wider home owning public) are aware of potential adaptations to properties and eligibility criteria for them to access.	Ongoing	LCC
	Maximise partnership work and options (with existing partner agencies, third and voluntary sector agencies) to ensure investment/support where it is most need in the housing market.	Ongoing	LCC
Housing: Access to suitable, good quality homes and neighbourhoods providing a secure place for families to thrive and promote good health, wellbeing and independent living	Support/monitor the TFP pilot with a view to embedding it in mainstream activity. Ensure leisure centres/other facilities are primed and ready to accept families from this programme.	Ongoing	New operator, LCC
	Continue to identify and deliver activities (physical and cultural) which encourage social interaction, reduce loneliness and social isolation and support independent living.	Ongoing	CIGs, LPH, New operator, LCC
	Continue to encourage the voluntary sector to undertake this role encouraging more self-determinism within the sheltered housing community	Ongoing	LRS, CIGs
	Work with to improve active cycle and active walk routes to and from parks, open spaces, the National Forest, town centres and businesses.	Ongoing	NF, LCC, CIGs, Schools, LPH
	Consider how Active Design principles can be applied to new build and new housing estates, with a view to embedding good behaviour with regard to physical activity.	Ongoing	LCC, NWLCC, other districts
	Assess the feasibility of extending the Active8 scheme to people in sheltered and other NWLDC owned/influenced accommodation.		LRS, Schools, LCC, CIGs

Outcome E: To deliver and coordinate facilities, opportunities, partnerships and proactive development work that drive both overall and physical activity-based health and wellbeing outcomes.

Objective	Actions - to	Deadline	Partners
Overall: Continue to support and promote H&WB via all policies and actions.	Utilise MECC and related initiatives work across departments to ensure greater levels of access among harder to reach groups to physical activity/sport/cultural involvement and participation.	Ongoing	LRS, Schools, LCC, CIGs
Development and engaging with communities: Increase levels of participation in sport/physical activity via engagement with communities, strengthening social networks and delivery of NWLDC and partner-driven proactive community-centred approaches to H&WB	Engage with communities to strengthen social networks and community-centred approaches to H&WB.	Ongoing	CIGs, Schools
	Utilise MECC, work across departments to ensure greater levels of access among harder to reach groups to physical activity/sport/cultural involvement at district indoor and built sports facilities.	Ongoing	LRS, Schools, CIGs, LPH
	Utilise MECC, work across departments to ensure greater levels of access among harder to reach groups to physical activity/sport/cultural involvement and participation via social prescribing	Ongoing	LRS, CIGs, LPH
	Assess whether/how it will be feasible to enhance existing levels of volunteer-driven neighbourhood based caring programmes.	03.20	CIGs, LPH
	Assess the feasibility of extending the Activ8 scheme to cater for a wider user base (e.g. those living in housing association premises) whilst concurrently maintaining a focus on the financial viability of all sport and leisure facilities.	06.19	LRS, Schools, CIGs
Facilities: Improve the quality, accessibility and levels of community access to indoor and built sports facilities.	Ensure that the specification for the new Coalville Leisure Centre (and other managed/available facilities) reflect NWLDC's health and wellbeing ambitions and desired outcomes.	TBA	
	Ensure that the District leisure operator contract reflects the aims of the H&WB Strategy by driving up physical activity from harder to reach groups whilst ensuring financial sustainability and asset viability.		New operator
	Evaluate the significance of factors which affect club access to appropriate facilities in NWL (i.e., cost, times available, usage interruptions, location, condition etc. Pending findings, initiate a mechanism to coordinate access to the key facilities on school sites for which demand is evidenced. Consider whether/ how developing new community use arrangements with schools might lead to improved facility access.	06.19	LRS, LCC, Schools, CIGs
	Work specifically to improve the quality, affordability and accessibility of outdoor sports facilities and associated ancillary accommodation for sports clubs	Ongoing	CIGs, Schools, LRS, LCC
	Continue to provide club and community access to playing pitches and outdoor sports facilities by implementing the recommendations of the 2017 Playing Pitch Strategy.	Ongoing	LRS, LCC

Objective	Actions - to	Deadline	Partners
	Optimise the usage and value of schools-based facilities, community and village halls.	Ongoing	Schools, CIGs
Objective	Actions - to	Deadline	Partners
Partnership work: Work across NWLDC departments and with external partners in the public, private, health and 3rd sector to increase levels of participation in sport, physical activity and culture with a specific focus on harder to reach groups.	Work with partners including the National Forest, LSR and public health agencies to drive up participation in sport, physical activity and cultural activities.	Ongoing	NF, LRS, CIGs, Schools, New operator
	Assess the specific role, funding mechanism and modus operandi of the events portfolio in NWL.	09.19	LRS
	Review what elements of sports and active recreation development work or which areas of the District might be better catered for via the third sector. In this context, review the areas of work and, potentially the geographic areas covered by the health improvement team in the District.	06.19	LRS, CIGs
	Develop and incorporate a range of measures of outcomes which have a direct link to the objectives of this Strategy, which will be adhered to by partner organisations.	03.19	LRS, LCC, LPH
	Better understand all the resources available in the District with a view to raise awareness and driving up participation.	Ongoing	
	Support the National Forest to increase public awareness of the availability of its facilities and how to access them and in the installation of green gym provision. Support cultural/heritage/sports events in the National Forest with a view to engaging different groups (health by stealth!).	Ongoing	NF, CIGs
	Coordinate the development, operation, programming and management of facilities in conjunction with key partners.	Ongoing	LRS, CIGs, LPH
	Directly and effectively market resource at increasing young people's participation among/in NWL's key underrepresented groups and localities.	Ongoing	LRS, Schools, LPH
Other	Use the Activ8 programme as an option for targeting and increasing the use by those deemed overweight or obese. Make a specific programme offer to (the parents of and the) young people identified as overweight and/or obese at Year 6/7 (or earlier, if particularly relevant).	Start: 09.19	LRS, Schools, LPH
	Consider how the TFP programme can be extended to use the National Forest to help drive increases in physical activity. provide additional guidance for young people and their families with regard to parental inputs, diet and supplementary support for this form of programme via resources available and agencies operating in the local community.		LPH, NF, Schools, LCC

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**CABINET – TUESDAY, 5 FEBRUARY 2019**

Title of report	STATEMENT OF COMMUNITY INVOLVEMENT
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Trevor Pendleton 01509 569746 trevor.pendleton@nwleicestershire.gov.uk Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk Planning Policy Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk
Purpose of report	To agree a new Statement of Community (SCI) Involvement.
Reason for Decision	In accordance with the Council's constitution Cabinet is required to approve the new Statement of Community Involvement. The new SCI is attached to Appendix A of this report.
Council Priorities	Value for Money Businesses and Jobs Homes and Communities
Implications:	
Financial/Staff	The production of a new Statement of Community Involvement has been met from existing staff and financial resources.
Link to relevant CAT	None
Risk Management	A failure to engage effectively and constructively in the preparation of the Local Plan and in determining planning applications could leave the Council vulnerable to challenge. Having an up-to-date Statement of Community Involvement will help to minimise this risk.
Equalities Impact Screening	The Statement of Community Involvement has been subject to an Equalities and Human Rights Impact Assessment. A copy of this is available is from the Planning Policy Team in Room 102.

Human Rights	No discernible impact
Transformational Government	Not applicable
Comments of Head of Paid Service	The Report is Satisfactory
Comments of Deputy Section 151 Officer	The Report is Satisfactory
Comments of Monitoring Officer	The Report is Satisfactory
Consultees	Local Plan Committee
Background papers	<p>Consultation responses, copies of which are held by the Planning Policy Team in Room 102.</p> <p>National Planning Policy Framework which can be found at https://www.gov.uk/government/publications/national-planning-policy-framework--2</p> <p>The Town and Country Planning (Local Planning)(England) Regulations 2012 which can found at http://www.legislation.gov.uk/uksi/2012/767/contents/made</p> <p>The Town and Country Planning (Development Management Procedure) Order 2015 which can be found at https://www.legislation.gov.uk/uksi/2015/595/contents/made</p> <p>Neighbourhood Planning Act 2017 which can be found at http://www.legislation.gov.uk/ukpga/2017/20/contents/enacted</p>
Recommendation	THAT CABINET AGREE TO THE ADOPTION OF THE NEW STATEMENT OF COMMUNITY INVOLVEMENT AS SET OUT IN APPENDIX A.

1.0 BACKGROUND

- 1.1 The National Planning Policy Framework states that in the preparation of Local Plans *“Early and meaningful engagement and collaboration with neighbourhoods, local organisations and businesses is essential”*.
- 1.2 Under the Planning and Compulsory Purchase Act 2004 North West Leicestershire District Council is required to produce a Statement of Community Involvement (SCI). The purpose

of the Statement of Community Involvement (SCI) is to set out how the Council will involve the local community, businesses, key organisations and others in preparing its Local Plans, other important planning documents and in processing planning applications.

- 1.4 A consultation draft of the revised SCI was considered by the Local Plan Committee in June 2018 and it was approved for the purpose of public consultation.
- 1.5 Consultation was undertaken on the SCI between 25 June 2018 and 28 August 2018.
- 1.6 A total of 8 responses were received in respect of the SCI consultation from agencies and bodies and members of the public. A summary of the responses and the suggested changes to the SCI is attached at Appendix B.
- 1.7 A further report was taken to the Local Plan Committee on 7 November 2018 outlining for members the response to the consultation and suggested changes to the SCI. A copy of the report is attached at Appendix C of this report.
- 1.8 Local Plan Committee agreed the recommendations as set out in the report.
- 1.9 As noted in paragraph 4.1 of the Local Plan Committee Report, the revised SCI will be considered by a meeting of Cabinet to consider the adoption of the SCI. This is in accordance with the Council's constitution and the relevant legislation.
- 1.10 For the reasons set out in the Local Plan Committee report it is considered that the revised SCI should be approved and adopted.

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STATEMENT OF COMMUNITY INVOLVEMENT (January 2019)

SECTION A: INTRODUCTON AND BACKGROUND

1 INTRODUCTION

1.1 Planning shapes the places where people live and work, so it is right that people should be able to take an active part in the process.

1.2 The [National Planning Policy Framework](#)(NPPF) (March 2018) highlights the importance of engagement with our communities in plan-making and states that:

“Plans should.....be shaped by early, proportionate and effective engagement between planmakers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees; (Paragraph 16)”

1.3 In addition, Local Planning Authorities are required to produce a Statement of Community Involvement (SCI) under section 18 (Part 1) of the Planning and Compulsory Purchase Act 2004.

1.4 In making decisions as part of the plan making or planning application process the outcome of engagement will be taken in to account alongside all other material considerations.

What is the Statement of Community Involvement (SCI)?

1.5 The main purpose of the Statement of Community Involvement (SCI) is to:-

- set out how the community, business and other organisations with an interest in the development of the District can engage with the planning system.
- explain how North West Leicestershire District Council will engage and consult the community and other interested individuals and organisations in the production of new Development Plan Documents (DPDs) including the Local Plan and Supplementary Planning Documents (SPDs), and when dealing with planning applications.
- set out the Council’s role in neighbourhood planning

1.6 The SCI provides a framework for future consultation and community engagement. It is not prescriptive. The approach to consultation will vary depending upon circumstances and therefore a flexible approach to all future consultations is required. Certain requirements for consultation and engagement on plan-making and planning applications are set out in

legislation. The SCI satisfies these statutory requirements and also seeks to exceed these requirements where appropriate whilst also having regard to available resources.

- 1.7 Section D of the SCI addresses Neighbourhood Planning which is a key part of the Government's localism agenda. The approach to consultation and engagement will be a matter for the individual bodies in preparing their plans and therefore this matters is outside the scope of the neighbourhood plan. Therefore the SCI provides an overview of what neighbourhood planning is, its process and how the District Council will support and assist Neighbourhood Plan Groups in the preparation and making of Neighbourhood Plans.

Why is a new SCI required?

- 1.8 The current adopted SCI (20015) was prepared to take into account legislative changes relating to the preparation of Local Plans and the determination of planning applications. It also provided an opportunity to allow the Council to change its approach on consultation based on experieience gained since the adoption of the 2006 SCI.
- 1.9 Since the adoption of this SCI (2015), legislative changes have been made under the Neighbourhood Planning Act 2017, with respect to plan-making and neighbourhood planning, and what should be addressed in a SCI, namely:-
- The Neighbourhood Planning Act requires a local planning authority to notify the parish/town council or neighbourhood forum of relevant planning applications if there is an adopted neighbourhood plan for their area.
 - Within its SCI the Council is now required to set out its policy for discharging its duty to give advice or assistance to qualifying bodies (i.e. Parish/Town Councils or Neighbourhood Forums) to facilitate neighbourhood planning and neighbourhood development plans and their preparation.

It is therefore an appropriate and relevant time to prepared an updated SCI to allow for these changes to be incorporated.

How is the statement set out?

- 1.10 Section A sets the background and context for the SCI, including legal requirements and explaining how communities, and other individual and organisations, can be involved in the planning process.
- 1.11 Section B deals with plan-making, providing details on who the Council will consult, as well as when and how we will consult and engage with communities and stakeholders.
- 1.12 Section C explains how planning applications are dealt with and outlines the District Council's consultation arrangements.

1.13 Section D provides an overview of the role and process of Neighbourhood Development Plans and how the Council will support neighbourhood planning.

1.14 A glossary of terminology that has been used is provided within Appendix H.

2 WHAT IS PLANNING?

2.1 The purpose of the planning system is to manage the use and development of land and buildings. It is how we as a society strike a balance between allowing development to support economic development and provide the things we need like homes, jobs, shops and transport whilst conserving our heritage and the environment.

The planning system has two main parts to it:

- Plan making (Planning Policy) and
- Managing Development (Planning Applications)

Plan-Making

2.2 The purpose of plan making is to set out how an area will develop over time and to provide a guide for future development. Development Plan Documents (DPDs) will set out the policies for development within the district, for example, the North West Leicestershire Local Plan (Adopted 2017). When making decisions on planning applications, they are made having regard to adopted DPDs unless other material considerations indicate otherwise.

2.3 A Neighbourhood Plan is also a DPD, and is prepared by either a Parish or Town Council, or a Neighbourhood Forum. It is used to assist in the determination of planning applications in the local area to which it applies.

[National Planning Policy](#)

2.4 National Planning Policy is contained within the National Planning Policy Framework (NPPF), together with the National Planning Policy Guidance (NPPG) and the Planning Policy for Traveller Sites (PPTS). These documents provide advice on how the national policies should be applied and also provide guidance for local authorities, both in preparing DPDs and making decisions on planning applications.

[Duty to Co-operate](#)

2.5 There is also a 'Duty to Co-operate' in the plan making process as defined in Section 110 of the Localism Act 2011. It is a requirement for the Council to engage with its partners, such as neighbouring authorities and other statutory bodies to consider joint approaches to plan making. North West Leicestershire District Council is committed to meeting this duty and is actively working with neighbouring authorities and other statutory bodies, and will continue to do so, throughout the plan-making process. See Appendix A for a list of the Duty to Co-operate bodies.

Local Plan Policy

Development Plan Documents

- 2.6 Development Plan Documents (DPDs) set out the District's policies for development. The Development Plan comprises of Development Plan Documents (DPDs) which form the legal basis for all future planning decisions in the district. DPDS must be consistent with and have regard to national planning policy.
- 2.7 The key and main DPD for the District Council is the Local Plan. This will set out the planning strategy, policies and proposal for the district; it will set out how the area will develop and change in the long term and will:
- Provide a vision for the future of the area, based on evidence of what is needed and what makes the local area distinctive
 - Provide priorities and policies to guide future development
 - Allocate land for housing, employment, retail and other uses.

Planning applications must be determined in accordance with the development plan (i.e. the Local Plan) unless material considerations indicate otherwise.

- 2.8 The current [North West Leicestershire Local Plan](#) was adopted in 2017 and provides the planning policies for the district for the period 2011 to 2031. It comprises a vision, strategic objectives, site allocations and development management policies.

Supplementary Planning Documents

- 2.9 We can also produce Supplementary Planning Documents (SPDs) to add greater detail to policies in the Local Plan. These can be area or topic based. Although SPDs do not have the same status as the Local Plan they can be a material consideration when making planning application and making planning decisions. Current [SPDs](#) are available to view on the Councils website.

Sustainability Appraisal (SA) and Strategic Environmental Assessment (SEA)

- 2.10 All DPDs must be subject to a Sustainability Appraisal and most DPDs and some SPDs to a Strategic Environmental Assessment (SEA), the latter normally being incorporated into the former. The Sustainability Appraisal seeks to assess the environment, social and economic effects of the implementation of the policies contained in the documents or the effects of not having these policies. The SEA only considers the environmental implications of policies and proposals in a DPD.
- 2.11 The Sustainability Appraisal is an integral part of Local Plan preparation and its outputs will be consulted upon during the various consultation periods

Neighbourhood Plan Policy

Neighbourhood Plans

- 2.12 A Neighbourhood Plan is a community prepared plan which enables local people to guide the future of the area they live and work in. It is prepared by communities themselves with the support of the Council and will form part of the Statutory Development Plan alongside the Local Plan. Legislation enables either a parish or town council (where they exists), or a neighbourhood forum (for non-parished areas) to take neighbourhood planning forward and produce a Neighbourhood Plan. These are referred to as the 'qualifying body'. It is the role of the local planning authority to agree to the designation of a neighbourhood forum for the neighbourhood area.
- 2.13 A Neighbourhood Plan can be used to address the development and use of land and it can allocate land for the development, or include policies to guide development, for example, by seeking to protect important local green spaces. It should support the strategic policies set out in the Local Plan for its area and have regard to national policies and advice, set out in the NPPF and the NPPG. A proposed Neighbourhood Plan is subject to an Independent Examination and if recommended will proceed to a referendum. If a majority vote is received at referendum the Neighbourhood Plan will then be approved and form part of the development plan for that Neighbourhood Area. Applications for planning permission must be determined in accordance with the development plan, which includes both a local plan and neighbourhood plan, unless material considerations indicate otherwise

Managing Development

- 2.14 Most new development, building work and how land and buildings are used, are managed through the process of planning permission. We are responsible for the determination of planning applications for such works. We receive about 1,000 applications per year which range from householder extensions and minor applications to large-scale proposals that include new housing, employment, retail and other development. The Local Plan is the most important consideration in deciding planning applications and planning applications must be determined in accordance with the development (i.e. the Local Plan) unless material considerations indicate otherwise

3 WHAT OPPORTUNITIES ARE THERE TO BE INVOLVED IN PLANNING?

3.1 For the plans that we prepare and the planning applications that are submitted to us to decide, we must consult and engage with people and organisations in making our decisions.

Plan Making

3.2 The Local Plan has to be widely consulted upon and there is a formal process of consultation that all Local Plans need to go through with fixed deadlines. Minimum requirements for engagement are set out in the Town and Country Planning (Local Planning) (England) Regulations 2012 (The Regulations). There are different stages in the preparation of a Local Plan and there are different opportunities to have a say throughout.

3.3 The nature of community involvement will vary depending on the type of planning policy document being produced. For example;

- Development Plan Documents - these must go through specific stages of community involvement before being submitted to a Government Inspector for examination and decision;
- Supplementary Planning Documents - these will also be subject to public consultation (but no independent examination) but will be adopted by the Council itself.

3.4 The Town and Country Planning (Local Planning) (England) Regulations 2012 ('The Regulations') sets out the three stages of plan production where some consultation or engagement is required, these are:

- Preparation of a Local Plan (Regulation 18)
- Publication of a Local Plan (Regulations 19)
- Representations relating to a Local Plan (Regulation 20); and
- Submission of a Local Plan and information to the Secretary of State (Regulation 22)

3.5 In terms of Supplementary Planning Documents (SPDs) the Regulations set out the two stages of plan production where some consultation or engagement is required, these are:

- Public participation (Regulation 12) and;
- Adoption of supplementary planning documents (Regulation 14)

Managing Development

3.6 Once any planning application has been received and recorded, we will take steps to publicise it, consult and invite comments. The nature, scale and type of planning application will determine how we will engage with the Community. Minimum requirements are set out in the Town and Country Planning (Development Management Procedure) Order 2015 (DMPO).

What is the role of Councillors in the planning system?

- 3.7 Councillors have an extremely important role to play in the planning process, both as decision makers and as somebody who will represent the views of local people. Before the Local Plan can be submitted for independent examination it must be agreed by a meeting of all Councillors. Eleven Councillors also sit on the Local Plan Committee, which enables cross-party discussion, guidance and support for the development of the Local Plan.
- 3.8 With respect to planning applications, some of these will be determined by the Planning Committee. Although not all Councillors are members of the Planning Committee they can attend the meeting and make representations on behalf of local people.
- 3.9 Councillors will also help you to understand the planning process and assist you to respond to consultations on the Local Plan or planning applications. They will also communicate your views to officers and other councillors so as to ensure that all views are taken into account when determining how the council should proceed.
- 3.10 You can discuss any concerns or views you have with a councillor over the telephone or meet them in person. Councillors have regular surgeries which provide an opportunity for any resident to go and talk to their ward councillor face to face. If you cannot attend a surgery then councillors will try and meet with you separately. You can also write to councillors using either email or a letter.
- 3.11 Information about which councillors represent which area together with information about how you can contact them can be found on the district council's website at: www.neleics.gov.uk/councillors.

SECTION B: PLAN MAKING

4 Introduction

4.1 This section of the SCI set outs who we will consult, when we will consult and how we will consult when preparing our planning policy documents, both DPDs and SPDs. Minimum requirements for consultation and engagement are set out within the regulations however at certain stages in the preparation of planning policy documents; we have the flexibility to undertake our own process of engagement. The scale and extent of this will vary depending on the subject of the planning document. For example, the Local Plan will require widespread consultation across the District as well as with national and regional bodies, whereas an action plan for a particular area or a supplementary planning document on a specific topic, will be much more specific and targeted in terms of its consultation.

5 PLAN MAKING: Who do we consult?

5.1 Depending on the type of planning policy document there are a number of 'specific' consultation bodies that we must consult and invite to make representations. We also have the discretion to identify general consultation bodies. However these two lists of bodies are not exhaustive and are also related to successor bodies where re-organisations occur. In addition, legislation and regulations are frequently updated and the list of consultees may change over time as a result.

5.2 The Regulations set out the specific consultation bodies that we must consult at defined key stages in the production of a Plan. This includes a range of statutory bodies with responsibilities for the environment, infrastructure and mining. A full list of these 'specific consultation bodies' is set out in Appendix B. In addition we must consult with neighbouring authorities, with this group being more tightly specified and also part of the Duty to Cooperate place on local authorities.

5.3 We must also consult 'general' consultation bodies at key stages. The types of bodies on this list who will be involved include:

- Those representing the wider community, including the local strategic partnership, parish/town council, neighbourhood forums, areas forums, and other community groups;
- Those representing the business community, including chambers of trade and Network Gold;
- Special interest groups, such as conservation societies and nature conservation bodies;
- Hard to Reach Groups
- Developers and those with property and/or development interests.
- Voluntary groups and groups representing different ethnic, national or faith groups, and groups representing the interests of local people with disabilities.

The current list is set out in Appendix C.

Those 'general consultation bodies' who are consulted will depend on the nature and subject of the planning policy document being consulted upon. The Council can decide which organisations within these general categories it thinks are appropriate to consult.

- 5.4 In addition to the 'specific' and 'general' consultation bodies, we are committed to involving a wide range of other individuals and organisations including members of the Community and 'hard to reach' groups.
- 5.5 Therefore we will maintain a comprehensive database of individuals, community groups and stakeholder groups, who wish to be informed of the production of development plan documents and plan making. This database will be kept up to date as and when is necessary and will be kept under review. These interested individual and groups are asked to provide details of any changes of address etc to enable the database to be kept up to date.
- 5.6 It is recognised that there are sections of the community and population that maybe underrepresented in the planning process, or have a limited capacity for involvement. These groups may include ethnic minorities, young people, elderly people, and the transient population. We will liaise with other local council services, such as the Community Focus Team, as well as other organisations, such as Leicestershire County Council, where necessary to seek engagement with as many hard to reach groups as possible.

6.0 PLAN-MAKING: When do we consult?

- 6.1 The section below identifies the minimum legal requirements (as stated within the Regulations) for the stages in the preparation of DPDs and SPDs.

Strategic Growth Plan for Leicester and Leicestershire

- 6.2 The district council has been working with the other Leicestershire authorities on the preparation of a Strategic Growth Plan which will set out aspirations for delivering housing, economic development and infrastructure. This document does not comprise a DPD but the Council will provide support for its preparation and assist in public consultation that is to be undertaken. The SCI will inform the methods of consultation and engagement as well as the consultees, including specific and general consultation bodies.

Development Plan Documents

- 6.3 There are three main stages of DPD production where some form of consultation or engagement is required by the Regulations. These are summarised below.

Preparation of a Local Plan (Regulation 18): At this stage in the process we must consult and invite representations from:

- 'specific' consultation bodies (identified in the Regulations);
- 'general' consultation bodies (identified by the Local Authority), and
- Residents or businesses within the area, who we consider appropriate

Representation will be sought on what a Local Plan ought to contain.

Apart from these requirements there is flexibility open to us as to how we carry out the initial stages of plan production. Plan preparation can be an informal and ongoing process and involvement will be possible up to the publication of the Local Plan. However there will be at least one 'formal consultation' period during the Local Plan Preparation stage, normally with a 6-12 week consultation period.

Publication of a Local Plan (Regulations 19 & 20): The publication stage plan is the plan which we consider ready for examination. Before the plan is submitted we will publish the plan together with associated documents for representations to be made, for a period of not less than 6 weeks. These documents will be made available at the Council Offices and other defined appropriate places. The Council will invite interested parties (in addition to the specific and general consultation bodies) to make formal representations at this stage. This is the final stage in the process when formal representations on the Local Plan can be made to the Council.

Submission of a Local Plan to the Secretary of State (Regulation 22): A copy of the Local Plan and associated documents is submitted to the Secretary of State for 'examination' and an Independent Inspector is appointed to examine the soundness of the plan. The Inspector will also be provided with the formal representations made at the previous publication stage.

It is also at this stage that a Programme Officer will be appointed to assist the Inspector with procedural and administrative matters, organise the Hearing session of the examination and act as a channel of communication between the Inspector, the Council and representors. The Programme Officer is not an officer of the Council, but works under the direction of the Inspector.

The Programme Officer will notify each of the general and specific consultation bodies advising that the documents are available for inspection and where, as well as give notice of submission, to those who requested to be notified. Please note that this is not a stage where we carry out a formal consultation.

Independent Examination (Regulation 24): The Planning Inspectorate will notify the council of the date for the Examination in Public (EIP) in order to carry out an examination into the Plan's 'Soundness'. The Programme Officer will notify any person who has made a representation on the pre-submission consultation (Regulation 20) of the date, time, place and name of the Inspector at least six weeks before the opening of the hearing. The Plan is 'examined' by the Inspector to ensure that it is 'sound' and that the appropriate legal and procedural requirements have been met. Please note that this is not a stage where we carry out a formal consultation.

Adoption (regulation 26): As soon as reasonably practicable after we adopt a local plan we will make the plan and associated documents available for inspection at the Council

Offices and other defined appropriate places. We will also send a copy of the adoption statement to any person who has asked to be notified on the adoption of the Local Plan as well as to the specific and general consultation bodies.

- 6.4 The Consultation Table 1 in Appendix D summarises the key stages of consultation for DPDs. It explains what these stages are, who will be consulted, when and how. This table will form the basis of how the Council will conduct its consultation on Development Plan Documents.

Supplementary Planning Documents

- 6.5 The Council will occasionally produce Supplementary Planning Documents to add further detail to the policies in the Local Plan, as well as other DPDS. A Supplementary Planning Document (SPD) can be area or topic based and is capable of being a material consideration in a planning decision.
- 6.6 The National Planning Policy Framework (2012) states that SPDs should be used where they can help applicants make successful applications or aid infrastructure delivery. They should not be used to add unnecessarily to the financial burdens on development.

Scoping and Evidence Gathering – this is not a formal stage that is required in the Regulations. However this stage allows document preparation to begin with evidence gathering from a variety of sources, with a view to identifying possible issues and options. This stage is also likely to involve informal consultation with stakeholders and interested parties, considered appropriate to the subject matter of the SPD.

Publication Stage (Public Participation) (Regulation 12) – Copies of the SPD will be made available for not less than 4 weeks at the Council offices and other defined places and on the Council's website. The Council will also invite representations from those individuals and bodies considered appropriate having regard to the subject of the SPD using the lists of specific and general consultation bodies. This stage is the formal consultation stage when comments are invited on the draft SPD.

Adoption (Regulation 14) – Representations received will be considered and when we are satisfied with the content and form of the document, it will be presented to Cabinet for adoption. Once adopted a SPD is a material consideration in the determination of planning applications.

- 6.7 The Consultation Table 2 in Appendix D summarises the key stages of consultation for SPDs. It explains what these stages are, who will be consulted, when and how. This table will form the basis of how the Council will conduct its consultation on Development Plan Documents.

7 PLAN MAKING: How do we consult?

- 7.1 The Council recognises that there are different elements to engagement, including
- Providing information, in a variety of ways e.g. in writing, website and social media

- Undertaking consultation – the Council asking for views or comments on what you think about a policy or proposal,
- Participation – active involvement in something such as discussions or workshop etc and;
- Feedback – identifying or explaining how responses received have informed the production of a piece of work such as a DPD.

7.2 In the case of planning policy documents, there is a distinction between ‘formal stages’ of plan production (where the nature of consultation is governed by the Regulations) and ‘ongoing informal consultation and engagement’ with the Community as part of the development and assessment of emerging options and where there is more freedom about how we engage..

What are the Legal Requirements?

7.3 The minimum legal requirements concerning ‘how’ the Council must consult on Development Plan Documents are set out in the Town and Country Planning (Local Planning) (England) Regulations (2012) (The Regulations). These specify the following:

Plan Preparation (Regulation 18)

7.4 Notify and invite comments from the specific and general consultation bodies as well as residents or other persons with an interest in the district. To meet these requirements the specific and general bodies along with residents and business will be informed, by letter or e-mail during this stage of plan preparation.

Publication of a Local Plan (Regulation 19 & 20)

7.5 We are required to publicise the version of the Local Plan that we intend to submit for examination. This is to provide opportunity for representations to be made that can be considered at examination.

7.6 The regulations also specify that the document must be made available for inspection. We will meet this requirement by making the Local Plan document and supporting documents available in defined locations, including:

- At the Council Offices, Whitwick Road, Coalville, LE67 3FJ
- [At the Libraries throughout the district](#)
- [On the Council’s website](#)

We will advise, by email or by letter, the specific and general consultation bodies, of this stage of plan production, including the availability of documents and inviting representations to be made, as required by the Regulations. The Council will also advise by email or by letter, residents and business, who are listed on the Council’s Local Plan database.

Submission of documents (Regulation 22)

7.7 A copy of the Local Plan, along with associated documentation including any proposed changes is submitted to the Secretary of State for 'examination'. An independent Inspector is subsequently appointed to examine the soundness of the plan. We will meet the minimum publicity requirements by making the documents available in defined locations, including:

- At the Council Offices, Whitwick Road, Coalville, LE67 3FJ
- [At the Libraries throughout the district](#)
- [On the Council's website](#)

The Programme Officer will notify, by email or by letter, each of the general and specific consultation bodies, as well as residents and businesses, advising of the availability of the document, their availability for inspection and when and where. Other groups and individuals who have requested to be notified of the submission will also be contacted by email or by letter.

7.8 Our database will be used to ensure the required and appropriate stakeholders, including organisations, individuals, community groups and stakeholder groups are informed of the production of development plan documents and plan making.

How we will communicate with people

7.9 There are a variety of consultation and engagement techniques available to the Council that go beyond the minimum requirements of the Regulations. We will seek to go beyond the minimum requirements. Furthermore the methods of involving people should be appropriate and relevant to the people involved, and the type of consultation being undertaken. For example, a consultation on the general principle of where development should go will need a much wider consultation than a proposal relating to a specific issue or specific part of the district. Where possible and appropriate, we will go beyond those minimum requirements to promote greater community participation.

7.10 We will give consideration to a variety of methods that could be used during the various stages of the plan making process outlined above. Potential techniques that could be used include:-

Inform by letter or email statutory and general bodies, relevant groups and to those on our consultation database who have requested to be consulted.

Publish on the Council's website – a dedicated page(s) on the Council's website to provide information on the preparation of planning policy documents. Notifications of upcoming consultations will also be available on the website, including dates of consultation, how to make representations and how to view or download the associated documents, including evidence bases. Press releases could also be posted on the Council's website.

The web pages will be kept up to date and will be interactive, allowing representations to be submitted electronically where appropriate.

Email alert system whereby stakeholders identified on the Council's database can be provided with the latest information.

Social Media – Facebook, Twitter and other forms of social media used to publicise emerging documents and consultations and seek views and representations.

Local media – Notices published in local newspapers circulating in the area and press releases made available to the local media, as appropriate throughout the plan preparation process, and at key preparation stages.

Availability of documents – Hard copies of the documents will be made available for public viewing during formal public consultation at the District Council's offices and local libraries within the District. Hard copies of documents could also be provided to the Parish Councils that have offices and the Council's leisure centres.

The Planning E-newsletter - Consideration will be given to the publication of a planning e-newsletter which could be published on our website and distributed to all Parish Councils and District Councillors and stakeholders. It could be used to provide updates on plan preparation and provide notification of consultation events.

Leaflets/postcards/posters – this could be a good way of informing local residents about the local plan. Leaflets and posters could be made available at the Council offices, libraries, leisure centres and health centres as well a range of venues frequented by peoples, such as notice boards at Parish Councils and supermarkets in the District.

Workshops– These can be employed through the process although the exact format will depend on the issues discussed. They could be particularly useful in gathering information to inform plan preparation. The objectives and expected outcomes of each workshop will be clearly set out beforehand. Workshops will usually involve groups using plans and other visual aids. Careful consideration will be given to venues, timing and participants to ensure that events are as effective as possible.

Town and Parish Councils –have an important part to play during the process. Their important role in the local community and their knowledge on local matters is recognised. We will endeavour to make officers available to explain proposals and to help facilitate a well informed debate on the issues under consideration. We will also look at ways to facilitate and enable the Parish Council to help raise awareness of local plan preparation and consultations in their local community. Supporting documents can also be sent to the Parish Councils, such as leaflets and posters, to support local community engagement. Parish Councils will also be advised of Local Planning Advisory Committee Meetings and provided, electronically, with a copy of the agenda. In addition, we will use the existing Parish Liaison meetings to provide information and updates.

Exhibitions – These can also be employed throughout the process. Public displays for local residents would allow for progress on plan preparation to be followed, provide advice and information or raise awareness of consultations, as well as provide opportunities to contribute representations to a consultation. Existing community events could be used as venue for such

exhibitions. Other appropriate venues may include high street locations, frequented by people, within the district's town and villages.

Surveys and questionnaire - these may be utilised to canvas views on key issues, options, proposal and documents. Existing community events could be used as a venue for the surveys and questionnaires to be carried out.

Programme of plan preparation – The Council's Local Development Scheme will provide information on the timetable for producing development plan documents. Where possible local groups will be advised of forthcoming consultation exercised through e-mail alerts.

Focused meetings with recognised lobby groups – These will be considered when requested and where it is clear that there are significant benefits from holding such a meeting.

Utilise existing established groups – existing forums and stakeholders will be utilised where appropriate in order to publicise development plan preparation and process including for the purposes of consultation and evidence gathering.

Resources

- 7.11` Community Involvement of the plan making process will be led by the Council's Planning Policy Team but will also involve a corporate support across the Council involving the Communications Team and the Community Focus Team, as well as other areas of expertise. It is also appreciated that there may need to be an input from consultants or external facilitators.

8. HOW DO WE DEAL WITH REPRESENTATIONS

- 8.1 Feedback is also an important element of the process as it is a means of showing those who have responded to the consultation how their views have been taken into account and informed the plan-making process. We will:

- acknowledge all representations received and summaries will be prepared of such representations.

- 8.2 It should be noted that all comments and representations received are public documents and cannot be kept confidential.

SECTION C: MANAGING DEVELOPMENT

9. INTRODUCTION

- 9.1 This section explains how planning applications are dealt with and outlines the District Council's consultation arrangements.
- 9.2 The majority of planning applications are determined under powers that have been delegated to officers. Some applications are considered and determined by the Planning Committee which meets monthly, in accordance with the Council's constitution. Decisions are taken having regard to the Councils adopted Local Plan, and any adopted Neighbourhood Plans, which are the legal basis for all decisions, unless material considerations indicate otherwise.
- 9.3 The government sets targets for the time taken to determine planning applications. These are currently 13 weeks for major applications and 8 weeks for all others. If an Environmental Impact Assessment is required by the scale of development then this period will extend to 16 weeks. Before a decision is made the case officer will prepare a report with a recommendation.
- 9.4 The recommendation will take into account the policies within the adopted Local Plan, the National Planning Policy Framework, Planning Practice Guidance as well as any consultation comments received. The District Council can only take into account comments relating to material planning considerations.

10. PRE-APPLICATION ADVICE

- 10.1 We encourage applicants and developers to seek pre-application advice from the Council prior to the submission of a formal planning application. These discussions are undertaken in confidence. Normally this would involve the submission of sketch drawings and other relevant detail. We aim to provide a response within 20 working days wherever possible, advising on the likelihood of gaining an approval on an informal and non-prejudicial basis as well as giving an indication of what the key policies and planning issues are likely to be. The schedule of charges for pre-application advice as well as the procedures for gaining pre-application advice is available at:
- http://www.nwleics.gov.uk/pages/planning_advice_and_guidance
- 10.2 Furthermore, in accordance with good practice guidelines, the District Council currently operates a 'development team' approach to major proposals, with a nominated officer co-ordinating the input of other specialist advice on an initial scheme.
- 10.3 The Council also operates a Duty Planning Officer system to deal with simple enquiries, as well as offering general planning and procedural advice. This is available between 1pm and 5pm at the reception at the Council Offices or on the phone on 01543 454580.

Pre-Application Consultation

10.4 We will also encourage applicants to undertaken pre-submission consultation with neighbours and local communities prior to making an application. Pre-application discussion should also include the key consultees on the type of development proposed such as the Local Highway Authority, the Highways Agency and Environment Agency.

11. MANAGING DEVELOPMENT: When do we consult?

11.1 Upon receipt of a planning application the local planning authority will undertake a period of formal consultation. This will normally last for a period of 21 days although there will be cases a longer period of time will be allowed for comment on applications where this is prescribed by legislation.

11.2 Depending on the type of planning application being considered, there are a number of consultation bodies that the Council must consult and invite to make representations. In addition, who will be consulted can depend on factors such as how many people would be affected by the proposal and the type of impact likely. The main type of consultation groups include:-

- Public – including consultation with neighbouring residents and community groups
- Parish Councils and Neighbourhood Forums – consulted on applications within their Parish or Neighbourhood Area.
- Statutory Consultees – this is where there is a requirement in law to consult a specific body who in turn are under a duty to respond, for example, Environment Agency, The Coal Authority
- Consultation required by a direction – this is where the local planning authority is directed to undertake additional consultation due to specific local circumstance
- Non Statutory Consultees – these are not required by law but there is a planning reason to engage with these consultees and who are likely to have an interest in the proposed development, for example, Health and Safety Executive.

Amended Plans

11.3 Following submission of a planning application, negotiations can often take place between planning officers and developers, and their agents in order to seek amendments to a submitted scheme. In most cases, upon receipt of amended plans, we will carry out a further consultation on these amendments. This consultation is likely to include re-notification of neighbours, Parish Councils and statutory consultees, depending on the nature of the changes and the likely implications. In view of the tight time scales to determine planning applications the re-notification time is set at 14 days. Minor alterations that have no material impacts will not normally be the subject of re-notification.

Planning Appeals

- 11.4 If an application for planning permission is refused by the local planning authority, or it is granted with conditions, an appeal can be made to the Secretary of State against the refusal or the conditions attached. There is also a right of appeal if an application is not determined within a specific time. An appeal can only be made by or on behalf of the person who made the application for planning permission or approval. There is currently no 'third party' right of appeal for objectors or other parties who may have an interest in the proposal and who are unhappy about the decision to approve a planning application.
- 11.5 Appeals are examined by an independent Planning Inspector. We will advise neighbours who have previously been notified when appeals are submitted. Further advice on the appeal process is available at:-

<http://www.planningportal.gov.uk/planning/planninginspectorate>

12. MANAGING DEVELOPMENT: How do we consult?

- 12.1 The level of consultation carried out for planning applications, will be proportionate to the type and scale of planning application being determined. In all cases, publicity will meet legal requirements and in some cases, additional publicity will be carried out.
- 12.2 Planning legislation requires certain types of applications, such as works to a listed building, or planning applications that are accompanied by an Environmental Impact Assessment, to be advertised in the local press. For most types of applications, site notices (s) and/or letters will be appropriate. More detail is provided in the section below.

Publicity Requirements

- 12.3 The regulations set out in the Town and Country Planning (Development Management Procedure) (England) Order 2015, The Planning (Listed Building and Conservation Areas) Regulations and The Planning (Listed Buildings and Conservation Areas) Act 1990, state how planning applications need to be publicised, either by site notice or individual neighbour notification.
- 12.4 Neighbour notification by letter is the principal method of consultation on most planning applications. For most planning applications, letters are sent to all owners/occupiers of properties that immediately adjoin the boundary of the application site. In addition the Council will notify more widely where an application is likely to have a wider impact. Comments are invited within 21 days.
- 12.5 In addition, a press notice and site notice is also required for the following types of applications:
- Erection of 10 or more dwellings, or a site area of 0.5 hectares or more
 - Erection of 1000 square metres of floorspace or site area of 1 hectare or more
 - An application accompanied by an Environment Impact Statement

- A departure from the Local Plan
- A development that would affect the public right of way, under part III of the Wildlife and Countryside Act 1981
- Development affecting the character or appearance of a Conservation Area
- Development affecting the setting of a Listed Building.

12.6 Large scale or more complex development proposals may warrant the use of a Planning Performance Agreement (PPA). This is a project management tool that is agreed between the Local Planning Authority and an applicant. Under the PPA a project plan and programme is agreed. They provide opportunities for joint working, bringing together other parties such as statutory consultees as well as provide opportunity to identify how and what communities should be engaged.

13. MANAGING DEVELOPMENT: Who do we consult?

13.1 The Council is ‘required’ to consult various organisation and bodies and is advised to consult others depending on the type of application, as set out in the Town and Country Planning (Development Management Procedure Order) (England) (2015) (DMPO). A list of the statutory consultees is provided in Appendix E. A list of the non-statutory consultees, as defined in national policy and guidance, is provided in Appendix F.

13.2 Parish Councils are consulted electronically on planning applications within their parish, which means they are able to access the planning application by viewing the details on line. The same approach would be applied to any Neighbourhood Forums that are established within the district.

13.3 In addition to planning applications, there are other types of applications that can be submitted to the Councils for determination. These are listed in the table below along with details of who and how we will usually consult on these applications, depending on the particular circumstances

Application type	Consultation
Lawful Development Certificate (existing)	<ul style="list-style-type: none"> • Neighbour Notification • Parish/Town Council • Neighbourhood Forum • Site Notice
Lawful Development Certificate (proposed)	<ul style="list-style-type: none"> • Neighbour Notification • Parish/Town Council • Neighbourhood Forum • Site Notice
Advertisement Consent Applications	<ul style="list-style-type: none"> • Neighbour Notification • Parish/Town Councils

	<ul style="list-style-type: none"> • Neighbourhood Forum • Councils Conservation Officer if the application site is on a Listed Building • Highway Authority if the sign is illuminated and is fronting public highway
Prior Notification Applications	Parish/Town Councils are consulted as would be any Neighbourhood Forums. As scheme is permitted development and does not need the benefit of planning permission, generally there is more consultation. However some consultation maybe undertaken depending in the nature of the proposal and whether local knowledge is appropriate to situation.
Non-Material Amendments	As these types of applications propose amendments that are non-material to the original permission then no consultation is carried out.
Hedgerow removal notices	<ul style="list-style-type: none"> • Parish/Town Council • Neighbourhood Forum • Council's Tree Officer • Any relevant statutory consultees
Tree Preservation Orders(TPOs)/works to trees protected by TPOS	<ul style="list-style-type: none"> • Neighbour Notification • Parish/Town Council • Neighbourhood Forum
Work to trees in a Conservation Area	<ul style="list-style-type: none"> • Parish/Town Council • Neighbourhood Forum
Discharge of Conditions	<ul style="list-style-type: none"> • Relevant Statutory Consultees
Environment Assessment 'scoping opinion'	<ul style="list-style-type: none"> • Relevant Statutory Consultees
Environmental Assessment 'Screening opinion'	<ul style="list-style-type: none"> • None

Table 1: publicity on other planning applications

What happens to comments made on an application?

- 13.4 People are able to respond online through the Councils website. Alternatively comments can be submitted by email or by letter. All comments must be made in writing and contain the name and address of the author. All comments received are public documents and cannot be kept confidential. All written representations received on all applications are summarised in the report on the application and are considered before a decision is made.

14. HOW ARE APPLICATIONS DETERMINED?

- 14.1 Some 90% of planning applications are determined under delegated powers by authorised officers of the Council. However, some major and/or controversial applications are reported to the Planning Committee for decision by Members of the Council. If an application is to be determined in this way we will inform the applicant/agent and anyone who has submitted comments on a particular application (including the Parish Council) of the date of the meeting and their right to speak at the meeting. Ordinarily there is a right for one objector or supporter, the applicant or agent and a Parish Council representative to speak at the Planning Committee. Each speaker has no more than three minutes. A guidance note is sent to all interested parties advising of the procedure and issues which are planning related and those which are not. These guidance notes are available also available on the Council's web site at:

http://www.nwleics.gov.uk/pages/speaking_at_planning_committee

- 14.2 Planning decisions are uploaded to the Council's website. In addition, anyone who submitted comments in respect of a particular planning application is notified of the decision.

15. WHERE CAN I FIND INFORMATION ON PLANNING APPLICATIONS

- 15.1 Information on planning applications can be found in a number of places.

Website

- 15.2 Current planning applications including plans, application forms, consultation replies and drawings, as well as some historical applications, can be viewed here https://www.nwleics.gov.uk/pages/view_planning_applications. This is available by individual property or by weekly/monthly list.

- 15.3 For those older applications that are not available on line, the documents can be made available for inspection by arrangement during office hours. For those who do not have access to a computer the Council provides access to the online system at the District Councils offices, Whitwick Road, Coalville. Access to the offices is between the hours of 8.45 am and 5.00pm Monday to Friday.

- 15.4 Decision notices for planning applications submitted and determined since 2008 can normally also be viewed on the Councils website.

The Weekly List

- 15.5 A list of valid planning applications registered and planning decisions made are updated in 'real time' on the District Council's website.

The Planning Register

- 15.6 Applications for planning permission will be entered on a register. Maintaining a planning register is a statutory obligation and the information is available on the District Council's website for inspection by arrangement during office hours.

SECTION D: NEIGHBOURHOOD PLANNING

16. NEIGHBOURHOOD PLANS

- 16.1 Neighbourhood Plans (NPs) were introduced by the Localism Act 2011 and are regulated by The Neighbourhood Planning (General) Regulations.
- 16.2 A NP is a community prepared plan which enables local people to guide the future of the area they live and work. NPs can add detail and local objectives to the Council's Local Plan. North West Leicestershire District Council will provide advice and assistance to a parish/town council, neighbourhood forum or community organisation that is producing a neighbourhood plan and take decisions at key stages in the neighbourhood planning process within the time limits that apply.
- 16.3 North West Leicestershire District Council will provide information on the status of neighbourhood plans in the district using the Councils' website. However it is not the role of the SCI to set out the approach to consultation on a Neighbourhood Plan and this will be a matter for the 'qualifying body'.
- 16.4 The following section summarises the key stages in the neighbourhood planning process, together with the roles and responsibilities of the District Council and qualifying body.

17. STAGES AND CONSULTEES IN THE PREPARATION OF A NEIGHBOURHOOD AREA DESIGNATION

- 17.1 In terms of general support throughout the plan preparation process, North West Leicestershire District will
- Maintain a Neighbourhood Planning webpage that provides information about the powers available under neighbourhood planning and the key development stages.
 - Provide details of the officer(s) to contact for Neighbourhood Plan Issues.
 - Coordinate input into the Neighbourhood Plan on Local Authority services, functions, plans and policies including local planning, housing and leisure and amenities.
 - Provide advice and information about the Neighbourhood Planning process and any funding, resources and skills available to support the process. This maybe in the form of providing details of contacts in other organisations, attending Neighbourhood Plan meetings or signposting the group to the availability of funding sources
 - Provide advice and assist with the interpretation of the relevant regulations and highlight any potential issues.
 - Assist with and/or provide advice on community engagement or consultation, loan of display boards, and where resources permit attend consultation events/meetings if requested.
 - Provide mapping services for use at consultation events and workshop.

17.1 **Step 1: Designating neighbourhood area and if appropriate neighbourhood forum (Regulation 5, 6 and 7)**

- Relevant body submits an application to North West Leicestershire District Council to designate a neighbourhood area.
- On receipt the Council will check that the application meets the necessary requirements and that the boundary is considered to be coherent, consistent and appropriate in planning terms. If it is considered not to be we will work with the qualifying body to come to a suitable resolution
- North West Leicestershire District Council will acknowledge receipt of the application and publicise and consult on the area application for minimum 6 weeks (4 weeks where the application is from a parish council and the area to which the application relates is the whole of the area of the parish council). The District Council will consult local planning authorities adjoining the neighbourhood area, adjoining parish councils, Leicestershire County Council and the relevant District Councillors. The costs of consultation will be met by the District Council.
- In an area without a town or parish council a prospective neighbourhood forum would need to submit an application to be the designated neighbourhood forum for a neighbourhood area. The Council will also publicise and consult on the forum application for minimum 6 weeks.
- North West Leicestershire District Council will designate the neighbourhood area within the statutory timescales, this being within 8 weeks if the application is from a parish council and relates to the whole of the parish, or 13 weeks in other cases. Where the application relates to an area that also falls within the area(s) of another local planning authority, the application will be determined within 20 weeks. The timescale commences from the date immediately following that on which the application is first publicised.
- North West Leicestershire District Council takes decision on whether to designate the neighbourhood forum.

17.2 **Step 2: Preparing a draft neighbourhood plan**

Qualifying body develops proposals and will:

- gather baseline information and evidence. North West Leicestershire District Council will share relevant evidence, including that gathered to support its own plan-making, with the qualifying body. In particular, where the Local Plan does not set out a housing requirement figure for a neighbourhood area, the District Council will provide an indicative figure if requested to do so by the qualifying body. The District Council will engage with the qualifying body, in order for groups to understand how figures are reached. This will help avoid disagreements at neighbourhood plan examinations, and minimise the risk of neighbourhood plan figures being superseded when the District Council adopts a new Local Plan.
- engage and consult those living and working in the neighbourhood area and those with an interest in or affected by the proposals (eg service providers). Representatives of

North West Leicestershire District Council will attend stakeholder events when invited by the qualifying body.

- talk to land owners and the development industry. North West Leicestershire District Council will share relevant evidence relating to land availability assessments subject to data protection principles.
- Identify issues that the Neighbourhood Plan may address. North West Leicestershire District Council will provide advice on which issues could be considered suitable for a Neighbourhood Plan as well as provide advice on any relevant European and National legislation and policies, and adopted and emerging Local Plan policies which the Neighbourhood Plan will need to be in conformity with
- determine whether a plan is likely to have significant environmental effect. If requested to do so by the qualifying body, North West Leicestershire District Council will prepare a Strategic Environmental Assessment Screening Statement for a neighbourhood plan to be used to determine whether a neighbourhood plan requires a Strategic Environmental Assessment (SEA). Where requested the District Council will also prepare a Habitats Regulations Assessment Screening Statement to assess whether there are likely to be significant effects on European Sites as a result of a neighbourhood plan.
- start to prepare proposals documents eg basic conditions statement. Where a neighbourhood plan is brought forward before an up-to-date Local Plan is in place the District Council will discuss and aim to agree with the qualifying body the relationship between policies in the emerging neighbourhood and local plans with appropriate regard to national policy and guidance. The District Council will work with the qualifying body to produce complementary neighbourhood and Local Plans.

17.3 **Step 3: Pre-submission publicity and consultation (Regulation 14)**

The qualifying body:

- publicises the draft plan and invites representations
- consults the consultation bodies as appropriate. Appendix G provides a list of these consultees and North West Leicestershire District Council will provide the qualifying body with relevant contact details subject to data protection principles. The Council will also respond to the pre-submission consultation on the Neighbourhood Plan.
- sends a copy of the draft plan to the local planning authority. North West Leicestershire District Council will publicise the draft plan on its website for the duration of the consultation period which should be a minimum of 6 weeks
- where European Obligations apply, complies with relevant publicity and consultation requirements.
- considers consultation responses and amends plan if appropriate.
- prepares consultation statement and other proposal documents.

17.5 **Step 4: Submission of a neighbourhood plan to the local planning authority (regulation 15 & 16)**

Qualifying body submits the plan to North West Leicestershire District Council together with a map or statement which identifies the neighbourhood plan area, a Consultation Statement, and a Basic Conditions Statement.

- North West Leicestershire District Council checks that submitted proposal complies with all relevant legislation
- If the North West Leicestershire District Council finds that the neighbourhood plan meets the legal requirements it will:
 - publicises the proposal for minimum 6 weeks and invite representations
 - publicise the submitted documents on the Council's website, as a minimum, in a way which is likely to bring the proposal to the attention of people who live, work or carry on business in the neighbourhood area.
 - notifies consultation bodies referred to in the consultation statement including those bodies specified under Paragraph 1 of Schedule 1 of the Neighbourhood planning (General) Regulations 2012. (Appendix G)
 - appoints an independent examiner (with the agreement of the qualifying body)

17.6 **Step 5: Independent Examination (regulation 17 & 18)**

- North West Leicestershire District Council sends plan and representation to the independent examiner
- independent examiner undertakes examination. The examination will usually take the form of written representations, unless the examiner considers it necessary to hold a public hearing. If a public hearing is held the examiner will invite participants to attend. Examiner fees are paid by North West Leicestershire District Council. If a public hearing is to be held, the District Council will provide an Examination venue, if no other suitable town/village venue can be provided.
- independent examiner issues a report to the North West Leicestershire District Council and qualifying body
- North West Leicestershire District Council publishes report
- North West Leicestershire District Council considers report and reaches own view within 5 weeks of receiving the report unless the District Council and the qualifying body agree another date.
- North West Leicestershire District Council takes the decision on whether to send the plan to referendum

17.7 **Steps 6 and 7: Referendum (guided by the Neighbourhoods Planning (Referendums) Regulations 2012) and bringing the neighbourhood plan into force**

- North West Leicestershire District Council will meet the cost of the referendum and will arrange a referendum, normally within 56 days of the decision to go to referendum. The Council will also give a minimum of 28 working days notice before the date of the referendum.
- North West Leicestershire District Council publishes information statement
- North West Leicestershire District Council publishes notice of referendum/s
- polling takes place (in a business area an additional referendum is held)

- results declared
- should more than half of those voting vote in favour of the neighbourhood plan, the plan comes into force as part of the statutory development plan for the area
- upon a successful vote for the community to accept the NP as a planning document for the area the Council will bring the document into legal force as an extant and active planning document. The Council will publicise the decision on its website as a minimum and notify anyone who asked to be notified of the decision. Details of where and when the neighbourhood plan can be inspected will also be provided.
- there are narrow circumstances where North West Leicestershire District Council is not required to make the neighbourhood plan. These are where it considers that the making of the neighbourhood plan would breach, or otherwise be incompatible with, any EU or human rights obligations (see section 61E(8) of the Town and Country Planning Act 1990 Act as amended). Otherwise, the neighbourhood plan will be 'made' within 8 weeks of the referendum.
- in respect of proposals for modifications of neighbourhood plans where the modifications do not change the nature of the plan and meet the basic conditions, a referendum is not required. The local planning authority is required to make the modified neighbourhood plan

Appendix A

PLAN MAKING – Duty to Co-operate Bodies

The prescribed bodies (in addition to local planning authorities and County Councils) which are subject to the Duty to Co-operate include;

- The Environment Agency
- English Heritage
- Natural England
- The Civil aviation Authority
- Homes England
- The Primary Care Trust (now replaced by the Clinical Commissioning Group)
- The Office of Rail Regulation
- The Highway Authority (both the Highways Agency and Leicestershire County Council)

Appendix B

PLAN MAKING - Specific Consultation Bodies

- The Coal Authority
- The Environment Agency
- Historic England
- Natural England
- Network Rail
- Highways England
- A 'relevant' authority in or adjoining the Local Planning Authority (Including Local Planning Authorities, County Council, a Parish Council and a Local Policing Body)
- Electronic communication code systems operators
- Primary Care trust established under section 18 of the National Health Service Act 2006 or continued in existence by virtue of that section
- Electricity providers
- Gas providers
- Sewerage Undertakers
- Water Undertakers
- Homes England

Appendix C

PLAN MAKING – General Consultation Bodies

Please note that this list is not exhaustive. The Council has a live database which can be amended at any time.

Age UK Leicestershire and Rutland
Ancient Monuments Society
Ashby de la Zouch Civic Society
Canal and Rivers Trust
Campaign for Real Ale Ltd
Campaign for the Protection of Rural England (Leicestershire and Derbyshire) and other environmental groups
Charley Heritage Group
Civic societies and local resident associations
Clinical Commissioning Groups
Coal Authority
Coalville Heritage Society
Coleorton Heritage Group
Commission for Architecture and the Built environment
Community Appraisal Groups
Council for British Archaeology
Crown Estate
Diseworth Local Heritage Society
East Midlands Airport
East Midlands Chambers
Equality and Human Rights Commission
Federation of Small Businesses
Freight on Rail
Friends of Thringstone
Garden History Society
Guide Association
Historic period societies (e.g. Georgian Society, Victorian Society, Twentieth Century Society)
Home Builders Federation
Hugglescote Heritage Society
Inland Waterways Association
Ibstock Historical Society
Leicestershire Police
Leicestershire Fire and Rescue Services
Leicestershire and Rutland Wildlife Trust
Long Whatton Local Historical Society
National Farmers Union
National Forest Company
National Trust
Network Rail

Newbold Heritage Group
Parish Councils
Parish Plan Groups
Relevant bus companies
Royal Society for the protection of Birds
Resident Associations
The Scout Association
The Society for the Protection of Ancient Buildings
Sport England (East midlands Region)
Sustrans
The Theatres Trust
Volunteering Partnerships
Whitwick Historical Group
Woodland Trust

Appendix D

Table 1: Consultation on Development Planning Documents

Stage	Purpose	Who	How
Preparation of a Local Plan document (Regulation 18)	<p>Plan preparation which can be informal and ongoing process with involvement possible right up to its publication.</p> <p>There will be at least one formal consultation period during the Local Plan Preparation stage, normally with a 6-12 week consultation period.</p>	<p>Specific and general consultation bodies</p> <p>Those registered on the Councils database, including those residents or business within the area where appropriate.</p> <p>Duty to Co-operate bodies</p>	<p>Letter, email, website, press releases.</p> <p>Documents will be made available at the Council Offices and at other locations considered appropriate.</p> <p>Other potential techniques that may be used include: Town and Parish Councils, workshops, utilise existing established groups, social media, public exhibitions, community events.</p>
Publication of a Local Plan Document (Regulation 19 & 20)	<p>Consultation on the proposed submission document.</p> <p>Consultation will be undertaken for a minimum of 6 weeks.</p>	<p>Specific and general consultation bodies</p> <p>Those registered on the Councils database, including those residents or business within the area where appropriate.</p> <p>Duty to Co-operate bodies</p> <p>Those who responded to the plan preparation consultation</p>	<p>Letter, email, website, press releases, social media.</p> <p>Documents will be made available at the Council Offices, district libraries and at other locations considered appropriate.</p> <p>Statement of representations procedure and statement of fact will be sent to specific and general consultation bodies.</p>

Stage	Purpose	Who	How
			<p>Letters and emails will be sent out with the following information-</p> <ul style="list-style-type: none"> -consultation period -how the Plan can be seen, along with the places and times that the Plan can be viewed. <p>Other potential techniques that may be used include:</p> <ul style="list-style-type: none"> Town and Parish Councils, workshops, utilise existing established groups, social media, public exhibitions, community events.
<p>Submission of a Local Plan to the Secretary of State</p> <p>(Regulation 22)</p>	<p>Submission of a Local Plan and all associated documents in accordance with Regulation 22</p> <p>This is not a stage where formal consultation is carried out by the Local Planning Authority (LPA)</p>	<p>Specific and general consultation bodies</p> <p>Duty to Co-operate bodies</p> <p>Other interested parties considered appropriate.</p> <p>Those who requested to be notified.</p>	<p>Notification of the submission of the document will be carried out by the appointed Programme Officer, by letter and email.</p> <p>Notification will advise of the availability of the plan for inspection and where and when it can be inspected.</p> <p>A copy of the Submission document and associated documents will be placed on the Council's website, at the Council Offices, and at the districts libraries.</p>

Stage	Purpose	Who	How
Independent Examination(Regulation 24)	<p>Independent examination of the plan by an Independent Inspector.</p> <p>This is not a stage where formal consultation is carried out by the Local Planning Authority (LPA)</p>	<p>All those who made representations.</p>	<p>The Programme Officer will advise of the examination hearing sessions by letter or email, at least 6 week before its start.</p> <p>Publish on the Council's website and provide a hard copy on display at the Council, a notice setting out the date, time and place at which the hearing is to be held and the name of the Inspector appointed to carry out the independent examination.</p> <p>Other potential techniques used may include press releases and social media.</p>
Adoption (Regulation 26)	<p>Adoption of the plan by the Local Planning Authority.</p>	<p>All those who made representations.</p> <p>Specific and general consultation bodies.</p> <p>All those who asked to be notified.</p>	<p>Letter, email, website, Press Releases, Social Media.</p> <p>The Plan and associated documents will be made available at the Council Offices and at other appropriate locations.</p> <p>A copy of the Adoption Statement will be sent to the Secretary of State as well as those who asked to be specifically notified.</p>

Table 2: Consultation on Supplementary Planning Documents

Stage	Purpose	Who	How
Scoping and Evidence Gathering	Evidence Gathering and preparation of Draft SPD	Stakeholders and interested parties, considered appropriate to the subject matter of the SPD, will be engaged.	Letter, email, website. Documents will be made available at the Council Offices and at other locations considered appropriate. Other potential techniques that may be used include: Town and Parish Councils, workshops, utilise existing established groups, social media, public exhibitions, community events.
Public Participation (Regulation 12)	Consultation on the Draft SPD. Consultation period of a minimum of 6 weeks.	Specific and general consultation bodies Duty to Co-operate bodies Those registered on the Councils database, including those residents or business within the area where appropriate.	Letter, email, website, press releases, social media. Copies of the SPD and any supporting documents will be made available at the Council offices and the districts libraries, as a minimum, for public inspection. Other potential techniques that may be used include: Town and Parish Councils, workshops, utilise existing established groups
Adoption	Adoption of the SPD by the	The following will be	The adoption statement

<p>(Regulation 14)</p>	<p>Local Planning Authority</p> <p>This is not a stage where consultation is carried out by the Local Planning Authority (LPA)</p>	<p>notified of the adoption of the SPD:</p> <p>Specific and general consultation bodies</p> <p>Duty to Co-operate bodies</p> <p>Those registered on the Councils database, including those residents or business within the area where appropriate.</p> <p>Anyone who has specifically asked to be notified when the SPD is adopted.</p>	<p>and the SPD will be made available at the Council offices, the district libraries and other appropriate locations, and published on the Councils website.</p> <p>Notification of the adoption of the SPD sent to individuals, bodies and organisations will be in writing, either email or letter.</p> <p>Press releases and social media will also be used to inform of adoption.</p>
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Appendix E

MANAGING DEVELOPMENT – Statutory Consultees

Statutory Consultees	Type of Development
The Canals and River Trust	Certain types of development likely to affect canals or nearby areas
The Coal Authority	Certain types of development in areas where the Coal Authority has notified to the local planning authority that it is an area of coal working, and for minerals exploration on land that has been identified as containing coal.
Crown Estates Commissioner	Certain minerals planning applications where the Crown Estates Commissioners have given notice to that land in their area contains silver or gold.
Department of Energy and Climate Change	Mineral developments where the Department for Energy and Climate Change have given notice to the local planning authority that the land in their area contains gas or oil.
Department of Transport (administered in practice by the Highways England)	New Development likely to result in a material increase in the volume or a material change in the character of traffic entering or leaving a trunk road.
East Midlands Airport	East Midlands Airport is a statutory consultee in respect of development management. This is in respect of its role as the Aerodrome Safeguarding Authority for East Midlands Airport. East Midlands Airport will be consulted on relevant planning applications located within the Airport Consultation Zone.
Environment Agency	The Environment Agency are a statutory consultee to Local planning authorities for several types of planning application related to its statutory duties on flood risk, protection of land and water quality, mining operations, waste regulation and fisheries.
Historic England	Historic England are a statutory consultee to Local planning authorities for several types of planning application including development that would affect the setting of a Listed Building, development that would affect the character and appearance of a Conservation Area, development likely to affect the site of a scheduled monument and Applications for Listed Building Consent for works on a Grade I

Statutory Consultees	Type of Development
	or Grade II* listed Building.
Forestry Commission	Statutory requirement under paragraph 4 of Schedule 5 of the Town and Country Planning Act 1990 or mineral operators to consult the forestry commission if the proposed form of post-extraction restoration is for forestry.
Garden History Society	For development likely to affect any park or garden on English Heritage's <i>Register of Historic Parks and Gardens of Special Historic Interest in England</i>
Health and Safety Executive	The Health and Safety Executive issues consultation zones to the local planning authority and should be consulted on certain developments in the vicinity to major accident hazards.
Highways England	Developments likely to affect the strategic road network, and certain other highway matters.
Local Planning Authority	The adjoining local planning authority will usually need to be consulted where an application is likely to have an impact on a neighbouring area. Where there is a County Council, the district council is required to consult the county council in certain cases and may not decide the application for 21 days or the county council has responded (if earlier).
Local Highway Authority	The Local Highway Authority will need to be consulted where the proposed development will either involve a new access to the highway network, or an increase or change in traffic movements.
County Planning Authority	Specific requirements exist for consultation with County Planning Authorities, reflecting their responsibilities as planning authorities for certain specific matters.
Natural England	Certain developments affecting Sites of Special Scientific Interest, involving the loss of best and most versatile agricultural land, or in an area of particular natural sensitivity or interest which appears to be affected by development that could have significant implications for major accident hazards. Natural England must also be consulted on development (including permitted development) likely to have a significant effect on a European (wildlife) Site

Statutory Consultees	Type of Development
	in England or European Offshore Marine Site under the Conservation of Habitats and Species Regulations 2010 (as amended).
National Parks Authorities	Specific requirements exist for consultation with National Parks authorities in relation to development likely to affect land in a National Park
Parish Councils	<p>Whilst Parish Councils are not statutory consultees, they do have a role as a consultee in the planning application process.</p> <p>The Local Planning Authority must consult the Parish Council if they have requested that they do so. There is also a legal requirement to notify the Parish Council of the decision on planning applications if they have requested that they Local Planning Authority do so.</p> <p>The same approach applies to any Neighbourhood Forums.</p>
Rail Network Operators	Development likely to result in a material increase in the amount of traffic using a level crossing over a railway.
Sport England	Planning applications where the development is likely to affect the use of land as playing fields.
Theatres Trust	Development involving any land on which there is a theatre.

APPENDIX F

MANAGING DEVELOPMENT – Non-Statutory Consultees

Non – Statutory Consultees
Emergency Services and Multi-Agency Emergency Planning
Forestry Commission
Health and Safety Executive
Ministry of Defence
Office of Nuclear Regulation
Police and Crime Commissioners
Rail Network Operators
Sport England

Appendix G

Consultation Body as defined by the Neighbourhood Planning (General) Regulations 2012

Consultation Body
A local planning authority, county council or a parish council any part of whose areas is in or adjoins the area of the local planning authority
The Coal Authority
Homes England
Natural England
The Environment Agency
Historic England
Network Rail Infrastructure Limited
Highways England
The Marine Management Organisation
Any person to whom the electronic communication code applies.
Any person who owns or controls electronic communication apparatus
A Primary Care Trust in any part of the neighbourhood area
A person with a licence under the Electricity Act, in any part of the neighbourhood area
A person with a licence under the Gas Act, in any part of the neighbourhood area
A sewerage undertaker, in any part of the neighbourhood area
A water undertaker, in any part of the neighbourhood area
Voluntary bodies some or all of whose activities benefit all or any part of the neighbourhood area
Bodies which represent the interest of different racial, ethnic or national groups in the neighbourhood area
Bodies which represent the interest of different religious groups in the neighbourhood area
Bodies which represent the interest of person carrying on business in the neighbourhood area
Bodies which represent the interests of disabled persons in the neighbourhood area.

Appendix H

GLOSSARY

Development Management – The management or control of development proposals through the planning system.

Development Plan – comprises of Development Plan Documents (DPDs) which form the legal basis for all future planning decisions in the district.

Development Plan Documents (DPD) – Documents prepared by the local planning authority (including the Local Plan) setting out the main spatial strategy, policies and proposals for the area. These documents will be statutory documents and subject to an independent examination by an Inspector. They will undergo rigorous procedures of community involvement and consultation. DPDs must be consistent with and have regard to national planning policy.

Duty to Cooperate – Created by the Localism Act 2011. It places a legal duty on the Council to engage constructively, actively and on an ongoing basis with certain specified bodies to maximise the effectiveness of Local Plan preparation relating to strategic cross boundary matters.

Examination – The purpose of the Examination is to consider if the development plan is sound. The majority of representations made at Examination will usually be written representations. However, in some instances a Planning Inspector may allow representations to be examined by way of oral hearings, for example round table discussions, informal hearing sessions and formal hearing sessions.

General Consultation Bodies – Organisations defined by The Town and Country Planning (Local Planning) (England) Regulations 2012 that are required to be consulted at key stages of plan production. They include bodies which represent the interests of different racial, ethnic, religious or national groups, disabled persons and business in the local planning authority's area.

Hard to Reach Groups – Groups of people or organisations within the community that have traditionally been more difficult to engage in the planning system. They include older people, religious, disabled and ethnic minority groups.

Local Development Document (LDD) – The collective term covering Development Plan Documents and Supplementary Planning Documents.

Local Development Scheme (LDS) – A three year project plan outlining the Councils programme for preparing the Local Plan.

Local Plan – Collective term for the Development Plan Documents that set out the spatial vision and strategy for the Borough including policies and proposals. The Local Plan is a key part of the development plan.

National Planning Policy Framework (NPPF) – It sets out the government's national planning requirements, policies and objectives. It replaces much of the national advice previously contained within planning policy statements, planning policy guidance and circulars. It is a material consideration in the preparation of Local Plan documents and when considering planning applications.

Neighbourhood Development Plan (NDP) – A plan for the neighbourhood area which is prepared by an authorised community group. The plan must be in general agreement with the overall plan for the local authority area and can include general planning policies and allocations for new development.

The Planning Inspectorate - The Planning Inspectorate is an executive agency of the Department for Communities and Local Government. It deals with planning appeals, national infrastructure planning applications, examination of local plans.

Planning Performance Agreements – Up front agreements between a developer and a local planning authority that set out all the information required and the timetable for delivering a decision on a large

application. They are an opportunity to establish a collaborative relationship based on good communication and regular exchange of information. This should allow a process to be agreed which allows the local planning authority to project plan the work needed to determine the application.

Specific Consultation Bodies – Organisations defined by The Town and Country Planning (Local Planning) (England) Regulations 2012 that are required to be consulted at key stages of plan production. They include neighbouring and parish councils, key service providers, Government departments and non-government organisations.

Stakeholders – A person or organisation with an interest or concern in something.

Statement of Community Involvement (SCI) – Outlines the approach of the authority to involving the community in preparing the Local Plan and planning applications.

Supplementary Planning Documents (SPD) – Documents that expand on policies and proposals in Development Plan Documents.

Sustainability Appraisal (SA) – An appraisal of the social, economic and environmental implications of a strategy, policies and proposals. The SA seeks to ensure that proposals contribute to the achievement of sustainable development.

Tests of Soundness – The tests outlined in the National Planning Policy Framework that DPDs are judged against.

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APPENDIX B

RESPONDENT	COMMENTS	RESPONSE AND SUGGESTED CHANGES
Erewash Borough Council	No specific comments to make on the content of the SCI.	Noted.
Natural England	<p>Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.</p> <p>We are supportive of the principle of meaningful and early engagement of the general community, community organisations and statutory bodies in local planning matters, both in terms of shaping policy and participating in the process of determining planning applications.</p> <p>We regret we are unable to comment, in detail, on individual Statements of Community Involvement but information on the planning service we offer, including advice on how to consult us, can be found at: https://www.gov.uk/protected-species-and-sites-how-to-review-planning-proposals.</p> <p>We now ask that all planning consultations are sent electronically to the central hub for our planning and development advisory service at the following address: consultations@naturalengland.org.uk. This system enables us to deliver the most efficient and effective service to our customers.</p>	Noted.
Environment Agency	I find the document acceptable but would point out that references to the NPPF (2012) could be replaced with	Noted. The SCI will be amended to ensure that reference is made to the most up to date and relevant legislation

	NPPF (2018).	and guidance.
East Midlands Airport	<p>Appendix B: East Midlands Airport should be included as one of the Specific Consultation Bodies. This is as the statutory Aerodrome Safeguarding Authority for East Midlands Airport. The role of the Safeguarding Authority and the statutory consultation requirements are set out in Circular 1/2003. The Statement of Community Involvement should be consistent with the requirements of the Circular.</p> <p>Appendix F: East Midlands Airport should be included within the table as a statutory consultee in respect of development management. This is for its role as the Aerodrome Safeguarding Authority for East Midlands Airport in accordance with Circular 1/2003. The Statement of Community Involvement should be consistent with the requirements of the Circular.</p>	<p>The Town and Country Planning (Local Planning) (England) Regulations 2012 defines the 'specific consultation bodies' in respect of local plan making. However statutory 'Aerodrome Safeguarding Authorities' are not detailed as a specific consultation body, and it would therefore not be appropriate to include East Midland Airport on this list.</p> <p>Notwithstanding the above, East Midlands Airport are identified as a 'General Consultation Body' in Appendix C and therefore will be consulted and engaged with during key stages in the preparation of local planning documents.</p> <p>It is agreed that East Midlands Airport should be included as a statutory consultee in respect of development management. The SCI to be amended to reflect this.</p>
Mike McCrea	I am involved at the present in establishing the Blackfordby Local Plan and I am therefore keen to see this come to fruition in the near future. I hope that it is not proposed to amend any section of the works so far completed by us.	<p>The SCI provides a summary of the key stages in the neighbourhood planning process, together with the roles and responsibilities of the District Council and qualifying body.</p> <p>The representation makes reference to the 'Blackfordby Local Plan', although it is assumed that this should have read the 'Blackfordby Neighbourhood Plan'. It is not the role of the SCI to set out the approach to consultation on a Neighbourhood Plan and this will be a matter for the 'qualifying body'.</p>
Inland Waterways Association (Lichfield Branch)	Appendix C Plan Making - General Consultation Bodies: Add "Inland Waterways Association" Change "British Waterways" to "Canal & River Trust".	Noted. The Canals and River Trust is identified as a statutory consultee with respect to development management. The other suggested amendments to be

	Appendix G Managing Development - Non-Statutory Consultees: Add "Inland Waterways Association"	made to the SCI.
Steve Palmer	Before the local plan became adopted I read every comment you received. I am not aware of any changes you made to the plan due to those residents (and others) comments. I have asked this question both personally and via email and never received any response.	Responses received to consultation and engagement are used to inform the preparation of plan making documents, and changes are made to these documents where relevant and appropriate.
Steve Johnson	Appendix C - I am unclear why some local groups and environmental groups appear to have been deleted from the list.	Under recent changes to the Data Protection Act 2018, approval has been sought from those who wish to be included as a 'General Consultation Body' with respect to plan making. Contact was made to all these bodies, seeking their approval to be included as a General Consultation Body. Only those who chose to confirm and gave their approval are able to be placed on the 'list'. For those who did not respond, their details have been removed from the list.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

LOCAL PLAN COMMITTEE – 7th NOVEMBER 2018

Title of report	STATEMENT OF COMMUNITY INVOLVEMENT
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Trevor Pendleton 01509 569746 trevor.pendleton@nwleicestershire.gov.uk Strategic Director of Place 01530 454555 james.arnoldbambrick@nwleicestershire.gov.uk Planning Policy Team Manager 01530 454677 ian.nelson@nwleicestershire.gov.uk
Purpose of report	To agree a revised Statement of Community Involvement.
Reason for Decision	In accordance with the Council's constitution Cabinet is required to approve the new Statement of Community Involvement
Council Priorities	These are taken from the Council Delivery Plan: Value for Money Businesses and Jobs Homes and Communities
Implications:	
Financial/Staff	The production of a revised Statement of Community Involvement has been met from existing staff and financial resources.
Link to relevant CAT	None
Risk Management	A failure to engage effectively and constructively in the preparation of the Local Plan and in determining planning applications could leave the Council vulnerable to challenge. Having an up-to-date Statement of Community Involvement will help to minimise this risk.

Equalities Impact Assessment	The Statement of Community Involvement will be subject to an Equalities Impact Assessment.
Human Rights	No discernible impact
Transformational Government	Not applicable
Comments of Head of Paid Service	
Comments of Section 151 Officer	
Comments of Monitoring Officer	
Consultees	None
Background papers	<p>Consultation responses, copies of which are held by the Planning Policy Team in Room 102.</p> <p>National Planning Policy Framework which can be found at https://www.gov.uk/government/publications/national-planning-policy-framework--2</p> <p>The Town and Country Planning (Local Planning)(England) Regulations 2012 which can found at http://www.legislation.gov.uk/uksi/2012/767/contents/made</p> <p>The Town and Country Planning (Development Management Procedure) Order 2015 which can be found at https://www.legislation.gov.uk/uksi/2015/595/contents/made</p> <p>Neighbourhood Planning Act 2017 which can be found at http://www.legislation.gov.uk/ukpga/2017/20/contents/enacted</p>
Recommendation	1 THAT THE REVISED SCI BE RECOMMENDED TO CABINET FOR ADOPTION SUBJECT TO THE AMENDMENTS OUTLINED IN APPENDIX A.

1.0 BACKGROUND

- 1.1 The National Planning Policy Framework (paragraph 155) states that in the preparation of Local Plans “*Early and meaningful engagement and collaboration with neighbourhoods, local organisations and businesses is essential*”.
- 1.2 Under Section 18 of the Planning and Compulsory Purchase Act 2004 North West Leicestershire District Council is required to produce a Statement of Community Involvement (SCI).
- 1.3 The purpose of the Statement of Community Involvement (SCI) is to set out how the Council will involve the local community, businesses, key organisations and others in preparing its Local Plans, other important planning documents and in processing planning applications. The SCI must also set out how the Council will help neighbourhood plan-making bodies and provide support for neighbourhood planning.
- 1.4 The SCI has been revised in view of a number of recent legislative changes that have taken place. The revised SCI seeks to provide a framework that is more up to date and mainly to take account of changes introduced in the Neighbourhood Planning Act 2017. A number of changes that this Act has introduced has implications for the SCI, namely:
- Section 2 of the Neighbourhood Planning Act requires a local planning authority to notify the parish/town council or neighbourhood forum of relevant planning applications if there is an adopted neighbourhood plan for their area.
 - Section 6 of the Act, amends the Planning and Compulsory Purchase Act 2004, which requires a local planning authority to prepare a SCI. Within its SCI the Council is now required to set out its policy for discharging its duty to give advice or assistance to qualifying bodies i.e. parish/town councils or neighbourhood forums, to facilitate neighbourhood planning and neighbourhood development plans and their preparation.
 - In addition, regulations require that the Statement of Community Involvement is reviewed every five years.
- 1.5 At its meeting on 20 June 2018 the Local Plan Committee considered a report in respect of the need to prepare a revised SCI and it was agreed to undertake a consultation on the revised SCI. A copy of the revised SCI was attached to the report

2.0 CONSULTATION ON STATEMENT OF COMMUNITY INVOLVEMENT

- 2.1 Consultation on the SCI was undertaken between 25 June 2018 and 28 August 2018.
- 2.2 In view of the changes in legislation, outlined in paragraph 1.4 above, the main changes proposed to the current SCI relate to Neighbourhood Planning. It should also be noted that there are a number of other, more minor, changes suggested throughout the SCI. These can be summarised as factual updates and improvements to the readability of the document. The suggested revisions to the current SCI were shown as ‘track changes.’

2.3 The consultation was advertised on the Council's website and all individuals and organisations on the Planning Policy database were contacted directly, along with District Councillors, and Parish and Town Councils.

3.0 OUTCOME FROM CONSULTATION

3.1 A total of 8 responses were received in respect of the SCI consultation from agencies and bodies and members of the public.

3.2 A summary of the responses and suggested changes to the the SCI is attached at Appendix B to this report

3.3 The revised SCI is attached at Appendix A to this report and incorporates changes made in response to the consultation. The changes are shown in 'bold and underlined' for ease of identification.

3.4 In preparing the new SCI, consideration and reference has been made to the following and appropriate changes have been incorporated within the document:

- Changes in legislation, regulation and national policies (for example, reference to Neighbourhood Plans).
- Responses received in response to the SCI consultation (Summer 2018).

3.5 The SCI satisfies the statutory requirements for consultation and engagement and also seeks to exceed these requirements where appropriate. It also identifies how the Council will support and provide advice to those involved in the neighbourhood planning process.

3.6 Furthermore, the Council is able to adopt its own SCI without it being submitted to the Secretary of State for independent examination. This reflects the spirit of 'localism' that underpins the current planning system.

4.0 NEXT STEPS

4.1 Member approval is sought for the adoption of the attached SCI. The SCI will then be referred back to Cabinet for its adoption in accordance with the Council's constitution. Once adopted the SCI will be displayed on the Council's website.

4.2 Once adopted it will provide the framework which will be used to guide all future consultation on planning matters.

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY 5 FEBRUARY 2019

Title of report	HOUSES IN MULTIPLE OCCUPATION
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Alison Smith 01530 835668 alison.smith@nwleicestershire.gov.uk Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk Head of Community Services 01530 454832 paul.sanders@nwleicestershire.gov.uk
Purpose of report	To provide an update on the recent changes in housing legislation and review the application fee
Reason for Decision	The changes in legislation have meant minimum room sizes need to be adopted and it has allowed for a review of the fee
Council Priorities	Value for Money Homes and Communities
Implications:	
Financial/Staff	The report is setting the fee charge for each licence which will generate income.
Link to relevant CAT	N/A
Risk Management	N/A
Equalities Impact Assessment	N/A
Human Rights	N/A
Transformational Government	N/A
Comments of Head of Paid Service	Report is satisfactory

Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Deputy Monitoring Officer	Report is satisfactory
Consultees	None
Background papers	<p>The Housing Act 2004 https://www.legislation.gov.uk/ukpga/2004/34/contents</p> <p>The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 http://www.legislation.gov.uk/uksi/2018/221/pdfs/uksiem_20180221_en.pdf</p> <p>The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018 http://www.legislation.gov.uk/uksi/2018/616/contents/made</p> <p>CIEH Publication – Amenity Standards for Houses in Multiple Occupation https://www.thenbs.com/PublicationIndex/documents/details?DocId=261397</p>
Recommendations	<p>THAT CABINET</p> <ol style="list-style-type: none"> 1. AGREE THE LICENCE FEE INCREASE FOR HOUSES IN MULTIPLE OCCUPATION, MINIMUM ROOM SIZES AND LICENCE CONDITIONS, THE USE OF CIVIL PENALTIES AND BANNING ORDERS. 2. DELEGATE FUTURE REVISIONS TO THE POLICY TO THE STRATEGIC DIRECTOR OF PLACE

1.0 BACKGROUND

- 1.1 The Housing Act 2004 introduced licensing for certain types of Houses in Multiple Occupation (HMO's) and the Council adopted the Houses in Multiple Occupation Licensing Policy in April 2008.
- 1.2 In 2018 further two pieces of legislation were introduced: the Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 (the order) and the Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018 (the regulations).
- 1.3 The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 changes the definition of a licensable HMO. It removes the number of storeys condition. Therefore an HMO needs licensing if it meets the following criteria:
 - it is **an HMO** as defined by the 2008 policy
 - it is occupied by **five people or more who do not form a single household**

- 1.4 The Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018 introduces two new mandatory conditions that must be included when granting new or renewing licences. The first specifies minimum sizes of rooms which may be occupied as sleeping accommodation and also requires the licence to specify the maximum number of persons (if any) who may occupy a specified room for the purpose of sleeping accommodation in the licensed HMO. The second new condition requires licence holders to comply with any local authority scheme made in respect of refuse storage and disposal at the HMO.
- 1.5 The Housing and Planning Act 2016 introduced further actions that can be taken by way of enforcement by the local authority. The specific actions are banning orders, civil penalties and a entry onto the national rogue landlords database. It also provided an extension of rent repayment orders to cover illegal eviction and breach of banning orders.

2.0 FEES

- 2.1 As part of reviewing the new requirements in legislation the current fee structure has been reviewed and it has been recognised that it needs to be split into two elements. The first to cover the cost of administration for the application and the second to cover the cost of granting and inspecting the licensed HMO property throughout the license period.
- 2.2 The fees have been set as follows. The first element for the application administration is £290 and the second element to cover the cost of granting and inspecting the HMO is £380. This gives a total fee of £670. For a full breakdown of the costs please see **Appendix 1**. The Council are entitled to fully recover the cost of the licensing process and the fees will be reviewed annually as part of the setting of fees and charges.

3.0 ROOM SIZES

- 3.1 The Chartered Institute of Environmental Health have issued guidance on room sizes for HMO's which is attached in **Appendix 2**.
- 3.2 Officers have reviewed these conditions and feel they are appropriate for adoption within NWLDC because they reflect the guidance currently available and ensures good standard accommodation is provided.

4.0 CONDITIONS

- 4.1 The recent legislation has also introduced a condition stating *'Where the HMO is in England, a licence under Part 2 must include conditions requiring the licence holder to comply with any scheme which is provided by the local authority to the licence holder and which relates to the storage and disposal of household waste at the HMO pending collection.'*

Therefore it is mandatory for the licence holder to comply with the local authority's waste storage/ disposal scheme. Suitable and sufficient provision for household waste and recycling disposal both within the unit of accommodation and outside must be in place pending collection.

- 4.2 A typical licence is included in **Appendix 3**.

5.0 RECOMMENDATION

- 5.1 Cabinet notes the updated legislation for HMO's and agrees to adopt new fees for HMO applications as well as the adoption of the room sizes. Also, to retitle the policy to "Houses in Multiple Occupation Licensing Policy April 2008 (as amended 2018). See **Appendix 4**.
- 5.2 Cabinet agree to the use of civil penalties and banning orders.
- 5.3 To delegate future revisions to the Policy to the Strategic Director of Place.

Appendix 1 – Fee Structure

Control Panel	Application Admin p/hour 2018/19: inclusive of NI & pension contribution and on-costs
<i>Staff/Wages</i>	
Technical Support Officer	£21.81
Enforcement Officer	£24.84
EHO	£34.88
EHO Team Leader	£39.55
Team Manager	£49.39
<i>Additional Expenses</i>	
Postage	£0.75
Land Registry	£3.00

Job Cost sheet	Licence part 1			License part 2		
	<i>Time spent</i>	<i>Rate</i>	<i>Cost</i>	<i>Time spent</i>	<i>rate</i>	<i>cost</i>
<i>Production</i>						
Technical Support Officer	5.00	£21.81	£109.05	1.00	£21.81	£21.81
Enforcement Officer	0.00	£24.84	£0.00	4.00	£24.84	£99.36
EHO	5.00	£34.88	£174.40	5.00	£34.88	£174.40
EHO Team Leader	0.00	£39.55	£0.00	1.50	£39.55	£59.33
Team Manager	0.00	£49.39	£0.00	0.50	£49.39	£24.70
<i>Additional Expenses</i>	<i>Units</i>	<i>Cost per unit</i>	<i>Total</i>	<i>Units</i>	<i>Cost per unit</i>	<i>Total</i>
Postage	4.00	£0.75	£3.00	0.00	£0.75	£0.00
Land Registry	1.00	£3.00	£3.00	0.00	£3.00	£0.00
Total Cost			£289.45			£379.59
				Total		£669.04

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Appendix 2 – Room Sizes

The council have adopted the following space standards

The floor area of any bedroom when there is a separate living room provided which is not a kitchen or a kitchen/dining room must be as follows:

- one person aged over 10 years is not less than 6.51m²
- Two persons aged over 10 years is not less than 10.22m²
- one person aged under 10 years is not less than 4.64m²

The floor area of any bedroom when there is no separate living room provided which is not a kitchen or a kitchen/dining room must be as follows:

- one person aged over 10 years is not less than 10m²
- Two persons aged over 10 years is not less than 15m²
- one person aged under 10 years is not less than 4.64m²

All bedrooms must meet the following:

- No room with a floor area of less than 4.64m² is used as a bedroom

No part of floor area in relation to which ceiling height is less than 1.5m may be taken into account

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House in Multiple Occupation (HMO) Licence

Housing Act 2004 – Section 64

Licence Reference:

North West Leicestershire District Council (“the Authority”)

Herby grant to **LICENCE HOLDER**

Of **LICENCE HOLDER ADDRESS**

Licence under section 64 of the Housing Act 2004, subject to the conditions attached, in respect of the premises situated at:

ADDRESS OF HMO

The Authority has decided that the house is reasonably suitable for the occupation of no more than the maximum of **STATE NO** persons and **STATE NO** households.

This licence was granted this **DATE**. It shall come into force on the **DATE** and shall remain in effect for a period of **STATE NO – DEFAULT IS 5** years from that date, unless previously revoked.

The licensed house consists of:

-	No. of storeys comprising the house	
-	No. separate letting units	
-	No. of habitable rooms (excluding kitchens)	
-	No. of bathrooms/ shower rooms	
-	No. toilets	
-	No. wash hand basins	
-	No. of kitchens	
-	No. of sinks	

Dated: **DATE**

Signed:
Designation: **STATE TITLE**

NON TRANSFERABLE

Housing Act 2004

These notes are intended as general information to the recipient(s) of this licence. The notes are not intended to be definitive and the recipient should refer to the full version of the Housing Act 2004.

“Category 1 hazard” means a hazard of a prescribed description which falls within a prescribed band as a result of achieving, under a prescribed method for calculating the seriousness of hazards of that description, a numerical score of or above a prescribed amount.

“category 2 hazard” means a hazard of a prescribed description which falls within a prescribed band as a result of achieving, under a prescribed method for calculating the seriousness of hazards of that description, a numerical score below the minimum amount prescribed for a category 1 hazard of that description; and

“hazard” means any risk of harm to the health or safety of an actual or potential occupier of a dwelling or HMO which arises from a deficiency in the dwelling or HMO or in any building or land in the vicinity (whether the deficiency arises as a result of the construction of any building, an absence of maintenance of repair, or otherwise).

64. Grant of Refusal of Licence

- (1) where an application in respect of an HMO is made to the local housing authority under section 63, the authority must either-
 - (a) grant a licence in accordance with subsection (2), or
 - (b) refuse to grant a licence.
- (2) If the authority is satisfied as to the matters mentioned in subsection (3), they may grant a licence either-
 - (a) to the applicant, or
 - (b) to some other person, if both he and the applicant agree.
- (3) The matters are –
 - (a) that the house is reasonably suitable for occupation by not more than the maximum number of households or persons mentioned in subsection (4) or that it can be made so suitable by the imposition of conditions under section 67:
 - (b) that the proposed licence holder –
 - (i) is a fit and proper person to be the licence holder, and
 - (ii) is, out of all the persons reasonably available to be the licence holder in respect of the house, the most appropriate person to be the licence holder.
 - (c) that the proposed manager of the house is either-
 - (i) the person having control of the house, or
 - (ii) a person who is an agent or employee of the person having control of the house;
 - (d) that the proposed manager of the house is a fit and proper person to be the manager of the house; and
 - (e) that the proposed management arrangements for the house are otherwise satisfactory.
- (4) The maximum number of households or persons referred to in subsection (3)(a) is –
 - (a) the maximum number specified in the application, or
 - (b) some other maximum number decided by the authority.
- (5) Section 65 and 66 apply for the purposes of this section.

65. Tests as to suitability for multiple occupation

- (1) The local housing authority cannot be satisfied for the purposes of section 64(3)(a) that the house is reasonably suitable for occupation by a particular maximum number of households or persons if they consider that it fails to meet prescribed standards for occupation by that number of households or persons.
- (2) But the authority may decide that the house is not reasonably suitable for occupation by a particular maximum number of households or persons even if it does meet prescribed standards for occupation by that number of households or persons.
- (3) In this section “prescribed standards” means standards prescribed by regulations made by the appropriate national authority.
- (4) The standards that may be so prescribed include –
 - (a) standards as to the number, type and quality of –
 - (i) bathrooms, toilets, wash-basins and showers;
 - (ii) areas for food storage, preparation and cooking, and
 - (iii) laundry facilities which should be available in particular circumstances; and
 - (b) standards as to the number, type and quality of other facilities or equipment which should be available in particular circumstances.

66. Tests for fitness etc., and satisfactory management arrangements

- (1) In deciding for the purposes of section 64(3)(b) or (d) whether a persons (“P”) is a fit and proper person to be the licence holder or (as the case may be) the manager of the house, the local housing authority must have regard (among other things) to any evidence within subsection (2) or (3).
- (2) Evidence is within this subsection if it shows that P has –
 - (a) committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in schedule 3 to the Sexual Offences Act 2003 (c.42) (offences attracting notification requirements).
 - (b) practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business.
 - (c) contravened any provision of the law relating to housing or of landlord and tenant law, or
 - (d) acted otherwise than in accordance with any applicable code of practice approved under section 233.
- (3) Evidence is within this subsection if –
 - (a) it shows that any person associated or formerly associated with P (whether on a person, work or other basis) has done any of the things set out in subsection 2(a) to (d), and
 - (b) It appears to the authority that the evidence is relevant to the question whether P is a fit and proper person to be the licence holder or (as the case may be) the manager of the house.
- (4) For the purposes of section 64(3)(b) the local housing authority must assume, unless the contrary is shown, that the person having control of the house is a more appropriate person to be the licence holder than a person not having control of it.
- (5) In deciding for the purposes of section 64(3)(e) whether the proposed management arrangements for the house are otherwise satisfactory, the local housing authority must have regard (among other things) to the consideration mentioned in subsection (6).
- (6) The considerations are:-
 - (a) whether any person proposed to be involved in the management of the house has a sufficient level of competence to be so involved;
 - (b) whether any person proposed to be involved in the management of the house (other than the manager) is a fit and proper person to be so involved; and

- (c) whether any proposed management structures and funding arrangements are suitable.
- (3) Evidence is within this subsection if –
- (a) it shows that any person associated or formerly associated with P (whether on a person, work or other basis) has done any of the things set out in subsection 2(a) to (d), and
 - (b) it appears to the authority that the evidence is relevant to the question whether P is a fit and proper person to be the licence holder.
- (4) For the purposes of section 64(3)(b) the local housing authority must assume, unless the contrary is shown, that the person having control of the house is a more appropriate person to be the licence holder than a person not having control of it.
- (5) In deciding for the purposes of section 64(3)(e) whether the proposed management arrangements for the house are otherwise satisfactory, the local housing authority must have regard (among other things) to the considerations mentioned in subsection (6).
- (6) The considerations are:-
- (a) whether any person proposed to be involved in the management of the house has a sufficient level of competence to be so involved;
 - (b) whether any person proposed to be involved in the management of the house (other than the manager) is a fit and proper person to be so involved; and
 - (c) whether any proposed management structures and funding arrangements are suitable.
- (7) Any reference in section 64(3)(c)(i) or (ii) or subsection (4) above to a person having control of the house, or to being a person of any other description, includes a reference to a person who is proposing to have control of the house, or (as the case may be) to be a person of that description, at the time when the licence would come into force.

Advice:

If you do not understand this licence or wish to know more about it, you should contact the Local Authority. If you want independent advice about your rights and obligations, you should go to a Citizens' Advice Bureau, Housing Aid Centre, Law Centre or a solicitor. You may be able to obtain help with all or part of the cost of legal advice from a solicitor under the Legal Aid Scheme. If you do not know whether you could apply for Legal Aid you can see a solicitor who may be prepared to give you half-an-hour of legal advice for a small fee. If you want to know more about the works the Local Authority require you to do, you may wish to consult a surveyor.

Schedule 1 conditions

The licence conditions below relate to the above-named licensed property (refer to Section 90 and Schedule 4 of the Housing Act 2004). Failure to comply with any of the conditions noted in Schedules 1 or 2 of this licence is an offence and may be punishable by a fine. The licence holder is required to ensure compliance with all the required provisions within the timescales given.

Condition detail	Compliance details
1. The licence holder (if gas is supplied to the house) is required to produce to the authority annually for their inspection a gas safety certificate obtained in respect of the house within the previous twelve months.	Annual
2. The licence holder is required to keep electrical appliances and furniture made available by him in the house in a safe condition and must supply the authority, on demand, with a declaration by him as to the safety of such appliances and furniture.	On demand
3. The licence holder is required to ensure that smoke alarms are installed in the house and to keep them in proper working order and must supply to the authority, on demand, a declaration by him as to the condition and positioning of such alarms.	On demand
4. The licence holder is required to ensure that a carbon monoxide detector is installed and kept in working order in any room within the premises where a solid fuel appliance is installed. The licence holder must supply to the authority, on demand, a declaration by as the condition and positioning of such alarms.	On demand
5. The licence holder must supply to the occupiers of the house a written statement of the terms on which they occupy it.	Start of tenancy
6. The licence holder must demand references from persons who wish to occupy the house.	Start of tenancy

Schedule 2 conditions

In deciding that the house is reasonably suitable for occupation by not more than the maximum number of households or persons directed by this licence the authority has regard to the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 (SI 2006 No. 373 as amended by SI 2007 1903) and The Licensing and Management of Houses in Multiple Occupation (Mandatory Conditions of Licences)(England) Regulations 2018. The authority may include such conditions as considered appropriate for regulating the management, use and occupation of the house concerned, and condition and contents (see overleaf).

Condition detail	Date for compliance
1. The licence holder shall comply with the Local Authority's waste storage and disposal scheme. Suitable and sufficient provision for household waste and recycling disposal both within the unit of accommodation and outside must be in place pending collection.	Start of tenancy
2. The property must not exceed the maximum permitted occupancy per bedroom/bedsit as set out in the table below.	Start of tenancy

Maximum permitted occupancy per bedroom/bedsit

Floor/ Flat no.	Room number/location	Maximum occupancy
[Ground floor]	[Room 1 (Front-left front)]	[1]
[Flat 1]	[Bedroom 1 (Front-right front)]	[2]
[First floor]	[Room 3 (Rear left)]	[1]
[Flat 2]	[Bedroom 1 (Front-right front)]	[1]

If you have any queries or complaints about the standard of the property please contact:
environmental.protection@nwleicestershire.gov.uk



House in Multiple Occupation Licensing Policy

April 2008 (as amended)

Revised January 2019

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HMO LICENSING

- 1.1** Introduction
- 1.2** General Principles
 - 1.2.1** Licensing: The Legal Framework
 - 1.2.2** What is an HMO?
 - 1.2.3** Exemptions

Appendices to Section 1 – HMO Licensing

- Appendix A: HMO definition
- Appendix B: Mandatory HMO License SPECIMEN application form*
- Appendix C: Fee Structure
- Appendix D: Mandatory HMO License and Conditions*
- Appendix E: How to fill in application and Fit and Proper Persons Guidance

* NOTE: The specimen form does NOT form part of the Policy Framework as it will be subject to revision – Please contact the Council for the latest version at time of application.

HMO LICENSING

1.1 Introduction

This Licensing Policy sets the framework for the application and licensing of Houses in Multiple Occupation (HMO). The policy will guide the Council in making fair, considered, consistent and transparent decisions that can be explained to our customers and, if necessary, defended on appeal.

This policy takes into account the prescription contained within the Housing Act 2004 and relevant statutory instruments which will at all times take precedence. The contents of the policy will automatically be amended at the instruction of the Secretary of State. Section 1.2 contains the general principles of the Council's Licensing Scheme and section 1.3 the specific details.

1.2 General Principles

1.2.1 Licensing: The Legal Framework

The different types of licenses introduced in the Housing Act 2004 are:

- Mandatory Licensing for HMOs
- Additional Licensing for HMOs not subject to Mandatory Licensing.
- Selective Licensing of private rented property under certain conditions.

1.2.2 What is an HMO?

The Housing Act 2004 has introduced a new definition of an HMO which is attached as Appendix A. In summary, a premise will be an HMO if it is one of the following:

- **A shared house** lived in by people who belong to more than one family¹ and who share one or more facilities².
- **A house in bedsits** lived in by people who belong to more than one family¹ and who share one or more facilities².
- **An individual flat** lived in by people who belong to more than one family¹ and who share one or more facilities².
- **A building of self-contained flats** that do not meet 1991 Building Regulation standards.

1. Family – husband, wife, co-habitee, child, step-child, foster-child, grandchild, parent, step-parent, foster-parent, grandparent, brother, half-brother, sister, half-sister, aunt, uncle, niece, nephew, cousin.

2. Facilities – basic amenities: wc; wash hand basin, shower, bath; cooking facilities.

1.2.3 Exemptions:

A premise does not constitute an HMO if:

- If it is occupied by only two people.
- If it is occupied by the owner (and their family if any) and one or two lodgers.
- If it is occupied by a religious community.
- If the occupiers have their main residence elsewhere³.
- If no one in the property is required to pay rent.
- If the owner or manager is a public body.
- If the owner or manager is an educational institution.
- A building of self-contained flats if two thirds or more of the flats are owner occupied.
- If the property is part of a guest house or hotel (unless an 'HMO Declaration' is made).

³ Accommodation used by full time students while they are studying is taken to be their main residence.

1.2.4 HMOs licensable under the Mandatory Scheme

An HMO must have a licence if **both** of the following apply:

- It is **an HMO** (see definition of HMO in Appendix A)
- it is occupied by **five people or more** who do not form a single household

All HMOs occupied by five or more persons forming two or more households and otherwise not exempted are required to be licensed. HMOs consisting entirely of **fully** self-contained flats, which are not occupied as flats in multiple occupation, are exempt.

When assessing the number of storeys in a premise, account will be taken of:

- All storeys of residential accommodation, whether above or below adjoining ground level, including attics.
- Any commercial storey at or above adjoining ground level.

Whilst Mandatory licensing excludes most self-contained flats, the exceptions to this will be where:

- it is a single flat above commercial premises or

In this case the flat would have to be occupied by 5 persons or more living as more than one household.

Guidance also indicates that all residential parts of a premise will be subject to these provisions where the property as a whole is eligible for licensing.

1.2.5 Exemptions from Mandatory Licensing

A premise is exempt from mandatory licensing if:

- the whole property is in self-contained flats.
- the basement is in commercial use and there are only two residential storeys above.

1.2.6 Implementation

Mandatory licensing comes into force with effect from 6 April 2006. On that date, applications are required in respect of all HMOs subject to Mandatory Licensing.

1.2.7 Necessary Conditions for the Granting of a Licence

On receipt of a licence application, the Council must either grant, or refuse to grant a licence within a reasonable period.

A licence is to be granted where:

- The house is **reasonably suitable for occupation** having regard to amenity levels, available living space and general health and safety considerations
- **Management arrangements** are satisfactory. "Management arrangements" includes arrangements for monitoring and maintaining the property, ordering works, finance, and general manager competence.

The licensee, manager and others involved in the running of the property are fit and proper persons. There are certain criteria to be met before an applicant can be considered to be a fit person to manage a HMO. When deciding whether an individual is a **fit and proper person** the Council has to consider whether there is evidence that they have committed an offence of fraud, dishonesty, violence or drugs or an offence under Schedule 3 of the Sexual Offences Act 2003. The Council also has to consider whether there is evidence that they have practised discrimination on grounds of sex, colour, race, ethnic or national origins or disability in connection with any business, or evidence that they have contravened housing or landlord and tenant law.

In granting a licence, the Act prescribes mandatory licence conditions relating to:

- provision of annual gas safety certificates
- safety of electrical appliances and furniture
- provision and maintenance of smoke alarms
- provision of written tenancy agreements
- Minimum sizes of room which may be occupied as sleeping accommodation and the number of people
- Refuse storage disposal

In addition, the Council will:

- where it considers appropriate, impose its own license conditions
- grant a licence for a lesser period than the standard period (normally 5 years) where it considers it appropriate
- make a charge for the costs incurred in granting a licence
- follow the appropriate route for consultation on the licence and its contents with relevant people described by the Act and within relevant guidance

When the Council is satisfied that the premise is in a satisfactory condition, the people controlling and managing it are fit to do so and the management arrangements are satisfactory, a licence will be prepared for issue to either the applicant or some other person by agreement. Where it is not satisfied that these conditions are met, the licence application will be refused.

Only the person having control of a premise is able to be issued with a licence. A separate licence is required for each property they control.

1.2.8 Offences

The Act lays down a number of licensing-related offences and corresponding penalties, including:

- Operating an unlicensed HMO or allowing an HMO to be occupied by more persons than a licence allows: fine of up to **Unlimited or civil penalty up to £30,000**
- Breach of a licence condition: fine of up to **Unlimited or civil penalty up to £30,000**
- Supplying incorrect information in a licence application: fine of up to **£5,000**

In addition, a landlord who operates an unlicensed HMO can be made the subject of a Rent Repayment Order (RRO) by a Residential Property tribunal. An RRO requires the repayment of rent received by the landlord over a period of up to 12 months. Furthermore, the introduction of The Housing and Planning Act 2018 has introduced further offences including banning orders and civil penalties up to a maximum of £30,000.

1.3 HMO Licensing: Policies

1.3.1 Property Standards

In approving a licence the Council will determine whether the HMO is suitable for occupation by the number of persons stated in the application form. If the arrangements are unsatisfactory, then a licence may be granted for a lesser number, or a licence condition imposed requiring that specified works be carried out.

The standards that will be considered include those relating to bathrooms, showers, WCs, wash hand basins, cooking facilities, and living space. Until such time as definitive standards are determined nationally, the current NWLDC Housing Standards for Houses in Multiple Occupation will form the basis of the housing standard for licensing HMOs. The exception to this will be the fire safety standards which will be assessed using the HHSRS. The guidance standard for fire safety will be those agreed by the housing authorities within Leicestershire and the Leicestershire Fire and Rescue Service.

Compliance with standards set by other legislation, for example the Approved Documents to the Building Regulations, will not imply compliance with the standards for licensing of HMOs.

1.3.2 “Fit and Proper Person”

The Council will assess whether the applicant, any manager or any person associated with them or formerly associated with them are fit and proper people to manage an HMO. A person will be considered fit and proper if the Council is satisfied that:

- they have no unspent convictions relating to offences involving fraud, dishonesty, violence or drugs, or sexual offences
- they have not practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business
- they have no unspent convictions relating to housing or landlord and tenant law
- they have not been refused an HMO licence, been convicted of breaching the conditions of a licence or have acted otherwise than in accordance with the approved code of practice under S233 of the Act within the last five years

- they have not been in control of a property subject to an HMO Control Order an Interim Management Order (IMO) or Final Management Order (FMO) or work in default carried out by a local authority within the preceding five years
- they have not been subject to legal proceedings by a local authority for
- breaches of planning, compulsory purchase, environmental protection legislation or other relevant legislation
- there is no evidence of any offence referred to above having been committed within the previous five years.

All Applicants are required to present to the Council information obtained from DBS check to prove unspent convictions as part of the Council’s assessment of ‘fit and proper’.

Where simultaneous applications are made for the same person to be the licence holder of more than one property, only one disclosure will be necessary provided that no more than 12 months has elapsed between applications.

An unspent conviction or other failure is not necessarily automatic grounds for refusing a licence; other circumstances (e.g. training undertaken by the landlord or subsequent cooperation with the local authority) will be taken into account. Equally, the legislation refers to evidence of an offence; it is not therefore necessary for the Council to demonstrate that a conviction has been obtained when refusing to accept someone as a fit and proper person.

Evidence of “spent” convictions, i.e. those to which the Rehabilitation of Offenders Act 1974 applies, is not taken into account.

Where the Council have cause to question the ‘fit and proper’ status of an applicant, it will invite applicants to submit an explanation of their circumstances. The applicant will be required to account for the failure to comply with legislation, and satisfy the Council that this will not recur.

The decision to accept them as being a fit and proper person will be taken on the basis of:

- The severity of the breach
- The number of breaches
- The time which has elapsed since the last breach and their conduct since it occurred
- The relevance of the breach to the management of HMOs and their occupation
- The evidence that the applicant has accepted the need to conduct his business in accordance with the appropriate standards (including whether there have been satisfactory arrangements made for the repayment of debts associated with statutory responsibilities)
- The training received since the breach occurred.

1.3.3 Management Arrangements

The Council will at all times be guided by The Management of Houses in Multiple Occupation (England) Regulations 2006 as may be amended by the Secretary of State.

Specifically, the Council will require an applicant/licensee to have satisfactory arrangements and funding in place for the management of an HMO.

These arrangements include but are not limited to:

- a system for tenants to report defects, including in emergencies
- arrangements for periodic inspections to identify where repair or maintenance is needed
- arrangements to respond to defects reported by tenants and found during periodic inspections
- a protocol for dealing with anti-social behaviour occurring within the HMO by tenants or their visitors
- where the licence holder is a managing agent, the clear delegation of authority
- to make decisions (including those related to expenditure) on all matters concerning the health, safety and wellbeing of occupiers and good management.

In addition, the Council require the applicant/licensee to have arrangements in place for ensuring that employees, contractors and others having occasion to visit the HMO in connection with its management and/or maintenance are fit and proper persons for the functions they carry out. Licence applicants will be required to declare as part of the application that proper funding arrangements for the HMO exist. The Council will need to be satisfied that adequate financial resources to maintain the HMO are available.

In verifying declarations, the Council will have regard, amongst other things to:

- outstanding debts for work in default and charges for statutory notices
- County Court judgements
- outstanding debts for Council Tax, Housing Benefit and other services

Where there are indications that the applicant will have insufficient funding or authority to manage the property, the Council will seek further clarification through the use of Credit Referencing organisations. Where satisfactory assurances cannot be provided then there is a duty to refuse the application.

1.3.4 Applications

Although it is the responsibility of the landlord to apply for a licence, there is a duty on the Council to ensure that applications are made. Together with any direction from the Secretary of State, a valid application for an HMO licence will comprise:

- the application form, fully completed, signed and dated.
- inclusion of all required forms or schedules, duly completed, signed and dated.
- inclusion of all required documents as proof of compliance with relevant standards or regulations.
- a DBS Certificate, duly completed, signed and dated.
- the relevant fee.

Incomplete applications may be accepted at the discretion of the Council. The only accepted omissions being documents of proof. The applicant must attest, in writing, to the absence of any information. The applicant must also be reminded of the consequences of not providing the information.

1.3.5 Contents of the Application Form

- There are certain matters which must be included and appear on an application form, which may, from time to time, be amended by the Secretary of State.

1.3.6 Application Process

All necessary forms will be included in an application pack provided by the Council. There will be clear guidance on the requirements of the application included within the pack.

The pack will include:

- The application form
- A schedule containing a declaration that the applicant has notified various people.
- Guidance on making the application

1.3.7 Verification

The proposed licence holder should present the completed application form, and all enclosures by hand in person at the Municipal Buildings. The receiving officer will examine the documents to ensure that all relevant paperwork is present, signed and dated. In relation to the Disclosure Scotland application, the identity of the proposed licence holder will be verified at this point. The receiving officer shall take a photograph (digital or analogue) of the person submitting the documents.

All the information presented on the application form will be subject to verification processes as required. This will take the form of site inspection, interdepartmental liaison, sample verification and (where there are indications of a misleading application) detailed examination of all information given.

Much of this will take place after the application has been approved.

1.3.8 Licence Approval, Conditions and Duration

An HMO licence will normally run for a period of 5 years from the date of approval. The Council may, however, issue a licence for such lesser period as we consider appropriate, having regard to:

- any management deficiencies
- the need for works to be carried out to put the house into a satisfactory condition
- concerns as to the Fit and Proper Person status of the relevant person(s)

A shorter term licence may also be granted due to local circumstances, for example if the property is in a designated clearance area. Also the applicant may make a case for a shorter term licence, or North West Leicestershire District Council may be directed by the outcome of an appeal.

Before granting a licence for a period of less than 5 years, the Council will discuss its decision with the HMO licence applicant. Where a shorter licence is granted, subject to satisfactory performance, a further licence will be issued. The duration of the first and second licence periods will not exceed five years in total. No additional fee will be required for the second licence.

The Council will normally apply licence conditions requiring:

- the attainment and maintenance of proper standards of management and maintenance of facilities and equipment. In particular, the licence will require compliance with statutory Management Regulations within either 3 months of them coming into effect or of the date of issue of the licence as appropriate.
- that the HMO manager attend an approved training course in HMO management practice
- compliance with laid down amenity standards
- that the specified documents be made available to tenants for viewing on request

- that the licence document, licensee or manager's name, address and telephone number be displayed in a common area of the property.

Other conditions will be laid down as appropriate, including conditions restricting occupation of parts of the house on the grounds of lack of amenities or usable space as appropriate.

The Council have the right to refuse, vary or revoke a licence. When deciding on any of these courses of action, appropriate notices will be served on the relevant people giving the reasons for the action. There are rights of appeal to these notices through the Residential Property Tribunal, but barring any appeal, the action will be executed at a specified time after the appeal period.

1.3.9 Licence Fees

The Council will charge for HMO licences in accordance with the published fee scale. Fees have been set to cover the Council's costs of licensing HMOs.

1.3.10 Appeals

Applicants and licence holders have a right of appeal to the Residential Property Tribunal where they are dissatisfied with decisions made by us in relation to the issue of licences, HMO declarations, notices or orders, including variations, revocations or refusals.

The Council will consult with the relevant persons at all stages of involvement to work to a satisfactory solution to the situation at hand.

Relevant persons will be made aware at all appropriate points where there is a right of appeal, and will be told of the procedure, including time limits, of lodging an appeal. This will normally take the form of notes appended to notices or orders.

Where the Council is dissatisfied with the outcome of an appeal, it will itself consider an appeal to the Lands Tribunal or the Court of Appeal as appropriate.

1.3.11 Specific HMO Actions

The Act gives the Council a range of powers to serve notices and take action within the Mandatory Licensing framework. The following sets out how the Council can use its powers.

Temporary Exemption Notices (TEN)

The Council may grant a TEN where:

- the owner of a licensable HMO states in writing that he/she is acting to make it non-licensable; and
- the Council is satisfied that it will be non-licensable within 3 months of the date of receiving the written notice

In deciding whether to grant a TEN, the Council will have regard to the proposals for the property, any Planning considerations and arrangements for meeting the needs of occupiers including those likely to be displaced. The Council will only grant a second TEN in exceptional and unforeseen circumstances.

Where a TEN is not issued, the Authority must inform the manager or person having control by way of a notice, stating the decision and why it has been made, and providing details of rights of appeal.

Licences are not transferable. Provisions exist to treat the licence as a Temporary Exemption Notice for a period of 3 months following the licence holder's death. During that three month period, the representatives of the licence holder may request an extension of time of three months. If this is agreeable, the Council will serve notice to this effect.

Rent Repayment Orders

Where the Council is satisfied that a landlord has operated a licensable HMO without the benefit of a Licence and the rent is paid as Housing Benefit, it will usually apply to the Residential Property Tribunal for a Rent Repayment Order. In such circumstances, the Council will advise tenants of their rights, which may include that of applying for a Rent Repayment Order in respect of non-Housing Benefit rental payments.

Interim Management Orders

The Council will make an Interim Management Order (IMO) where it considers it necessary to secure that appropriate measures are in place in relation to the management of an HMO which is required to be licensed.

An IMO may be made to take steps to protect the health, safety or welfare of occupants of the house, or of neighbours or people having an interest in neighbouring properties, or any other management steps the Council consider appropriate pending the grant of a licence or issue of a final management order.

The Council will make an IMO where the property is an HMO which is required to be licensed but is not and it is considered that there is no reasonable prospect of it being licensed in the near future, or that the making of an interim management order is necessary to protect the health, safety or welfare of occupants of the house or neighbouring occupants or those having an interest in neighbouring properties. This could include the threat to evict a tenant in order to avoid the need to licence a property.

When an IMO is made, the Council will take any immediate steps to protect the health, safety and welfare of the occupants of the house and its neighbours and the proper management of the house.

Whilst an IMO is made, the Council will collect rents and can deduct from this income any relevant expenditure and sums due in compensation to a third party. Any residual income, with interest if relevant, must then be paid to the landlord or other recognised recipient at a frequency determined by us.

An IMO may be varied where appropriate.

An IMO may be revoked where the house ceases to be a HMO, a licence is subsequently issued, a Final Management Order is made or in other circumstances as appropriate.

An IMO when in force is a local land charge.

The Council reserves the right to appoint an agent to fulfil these functions.

Final Management Orders

The Council will consider making a Final Management Order (FMO) to secure the long term management of an HMO in accordance with a management scheme detailed in the order.

A FMO can be for a maximum duration of 5 years.

A FMO when in force is a local land charge and, the Council can also apply to the Chief Land Registrar for the entry of an appropriate restriction in the register in respect of the order.

If it is necessary to protect the health, safety and welfare of the occupants and neighbours on a long term basis, FMOs will be made to replace IMOs on their expiry if the property is required to be licensed but cannot be licensed or if it is not required to be licensed.

New FMOs will be made to replace existing ones under the same circumstances.

An FMO will contain a management scheme for the property.

When a FMO is made, the Council will take appropriate steps in relation to the long term management of the property. The Council will periodically review the order and the management scheme contained in it and consider whether keeping the order in force is the best course of action.

Following the review we may vary or revoke the order or issue a licence in respect of the property.

When a FMO is in place, the Council have the right to:

- Take possession of the house
- Do anything, and authorise a delegated person to do, which a person having an interest in the house would be entitled to do.
- Create a leasehold or occupancy licence. Such tenures cannot extend beyond the period of the FMO, nor can the notice to quit or termination be more than 4 weeks.
- Create an assured shorthold tenancy as long as it starts more than 6 months before the expiry of the order.

(The time elements in the 3rd and 4th bullet can be waived with the written consent of the person who would be managing the property if the order were not in force.)

The Council reserves the right to appoint an agent to fulfil these functions.

1.3.13 Registers

The Council will maintain registers of Licences, Temporary Exemption Notices, Interim and Final Management orders. These registers will contain all the relevant information required by regulation as well as any other information the Council consider relevant.

The information will be stored electronically with the ability to be transcribed when required.

The information will generally be made available to the public in accordance with the relevant provisions of the Data Protection Act and the Freedom of Information Act.

Personal callers will be advised of the availability of any paper versions of the relevant registers for inspection. This will be during office hours at the Council.

1.3.14 Enforcement

The separate enforcement policy appropriate to a Housing Health and Safety Rating System (HHSRS) will be followed where relevant.

In deciding on the most appropriate enforcement action in any particular case, the Council will follow the parameters of both the Corporate Enforcement Policy and the Housing Enforcement Policy.

This policy includes general powers of entry, requisition of documents, issue of documents and any other relevant matter.

HHSRS does not have to be considered before a licence is issued.

We will consider whether we have a duty to act under HHSRS (i.e. for an identified category 1 hazard) as soon as practicably possible but in any case not greater than 5 years following the issue of a license.

The assessment of hazards in HMO's is made for each unit of accommodation, and each assessment will reflect the contribution of conditions in the common parts.

If an enforcement notice is served on an HMO and it reverts to a single occupation, the Council will consider whether the impact of the hazard has diminished and take appropriate action.

1.3.15 Other Requirements

Standard is replaced by a Housing Health and Safety Rating System (HHSRS), which involves a risk assessment of the effect of housing conditions on the health of occupiers.

The HHSRS involves the assessment of 29 potential hazards and scoring their severity to decide whether improvements are needed. If more serious "Category 1" hazards are found the Council has a duty to require the owner to take appropriate action. If less serious "Category 2" hazards are found, the Council is obliged to take appropriate action as provided for within its enforcement policies. Councils are required to assess licensable HMOs to ensure that there are no Part 1 (HHSRS) functions that ought to be exercised by them. This has to be done within five years of a licence being issued.

These deficiencies may be dealt with in accordance with the Enforcement Policy before a licence can be issued.

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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY 5 FEBRUARY 2019

Title of report	ENFORCEMENT POLICY – PLANNING ENFORCEMENT
Key Decision	a) Financial No b) Community Yes
Contacts	Councillor Alison Smith MBE 01530 835668 alison.smith@nwleicestershire.gov.uk Strategic Director of Place 01530 454555 james.arnold@nwleicestershire.gov.uk Head of Community Services 01530 454832 paul.sanders@nwleicestershire.gov.uk
Purpose of report	Cabinet to approve the Planning Enforcement Policy
Reason for Decision	To ensure that a clear and specific enforcement process is followed in planning enforcement
Council Priorities	Value for Money Business and Jobs Homes and Communities
Implications:	
Financial/Staff	None
Link to relevant CAT	None
Risk Management	None
Equalities Impact Screening	None
Human Rights	None
Transformational Government	N/A
Comments of Head of Paid Service	Report is satisfactory

Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Development Management, Planning Policy, Building Control and Legal Public consultation completed in September 2018
Background papers	National Planning Policy Framework (NPPF) Enforcement Concordat (1998) Planning Advisory Service (PAS) a 'Stitch in Time' (2008) NWLDC General Enforcement Policy (2014) approved by Cabinet
Recommendations	IT IS RECOMMENDED THAT CABINET: 1. APPROVE THE PLANNING ENFORCEMENT POLICY WHICH IS READ IN CONJUNCTION WITH THE GENERAL ENFORCEMENT POLICY 2015 2. DELEGATE ALL FUTURE CHANGES TO THE POLICY TO THE STRATEGIC DIRECTOR - PLACE

1.0 BACKGROUND

- 1.1 Planning Enforcement at North West Leicestershire District Council previously underwent a peer review and the team has been building on the recommendations highlighted in the review. The main findings were:
- Additional specialist planning enforcement resources required within the team
 - The need for a specific Planning Enforcement Policy
 - Proactive compliance monitoring of larger developments
- 1.2 It was recognised that proactive compliance monitoring of larger developments needed to be focused on, in the first instance, as a significant proportion of contentious and complex complaints were generated from large developments. Ensuring that the team were onsite early to monitor the development and deal with problems as they arise is more cost effective and better for the customer, than taking formal action after a development is completed and the properties are occupied.
- 1.3 The team have successfully recruited to the role of Compliance Officer. The Officer has been meeting with all our larger developers to promote the role and provide valuable direct links for the developers and explained what is expected of them, also we have received feedback from the developers relating to issues that they experience.
- 1.4 Since the review there has been changes in the planning fee structure and this has enabled the team to increase resources in terms of an additional planning enforcement officer.

- 1.5 The next stage of implementation of the recommendations was to introduce a specific planning enforcement policy.
- 1.6 The planning system operates to regulate the development and use of land in the public interest. The effective and proper enforcement of planning controls is essential to protect the local environment and interests of residents, visitors and businesses of the District from the harmful effects of unauthorised works.
- 1.7 The need for effective enforcement is very important as it helps to:-
 - Tackle breaches in planning control which would otherwise have an unacceptable impact on the amenity of the area
 - Maintain the integrity of the decision-making process
 - Supports the Council to make robust decisions and to take formal enforcement action within the confines of the legal process

The Council has a duty to investigate alleged breaches of planning control and has powers to remedy proven breaches by statutory and other means.

- 1.8 Breaches of planning control are investigated and it is our policy to exercise these powers appropriately and proportionately so that development takes place in accordance with the appropriate legislation or conditions and limitations imposed on any planning permission.
- 1.9 The National Planning Policy Framework (NPPF) (Para 58) identifies that local planning authorities should consider publishing a local enforcement policy to manage enforcement effectively and proactively. This is endorsed by the Royal Town Planning Institute and The Planning Advisory Service.
- 1.10 Currently the planning enforcement team are following the Council's generic enforcement policy but it is felt more appropriate to adopt a service specific enforcement policy in line with the NPPF. However, since the Planning Enforcement function sits within the Environmental Protection Team it is important that the Planning Enforcement Policy is read in conjunction with the Council's General Enforcement Policy as a number of enforcement powers and options in the General Policy equally apply to Planning Enforcement.
- 1.11 It is considered that having an adopted planning enforcement policy would assist in the delivery of an 'enforcement process/function' that remains faithful to the delivery of what development has been permitted, should also assist in securing a culture of compliance and help to maintain the integrity of the planning system.

2.0 PURPOSE

2.1 Government 'Planning Practice Guidance'

Advice from Central Government on planning enforcement is set out primarily in the 'Planning Practice Guidance' (PPG) 'Ensuring Effective Enforcement' that came into effect on 1 March 2014 updated 22 February 2018. It emphasises the importance for local planning authorities to prepare and adopt local enforcement policies and plans because they:-

- allows engagement in the process of defining objectives and priorities which are tailored to local circumstances

- sets out the priorities for enforcement action, which will inform decisions about when to take enforcement action
- provides greater transparency and accountability about how the local planning authority will decide if it is expedient to exercise its discretionary powers
- provides greater certainty for all parties engaged in the development process

2.2 The PPG also states:

'Effective enforcement is important to:

- tackle breaches of planning control which would otherwise have an unacceptable impact on the amenity of the area;
- maintain the integrity of the decision-making process; and
- help ensure that public acceptance of the decision-making process is maintained'

3.0 CONTENT OF POLICY

- Sets a framework for how the Planning Enforcement Team will manage the complaints it receives and any subsequent investigations into breaches of planning control
- Sets out the aims of the Planning Enforcement Team, the background to Planning Enforcement and the scope of enforcement powers
- Sets our priorities for responses to complaints and formalise how our customers will be kept up to date in relation to the work being carried out by the Planning Enforcement Team
- Details the use of the harm prioritisation system

The enforcement policy is attached at Appendix 1.

4.0 RECOMMENDATION

- 4.1 To approve the adoption of the planning enforcement policy which is read in conjunction with the General Enforcement Policy 2014 which is attached at Appendix 2.

North West Leicestershire District Council

Planning Enforcement Policy

Issue 01

North West Leicestershire District Council
Planning Enforcement Policy

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2	Purpose
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1 Introduction

1.1 The integrity of the planning development management function is supported by the Council's ability to take enforcement action where needed. There are two strands to planning enforcement:

- Reactive enforcement – investigating complaints made to the Council.
- Proactive enforcement – ensuring compliance with planning permissions, associated conditions and agreements.

1.2 This Planning Enforcement Policy sets a framework for how the Council will manage the complaints it receives and any subsequent investigations into breaches of planning control. It will clearly set out its objectives, the background to planning enforcement and the scope of enforcement powers. It will also set our priorities for responses to complaints and formalise how our customers will be kept up to date in relation to the work being carried out by the planning enforcement team. The Planning Enforcement Policy needs to be read in conjunction with the Council's general Enforcement Policy 2014 <https://www.nwleics.gov.uk/search?q=enforcement+policy>.

1.3 The Council's Planning and Development Team operates in connection with the Council's statutory role as a local planning authority in the regulation of the use and development of land and buildings under the Planning Acts and related legislation. NWLDC is firmly committed to the effective and proportionate enforcement of planning control. It views breaches of planning control very seriously and therefore a specialist planning enforcement team is based within the Environment Protection Team tasked with resolving planning breaches. This planning enforcement policy has been prepared to outline the approach that will be taken by the Council to remedy unacceptable development and the procedures that will be followed in order to:

- Help ensure the credibility of the planning system, and to give fairness for those who adhere to planning controls
- Protect it from the effects of unacceptable development
- Remedy the unacceptable harmful effects of unauthorised development
- Ensure the adopted planning policies applicable to NWLDC are complied with

2 Purpose

2.1 This document provides its customers with a clear understanding of the planning enforcement process. Where breaches occur planning legislation lays down strict requirements which we have to follow before we can enforce against them. These requirements seek to balance the concerns of local people and the rights of owners, against the need to secure proper planning control in the district. Alleged breaches of planning control can be brought to the attention of the planning enforcement team in a variety of ways including from members of the public, locally elected Members, Town and Parish Council's and other departments within the Council.

2.2 Despite the legal constraints placed upon us we do understand that breaches of planning control impact on people's lives in a very direct way. Consequently, the delivery of effective planning enforcement is a very important issue for us. We will always investigate breaches of planning control swiftly and pursue appropriate action using the powers that are available to us. We will also keep interested parties informed throughout the process.

- 2.3 The Council's primary objective of the planning enforcement function is to remedy harm to public amenity resulting from unauthorised development, and to control it, making sure the integrity of the planning system is not undermined. There must be **significant harm** to public amenity for enforcement and/or legal action to be justified. Some of the issues that are not covered by planning legislation and thereby are not matters that will be investigated by the planning enforcement team are listed at Appendix 3.

3 What is Planning Enforcement

- 3.1 Planning enforcement investigates and takes action against possible breaches of planning control and is a vital part of the planning process. It is a very complex area because the Town and Country Planning Act seeks to strike a balance between the freedom of owners to use or alter their property as they wish, with the need to safeguard the amenities of an area against significant and irreparable harm. Enforcement functions should be carried out in an equitable, efficient and consistent manner, setting out standards for the level of service and performance all customers expect to receive.

The planning enforcement system is based on two important principles:

- A breach is not a criminal offence, except for unauthorised works to listed buildings, illegal advertisements, works to protected trees and hedgerows. A criminal offence also arises when a formal Notice has been served and not been complied with
 - It is at the Councils discretion whether action will be taken – many breaches may be unintentional and any action proposed must be in proportion to the alleged offence
- 3.2 We will always investigate any alleged breach of planning control reported to us and make a reasoned decision whether it merits action. However, because of the legal test of 'expediency' we should only take formal enforcement action where it is fair and reasonable to do so. In making this decision we will assess the circumstances of the case and make reference to our adopted planning policies. In addition we must also consider Central Government enforcement guidance.
- 3.3 **Legislative Framework, Guidance and Policy**
- 3.4 The Council has the responsibility for taking planning enforcement action which it deems necessary and proportionate within its area as the Local Planning Authority. A private citizen cannot initiate planning enforcement action. The Council's power to take enforcement action comes from laws passed by Parliament, principally by the Town and Country Planning Act 1990, the Planning and Compensation Act 1991 and the Localism Act 2011. These laws give Councils power to take action against those responsible for breaches of planning control.
- 3.5 Not all development requires planning permission. The main source of guidance on what requires permission includes:-
- The Town & Country Planning (General Permitted development) Order;
 - The Town & Country Planning (Use Classes) Order; and
 - The Town & Country Planning (Control of Advertisement) Regulations

These documents, which are published by the Government, contain schedules which list instances where consent is not required. For example, certain structures do not need permission from the local planning authority because of their size, height, volume and location. This is called 'permitted development' and specific guidelines are given in the General Permitted Development Order. The Use Classes Order places most types of use into classes (e.g. dwelling house, retail, industrial) and in general, permission is required to change from one class to another. However changes of use that occur within the same Use Class Category do not require consent. This might involve a change from a clothes shop to a hairdresser, or a doctor's surgery to a day nursery. In addition, some changes of use from one Use Class to another do not require planning permission, such as a restaurant to an estate agent, or a solicitor's office to a shop. The Control of Advertisement Regulations set out what form of advertising does not require consent, known as 'Deemed Consent' and what type of advertisement does, known as requiring 'Express Consent', when an application needs to be made.

3.6 **The National Planning Policy Framework**

Paragraph 58 of the National Planning Policy Framework states that:-

'Effective enforcement is important to maintain public confidence in the planning system. Enforcement action is discretionary, and local planning authorities should act proportionately in responding to suspected breaches of planning control. They should consider publishing a local enforcement plan to manage enforcement proactively, in a way that is appropriate to their area. This should set out how they will monitor the implementation of planning permissions, investigate alleged cases of unauthorised development and take action where appropriate.'

3.7 **Government 'Planning Practice Guidance'**

Advice from Central Government on planning enforcement is set out primarily in the 'Planning Practice Guidance' (PPG) 'Ensuring Effective Enforcement' that came into effect on 1 March 2014 update 22 February 2018. It emphasises the importance for local planning authorities to prepare and adopt local enforcement policies and plans because they:-

- allows engagement in the process of defining objectives and priorities which are tailored to local circumstances
- sets out the priorities for enforcement action, which will inform decisions about when to take enforcement action
- provides greater transparency and accountability about how the local planning authority will decide if it is expedient to exercise its discretionary powers
- provides greater certainty for all parties engaged in the development process

3.8 **The PPG also states:**

'Effective enforcement is important to:

- tackle breaches of planning control which would otherwise have an unacceptable impact on the amenity of the area;
- maintain the integrity of the decision-making process; and
- help ensure that public acceptance of the decision-making process is maintained'

4 Expediency

- 4.1 When it is technically possible to take enforcement action the Council is required to decide whether such formal action would be 'expedient'; this means that formal action is discretionary and all the relevant planning circumstances must first be considered.
- 4.2 In considering "expediency" the decisive issue is whether the breach would unacceptably harm public amenity. Any enforcement action should be proportionate to the breach. This duty means that we would not be acting correctly if we enforced against every breach of planning control in the district. There will be cases where there is a breach of planning legislation but the breach or harm is so minor that action cannot be justified i.e. it is not expedient to pursue the case.
- 4.3 In cases where it has been established that a breach of planning control has occurred at the initial stage, the planning enforcement officer will undertake an assessment of expediency to determine which course of action should be taken. This expediency test will take account of:-
- whether the breach is in accordance with the policies of the Local Plan
 - the breach against any other material planning considerations
 - whether, had a planning permission been submitted before the development occurred, permission would have been likely to be granted
 - whether the breach unacceptably affects public amenity
 - whether the breach unacceptably affects any existing land use or buildings which merit protection in the public interest
 - whether action would be proportionate with the breach to which it relates
 - whether action would be in the public interest
- 4.4 In deciding, in each case, what is the most appropriate way forward, local planning authorities should usually avoid taking formal enforcement action where:-
- there is a trivial or technical breach of control which causes no material harm or adverse impact on the amenity of the site or the surrounding area
 - development is acceptable on its planning merits and formal enforcement action would solely be to regularise the development
 - in their assessment, the local planning authority consider that an application is the appropriate way forward to regularise the situation, for example, where planning conditions may need to be imposed
- 4.5 The vast majority of breaches of planning control are resolved informally by negotiation with the owner/occupier. Formal action only takes place where it is expedient to do so and where other means to resolve the problem have failed. Ordinarily formal action will only be taken as a last resort and when the breach of planning control is causing significant or irreparable harm to the amenity of the area or is a breach of local planning policy. The impact of some development is more harmful than others and therefore enforcement action must always be appropriate to the seriousness of the breach of planning control.
- 4.6 The focus of our service is to remedy serious breaches of planning control not to punish those who are in breach of legislation. It is therefore acceptable that those concerned are given the opportunity to remedy any identified breach. This may be through a retrospective planning application or negotiating a solution acceptable to the Council in line with the national guidance, best practice and local planning policies. Just

because something is a breach of planning control is not, in itself, a justifiable reason to take enforcement action.

The Council whilst not condoning wilful breaches of planning control will not take disproportionate action and will not seek to 'punish' those responsible by taking action against technical breaches that cause no serious harm to public amenity.

5 Breaches of Planning Control

5.1 What is a Breach of Planning Control?

5.2 Planning law defines development as either

- Operational Development – this is anything built on, over or under land, and would include a new house, roads, sewers, embankments and some forms of demolition.
- Material Change of Use – this is any change of use of a building or land and would include for example the sub division of a single dwelling house to self-contained flats.

5.3 A breach of planning control is therefore defined as **development** carried out without the relevant permission first being obtained (or the activity being carried out is not being done in accordance with the approved plans/specifications and/or a planning condition attached to a permission) from the Council. Parliament has decided that in law, the carrying out of unauthorised works or changes of use should not initially constitute a criminal offence. However, unauthorised works to a listed building, total or substantial demolition in a conservation area, the unauthorised display of advertisements; unauthorised work to protected trees and hedgerows and non-compliance with formal Notices; do constitute a criminal offence.

5.4 In some cases the planning enforcement team may be unable to take formal action against developments that are reported for example when:-

- The works or change of use fall within the terms of the Town and Country Planning (General Permitted Development) (England) Order 2015 or the Town and Country Planning (Use Classes) Order 1987 (as amended)
- An advertisement benefits from 'deemed consent' under the Town and Country Planning (Control of Advertisements) (England) Regulations 2007
- Immunity from enforcement action has occurred by way of a use being established for a period of 10 years (4 for a self-contained dwelling) or building works have been completed more than 4 years ago
- The works are considered to be 'de minimus' i.e. too minor to fall under the scope of planning control

5.5 Breaches of planning control which may require action could include:-

- Unauthorised change of use of a building or land
- Unauthorised operational development
- Conditions of a planning permission not being met or discharged
- Development not built in accordance with approved plans
- Untidy land where it is considered to be harmful to the amenity of an area
- Unauthorised display of a sign or advertisement
- Unauthorised works to a listed building
- Engineering operations

- Unauthorised works to protected trees or hedgerows
- Unauthorised demolition in a conservation area beyond that permitted by any order
- Deliberate concealment of unauthorised building works or changes of use

5.6 Although some breaches of planning control are immediately apparent upon the initial site visit, other breaches may be more difficult to identify and the investigation stage may take longer. An unauthorised material change of use and a breach of condition both become lawful, and therefore immune from enforcement action, after a continuous, uninterrupted period of ten years. An exception to this ten year rule applies to the unauthorised creation of a new residential unit which becomes immune from formal enforcement action after a continuous uninterrupted period of four years. Unauthorised operational development (e.g. building works) become lawful four years after it is substantially completed. Consequently, it may be necessary to conduct detailed investigations into the history of the site if the time period involved is not initially clear.

5.7 In circumstances where the best reasonable course of action to deal with the harm being caused is outside planning controls; the planning enforcement team will refer the matter to the relevant department or statutory body for action, as more effective and efficient outcomes can sometimes be achieved by use of powers outside Town and Country Planning legislation, such as the Environmental Protection Act, the Highway Act and the Anti Social Behaviour Act.

6 The Harm Prioritisation System

6.1 The Harm Prioritisation System allows unauthorised development to be scored according to its 'Harm'. Each case will be scored following a set format in order to provide a consistent result. Scoring is based on a number of criteria including:

- Age of the breach
- Is the development worsening or stable
- Are there any safety or statutory nuisance concerns
- Who is the complainant
- Is there harm
- Is there a breach of planning conditions
- Is the development in a conservation area or affecting the setting of a listed building
- If the development needs to be controlled by conditions
- Non-compliance with local planning policy

6.2 A total must be reached via the scoring system once it has been established that a breach of planning control has occurred. Only complaints which score 5 or above will be investigated further, those with a lesser score will be informed of the breach and invited to regularise it. This scoring system is based on appropriate Government guidance and gives due consideration to all relevant legislation. In both cases the complainant is notified of our actions and in the case where no investigation is to be made a detailed explanation for the decision will be given.

6.3 All retrospective refusals of planning applications, together with complaints regarding criminal works (listed buildings, protected trees and hedgerows, advertisements and non-compliance with legal notices), where no judgement of harm is necessary, will automatically receive a full investigation.

6.4 Where there is no breach of planning control the case will be closed automatically and the complainant informed.

6.5 The local planning authority believes in firm but fair regulation. Underlying the Harm Prioritisation System are the principles of:

- Expediency
- Proportionality
- Consistency
- Transparency
- Targeting
- Openness
- Helpfulness
- Procedures

7 Service Standards

7.1 Suspected breaches of planning control reported to the Council will be:-

- Acknowledged in writing within 3 working days
- In the case of operational development a full assessment of the case will be made within 5 working days of the site visit
- In the case of an alleged material change of use of the property further site visits and in some cases monitoring, will be required and as such a full assessment of the case will be made within 5 working days of the final site visit.

7.2 Complaints in regard to unauthorised works to listed buildings, protected trees and hedgerows will be investigated, where possible, at the time the complaint is received.

7.3 All investigations where a breach of planning control is confirmed will, except when relating to criminal offences, be scored under the Harm Prioritisation System referred to above. Those which score under 5 will be considered to relate to breaches of a minor or insignificant nature or where the development is acceptable in planning terms. In circumstances where the breach relates to operational development the owners/occupiers will be notified of the breach and invited to apply for retrospective planning permission or a Certificate of Lawfulness. However, should they choose not to pursue these options they will be notified that no further action will be taken, the file on the case closed.

7.4 Where investigations establish that works or use are 'permitted development' the owner/occupier can submit an application for a Certificate of Lawfulness, although it is important to note that this type of application is not a requirement but does provide consideration from the Council that the development described in the application is lawful and does not require planning permission.

7.5 Those investigations scoring 5 and above will be considered to require further investigation which may involve additional site inspections, further research, involvement from other service or agencies or further information from the complainant(s), site owner and/or occupier, or any other parties.

7.6 In certain cases, the Council may request the person(s) reporting the suspected breach of planning control to assist with the investigation by providing a written log detailing the dates, times, duration and nature of the suspected breach. If the complainant(s) is

unwilling to assist they will be advised that this may result in the Council not being able to pursue the investigation due to insufficient evidence.

7.7 Enquiries can be made online via the Council's website, by email, phone, letter or in person at the Council Offices. So that they can be dealt with efficiently it is important that as much of the following information as possible is provided:-

- Exact location of the site
- A full description of what has happened or is taking place
- What the concerns are i.e. what harm has been/is being caused
- Names and contact details of any owners, occupiers or landowners if known
- Evidence of the development or activities if appropriate
- Dates and timeframes of when the development took place or use commenced

If the information initially provided is insufficient we will ask for additional information before investigating the breach.

7.8 In accordance with the General Data Protection Regulation (and Data Protection Act 2018), Freedom of Information Act 2000 and Environmental Information Regulations 2004, the Council will not disclose any information relating to the identity of a complainant. However, as any occupiers of land or buildings close to the breach of planning control will usually be the most affected, it is possible that an individual subject of an investigation will make their own assumptions as to who may have informed the Council.

7.9 The Council will comply with the provisions of the Police and Criminal Evidence Act 1984 (as amended) when interviewing persons suspected of a criminal offence (in so far as it applies to those being investigated by a non police agency) and with the Criminal Procedures and Investigation Act 1996 and Section 222 of the Local Government Act 1972, when carrying out prosecutions

7.10 The Council recognises that delays can be a source of considerable frustration for complainants and although it is not always possible to anticipate the timescale for resolution of a case, affected parties will be kept informed of significant developments throughout the course of an investigation.

8 The Council's Key Planning Enforcement Objectives

8.1 The Council's primary objective of the planning enforcement function is to remedy harm to public amenity resulting from unauthorised development, and to control it, making sure the integrity of the planning system is not undermined. In order to meet these objectives the Council will:-

- Investigate all complaints pertaining to breaches of planning control in respect of district matters
- Investigate and seek to resolve breaches of planning control caused by unauthorised developments
- Keep complainants informed of progress throughout the process of the investigation
- Only take formal enforcement action, or require remedial action, which is proportionate to the breach
- Set reasonable but firm deadlines for actions required to resolve breaches of planning control; and make these clear to all parties concerned

- Only invite a retrospective application (without prejudice) to regularise a breach where there is a reasonable prospect that planning permission would be granted (notwithstanding the rights of an alleged offender to submit such an application)
- Facilitate appropriate development that conforms to local planning policy, and to try to secure the best possible development retrospectively where suitable
- Work and co-operate with other regulating authorities and agencies to resolve breaches of planning control
- Not normally investigate anonymous, vexatious and repetitive complaints unless they relate to potential criminal acts or present potential harm.

9.0 Taking Formal Action

9.1 Except in cases where unauthorised works or uses are causing immediate serious harm, formal enforcement action is taken only when attempts to amicably resolve the breach have been tried and failed. Such negotiations may involve the reduction or cessation of an unauthorised use or activity, or the modification or removal of unauthorised operational development. However, these negotiations will not be allowed to hamper or delay the consideration of enforcement action where the breach of control causes serious harm to amenity. Where appropriate we will always use the tools available to us to seek a remedy to a planning breach, details of which are given at Appendix 2. Where the Council is unable to negotiate an acceptable solution within a reasonable timescale it will consider whether or not it is expedient to take formal enforcement action.

9.2 For less serious infringements of the law, decisions about the most appropriate course of action are usually determined by the Investigating Officer(s). Decisions are based upon professional judgment, legal guidelines, statutory codes of practice and priorities set by the council and/or Central Government.

For more serious offences, where the nature of the offence points towards prosecution or simple caution, the recommendation to take enforcement action will normally be made by the Environmental Protection Team Manager or Public Protection Team Leader. The decision will be made in accordance with the Council's officer scheme of delegation arrangements. Equally, decisions not to take enforcement action will be made under officer delegation arrangements and reasons for this decision will be recorded in writing as part of the investigation process.

9.3 Formal action can consist of:

- Service of a legal notice
- Prosecution
- Formal caution
- Direct action

10 Reactive & Proactive Enforcement Monitoring

10.1 What if a complaint is made about your property or development?

If a complaint is received about your property or development then the Council has a duty to investigate the complaint in order to establish whether or not there has been a breach of planning control. It is often the case that breaches of planning control are not intentional and may arise from the person involved being unaware of the requirement to obtain planning permission.

10.2 Your responsibilities

If you receive a letter or a visit from a planning enforcement officer then we would encourage you to respond quickly, positively and to provide any required information so that the matter can be resolved quickly to the benefit of all parties. The Council will not reveal the details or identity of the complainant(s) to you. Whilst on site, officers may ask questions of any present occupiers and may take photographs or measurements. The investigating officer will confirm to you as soon as practicable whether or not it is considered that there has been a breach of planning control, and in cases where there has been no breach the matter will usually be resolved quickly. In cases where a resolution may be negotiated, the planning enforcement officer will be happy to enter into discussions; however we will not accept undue delays to required actions or responses during these negotiations and will expect you to respond within stated timeframes. In some cases the unauthorised development or activities will not be considered acceptable and you will be requested to cease/remove the works in order to avoid formal enforcement and/or legal action being taken.

10.3 The investigation

In carrying out its planning enforcement investigations the Council will make efficient use of its own records and other sources. Close links are established with other sections of the Council to improve and enhance investigations. Information relevant to planning enforcement investigations is held in a variety of locations. Sources outside the Council include HM Land Registry, national and local amenity groups, national bodies (e.g. Environment Agency, Health and Safety Executive, DVLA, Historic England). Within the Council, housing benefits records, electoral roll and council tax records and all examples of areas where information relevant to the investigation can be located.

10.4 Consequences of unauthorised development

Property owners should be aware that development that does not benefit from the necessary planning permission is unauthorised. Any unauthorised development could delay or potentially prevent a future sale or re-mortgage of the property if the relevant permissions do not show up on Local Land Charge Searches. Additionally any formal enforcement notices served will be registered on the Council's Local Land Charges Register and will appear during any searches on the property. Consequently it is in the owner's interest to have all necessary planning permissions in place and any enforcement issues resolved.

10.5 Power to enter land

Upon receipt of a complaint the planning enforcement officer will usually contact you to arrange a mutually convenient site visit, however the site may be visited or monitored without advanced warning being given. The site visit may be unaccompanied and the land owner or developer does not have to be present. Should the land owner or occupier not have been present at the time of the initial site visit and it was not possible to gain access, or should it be necessary to contact the land owner or occupier after establishing that there is a breach of planning control on the site, then a letter will be sent to the owner/occupier. The letter will request contact to be made with the planning enforcement officer and in some cases requiring specific actions taken within a specified timeframe.

10.6 Council planning enforcement officers are authorised under Section 196A of the Town and Country Planning Act 1990 to enter, at any reasonable hour and when it is reasonably necessary, any land to ascertain whether there is or has been a breach of planning control, without the need to obtain a warrant of entry. If it is necessary to enter your house (and not just the garden) then you are entitled to 24 hour's notice. Denying access to the investigating officer is an offence and although the officer will seek the co-operation of the owner/occupier of the premises through discussion or service of a Notice of Intended Entry; the Council may apply to the Magistrates Court for a Warrant under Section 196B of the Town and Country Planning Act 1990.

10.7 **Development Monitoring**

Within the Planning Enforcement Team sits the Compliance Officer function. This role carries out proactive monitoring of developments within the district. Their main responsibilities and duties are:-

- Monitor and inspect on-going and completed development sites to ensure compliance with approved plans and planning conditions
- Develop relationships with key developers in the district to ensure consistency and efficient delivery of development in the district

This role will work closely with the Development Management Team and the planning enforcement officers to ensure compliance with planning control. This will include taking initial action to resolve non compliance.

11 **Additional Information**

11.1 **Performance Indicators**

The Council will monitor the enforcement service using performance indicators which focus on the number of enforcement cases, time taken to investigate, and the outcome. The performance will be reviewed monthly and reported to the Council's relevant Portfolio Holders.

11.2 **Confidentiality**

The name and address of those informing the Council of a possible breach of planning control will be kept confidential. However, requests for total confidentiality with regard to the information supplied limits the ability of the Council to take action and cannot be guaranteed if the case were to be considered in the Courts. The complainant will be advised at the outset or at the appropriate time.

11.3 **Anonymous Complaints**

Anonymous complaints are difficult to investigate, particularly where extra information is required. They also prevent us from being able to provide feedback on the outcome of any investigation. For these reasons, complaints will only be investigated where required contact details are provided unless the complaint relates to potential criminal acts.

11.4 **Contact Us**

If you wish to discuss an alleged breach of planning control or require information please contact a member of the planning enforcement officer at

environmental.protection@nwleicestershire.gov.uk or visit the Council's website www.nwleics.gov.uk

11.5 Enforcement Register

In accordance with section 188 of the Town and Country Planning Act 1990, the Council holds a register of all enforcement notices, stop notices and breach of condition notices served in the district. This is available at https://www.nwleics.gov.uk/pages/development_control_enforcement

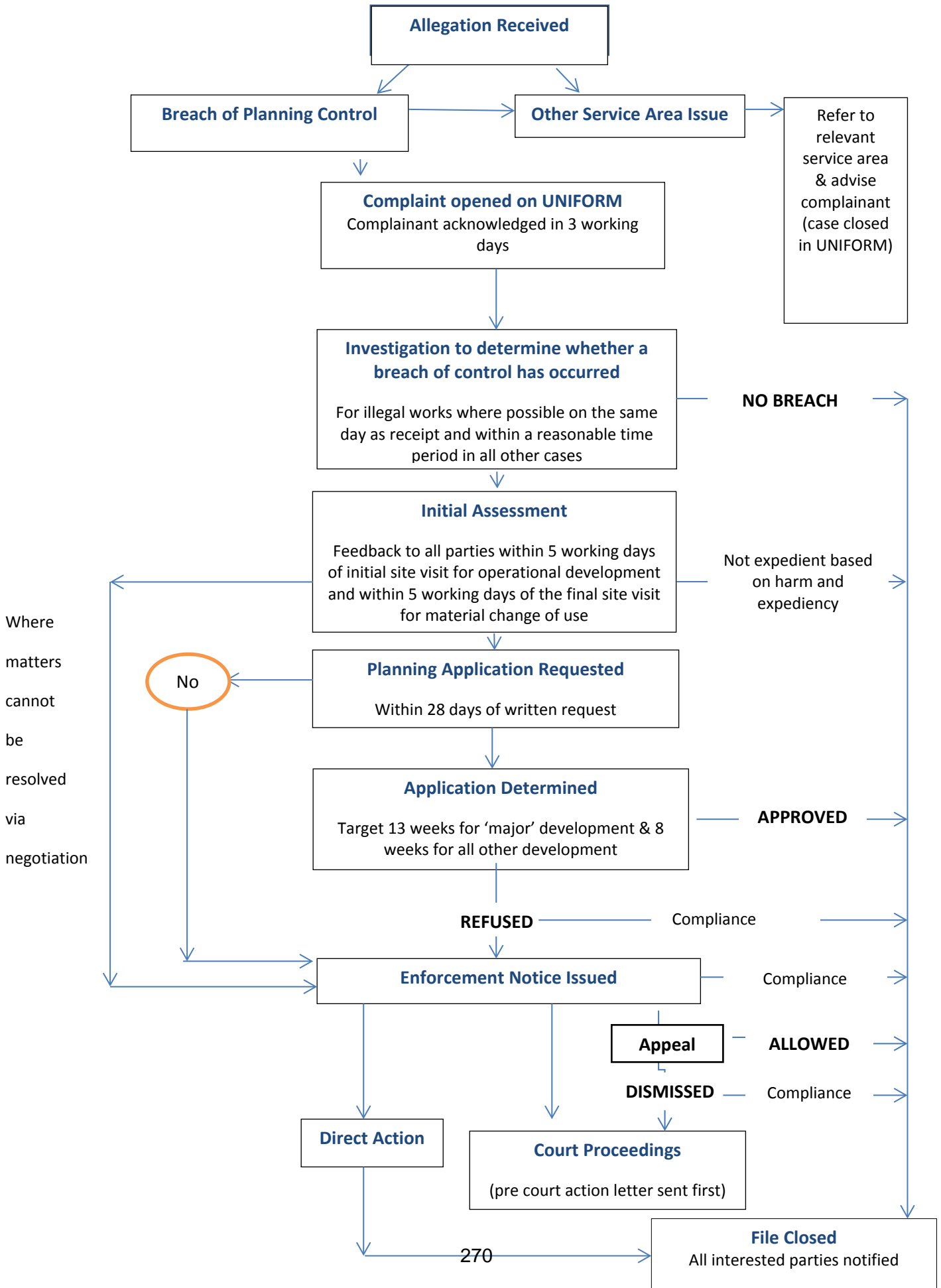
11.6 Comments, Complaints and Compliments

In accordance with the Council's complaints and compliments procedure any person wishing to make a complaint or comment about the service they received or how their case was dealt with, they should contact the Council via https://www.nwleics.gov.uk/pages/complaints_comments_and_compliments or call 01530 454545.

11.7 Physical and Verbal Abuse Towards Officers

The Council will not tolerate any physical or verbal abuse towards its officers and where necessary will use legal action to prevent abuse, harassment or assaults.

APPENDIX 1 - The Enforcement Process



APPENDIX 2 – The Enforcement Toolkit

There are a number of powers granted to the Council as the Local Planning Authority that allow various types of notices to be served. Failure to comply with these notices is an offence

Planning Contravention Notice (PCN)

Where it appears as though there may have been a breach of planning control in respect of any land, the local planning authority may serve a PCN requiring information about activities on the land. There is no right of appeal against a PCN.

Section 330 Notice

To enable a Council to exercise other powers under the provisions of the Town and Country Planning Act 1990, the local planning authority may serve a S330 Notice requiring information as to interests in land, including ownership and occupation details. There is no right of appeal against a Section 330 Notice.

Enforcement Notice

If it is expedient to do so, an enforcement notice may be served where the local planning authority believe there has been a breach of planning control involving an unauthorised material change of use, operational development or breach of a condition. The enforcement notice will state the reasons for action being taken and specify the steps which the local planning authority requires to be taken in order to remedy the breach. There is a right of appeal by recipients of the notice to the Planning Inspectorate

Stop Notice

In certain cases, a stop notice can be served in order to cease an unauthorised activity on the land. A stop notice can only be served at the same time as, or after, the service of an enforcement notice. There is no right of appeal against a stop notice, only the enforcement notice to which it is attached. The local planning authority will be at risk of compensation if it is used in inappropriate cases.

Temporary Stop Notice (TSN)

In certain cases a TSN can be served before an enforcement notice has been served in order to immediately cease unauthorised activity (a use and/or a building operation) on the land. These notices remain in effect only for a maximum of 28 days.

Breach of Condition Notice (BCN)

A BCN may be served where a condition attached to a planning permission is not being complied with. The BCN will specify the steps which the local planning authority requires to be taken in order to secure compliance with the condition as is specified in the notice. There is no right of appeal against a BCN to the Planning Inspectorate however recipients of such notices can appeal the notice in the Magistrates Court.

Section 215 Notice (Untidy Land Notice)

A local authority has the power to issue a notice under Section 215 of the Town and Country Planning Act 1990 if the amenity of part of its area is adversely affected by the condition of a property or area of land. The notice requires such steps as may be specified for remedying

the condition of the land (includes buildings). There is no right of appeal although before the notice takes effect an appeal may be made to the Magistrates Court.

Discontinuance Notice

The Town and Country (Control of Advertisements) (England) Regulation 2007 allows the local planning authority to serve a discontinuance notice against any advertisement, or the use of any advertisement site, which normally has the benefit of deemed or express consent, to remedy a substantial injury to the amenity of the locality or if it is considered to be a danger to members of the public. An appeal can be made to the Planning Inspectorate against this notice

Tree Replacement Notice

A Tree Replacement Notice can be served by the local planning authority where a protected tree has been unlawfully removed, uprooted, or destroyed without prior consent, requiring, within a specified period, the replanting of a tree of a specified size and species. An appeal can be made to the Planning Inspectorate against this notice

Hedge Replacement Notice

A local planning authority may issue a Hedgerow Replacement Notice requiring the owner to replant a hedgerow of an appropriate size and species if a hedgerow has been removed in contravention of the Hedgerows Regulations 1997. An appeal can be made to the Planning Inspectorate against this notice

Community Protection Notice

The purpose of the Community Protection Notice is to stop a business, organisation or person over the age of 16 committing anti-social behaviour which spoils the community's quality of life. It can be used to deal with particular on-going problems or nuisances which negatively impact on or affect the community, by targeting those responsible. It can cover a wide range of anti-social behaviours and can be used against a wide range of perpetrators. A Community Protection Notice can include a requirement to stop doing something, to start doing something, or to take reasonable steps to avoid further anti-social behaviour.

Notice of Intention to Inspect

This notice is formal confirmation of the local planning authority's intention to enter land without a warrant. If entry to the land (or any part of it) is refused, that person obstructing the officers will be committing an offence and the local planning authority will obtain a warrant to gain entry. There is no right of appeal against a notice of intended entry.

Prosecution

The Council will consider commencing a prosecution in the Courts against any person who has failed to comply with the requirement(s) of the notices referred to above. The Council will also consider commencing a prosecution in the Courts where illegal works have been carried out to protected trees and hedgerows, unauthorised works to listed buildings, demolition in a Conservation Area and illegal advertisements. Before commencing any legal proceedings the Council will be satisfied that there is sufficient evidence to offer a realistic prospect of conviction and that the legal proceedings are in the public interest. Where a criminal offence has occurred, and the Defendant(s) has been found guilty, the local planning authority may request that the Court make a Confiscation Order under the Proceeds of Crime Act 2001. The Confiscation Order will relate to any financial benefit arising from a criminal activity.

Confiscation

Where a defendant is convicted, the Council can apply for the case to be transferred to the Crown Court prior to sentencing for a confiscation order to be considered under the Proceeds of Crime Act 2002. A confiscation order is an order for the defendant to pay the amount of his benefit arising from crime to the State.

Injunction

Where an Enforcement Notice has not been complied with and a prosecution is not considered expedient or previous prosecution(s) have failed to remedy the breach of planning control, the Council will consider applying to the Court for an injunction. Such action will only normally be considered if the breach is particularly serious and is causing, or likely to cause exceptional harm. Injunctions can also be applied for if the Council is made aware of a potential serious breach of planning control and where it can provide evidential information to support its case.

Direct Action

Where any steps required by an Enforcement Notice have not been taken within the compliance period (other than the discontinuance of the use of land), or where any steps required as part of a Section 215 (Untidy Land) notice have not been taken within the prescribed timescales, the Council will consider whether it is expedient to exercise its power under Sections 178 and 219 of the Town and Country Planning Act 1990 (as amended) to: -

- enter the land and take the required steps; and
- recover from the person who is then the owner of the land any expenses reasonably incurred by them in doing so.

Planning Enforcement Order

This is a new provision introduced in the Localism Act 2011 which came into force in England and Wales in 2012. This measure is used where a breach of planning control has been concealed, and where the Local Planning Authority can show 'deliberate concealment' of a breach of planning control. The local planning authority may apply to the Magistrates Court for a planning enforcement order.

APPENDIX 3 – Complaints that do not relate to breaches of planning control

Boundary disputes and other land ownership disputes

We do not keep records of land ownership details and do not become involved in land ownership disputes. Land ownership is a civil matter between neighbours and should be pursued by other means, and any queries relating to land ownership directed to the Land Registry.

Breaches of property deeds or covenants

The planning department does not investigate issues arising out of property deed issues or covenants relating to a property and have no power in ensuring that they are upheld. Any complaints regarding deeds or covenants being breached are civil matters and complainants should seek legal advice.

Dangerous structures or damage to property

Concerns over dangerous structures are not a planning matter, but can be investigated by the Council's building control section. Alleged damage to property is a civil matter between the parties concerned.

Highway obstructions or breaches occurring within the public highway

Any vehicles causing an obstruction on the highway, commercial vehicles parking on grass verges or in residential areas and any other matters on the public highway are matters for the highways authority or the police.

Noise, disturbances, general pollution and enviro crime

Smell, noise disturbances and any other pollution complaints are dealt with by the Council's Public Protection Team

Health and safety and site security

Concerns over site security and general health and safety issues are civil matters or could possibly be looked into by the Health and Safety Executive.

Blocking of a designated right of way

The blocking of a right of way (where no development has occurred) or any other issues concerning a right of way should be directed to the Public Rights of Way Officer at Leicestershire County Council. Telephone: 0116 2323232.

Party Wall Act

The local planning authority cannot get involved in matters relating to the Party Wall Act. Any issues in relation to this are a civil matter and you should seek legal advice. Further information can be found at www.planningportal.gov.uk

Trespass

The local planning authority cannot investigate complaints concerning alleged trespass. You should contact the police or seek legal advice in this instance.

Loss of property value and/or loss of view

As planning enforcement operates to protect the public interest and not the interest of specific individuals these matters are not planning issues and will not be taken into account

Internal works to a non-listed building

Structural works may be subject to building control regulations and should be directed to the Councils' building control team

Other works that are not classed as breaches of planning control include:-

- Parking a caravan within the residential boundary of a property, provided that its use is incidental or ancillary to the main dwelling
- Clearing land of vegetation unless it is subject to planning protection through a planning condition
- Operating a business from home where the residential use remains the main use and there is no serious harmful impact on neighbours amenity
- Vexatious and/or malicious complaints which have no planning grounds or evidence to substantiate them.

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General Enforcement Policy

Cabinet Approval: TO INSERT DATE

General Enforcement Policy

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1. Introduction

- 1.1 One of North West Leicestershire District Council's principal duties is to ensure that individuals, businesses and others are meeting their statutory obligations and complying with the law relating to a range of issues from the payment of council tax to the dropping of litter and producing safe food. To achieve this, officers from the council are authorised to take enforcement action.
- 1.2 A decision about enforcement action, and in particular the decision to prosecute, has serious implications for all involved. The council applies this policy to ensure that:-
- Decisions about enforcement action are fair, proportionate and consistent.
 - Officers apply current Government guidance and codes of practice.
 - Everyone understands the principles that are applied when enforcement action is considered.
- 1.3 The purpose of this general enforcement policy is to set out what those being regulated can expect from the council when enforcement activities are undertaken.

2. Approval and Application of the Enforcement Policy

- 2.1 This policy was approved by Cabinet on DATE TO BE INSERTED.
- 2.2 This policy applies to all law enforcement duties which the council undertakes, except those undertaken by the Revenues and Benefits service. Revenues related enforcement action is detailed within a service specific Recovery Policy.
- 2.3 In addition some service areas have specific enforcement policies. Service specific policies should be read in conjunction with this policy.
- 2.4 'Enforcement' includes any action taken by Officers aimed at ensuring that individuals or businesses comply with the law. This is not limited to formal enforcement actions such as prosecution, formal cautions and the issuing of enforcement notices; it also includes, for example, activities undertaken for the purpose of checking compliance with Acts of Parliament and Regulations, and the provision of advice to facilitate compliance. Some activities undertaken for the purposes of checking compliance is fee earning e.g. building control inspection.
- 2.5 This policy helps to promote efficient and effective approaches to inspection and enforcement which improve regulatory outcomes without imposing unnecessary burdens. This policy has been produced having had regard to the Regulators' Code (RC). Requirements of the Code are explained further at section 6.

3. How to obtain a copy of the Policy or make comments

- 3.1 This policy is available in printed format at the Council Offices. It is posted on the Council's website at: www.nwleics.gov.uk and is available in other formats or on disc on request.
- 3.2 If you need any help in understanding this policy, or you would like to comment on the contents, please contact us by:
- telephoning 01530 454545
 - e-mailing ehealth@nwleicestershire.gov.uk
 - writing to the Director of Services, North West Leicestershire District Council, Council Offices, Coalville, Leicestershire, LE67 3FJ

4. General Principles

- 4.1 Each set of circumstances is unique and must be considered on its own merits. However, there are general principles that apply to the way each case will be approached. The principles of good enforcement contained in the Enforcement Concordat produced by the Cabinet Office have been formally agreed and adopted by the council.
- 4.2 Authorised officers must be fair, independent and objective and must not let any personal views about issues such as ethnic or national origin, gender, religious beliefs, political views or the sexual orientation of the suspect, victim, witness or offender influence their decisions. They must not be affected by improper or undue pressure from any source.
- 4.3 All authorised officers will have regard to the Policy and take action which is proportionate to the risk and to the seriousness of any breach of legislation where appropriate. In most circumstances officers have a range of actions available to facilitate compliance ranging from an educational and advisory approach to recommending legal proceedings. However, in certain circumstances legislation is prescriptive and this will limit the discretion of the Authorised Officer. In some circumstances persistent breaches will result in formal action being taken for what would normally be regarded as less serious contraventions.
- 4.4 Consideration will be given to the particular interests of customers including business owners, employees and the public. For example, where the hours of operation of a business do not coincide with normal office hours, we will endeavour to agree a mutually acceptable time or visit during the business's normal trading hours. Similarly, where English is not spoken as a first language, and there is particular difficulty in communication, the services of a suitable translator/interpreter and the provision of information in a relevant accessible form will be considered. Where formal action is proposed, the assistance of an interpreter may be obtained to ensure fairness. There may be occasions when a relative or friend of the individual may act as an interpreter. Officers will seek to confirm that their statements and questions are clearly understood.
- 4.5 Advice and information will be available and given, and businesses, employees and the public will be encouraged to contact the council regarding relevant matters. The council retains the right to charge for advice. See fees and charges for further information.

- 4.6 All officers undertaking enforcement activities will be duly authorised under the council's scheme of delegation and will be appropriately trained.
- 4.7 All authorised officers will be made fully aware of the requirements of this Policy. Any departure from this Policy will have to be justified to, and endorsed by, the relevant Head of Service.
- 4.8 This council is committed to the Equality of Opportunity in employment and the provision of services. Accordingly, this policy will take into account all equality and diversity issues.

5. Enforcing the Law

- 5.1 The Council believes in firm but fair regulation, and its enforcement activities follow these essential principles:-

- **Transparency**

Transparency means helping individuals and businesses to understand what we expect of them and what they should expect from us.

- **Consistency**

Our advice to those we regulate will be robust and reliable and we will respect advice provided by others. Where circumstances are similar, we will endeavour to act in similar ways to other local authorities.

- **Targeting**

Targeting means making sure that, whilst all requests for service are responded to, regulatory effort is directed primarily towards those whose activities actually or potentially give rise to the most serious risks to public safety and the environment.

- **Proportionality**

Proportionality means relating enforcement action to the risks posed. Any action taken by officers will be proportionate to the seriousness of any breach. Persistent minor breaches may also be viewed as serious.

- **Accountability**

Our activities will be open to public scrutiny, with clear and accessible policies, and fair and efficient feedback and complaints procedures.

6. Regulator's Code

Specific Obligations of the Regulators Code on the Authority

- 6.1 When developing policies and operational procedures relating to the regulatory functions and activities within the scope of the Regulators' Code the council will have regard to the requirements of the Code. This Code applies to the regulatory functions listed under Part 3 of the Legislative Reform (Regulatory Functions) Order 2007. They are:

Food Standards and Safety
Environmental Protection
Housing
Animal Health and Welfare
Licensing
Public Health and Safety
Anti Social Behaviour
Consumer and Business protection

6.2 However, in certain circumstances we may conclude that a provision in the Code is either not relevant or is outweighed by another relevant consideration. We will ensure that any decision to depart from the Code is properly reasoned, based on material evidence and documented.

The council will:

6.2.1 Carry out activities in a way that supports those they regulate to comply and grow.

- The council will avoid imposing unnecessary regulatory burdens through regulatory activities. The council will choose proportionate approaches based on relevant factors including, for example, business size and capacity.
- When designing and reviewing policies the council will consider how to support or enable economic growth for compliant businesses, for example minimising the costs of compliance, improving confidence in compliance and encouraging and promoting compliance.
- The council will ensure that Authorised Officers have the necessary knowledge and skills to support those we regulate.

6.2.2 Provide simple and straightforward ways to engage with those they regulate and hear their views

- The council will have mechanism in place to engage those we regulate, residents and others to offer views and contribute to the development of policies and service standards.
- In responding to identified non-compliance the council will clearly explain what the non-compliant item or activity is, the advice being given, actions required or decisions taken, and the reasons for these. The council will provide an opportunity for dialogue in relation to the advice or decision. This does not apply where the Authorised Officer can demonstrate that immediate action is required to prevent or respond to a serious breach or where providing such an opportunity would be likely to defeat the purpose of the proposed action.
- Where the councils enforcement actions allow for an appeal an impartial and clearly explained route to appeal against a regulatory decision will be provided. The council will explain in writing any right to representation or right of appeal.
- The council will make available a clearly explained complaints procedure. The council will have a range of mechanisms to receive customer feedback. These processes are specific to each service area.

6.2.3 Base regulatory activities on risk

- The council will take an evidence based approach to determining the priority risks and will allocate resources where they would be most effective in addressing those priority risks.
- The council, when making an assessment of risk, will recognise the compliance record/history of those they regulate.
- The council will review the effectiveness of its chosen regulatory activities in delivering the desired outcomes.

6.2.4 Share information about compliance and risk

- The council will collectively follow the principle of “collect once, use many times” when requesting information from those it regulates.
- Where the law allows the council will agree secure mechanisms to share information with other regulators about businesses to help target resources and activities.

6.2.5 Ensure clear information, guidance and advice is available to help those they regulate meet their responsibilities to comply.

- The council will provide advice and guidance that is focussed on assisting those it regulates to understand and meet their responsibilities. Legal requirements will be distinguished from good practice.
- The council will publish guidance, and information in a clear, accessible, concise format, using media appropriate to the target audience and written in plain language.
- The council will seek to create an environment in which those it regulates have confidence in the advice received and feel able to seek advice without fear of triggering enforcement action.
- In responding to requests for advice, the council will provide the advice necessary to support compliance, and will ensure that its advice can be relied on.
- The council will have a mechanism in place to work collaboratively to assist those regulated by more than one regulator. The council will consider advice provided by other regulators and, where there is disagreement, this will be discussed with the other regulator to reach agreement.

6.2.6 Ensure their approach to the regulatory activities is transparent.

- The council will publish a set of clear service standards, setting out what those it regulates can expect from them.
- Any information published to meet the requirements of the Code will be easily accessible, including being available on the Council’s website.
- The council will have a mechanism in place to ensure that Authorised Officers act in accordance with published service standards, including the Council’s enforcement policy.

- The council will publish details of performance against service standards, including feedback from customer satisfaction surveys and data relating to complaints and appeals.

7. Notifying Alleged Offenders

- 7.1 If we receive information that may lead to enforcement action against an individual or business we will notify that individual or business as soon as is practicable of any intended enforcement action, except in the circumstances described in 7.3 below.
- 7.2 During the progression of enforcement investigations/actions, individuals, business proprietors and witnesses will be kept informed of the progress of the matter under investigation. Confidentiality will be maintained and personal information about individuals will only be released during legal proceedings when required and/or in accordance with the Data Protection Act 1998.
- 7.3 In certain circumstances, we may choose not to keep individuals, business proprietors or witnesses informed of progress if this could impede enforcement action.

8. Covert Surveillance

- 8.1 During an investigation into suspected non-compliance with legislation the council may need to undertake directed covert surveillance from time to time. This may include remote sound or video monitoring equipment as well as personal observation. When this is necessary the requirements of the Regulation of Investigatory Powers Act 2000 will be complied with.

9. Deciding what level of enforcement action is appropriate

- 9.1 A decision on enforcement action will be taken on its own merits and after full consideration of the implications and consequences of the action. While fair and effective enforcement is essential to the maintenance of law and order, a breach of criminal law may not necessarily result in enforcement action.
- 9.2 A number of factors are considered when determining what action to take. These factors are detailed in **Appendix 1 [Factors we consider when taking enforcement action]**.

Levels of enforcement action:

We will take steps to help individuals and organisations comply with their legal obligations without unnecessary expense, while at the same time taking firm enforcement action where appropriate against those who flout the law or act irresponsibly. Officers have a range of actions at their disposal in seeking to secure compliance with the law and to ensure a proportionate response to apparent offences. **The range of enforcement actions available differs between Regulatory functions.**

The level of the action taken varies from no action through to proceedings in Court. Examples of the main types of action that can be considered are shown below:-

- No Action
- Verbal Warning and/or Advice

- Written Warning and/or Advice
- Acceptable Behaviour Contracts (ABC)
- Fixed Penalty Notices (FPN)
- Formal Notices
- Anti-Social Behaviour Order (ASBO)
- Seizure
- Court Injunction
- Refusal, Revocation or suspension of a Licence
- Formal Caution
- Prosecution

i) **No Action**

In some circumstances, contraventions of the law may not warrant any action. This can be where the cost of compliance to the offender outweighs the detrimental impact of the contravention on the community, or the cost of the required enforcement action to the District Council outweighs the detrimental impact of the contravention on the community. A decision of no action may also be taken where formal enforcement is inappropriate in the circumstances, such as where a trader has ceased to trade, or the offender is elderly, frail or a juvenile and formal action would seriously damage their well being. A decision to take no action must take into account the health, safety, environmental damage or nuisance implications of the contravention.

ii) **Verbal Warning and/or Advice**

For minor breaches of the law verbal advice will generally be given to the offender. We will clearly identify the contraventions of the law and give advice on how to put them right and include a deadline by which this must be done. Sometimes we will advise offenders about 'good practice', but we will clearly distinguish between what they must do to comply with the law and what is advice only.

Failure to comply could result in more severe enforcement action being taken. The time allowed must be reasonable, but must also take into account the health, safety and nuisance implications of the contravention.

iii) **Written Warning and/or Advice**

For some contraventions we will send the offender a firm but polite letter clearly identifying the contraventions, giving advice on how to put them right and including a deadline by which this must be done. Failure to comply could result in a notice being served or more severe enforcement action being taken. The time allowed must be reasonable, but must also take into account the health, safety and nuisance implications of the contravention.

iv) **Acceptable Behaviour Contracts (ABC)**

For repeat or serious cases of anti-social behaviour, it may in some circumstances be appropriate for an individual to be asked to sign an acceptable behaviour contract. The ABC is a written agreement between the person who has committed repeated incidents of Anti-Social Behaviour and the council and/or the police. The contract is entered into voluntarily and clearly details the actions which the perpetrator is no longer allowed to

engage. In addition, a personalised support package is offered to help the individual keep to the conditions of their contract.

v) **Fixed Penalty Notices (FPN)**

For some contraventions Fixed Penalty Notices are issued once an offence has been committed, requiring the offender to discharge their liability to prosecution by payment of a fixed sum. Failure to pay the fixed sum will result in a prosecution being instigated unless there are exceptional circumstances.

vi) **Formal Notice**

Notices are served to require offenders to cease activities contravening the relevant legislation, to give offenders reasonable time to rectify a contravention or to require further information. Notices may require such activities to cease immediately where the circumstances relating to health, safety, environmental damage or nuisance demand. In other circumstances, the time allowed to comply with the notice must be reasonable, but must also take into account the health, safety, environmental damage or nuisance implications of the contravention.

All notices issued will include details of any applicable Appeals Procedures.

Certain types of notice allow the council to 'carry out work in default'. This means that if a notice is not complied with [i.e. a breach of the notice] the council may carry out any necessary works to satisfy the requirements of the notice. Where the law allows, the council may then charge the person/business served with the notice the costs incurred in carrying out the work.

Failure to comply with a notice is an offence which will result in a prosecution being instigated unless there are exceptional circumstances.

vii) **Anti-Social Behaviour Order (ASBO)**

Anti-Social Behaviour Order (ASBO, to be replaced in late 2014 by Criminal Anti-Social Behaviour Order): ASBOs are civil orders which are intended to protect the public from Anti-Social Behaviour. An order contains certain conditions prohibiting the offender from carrying out anti-social acts or from entering specific areas in which they have previously committed Anti-Social Behaviour. Usually an order will last for a two year period and if the order is breached by the individual they could face a heavy fine or even imprisonment.

viii) **Seizure**

Certain legislation enables authorised officers to seize goods, vehicles or equipment. For example food that is unsafe or sound equipment that is being used to cause a statutory noise nuisance. When the council seizes goods an appropriate receipt will be given. Where the law requires, the council will produce seized goods before the Magistrate Court.

ix) **Court Injunction**

In certain circumstances, for example where offenders are repeatedly found guilty of similar offences or where an injunction is a more appropriate course of enforcement action than any other, injunctions may be used as an enforcement measure to deal with repeat offenders or dangerous circumstances.

x) **Refusal, Revocation or Suspension of a Licence, Registration or Authorisation**

Certain types of premises/businesses require a licence, registration or authorisation to operate legally. In order to warrant refusal/revocation one of the following criteria must apply to the licensed individual or organisation:-

- No longer a fit and proper person.
- Deliberately or persistently breached legal obligations, which were likely to cause material loss or harm to others.
- Deliberately or persistently ignored written warnings or formal notices.
- Endangered, to a serious degree, the health, safety or well being of people, animals or the environment.
- Obstructed an officer undertaking their duties.
- Deliberate or persistent breach of licence conditions.
- Any other reasonable cause.

xi) **Simple Caution**

This procedure is used as an alternative to prosecution to deal quickly and simply with less serious offenders to divert them from the criminal courts. For a simple caution to be issued a number of criteria must be satisfied:-

- Sufficient evidence must be available to prove the offence, and;
- The offender must admit the offence, and;
- The offender must understand the significance of the caution and give informed consent to being cautioned.

There is no legal obligation for any person to accept a simple caution.

A record of the simple caution will be kept on the appropriate local and/or national database, and will be kept on file for 3 years. If the offender commits a further offence, the simple caution may influence any decision to prosecute the further offence.. If during the time the caution is in force the offender pleads guilty to, or is found guilty of, committing another offence anywhere in England and Wales, the caution may be cited in court, and this may influence the severity of the sentence that the court imposes.

If the offender refuses to accept a caution then legal proceedings will normally be instigated.

The caution will also be recorded in the council's Register of Convictions.

xii) **Prosecution**

A prosecution will normally ensue where one of the following criteria are met by the individual or organisation:-

- Deliberately or persistently breaching legal obligations, which were likely to cause material loss or harm to others.
- Significant or serious breach of legal obligations.
- Deliberately or persistently ignoring written warnings.
- Failure to comply with an enforcement notice, including the non-payment of a FPN
- Endangering, to a serious degree, the health, safety or well being of people, animals or the environment.
- Assaulting or obstructing an officer in the course of their duties.

10. Determining whether a Prosecution or Simple Caution is viable and appropriate

10.1 The council applies two ‘tests’ to determine whether a Prosecution or Simple Caution is viable and appropriate and follows guidance set by the Crown Prosecution Service when applying the tests:

- **The Evidential Test**

There must be sufficient evidence to provide a ‘realistic prospect of conviction’ against any defendant charged.

- **The Public Interest Test**

There may be public interest factors which are in favour of, or are against prosecution. These have to be considered before a decision regarding the final enforcement action (caution or prosecution) is taken.

For more information about the ‘Code For Crown Prosecutors’ visit:

http://www.cps.gov.uk/publications/code_for_crown_prosecutors/

10.2 If the case meets the evidential test, the Director will recommend appropriate formal action to the Head of Legal and Support Services. The Head of Legal and Support Services may then authorise a formal caution or prosecution.

10.3 Simple Caution or Prosecution proceedings will only be progressed when the case has passed both tests. Paragraphs 10.4 to 10.8 below, detail how this Policy applies to the consideration of taking a prosecution.

10.4 The Head of Legal and Support Services must be satisfied that there is enough evidence to provide a ‘realistic prospect of conviction’ against each defendant on each charge. A realistic prospect of conviction is an objective test that means that a jury or bench of magistrates, properly directed in accordance with the law, is more likely than not to convict the defendant of the charge alleged. This is a separate test from the one that the criminal courts themselves must apply. A jury or magistrates’ court should only convict if it is sure of a defendant’s guilt.

10.5 When deciding whether there is enough evidence to prosecute, the Head of Legal and Support Services must consider whether the evidence can be used and is reliable.

10.6 The public interest must be considered in each case where there is enough evidence to provide a realistic prospect of conviction. A prosecution will usually take place

unless there are public interest factors tending against prosecution, which clearly outweigh those tending in favour. Although there may be public interest factors against prosecution in a particular case, often the prosecution should go ahead and those factors should be put to the court for consideration when sentencing the defendant.

- 10.7 The Investigating Officer(s), along with senior managers and the council solicitors must balance factors for and against prosecution carefully and fairly. Public interest factors that can affect the decision to prosecute usually depend on the seriousness of the offence or the circumstances of the suspect. Some factors may increase the need to prosecute but others may suggest that another course of action would be better. The following lists include some common public interest factors, both for and against prosecution. These are not exhaustive and the factors that apply will depend on the facts in each case.

The more serious the offence, the more likely it is that a prosecution will be in the public interest. A prosecution is likely to be appropriate if:-

- A conviction is likely to result in a significant sentence.
- The evidence shows that the defendant was a ringleader or an organiser of the offence.
- There is evidence that the offence was premeditated.
- The victim of the offence was vulnerable, has been put in considerable fear, or suffered personal, damage or disturbance.
- The victim of the offence has suffered harassment, alarm or distress.
- The offence was motivated by any form of discrimination against the victim's ethnic or national origin, gender, religious beliefs, political views or sexual orientation, or the suspect demonstrated hostility towards the victim based on any of those characteristics.
- There is a marked difference between the actual or mental ages of the defendant and the victim, or if there is any element of corruption.
- The defendant's previous convictions or cautions are relevant to the present offence.
- There are grounds for believing that the offence is likely to be continued or repeated, for example, by a history of recurring conduct.
- A prosecution would have a significant positive impact on maintaining community confidence or safety.

A prosecution is less likely to be needed if:-

- The court is likely to impose a nominal penalty.
- The defendant has already been made the subject of a sentence and any further conviction would be unlikely to result in the imposition of an additional sentence or order, unless the nature of the particular offence requires a prosecution.
- The offence was committed as a result of a genuine mistake or misunderstanding (these factors must be balanced against the seriousness of the offence).
- The loss or harm can be described as minor and was the result of a single incident, particularly if it was caused by a misjudgement.
- There has been a long delay between the offence taking place and the date of the trial, unless:-
 - the offence is serious;
 - the delay has been caused in part by the defendant;
 - the offence has only recently come to light; or
 - the complexity of the offence has meant that there has been a long investigation.

- A prosecution is likely to impact adversely on the victim's physical or mental health, always bearing in mind the seriousness of the offence.
- The defendant is elderly, frail or a juvenile or is, or was at the time of the offence, suffering from significant mental or physical ill health, unless the offence is serious or there is a real possibility that it may be repeated.
- The defendant has already discharged their liability through payment of a fixed penalty notice.

10.8 Deciding on the public interest is not simply a matter of adding up the number of factors on each side. The Investigating Officer(s), along with senior managers and the council's Solicitors must decide how important each factor is in the circumstances of each case and go on to make an overall assessment.

11. Who decides what enforcement action is taken

11.1 For less serious infringements of the law, decisions about the most appropriate course of action are usually determined by the Investigating Officer(s). Decisions are based upon professional judgment, legal guidelines, statutory codes of practice and priorities set by the council and/or Central Government.

11.2 For more serious offences, where the nature of the offence points towards prosecution or simple caution, decisions about enforcement will be recommended by the relevant Director or Chief Executive and authorised and instigated by the Head of Legal and Support Services.

Details of 'Who decides what enforcement action is taken' is shown in **Appendix 2**.

12. Reconsidering a Prosecution Decision

Normally if the defendant is told that there will not be a prosecution, or that the prosecution has stopped, the case will not start again. However, they may be an occasion when the decision not to prosecute, offer a simple caution or stop a prosecution, may be overturned.

The reasons for this include:-

- Rare cases where a new look at the original decision shows that it was wrong.
- Cases which were stopped so that further evidence could be collected.
- Cases which were stopped due to lack of evidence but more significant evidence is discovered later.
- Cases involving a death in which a review following an inquest concludes that a prosecution should be brought.

13. Liaison with other regulatory bodies and enforcement agencies

13.1 Where appropriate, enforcement activities carried out by the council will be co-ordinated with other regulatory bodies and enforcement agencies to maximise the effectiveness of any enforcement.

- 13.2 In some cases, for example where there has been a work related death we will inform and liaise directly with Leicestershire Police. Joint investigations may also be undertaken with the Police and or the Health and Safety Executive. These provisions along with other matters relating to workplace health, safety and welfare are detailed within our Health & Safety Enforcement Policy available at www.nwleics.gov.uk.
- 13.3 Where an enforcement matter affects a wide geographical area beyond the district boundaries, or involves enforcement by one or more other local authorities or organisations; all relevant authorities and organisations will be informed of the matter as soon as possible and all enforcement activity co-ordinated.
- 13.4 The council shares intelligence relating to wider regulatory matters with other regulatory bodies and enforcement agencies, including:
- Government Agencies, such as the Food Standards Agency, Health and Safety Executive, Environment Agency, Civil Aviation Authority and Public Health England.
 - Police Forces, such as Leicestershire Police
 - Fire Authorities, such as Leicestershire Fire and Rescue Service
 - Public Health Laboratory Service
 - Statutory undertakers, such as Severn Trent Water
 - Other Local Authorities
 - The Safer North West Partnership
- 13.5 Where wider regulatory matters can be more effectively addressed through joint working we will, where appropriate, enter into formal 'Enforcement Liaison Protocols'.
- 13.6 Where enforcement action is being considered against a business, reference will be made to the Primary Authority Scheme.
- 13.7 Where action is being considered in cases of persistent or serious anti-social behaviour a collective decision may be made by the local Community Safety Partnership (The Safer North West Partnership)

14. Offences

- 14.1 It is the duty of enforcement officers to make sure that enforcement action is taken against the right person. In doing so they must act in the interests of justice and not solely for the purpose of obtaining a conviction.
- 14.2 The Investigating Officer(s), along with the Council's Solicitors should select the most appropriate legislation and ensure that cases are dealt with in the appropriate court which so that the prosecution
- Reflects the seriousness of the offence.
 - Gives the court adequate sentencing powers.
 - Enables the case to be presented in a clear and logical way.
- 14.3 Juveniles (persons aged 17 or under) can be served with warning letters, a Fixed penalty Notice or issued with an acceptable behaviour contract or anti-social behaviour order. Prosecutions can be brought in the Youth Court.

15. Considering the views of those affected by offences

- 15.1 The Council undertakes enforcement on behalf of the public at large and not just in the interests of any particular individual or group. However, when considering the public interest test (see section 10.1 above), the consequences for those affected by the offence, and any views they may have expressed, will, where appropriate, be taken into account.
- 15.2 Those people affected by the offence will be told about any decision that makes a significant difference to the case.

16. Actions by the Courts

- 16.1 In cases of sufficient gravity, for example where serious injury or ill health has resulted, consideration will be given to requesting that the Magistrates Court refers the case to the Crown Court where the legislation allows.
- 16.2 The existing law gives the courts considerable scope to punish offenders and to deter others. Unlimited fines and, in some cases, imprisonment may be imposed by the higher courts. The Council will continue to raise the awareness of the courts to the gravity of offences and will encourage them to make full use of their powers.
- 16.3 The Council will always seek to recover the costs of investigations which result in court proceedings.

17. Protection of Human Rights

- 17.1 This Policy and all associated enforcement decisions take account of the provisions of the Human Rights Act 1998.
- 17.2 Authorised Officers of the Council operate to a range of internal guidance documents that support the principles of primary human rights legislation, for example guidance relating to the Data Protection Act 1998 and Regulation of Investigatory Powers Act 2000. These guidance documents will be monitored by scheduled internal quality audits.

18. Publicity

- 18.1 Where appropriate, publicity will be actively sought for any enforcement action taken which could draw attention to the need to comply with the law or deter anyone else from non-compliance.
- 18.2 Information about enforcement actions will be made available on request subject to the restrictions placed on the authority by the Data Protection Act 1998 and the Freedom of information Act 2000.

19. Complaints, Appeals and Accountability

- 19.1 The Council operates a complaints procedure details of which are available on the website www.nwleics.gov.uk and in the leaflet entitled 'Have Your Say – Complaints, Comments and Compliments'

- 19.2 The mechanism for appeals against enforcement action taken will be referenced in all cases.
- 19.3 The actual service standards provided by the Council are contained in other service specific information.

20. Review of the Enforcement Policy

- 20.1 The implementation of this Policy will be monitored on an ongoing basis.
- 20.2 Every 5 years the Policy will be fully reviewed to ensure it is relevant.

Factors we consider when taking enforcement action?

Officer(s) carry out **investigations/inspections**. This can be done in response to a complaint or request for assistance, as part of routine planned inspections of business premises or survey work.

Investigating Officer discovers evidence and is satisfied that a **criminal offence** may have been committed or is about to be committed. This is called *Prima facie* evidence.

Investigating Officer considers a range of factors including:

- Previous History - whether any similar situation has been found before.
- Seriousness of the alleged offence(s), including:
 - Risks to the public or the environment
 - Any intent or recklessness of the person(s) committing the offence
 - Any obstruction of the Investigating Officer
 - Whether the alleged offence(s) are considered a special area of priority by Central Government and/or North West Leicestershire District Council
- Is their enough evidence to provide a realistic prospect of conviction
- Would any further action be in the public interest

For **LESS SERIOUS** infringements of the law and/or where there is no previous history of offences/non-compliance with legislation the following options are considered:

- **Informal Action** – verbal or written advice/warning
- **Statutory Notice** – service of a legal notice that will require certain specified action to be taken by the recipient

In all cases we will advise the alleged offender what he/she needs to do in order to comply with the law.

For **MORE SERIOUS** offences the following options will also be considered:

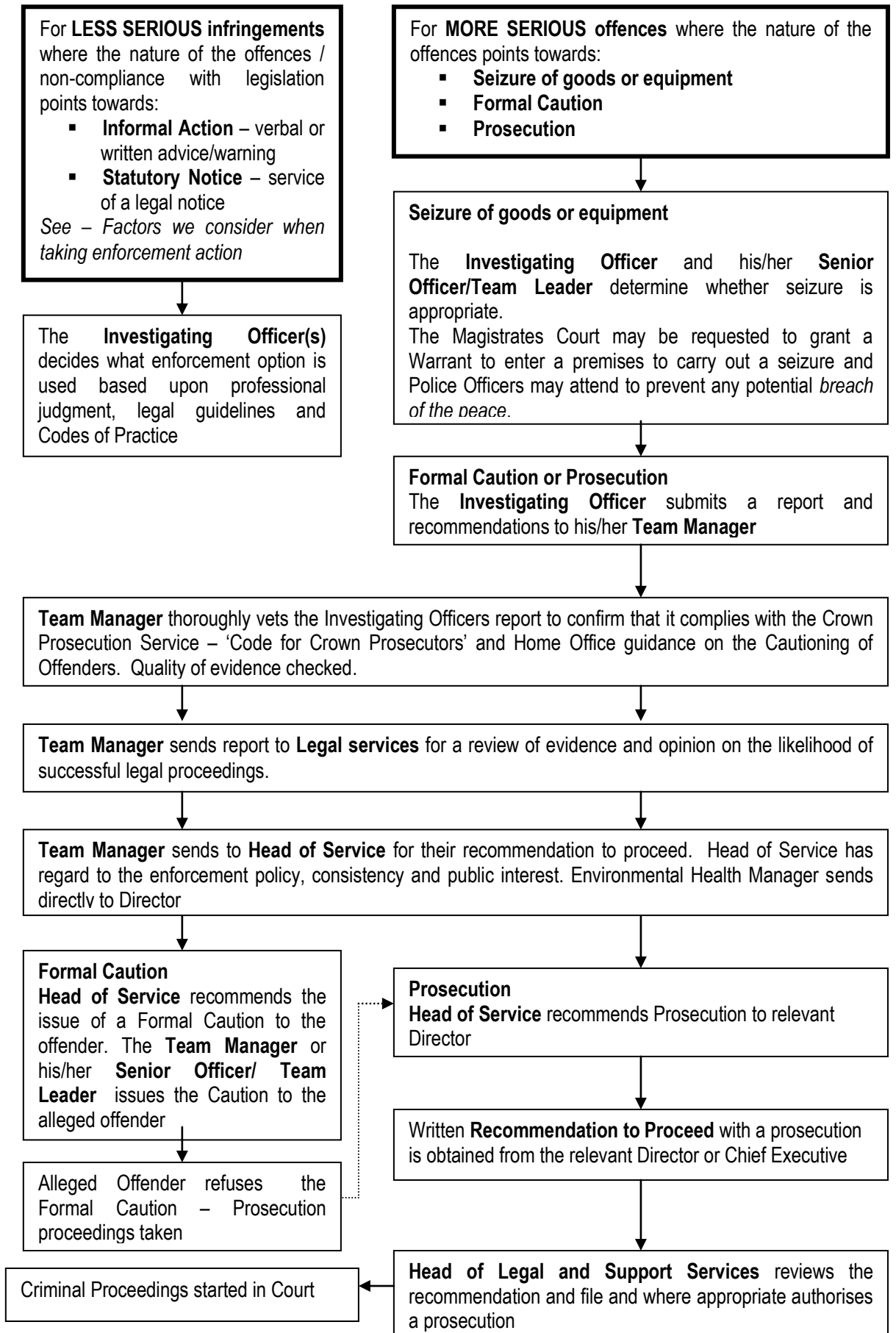
- **Seizure of goods or equipment** – In certain cases, goods or equipment may be seized to protect the public and/or employees, for example unsafe food or sound equipment being used to cause a nuisance.
- **Formal Caution** – a Formal Caution is an alternative to prosecution and can only be issued if strict criteria are met. The Home Office of Central Government sets these criteria. A Caution stays on public record for three years.
 - If a Formal Caution is offered to an offender, but he/she refuses to accept it then we may prosecute instead.
- **Prosecution** – legal proceedings are taken against the offender that results in the offender being summonsed to appear in Court. Any decision to prosecute is based upon guidelines set by the Crown Prosecution Service

In all cases the alleged offender will be informed of the matters under investigation and invited to attend a formal interview in accordance with the Police and Criminal Evidence Act 1984.

See – Who Decides What Action is taken [Appendix 2]

Appendix 2 – Council Enforcement Policy

Who decides what enforcement action is taken?



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NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

CABINET – TUESDAY, 5 FEBRUARY 2019

Title of report	PROPOSALS TO ALLOCATE THE LEISURE VAT BENEFITS FROM A FORTHCOMING CLAIM TO HMRC INTO COMMUNITY LEISURE PROVISION
Key Decision	a) Financial Yes b) Community Yes
Contacts	Councillor Alison Smith MBE Tel: 01530 835668 alison.smith@nwleicestershire.gov.uk Strategic Director of Place Tel: 01530 454555 james.arnold@nwleicestershire.gov.uk Head of Community Services Tel: 01530 454832 paul.sanders@nwleicestershire.gov.uk
Purpose of report	To provide Cabinet with indicative proposals as to how it could allocate the benefits of an impending VAT leisure reclaim towards community leisure, and the process for doing this
Reason for decision	To seek approval to progress the process
Council priorities	Homes and Communities
Implications:	Links to the Leisure Project and Health and Wellbeing Strategy (Background Paper)
Financial/Staff	Highlighted within the report
Link to relevant CAT	None
Risk Management	Will be considered as part of the project management
Equalities Impact Screening	Will be considered as part of the project management
Human Rights	None
Transformational Government	None

Comments of Head of Paid Service	Report is satisfactory
Comments of Deputy Section 151 Officer	Report is satisfactory
Comments of Monitoring Officer	Report is satisfactory
Consultees	Head of Community Services, Head of Finance, Leisure Services Team Manager, Community Focus Team Leader
Background papers	Cabinet Minutes July 2018 VAT Funding Application Form Recreation Facilities Framework 2017-2021 Health and Wellbeing Strategy 2018
Recommendations	THAT CABINET: 1.SUPPORTS THE PROPOSED PROCESS FOR ALLOCATING THE VAT RECLAIM INTO COMMUNITY LEISURE PROVISION 2. NOTES THAT IT WILL RECEIVE FURTHER REPORTS TO AWARD HIGH VALUE PACKAGES OF FUNDING ONCE APPLICATIONS PROCESSES HAVE BEEN CONCLUDED AND THE VAT BENEFIT SECURED

1.0 Background

- 1.1 A report was taken to [Cabinet in July 2018](#), informing members that, in 2017, the European Court of Justice ruled that local authorities that deliver sporting services should be exempt from Value Added Tax in a number of areas that are currently classed as vatable. In order to do this councils are required to apply for the exemption status and a decision was made at the Cabinet meeting to make a claim accordingly and the claim is due to be submitted at the end of January.
- 1.2 For North West Leicestershire District Council this means that the council should be able to reclaim VAT that has been paid over to HMRC (Her Majesty's Revenue and Customs) for the past four years. The value of VAT over this period equates to approximately £1 million. An application is currently under development and is due to be submitted to HMRC by the end of January 2019. Consultants Ernst and Young LLP have been engaged to assist the Council in making this application and the associated fees (up to £35k) will be funded by the reclaimed VAT.
- 1.3 With the development of the new leisure centre in Coalville and investment into Hood Park Leisure Centre and its future management by a leisure partner, it is recommended that this contribution be used to enhance community leisure provision that will benefit other areas of the district outside of Coalville and Ashby de la Zouch.

1.4 In order to achieve this outcome it is important to consider the strategic context of why community leisure services should be considered for this additional investment.

2.0 STRATEGIC CONTEXT

2.1 North West Leicestershire District Council is predominately a rural district, with a population of 97,200 (Census 2011). The new leisure centre will be in Coalville and will support local residents and the wider community in North West Leicestershire and the investment at Hood Park will also promote increased levels of usage as a result of significant facility reconfiguration. However, many of our communities have poor public transport and therefore having access to other local community leisure provision is essential.

2.2 In addition, there are a number of reports that support the need to provide improved leisure facilities for the wider North West Leicestershire communities as shown below including the Councils priorities focusing on health and wellbeing in the district:

- [NWL Playing Pitch Strategy 2017](#)
- [Recreation Facilities Framework 2017-2021](#)
- [Health and Wellbeing Strategy 2018](#)
- [Council Delivery Plan for 2018-19](#)

2.3 From research there are three areas which would see the greatest benefit from the reclaimed VAT as these are as follows:.

- Ibstock Community College fitness suite
- Measham Leisure Centre fitness suite
- Castle Donington leisure facilities – specifically a fitness suite, full size 3rd Generation pitch and a sports hall

These areas have been identified because of their growing population figures, they are the main centres of an existing community leisure offer, and all are in the current process of being assessed by the facility owners for options to expand their facilities.

2.4 As part of the Council Delivery Plan in 2018/19, a NWL Health and Wellbeing Strategy has been developed. The overall vision of the strategy is '**to measurably improve the health and wellbeing of all people in NWL**'. In order for Leisure Services to help contribute to the strategy vision and outcomes, an aspiration also shared by the 3 facilities, it's important that provision across the district is enhanced which will be achieved by granting funds to them.

2.5 The potential development of Measham Leisure Centre has also been significantly impacted upon through the loss of Section 106 funding due to the proposed HS2 route. Whilst we continue to help the parish council try and mitigate against this loss, the likelihood is that any financial compensation would be low and that the timescale for recompense would only allow the facility to deteriorate even further.

2.6

	Population (est 2017)	Current facilities	Additional information
Ibstock Community College gym (ICC)	6,659	Equipment in reasonable condition and the fitness suite operates out of small portacabin and only has 18 stations. It is classed as a below average facility	See Appendix A
Measham Leisure Centre (MLC)	5,497	A well used facility with a climbing wall and café and meeting room. Increasing demand on the fitness suite facilities with a growing population. The facility is small with only 15 aging fitness stations	See Appendices A and B
Castle Donington Leisure Facilities (CDC)	7,243	Facilities are used but in poor condition. Fitness suite operates out of a small portacabin and is classed as a below average facility with only 13 fitness stations. The astroturf has recently been refurbished to accommodate usage. Increasing demand on the sports facilities with a growing population. In addition limited sport facilities at neighbouring communities.	See Appendices A and C

2.7 Considering the 'NWL Sport and Recreation Facilities Audit 2017-21', there is a current unmet demand in all the aforementioned fitness suites that requires additional pieces of equipment in order to be met. More detail can be found in **Appendix A**;

Facility	ICC	MLC	CDC
Unmet Adult Population Demand (people)	174	146	368
Additional Number of Stations Required to Meet Current Demand	7	6	15

2.8 The following points should be considered alongside the table at 2.6-:

- The additional number of stations required will only satisfy current demand and does not take into account future population growth in each of the areas.
- The unmet population demand is based on residents aged 18+. As fitness suites can be used by people aged 14+, the unmet demand will be higher than stated.

2.9 It is proposed that fitness suite provision be the focus of investment from the £1 million, with other projects only being considered if there is an underspend or if fitness suite projects are not considered feasible to deliver.

3.0 PROCESS

- 3.1 In order for this contribution to be provided and monitored the intention is to follow a similar process to the process followed in releasing section 106 contributions (planning obligations). Each of the 3 sites (Measham, Ibstock, and Castle Donington) will be required to complete an application form and present a business case including costings for their proposal. It will be made clear to partners that submissions in the first instance must centre solely on fitness suite provision, and proposals will be considered by the Head of Community Services and the Team Manager of Leisure Services.
- 3.2 Any funding award made will be underpinned by a service level agreement or grant agreement.
- 3.3 The projects will be monitored and payment given once invoices have been provided. Additionally officers will ask for any social media or promotional material to include North West Leicestershire District Council as a funding partner.
- 3.4 It is not proposed to allocate set amounts to each project at this stage, but to consider each proposal on an individual case by case needs basis.
- 3.5 When potential funding amounts that are sufficient to deliver the projects successfully have been agreed, grants will be awarded either by the Strategic Director of Place under delegated powers or by Cabinet (following a further report) depending on the amount of funding proposed.

4.0 FINANCIAL BENEFITS

- 4.1 Currently NWLDC financially supports the community leisure schemes in Ibstock, Measham and Castle Donington through the following methods-:

<u>Ibstock Community College</u>	Annual funding of £15,000 Officer time to manage the facilities All income is retained by the school
<u>Measham Leisure Centre</u>	Officer time to manage the facilities All income is retained by the leisure centre
<u>Castle Donington College</u>	Officer time to manage the facilities Premises costs are paid for by NWLDC All income is retained by NWLDC

- 4.2 The total cost of delivering community leisure in 2018/19 is £111,000, excluding recharges.

4.3 It is proposed that the following financial benefits should be considered and discussed with partners as a condition of any funding award-:

<u>Ibstock Community College</u>	The annual funding of £15,000 is reduced to £0 over an agreed period of time
<u>Measham Leisure Centre</u>	The NWLDC officer managing the facilities is transferred to become a member of leisure centre staff. The current cost is approximately £10,000 per annum.
<u>Castle Donington College</u>	Additional income generated from improvements is used to offset the premises costs. It is anticipated this will be approximately £10,000 per annum.

4.4 Consequently, it is envisaged that there will be an ongoing return on investment into these projects which over a period of time will reduce revenue costs for the council by £35,000 per annum, or by over 30% based on current expenditure levels.

4.5 By developing the community leisure fitness suite provision, it is proposed that a new NWL fitness membership package be developed allowing access at any community leisure facility. This will also be considered alongside the leisure project to identify if any links with the new contractor's membership packages can be made, giving residents a much better joined up offer with significantly improved value for money for them.

5.0 RESOURCE IMPLICATIONS

5.1 Whilst there is a Community Leisure team, their capacity is fully utilised to deliver the current level of operation. It is therefore recommended that an allocation of up to £90,000 of the funding available be ringfenced to cover the cost of a 3 year Community Leisure Development Officer. Whilst the detail of the post is still to be determined, it is envisaged that this will be a 3 day per week post that will be responsible for the following-:

- Supporting partners and stakeholders in the delivery of the projects
- Developing marketing and business plans for the new facilities
- Supporting Community Leisure Managers in the delivery and sustainability of the new facilities
- To develop a new NWL fitness membership package
- Review and revise service level agreements with community leisure partners to accurately reflect community access arrangements for the new facilities

5.2 It should be noted that if Cabinet approve the allocation of the reclaim into Community Leisure, then the authority to create a new post rests with the Chief Executive as Head of Paid Service and consideration will follow the usual internal process.

6.0 FINANCIAL OVERVIEW

6.1 It is proposed the VAT reclaim (subject to final calculations and application to HMRC), is allocated to community leisure in the following manner (after paying for consultancy support costs of up to £35k associated with making the claim):

Upto £90,000	Community Leisure Development Officer
£875,000 or more	Community Leisure Fitness Suite Provision
Underspends	Other Identified Community Leisure Provision

APPENDIX A

NWL Sport and Recreation Facilities Framework 2017-2021

Ibstock Community College Health and Fitness Suite

Facility	Quality ratings	Comments
IBSTOCK LEISURE COMPLEX	Below average	Small health & fitness suite situated in standalone porta cabin.

Population	Adult Population (18+ - est 2017)	Market Penetration (12% as advised by FIA)	Fitness Provision (based on 25 users per station)	Unmet Demand	No of additional stations required to meet current demand
6,201	5,201	624	450	174	7

Measham Leisure Centre Health and Fitness Suite

Facility	Quality ratings	Comments
MEASHAM COMMUNITY AND RECREATION CENTRE	Above average	Small health & fitness suite with limited number of tired stations. Aspiration to extend and replace equipment.

Population	Adult Population (18+ - est 2017)	Market Penetration (12% as advised by FIA)	Fitness Provision (based on 25 users per station)	Unmet Demand	No of additional stations required to meet current demand
5,209	4,344	521	375	146	6

Castle Donington College Health and Fitness Suite

Facility	Quality ratings	Comments
CASTLE DONINGTON COLLEGE	Below average	Limited number of stations but in reasonable condition. Available for community use.

Population	Adult Population (18+ - est 2017)	Market Penetration (12% as advised by FIA)	Fitness Provision (based on 25 users per station)	Unmet Demand	No of additional stations required to meet current demand
6,417	5,771	693	325	368	15

NB – Additional number of stations required will only meet current demand and does not take into account future population growth within the area

Measham Leisure Centre - Proposed Works

Measham Leisure Centre is in the planning stages of a proposal to increase the size and capacity of the health fitness suite at the centre. The proposal is to build an extension onto the existing fitness suite to cater for more fitness equipment and space for conditioning exercises.

Work to increase the capacity of the fitness suite is essential to the development of the Leisure Centre at Measham. The facilities are now running at above capacity with latent (i.e un met) demand, the proposal to build new housing on Leicester Road will only increase further demand.

The proposal is:

To create a c.33 station fitness suite – currently a 15 station fitness suite.

Capacity

In 2011 Wigan Leisure and Cultural Trust (WLCT) were commissioned to undertake a latent demand survey and report back to North West Leicestershire District Council (NWLDC) their findings.

In May 2011 WLTC reported that:

- Measham Leisure Centre has the capacity for 375 members
- There is an estimated 273 members in latent demand
- 80% of the latent demand should be met there is a further 218 members
- The only way to meet the demand is to create a c33 fitness suite.

Please see below extracts from the report submitted by Wigan Leisure Trust

The purpose of the leisure facilities at Measham Community and Recreation Centre, is to support the NWLDC priority of having a healthy fulfilled population. The Council is also committed to ensuring all members of the community have equal access to the services and facilities that the council provides.

However, at present only 22% of the population of North West Leicestershire do the minimum amount of activity required to benefit their health.

The leisure centre have an active role in addressing the issues and whether they could do more to meet these priorities.

Measham Community and Recreation Centre had a latent demand report put together by Leicestershire and Rutland Sport which highlighted a significant opportunity to increase the membership at Measham Leisure Centre.

It would be necessary to invest in the Measham Leisure Centre to create a c.33 station fitness suite which can cater for the community needs.

The supply/demand model

Total estimated demand is 648

Total estimated supply is 375

Supply/demand balance = 273

Divided by 25 (average number of people per station) = 11 deficit on current population

This shows that the number of health and fitness stations across Measham is being out balanced by the total demand generated.

This is calculated using the Fitness Industry Association (FIA) 'market penetration' rate of 12% (estimated national demand in 2009 State of the UK Fitness Industry Report) is used to calculate demand in adult population.

Future Demand

There are no changes in the quantity of supply identified during the consultation within assessment. It would be important however to give consideration to deterioration in quality though over time, particularly for those facilities already assessed as below average, or poor quality. With the development of 300 houses on Leicester Road and Measham population predicted to increase population by circa 1410 between 2015 to 2031. The scenario testing below shows what this increased demand would increase the deficit already identified in the community.

- Current supply/demand = -273
- Future demand = 1,410 x 12% (penetration rate) = 169
- Therefore current supply/demand + future demand = -442
- Divided by 25 = -18 stations (deficit)

This shows that with the development taking place within the community that the total number of health and fitness stations across Measham is being out balanced by the total demand generated.

Supply/Demand balance

Total estimated demand = 11,220 people

Total estimated supply = 8,450 people

Supply/Demand balance = -2770 people

Divided by 25 = -111 stations (deficit). This shows that the total number of health and fitness stations / suites across North West Leicestershire is being outbalanced by the total demand generated.

North West Leicestershire Facilities Framework

Leicestershire and Rutland Sport have produced a facilities framework for North West Leicestershire which identifies what facilities are available in the area and any specific findings for the area related to needs and demand.

One specific objective identified for North West Leicestershire within the plan is to: Seek to deliver the infrastructure needs of the area, including Green Infrastructure, where reasonable to do so and where consistent with delivering sustainable development. It has been identified that the health and fitness facility within Measham Leisure Centre is too small with stations extremely close to each other causing capacity problems, therefore by extending the health and fitness this will support the above objective.

A further objective that the health and fitness suite extension will meet is to: Deliver high quality developments that meet national standards and are of high architectural quality. This objective will be met by the proposed extension of the health and fitness suite, improving upon the facility which is already in place. The first objective of promoting the health and wellbeing of the districts population will also be supplemented by the extension of the health and fitness suite by supporting the need for more fitness stations within the district and specifically within Measham. The plan also identifies how the health and fitness suite is small and as a result has a limited number of stations, as a result of this it identifies how it is a high priority to secure funding for the proposed extension of the health and fitness suite in order to increase the size and improve upon the tired gym equipment.

Currently there is a shortfall of circa 111 fitness stations in North West Leicestershire. There will only be a further deficit with a projected population increase of around 19,000 by 2031, therefore an extension to the Health and Fitness suite at Measham will decrease this identified deficit.

Measham Information

When looking at the Indices of Multiple Deprivation score for Measham South this shows us that the ward is amongst the most deprived in North West Leicestershire, this is the ward for which the leisure centre is located. By extending the gym at Measham Leisure Centre more people within the ward of Measham South will have access and be able to use the facility meaning that deprivation of facilities/services will be decreased. Measham Leisure Centre also operates the Leisure Link membership service which offers discounts to individuals on benefits this will be particularly beneficial to those who suffer specifically from income deprivation for which Measham South ranks as one of the highest in the district. Measham South also has a high percentage of retired population at 20.5% for which again the leisure link offer and an increased capacity will be beneficial for. The 'pay and play' offer provided by Measham Leisure Centre which results in individuals being able to use services without a membership will also be beneficial for those residents who don't want to commit to a membership.

There is also the wider potential benefit associated as a result of the proposed extension that the residents of Measham South will be fitter and be in better health as a result. 6.6% of the population in Measham South consider themselves to be of bad or very bad health, this compares to 5.1% in NW Leics and 5.6% in East Midlands. An extension to the gym at the Leisure Centre will result in more people being able to use the gym at peak times and more people likely to be encouraged to use their local facility.

A section taken from “Castle Donington Parish Council, Sport And Leisure Feasibility Study, Draft Report, May 2015”

EXECUTIVE SUMMARY

This is the Executive Summary of Castle Donington Parish Council’s sport and leisure feasibility study, developed by Knight Kavanagh and Page (KKP). We would like to thank the Parish Council and its partners for their support in developing the study and the insight they have provided to the consultant team.

Purpose

The purpose of the study is to assess the needs for new or enhanced sport and leisure facilities within the parish to meet the needs of:

- ◀ A growing Castle Donington population.
- ◀ Increased demand for sports facilities given the projected increase in population.
- ◀ An increase in the number of houses within the parish boundary; anticipated to be in the region of 50%.

The study has been developed in partnership with a range of agencies including the Parish Council, Castle Donington College, North West Leicestershire Council, Leicester-shire and Rutland Sport, a range of national governing bodies of sport (NGBs) and local clubs.

Context

The key themes to be considered within the study were as follows:

- ◀ A credible evidence base of need within the local and wider community to support future decisions on new facilities for sport and physical activity together with any future opportunities for improved partnership working between partners and stakeholders.
- ◀ The outputs from the feasibility study will both provide a robust evidence base to support public scrutiny of the use of the developers’ contributions and provide evidence to support future funding applications for new or upgraded facility provision.
- ◀ Assess effectiveness of the current and planned facility stock and "community offer" made by other relevant sectors (education, voluntary, private etc.).

The study provides KKP’s detailed and independent insight into the development of sport and leisure facilities within Castle Donington. This is based on our expertise and experience of undertaking similar studies across the country.

Outcomes

The key outcomes that the Parish Council is looking to achieve from the investment in sports facilities within the community can be articulated as follows:

- ◀ Enabling residents to be healthy and lead an active lifestyle.
- ◀ Increasing participation within sport and physical activity and in particular within the existing sports clubs in the community.
- ◀ Enabling additional sports clubs to develop and offer a wider breadth of club activities for residents.
- ◀ Ensuring facilities are accessible and affordable to the whole community.

Vision

The vision for Castle Donington is to develop a new indoor and outdoor sports facility on the college site which includes:

- ◀ A 4 court sports hall
- ◀ 50 station health and fitness facility
- ◀ A full size floodlit 3G pitch.

Its location on the college site seeks to ensure the continued use of the existing college sports facilities as well as the opportunity for public daytime access which does not interfere with the operation of the college. The development of the sports block results in the loss of the 5-a-side pitches and it has not assumed that these will be replaced. The 3G pitch will be used primarily for school use and then for club training and fixtures as well as recreational adult football.

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Agenda Item 17.

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